

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

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BILL 10

LLS NO. 24-0392.01 Pierce Lively x2059

INTERIM COMMITTEE BILL

Legislative Oversight Committee Concerning Tax Policy

BILL TOPIC: Senior Housing Income Tax Credit

A BILL FOR AN ACT

101 **CONCERNING THE REINSTATEMENT OF AN INCOME TAX CREDIT TO**
102 **HELP INCOME-QUALIFIED SENIORS AFFORD HOUSING.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Legislative Oversight Committee Concerning Tax Policy.
Section 2 of the bill reinstates a refundable income tax credit (credit) that was available for the income tax year commencing on January 1, 2022, so that the credit is available for the income tax year commencing on January 1, 2024, and is available in a different amount to joint-filers. The credit is for a qualifying senior, which means a resident individual who:

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

- Is 65 years of age or older at the end of 2024;
- Has federal adjusted gross income (AGI) that is less than or equal to \$75,000 if filing a single return, or less than or equal to \$150,000 if filing a joint return; and
- Has not claimed the senior property tax exemption for the 2024 property tax year.

The amount of the credit is:

- \$1,000 for a qualifying senior filing a single return with federal AGI that is \$25,000 or less. For every \$500 of AGI above \$25,000, the amount of the credit is reduced by \$10.
- \$1,000 for a qualifying senior filing a joint return with another individual who is not a qualifying senior with federal AGI that is \$50,000 or less. For every \$500 of AGI above \$50,000, the amount of the credit is reduced by \$10.
- \$2,000 for a qualifying senior filing a joint return with another qualifying senior with federal AGI that is \$50,000 or less. For every \$500 of AGI above \$50,000, the amount of the credit is reduced by \$10.

Notwithstanding the income-based reductions in the allowable credit amount, a taxpayer who also qualifies for a property tax and rent assistance grant or heat assistance grant during calendar year 2024 is eligible to receive the full credit amount.

Section 1 of the bill requires the property tax administrator to provide reports from counties related to taxpayers who are eligible for and actually claim the homestead property tax exemption.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 39-3-207, **add** (8) as
3 follows:

4 **39-3-207. Reporting of exemptions - reimbursement to local**
5 **governmental entities - repeal.** (8) (a) ON OR BEFORE DECEMBER 1,
6 2024, THE ADMINISTRATOR SHALL PROVIDE A REPORT TO THE
7 DEPARTMENT OF REVENUE WITH THE NAMES AND SOCIAL SECURITY
8 NUMBERS OF ALL APPLICANTS ELIGIBLE FOR THE EXEMPTION FOR THE
9 PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2023, BASED ON THE
10 ADMINISTRATOR'S EXAMINATION UNDER SUBSECTION (2) OF THIS SECTION
11 OF THE REPORTS RECEIVED IN ACCORDANCE WITH SUBSECTION (1) OF THIS

1 SECTION.

2 (b) ON OR BEFORE APRIL 1, 2025, THE ADMINISTRATOR SHALL
3 PROVIDE A REPORT TO THE DEPARTMENT OF REVENUE WITH THE NAMES
4 AND SOCIAL SECURITY NUMBERS OF ALL TAXPAYERS ENTITLED TO THE
5 EXEMPTION FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
6 2024, BASED ON THE ADMINISTRATOR'S EXAMINATION UNDER SUBSECTION
7 (3.5) OF THIS SECTION OF THE REPORTS RECEIVED IN ACCORDANCE WITH
8 SUBSECTION (3) OF THIS SECTION.

9 (c) THIS SUBSECTION (8) IS REPEALED, EFFECTIVE JULY 1, 2025.

