

CHAPTER 137

TAXATION

SENATE BILL 97-045

BY SENATORS Alexander, Norton, Tanner, Arnold, Bishop, Chlouber, Dennis, Hernandez, Johnson, Linkhart, Martinez, Matsunaka, Pascoe, Phillips, Powers, Rupert, Schroeder, and Tebedo;
also REPRESENTATIVES Allen, C. Berry, Keller, Gotlieb, Piffner, Tupa, S. Williams, and Young.

AN ACT

CONCERNING AN ADJUSTMENT TO COLORADO TAXABLE INCOME TO EXCLUDE FROM SUCH INCOME THE PORTION ATTRIBUTABLE TO CERTAIN INCOME OF A DISTRIBUTION UNDER A QUALIFIED STATE TUITION PROGRAM THAT IS DISTRIBUTED FOR THE PURPOSE OF MEETING QUALIFIED HIGHER EDUCATION EXPENSES.

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

SECTION 1. 39-22-104 (4), Colorado Revised Statutes, 1994 Repl. Vol., is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

39-22-104. Income tax imposed on individuals, estates, and trusts - single rate. (4) There shall be subtracted from federal taxable income:

(i) FOR INCOME TAX YEARS COMMENCING ON AND AFTER JANUARY 1, 1998, AN AMOUNT EQUAL TO THE PORTION ATTRIBUTABLE TO INTEREST AND OTHER INCOME OF A DISTRIBUTION UNDER A QUALIFIED STATE TUITION PROGRAM THAT IS DISTRIBUTED FOR THE PURPOSE OF MEETING QUALIFIED HIGHER EDUCATION EXPENSES OF A DESIGNATED BENEFICIARY, TO THE EXTENT SUCH AMOUNT IS INCLUDED IN FEDERAL TAXABLE INCOME. AS USED IN THIS PARAGRAPH (i), "DESIGNATED BENEFICIARY" MEANS A DESIGNATED BENEFICIARY AS DEFINED IN SECTION 529 (e) (1) OF THE INTERNAL REVENUE CODE, "QUALIFIED STATE TUITION PROGRAM" MEANS A QUALIFIED STATE TUITION PROGRAM AS DEFINED IN SECTION 529 (b) OF THE INTERNAL REVENUE CODE, AND "QUALIFIED HIGHER EDUCATION EXPENSES" MEANS QUALIFIED HIGHER EDUCATION EXPENSES AS DEFINED IN SECTION 529 (e) (3) OF THE INTERNAL REVENUE CODE.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

SECTION 2. Effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: April 24, 1997