

CHAPTER 329

TAXATION

HOUSE BILL 99-1246

BY REPRESENTATIVES Tate, Saliman, Alexander, Allen, Bacon, Berry, Chavez, Clarke, Coleman, Decker, Gagliardi, Gordon, Gottlieb, Grossman, Hagedorn, Kaufman, Keller, Larson, Lawrence, Leyba, Mace, Miller, Morrison, Plant, Ragsdale, Spradley, Takis, Tapia, Taylor, Tochtrop, Tool, Tupa, Veiga, Vigil, S. Williams, T. Williams, Windels, and Zimmerman;
also SENATORS Owen, Chlouber, Congrove, Epps, Evans, Feeley, Hernandez, Martinez, Matsunaka, Musgrave, Pascoe, Rupert, Tanner, and Tebedo.

AN ACT

CONCERNING A STATE INCOME TAX CREDIT FOR LONG-TERM CARE INSURANCE.

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:

39-22-122. Long-term care insurance credit. (1) ANY RESIDENT INDIVIDUAL WHO INCURS AN EXPENSE IN PURCHASING OR MAKING A PAYMENT UPON A POLICY OF LONG-TERM CARE INSURANCE FOR THE INDIVIDUAL OR THE INDIVIDUAL'S SPOUSE SHALL BE ALLOWED A CREDIT AGAINST THE INCOME TAXES DUE ON THE INDIVIDUAL'S INCOME UNDER THIS ARTICLE. THE CREDIT SHALL BE AN AMOUNT EQUAL TO TWENTY-FIVE PERCENT OF THE AMOUNT EXPENDED FOR SUCH INSURANCE DURING THE TAXABLE YEAR FOR WHICH THE CREDIT IS CLAIMED. FOR THE PURPOSES OF THIS SECTION, "LONG-TERM CARE INSURANCE" SHALL HAVE THE SAME MEANING AS IN SECTION 10-19-103 (5), C.R.S.

(2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION TO THE CONTRARY, A CREDIT SHALL ONLY BE ALLOWED TO:

(a) AN INDIVIDUAL FILING A SINGLE RETURN WITH A FEDERAL TAXABLE INCOME OF LESS THAN FIFTY THOUSAND DOLLARS FOR THE TAX YEAR FOR WHICH THE CREDIT IS CLAIMED;

(b) TWO INDIVIDUALS FILING A JOINT RETURN WITH A FEDERAL TAXABLE INCOME OF LESS THAN FIFTY THOUSAND DOLLARS FOR THE TAX YEAR FOR WHICH THE CREDIT

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

IS CLAIMED IF CLAIMING THE CREDIT FOR ONE POLICY; OR

(c) TWO INDIVIDUALS FILING A JOINT RETURN WITH A FEDERAL TAXABLE INCOME OF LESS THAN ONE HUNDRED THOUSAND DOLLARS FOR THE TAX YEAR FOR WHICH THE CREDIT IS CLAIMED IF CLAIMING THE CREDIT FOR TWO POLICIES.

(3) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION TO THE CONTRARY, THE AMOUNT OF CREDIT CLAIMED PURSUANT TO THIS SECTION SHALL NOT EXCEED ONE HUNDRED AND FIFTY DOLLARS FOR EACH POLICY FOR WHICH A CREDIT IS CLAIMED PURSUANT TO THIS SECTION.

(4) IF THE CREDIT ALLOWED UNDER SUBSECTION (1) OF THIS SECTION EXCEEDS THE INCOME TAXES DUE ON THE RESIDENT INDIVIDUAL'S INCOME, THE AMOUNT OF THE CREDIT NOT USED TO OFFSET INCOME TAXES SHALL NOT BE CARRIED FORWARD AS TAX CREDITS AGAINST THE RESIDENT INDIVIDUAL'S SUBSEQUENT YEARS' INCOME TAX LIABILITY AND SHALL NOT BE REFUNDED TO THE INDIVIDUAL.

(5) ANY CREDIT ALLOWED PURSUANT TO THE PROVISIONS OF THIS SECTION SHALL BE PUBLISHED IN RULES PROMULGATED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S., AND SHALL BE INCLUDED IN INCOME TAX FORMS FOR THAT TAXABLE YEAR.

SECTION 2. Effective date - applicability. (1) 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.

(2) The provisions of this act shall apply to income tax years commencing on and after January 1, 2000, except that if a referendum petition is filed against this act or an item, section, or part of this act within 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, then the provisions of this act, if approved by the people, shall apply to income tax years commencing on and after January 1, 2001.

Approved: June 3, 1999