

## CHAPTER 237

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**TAXATION**

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**HOUSE BILL 99-1003**

BY REPRESENTATIVES McElhany, Dean, Johnson, May, McKay, McPherson, Nunez, Swenson, Allen, Chavez, Clapp, Clarke, Coleman, Decker, Fairbank, Grossman, Hagedorn, Larson, Lawrence, Leyba, Mace, Miller, Mitchell, Paschall, Pfiffner, Plant, Spence, Stengel, Scott, Tapia, Tupa, Vigil, S. Williams, T. Williams, Witwer, and Zimmerman;  
also SENATORS Arnold, Anderson, Andrews, Blickensderfer, Chlouber, Congrove, Dennis, Dyer, Epps, Evans, Feeley, Hernandez, Hillman, Lacy, Lamborn, Martinez, Matsunaka, Musgrave, Nichol, Owen, Pascoe, Perlmutter, Phillips, Powers, Reeves, Rupert, Sullivant, Tanner, Tebedo, Teck, Wattenberg, Wedding, and Wham.

**AN ACT**

CONCERNING THE ELIMINATION OF THE STATE INCOME TAX MARRIAGE PENALTY.

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

**SECTION 1.** 39-22-104 (3) (d), Colorado Revised Statutes, is amended to read:

**39-22-104. Income tax imposed on individuals, estates, and trusts - single rate.** (3) There shall be added to federal taxable income:

(d) (I) For income tax years beginning on and after January 1, 1992, for those taxpayers who deduct state income taxes pursuant to section 164 (a) (3) of the internal revenue code, an amount equal to the deduction claimed; except that such amount shall be limited to the amount required to reduce the federal itemized amount computed under section 161 of the internal revenue code to the amount of the standard deduction allowable under section 63 (c) of the internal revenue code.

(II) FOR INCOME TAX YEARS BEGINNING ON OR AFTER JANUARY 1, 2000, FOR TWO INDIVIDUALS WHOSE FEDERAL TAXABLE INCOME IS DETERMINED ON A JOINT FEDERAL RETURN AND WHO DEDUCT STATE INCOME TAXES PURSUANT TO SECTION 164 (a) (3) OF THE INTERNAL REVENUE CODE, AN AMOUNT EQUAL TO THE DEDUCTION CLAIMED; EXCEPT THAT SUCH AMOUNT SHALL BE LIMITED TO THE AMOUNT REQUIRED TO REDUCE THE FEDERAL ITEMIZED AMOUNT COMPUTED UNDER SECTION 161 OF THE INTERNAL REVENUE CODE TO AN AMOUNT EQUAL TO DOUBLE THE AMOUNT OF THE BASIC STANDARD DEDUCTION ALLOWABLE UNDER SECTION 63 (c) (2) OF THE INTERNAL REVENUE CODE IN THE CASE OF AN INDIVIDUAL FEDERAL RETURN FOR AN INDIVIDUAL WHO IS NOT THE HEAD OF A HOUSEHOLD.

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*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.** 39-22-104 (4), Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW PARAGRAPHS to read:

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

(j) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2000, FOR TWO INDIVIDUALS WHOSE FEDERAL TAXABLE INCOME IS DETERMINED ON A JOINT FEDERAL RETURN AND WHO CLAIM THE BASIC STANDARD DEDUCTION ALLOWABLE UNDER SECTION 63 (c) (2) OF THE INTERNAL REVENUE CODE, AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN AN AMOUNT EQUAL TO DOUBLE THE AMOUNT OF THE BASIC STANDARD DEDUCTION ALLOWABLE UNDER SECTION 63 (c) (2) OF THE INTERNAL REVENUE CODE IN THE CASE OF AN INDIVIDUAL FEDERAL RETURN FOR AN INDIVIDUAL WHO IS NOT THE HEAD OF A HOUSEHOLD AND THE AMOUNT OF THE BASIC STANDARD DEDUCTION ALLOWABLE UNDER SECTION 63 (c) (2) OF THE INTERNAL REVENUE CODE IN THE CASE OF A JOINT FEDERAL RETURN.

(k) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2000, FOR TWO INDIVIDUALS WHOSE FEDERAL TAXABLE INCOME IS DETERMINED ON A JOINT FEDERAL RETURN AND WHO CLAIM ITEMIZED DEDUCTIONS IN AN AMOUNT THAT IS GREATER THAN THE AMOUNT OF THE BASIC STANDARD DEDUCTION ALLOWABLE UNDER SECTION 63 (c) (2) OF THE INTERNAL REVENUE CODE IN THE CASE OF A JOINT FEDERAL RETURN, BUT LESS THAN DOUBLE THE AMOUNT OF THE BASIC STANDARD DEDUCTION ALLOWABLE UNDER SECTION 63 (c) (2) OF THE INTERNAL REVENUE CODE IN THE CASE OF AN INDIVIDUAL FEDERAL RETURN FOR AN INDIVIDUAL WHO IS NOT THE HEAD OF A HOUSEHOLD, AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN AN AMOUNT EQUAL TO DOUBLE THE AMOUNT OF SUCH BASIC STANDARD DEDUCTION ALLOWABLE IN THE CASE OF AN INDIVIDUAL FEDERAL RETURN FOR AN INDIVIDUAL WHO IS NOT THE HEAD OF A HOUSEHOLD AND THE AMOUNT OF THE ITEMIZED DEDUCTIONS CLAIMED BY THE RESIDENT INDIVIDUALS.

**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: May 27, 1999