10 **SECTION 2.** In Colorado Revised Statutes, 39-22-544, **amend**
11 (3), (4)(a), and (4)(c); **repeal** (2)(b); and **add** (4.5) as follows:

12 **39-22-544. Credit against tax - qualifying seniors - creation -**
13 **legislative declaration - definitions.** (2) As used in this section, unless
14 the context otherwise requires:

15 (b) ~~"Qualifying senior" means a resident individual who:~~

16 (I) ~~Is sixty-five years of age or older at the end of 2022;~~

17 (II) ~~Has a federal adjusted gross income that is less than or equal~~
18 ~~to seventy-five thousand dollars for the income tax year commencing on~~
19 ~~January 1, 2022; and~~

20 (III) ~~Has not claimed a property tax exemption under section~~
21 ~~39-3-203 for the property tax year commencing on January 1, 2022.~~

22 (3) (a) (I) For the income tax year commencing on January 1,
23 2022, a qualifying senior is allowed a credit against the tax imposed by
24 this article 22 in an amount set forth in subsection (4) of this section.

25 (II) AS USED IN THIS SUBSECTION (3)(a), "QUALIFYING SENIOR"
26 MEANS A RESIDENT INDIVIDUAL WHO:

27 (A) IS SIXTY-FIVE YEARS OF AGE OR OLDER AT THE END OF 2022;

1 (B) HAS A FEDERAL ADJUSTED GROSS INCOME THAT IS LESS THAN
2 OR EQUAL TO SEVENTY-FIVE THOUSAND DOLLARS FOR THE INCOME TAX
3 YEAR COMMENCING ON JANUARY 1, 2022; AND

4 (C) HAS NOT CLAIMED A PROPERTY TAX EXEMPTION UNDER
5 SECTION 39-3-203 FOR THE PROPERTY TAX YEAR COMMENCING ON
6 JANUARY 1, 2022.

7 (b) (I) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
8 2024, A QUALIFYING SENIOR IS ALLOWED A CREDIT AGAINST THE TAX
9 IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT SET FORTH IN SUBSECTION
10 (4.5) OF THIS SECTION.

11 (II) AS USED IN THIS SUBSECTION (3)(b), "QUALIFYING SENIOR"
12 MEANS A RESIDENT INDIVIDUAL WHO:

13 (A) IS SIXTY-FIVE YEARS OF AGE OR OLDER AT THE END OF 2024;

14 (B) HAS, FOR THE INCOME TAX YEAR COMMENCING ON JANUARY
15 1, 2024, A FEDERAL ADJUSTED GROSS INCOME LESS THAN OR EQUAL TO
16 SEVENTY-FIVE THOUSAND DOLLARS FOR AN INDIVIDUAL FILING A SINGLE
17 RETURN, OR HAS A FEDERAL ADJUSTED GROSS INCOME LESS THAN OR
18 EQUAL TO ONE HUNDRED FIFTY THOUSAND DOLLARS FOR AN INDIVIDUAL
19 FILING A JOINT RETURN; AND

20 (C) HAS NOT CLAIMED A PROPERTY TAX EXEMPTION UNDER
21 SECTION 39-3-203 FOR THE PROPERTY TAX YEAR COMMENCING ON
22 JANUARY 1, 2024.

23 (4) (a) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
24 2022, THE AMOUNT OF THE CREDIT IS ONE THOUSAND DOLLARS FOR A QUALIFYING
25 SENIOR WITH FEDERAL ADJUSTED GROSS INCOME THAT IS TWENTY-FIVE THOUSAND
26 DOLLARS OR LESS. FOR EVERY FIVE HUNDRED DOLLARS OF ADJUSTED GROSS INCOME
27 ABOVE TWENTY-FIVE THOUSAND DOLLARS, THE AMOUNT OF THE CREDIT IS REDUCED

1 by ten dollars.

2 (b) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
3 2022, the credit is the same whether it is claimed by one taxpayer filing
4 a single return or two taxpayers filing a joint return. In the case of two
5 taxpayers who share the same primary residence and who may legally file
6 a joint return but actually file separate returns, both taxpayers may claim
7 the credit, but the maximum credit for each is five hundred dollars and,
8 for every five hundred dollars of adjusted gross income above twenty-five
9 thousand dollars, the amount of the credit is reduced by five dollars.

