AN ACT

CONCERNING A CREDIT AGAINST THE STATE INCOME TAX FOR CONTRIBUTIONS TO PROMOTE CHILD CARE IN THE STATE.

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

SECTION 1. Part 1 of article 22 of title 39, Colorado Revised Statutes, is amended by the addition of a new section to read:

39-22-121. Credit for child care facilities - repeal. (1) For income tax years commencing on or after January 1, 1999, any taxpayer who makes a monetary or in-kind contribution to promote child care in the state shall be allowed a credit against the income tax imposed by article 22 of this title in an amount equal to twenty-five percent of the total value of the contribution except as otherwise provided in subsection (4) of this section.

(2) Monetary or in-kind contributions to promote child care in the state shall include the following types of contributions:

(a) Donating money, real estate, or property for the establishment or operation of a child care facility or program in the state;

(b) Donating money to establish a grant or loan program for a parent or parents in the state requiring financial assistance for child care;

(c) Pooling moneys of several businesses and donating such moneys for the establishment of a child care facility in the state;

(d) Donating money for the training of child care providers in the state;

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

(e) Donating money, services, or equipment for the establishment of an information dissemination program in the state to provide information and referral services to assist a parent or parents in obtaining child care.

(3) In no event shall credits be allowed pursuant to this section for contributions that are not directly related to promoting child care in the state or for contributions that a taxpayer makes to a child care facility in which the taxpayer or a person related to the taxpayer has a financial interest.

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

(5) The credit allowed by this section shall not exceed one hundred thousand dollars or the taxpayer’s actual income tax liability for the tax year for which the credit is claimed, whichever is less. In-kind contributions shall not exceed fifty percent of the total amount of the credit claimed for a given tax year.

(6) If the amount of the credit allowed pursuant to the provisions of this section exceeds the amount of income taxes otherwise due on the taxpayer’s income in the income tax year for which the credit is being claimed, the amount of the credit not used as an offset against income taxes in said income tax year may be carried forward and used as a credit against subsequent years’ income tax liability for a period not to exceed five years and shall be applied first to the earliest income tax years possible. Any credit remaining after said period shall not be refunded or credited to the taxpayer.

(7) This section is repealed, effective January 1, 2005.

SECTION 2. 39-30-103.5 (2), Colorado Revised Statutes, is amended to read:

39-30-103.5. Credit against tax - contributions to enterprise zone administrators to implement economic development plans - repeal. (2) (a) For income tax years commencing prior to January 1, 1999, monetary or in-kind contributions to promote child care in enterprise zones shall be deemed to be for the purpose of implementing the economic development plan for the enterprise zone and shall include but shall not be limited to the following types of contributions:

(a) (I) Donating money, real estate, or property to the enterprise zone for the establishment of a child care facility;

(a) (II) Donating money to the enterprise zone to establish a grant or loan program for a parent or parents requiring financial assistance for child care;
(e) (III) Pooling moneys of several businesses and donating such moneys to the enterprise zone for the establishment of a child care facility;

(f) (IV) Donating money to the enterprise zone for the training of child care providers; and

(f) (V) Donating money, services, or equipment to the enterprise zone for the establishment of an information dissemination program to provide information and referral services to assist a parent or parents in obtaining child care.

(b) NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY, NOTHING IN THIS SUBSECTION (2) SHALL BE CONSTRUED TO LIMIT THE ABILITY OF A TAXPAYER TO CLAIM A CREDIT UNDER THIS SUBSECTION (2) FOR CONTRIBUTIONS MADE ON OR AFTER JANUARY 1, 1999, PURSUANT TO THE TERMS OF AN AGREEMENT ENTERED INTO PRIOR TO SUCH DATE BETWEEN THE TAXPAYER AND AN ENTERPRISE ZONE ADMINISTRATOR.

SECTION 3. 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: June 2, 1998