

First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

DRAFT  
9.2.22

BILL 5

LLS NO. 23-0126.01 Pierce Lively x2059

INTERIM COMMITTEE BILL

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Legislative Oversight Committee Concerning Tax Policy

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**BILL TOPIC: "Credit For Child Care Facilities"**

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**A BILL FOR AN ACT**

101 CONCERNING A LIMITATION ON THE TYPES OF CONTRIBUTIONS THAT  
102 QUALIFY FOR THE CHILD CARE CONTRIBUTION STATE INCOME  
103 TAX CREDIT.

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**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.** The child care contribution state income tax credit currently allows a state income tax credit to be claimed for certain contributions to both nonprofit organizations and for-profit businesses. The bill modifies the credit so that it may only be claimed for contributions to nonprofit organizations.

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

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

2           **SECTION 1.** In Colorado Revised Statutes, 39-22-121, **amend**  
3 (2)(a) and (4) as follows:

4           **39-22-121. Credit for child care facilities - repeal.**

5 (2) Monetary contributions to promote child care in the state must  
6 include the following types of contributions:

7           (a) Donating money for the establishment or operation of a  
8 NONPROFIT ORGANIZATION child care facility that uses the donation to  
9 provide child care, a NONPROFIT ORGANIZATION child care program that  
10 is not a child care facility but provides child care services similar to those  
11 provided by a child care center, as defined in sections 26-6-903 and  
12 26.5-5-303, or any other NONPROFIT ORGANIZATION program that received  
13 donations for which a credit was allowed to the donor pursuant to this  
14 section for any income tax year that ended before January 1, 2004, in the  
15 state;

16           (4) (a) When a contribution for which a credit is claimed pursuant  
17 to this section is made to a for-profit business, such contribution shall be  
18 directly invested by the business for the acquisition or improvement of  
19 facilities, equipment, or services, including the improvement of staff  
20 salaries, staff training, or the quality of child care.

21           (b) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JANUARY 1,  
22 2029.

23           **SECTION 2. Effective date - applicability.** This act takes effect  
24 upon passage and applies to monetary contributions made on or after  
25 January 1, 2023, to promote child care in the state.

26           **SECTION 3. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.