10 (c) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
11 2022, notwithstanding subsections (4)(a) and (4)(b) of this section, a
12 taxpayer who also qualifies for a grant under article 31 of this title 39
13 during calendar year 2022 is eligible to receive the full credit without an
14 income-based reduction that otherwise applies for the taxpayer under
15 subsection (4)(a) or (4)(b) of this section.

16 (4.5) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
17 2024:

18 (a) IN THE CASE OF TWO QUALIFYING SENIORS FILING A JOINT
19 RETURN, THE AMOUNT OF THE CREDIT IS TWO THOUSAND DOLLARS, IF THE
20 QUALIFYING SENIOR FILING A JOINT RETURN HAS A FEDERAL ADJUSTED
21 GROSS INCOME THAT IS FIFTY THOUSAND DOLLARS OR LESS. FOR EVERY
22 FIVE HUNDRED DOLLARS OF ADJUSTED GROSS INCOME ABOVE FIFTY
23 THOUSAND DOLLARS, THE AMOUNT OF THE CREDIT IS REDUCED BY TEN
24 DOLLARS.

25 (b) IN THE CASE OF TWO TAXPAYERS FILING A JOINT RETURN
26 WHERE ONLY ONE OF THE TAXPAYERS IS A QUALIFYING SENIOR, THE
27 AMOUNT OF THE CREDIT IS ONE THOUSAND DOLLARS, IF THE QUALIFYING

1 SENIOR FILING A JOINT RETURN HAS A FEDERAL ADJUSTED GROSS INCOME
2 THAT IS FIFTY THOUSAND DOLLARS OR LESS. FOR EVERY FIVE HUNDRED
3 DOLLARS OF ADJUSTED GROSS INCOME ABOVE FIFTY THOUSAND DOLLARS,
4 THE AMOUNT OF THE CREDIT IS REDUCED BY TEN DOLLARS.

5 (c) IN THE CASE OF A QUALIFYING SENIOR WHO FILES A SEPARATE
6 RETURN, REGARDLESS OF WHETHER THE QUALIFYING SENIOR SHARES THE
7 SAME PRIMARY RESIDENCE AS ANOTHER QUALIFYING SENIOR AND MAY
8 LEGALLY FILE A JOINT RETURN, THE AMOUNT OF THE CREDIT IS ONE
9 THOUSAND DOLLARS FOR A QUALIFYING SENIOR WITH FEDERAL ADJUSTED
10 GROSS INCOME THAT IS TWENTY-FIVE THOUSAND DOLLARS OR LESS. FOR
11 EVERY FIVE HUNDRED DOLLARS OF ADJUSTED GROSS INCOME ABOVE
12 TWENTY-FIVE THOUSAND DOLLARS, THE AMOUNT OF THE CREDIT IS
13 REDUCED BY TEN DOLLARS.

14 (d) NOTWITHSTANDING SUBSECTIONS (4.5)(a), (4.5)(b), AND
15 (4.5)(c) OF THIS SECTION, A TAXPAYER WHO ALSO QUALIFIES FOR A GRANT
16 UNDER ARTICLE 31 OF THIS TITLE 39 DURING CALENDAR YEAR 2024 IS
17 ELIGIBLE TO RECEIVE THE FULL CREDIT WITHOUT AN INCOME-BASED
18 REDUCTION THAT OTHERWISE APPLIES FOR THE TAXPAYER PURSUANT TO
19 SUBSECTIONS (4.5)(a), (4.5)(b), AND (4.5)(c) OF THIS SECTION.

20 **SECTION 3. Act subject to petition - effective date.** This act
21 takes effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly; except
23 that, if a referendum petition is filed pursuant to section 1 (3) of article V
24 of the state constitution against this act or an item, section, or part of this
25 act within such period, then the act, item, section, or part will not take
26 effect unless approved by the people at the general election to be held in

- 1 November 2024 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.