

CHAPTER 333

TAXATION

HOUSE BILL 99-1207

BY REPRESENTATIVES McPherson, George, Hefley, Johnson, Kester, Larson, Lawrence, Lee, Mitchell, Nunez, Paschall, Pfiffner, Sinclair, Smith, Spence, Stengel, Taylor, Webster, T. Williams, Young, Alexander, Berry, Clapp, Coleman, Dean, Decker, Fairbank, Gotlieb, Hoppe, Kaufman, King, May, McElhany, McKay, Miller, Morrison, Scott, Spradley, Swenson, Tool, and Witwer;
also SENATORS Lamborn, Andrews, Arnold, Blickensderfer, Chlouber, Congrove, Dennis, Epps, Evans, Hernandez, Hillman, Matsunaka, Musgrave, Nichol, Owen, Powers, Sullivant, Tebedo, and Teck.

AN ACT

CONCERNING THE REDUCTION OF THE STATE INCOME TAX RATE, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

SECTION 1. 39-22-104 (1), Colorado Revised Statutes, is amended, and the said 39-22-104 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

39-22-104. Income tax imposed on individuals, estates, and trusts - single rate.

(1) Subject to subsection (2) of this section, with respect to taxable years commencing on or after January 1, 1987, BUT PRIOR TO JANUARY 1, 1999, a tax of five percent is imposed on the federal taxable income, as determined pursuant to section 63 of the internal revenue code, of every individual, estate, and trust.

(1.5) SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 1999, A TAX OF FOUR AND THREE-QUARTERS PERCENT IS IMPOSED ON THE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST.

SECTION 2. 39-22-301 (1) (d) (I) (G), Colorado Revised Statutes, is amended, and the said 39-22-301 (1) (d) (I) is further amended BY THE ADDITION OF A NEW SUB-SUBPARAGRAPH, to read:

39-22-301. Corporate tax imposed. (1) (d) (I) A tax is imposed upon each

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

domestic C corporation and foreign C corporation doing business in Colorado annually in an amount of the net income of such C corporation during the year derived from sources within Colorado as set forth in the following schedule of rates:

(G) For income tax years commencing on or after July 1, 1993, BUT PRIOR TO JANUARY 1, 1999, five percent of the Colorado net income;

(H) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 1999, FOUR AND THREE-QUARTERS PERCENT OF THE COLORADO NET INCOME.

SECTION 3. 39-22-601, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

39-22-601. Returns. (10) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 1999, THE EXECUTIVE DIRECTOR SHALL INCLUDE ON EVERY INCOME TAX RETURN FORM A STATEMENT EXPLAINING THAT PRIOR TO JANUARY 1, 1999, THE INCOME TAX RATE FOR AN INDIVIDUAL, ESTATE, AND TRUST WAS FIVE PERCENT OF FEDERAL TAXABLE INCOME AND THE INCOME TAX RATE FOR CORPORATIONS WAS FIVE PERCENT OF NET INCOME. THE STATEMENT SHALL ALSO EXPLAIN THAT THE INCOME TAX RATE WAS REDUCED FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 1999, TO FOUR AND THREE-QUARTERS PERCENT.

SECTION 4. Appropriation - adjustment in the 1999 long bill. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund, not otherwise appropriated, to the department of revenue, cash and document processing division, for the fiscal year beginning July 1, 1999, the sum of seventy-six thousand eight hundred ninety dollars (\$76,890), or so much thereof as may be necessary, for the implementation of this act.

(2) For the implementation of this act, appropriations made in the annual general appropriations act for the fiscal year beginning July 1, 1999, shall be adjusted as follows:

(a) The general fund appropriation to the capital construction fund outlined in section 3 (1) (f) is reduced by seventy-six thousand eight hundred ninety dollars (\$76,890).

(b) The capital construction fund exempt appropriation to the department of transportation, construction projects, is reduced by seventy-six thousand eight hundred ninety dollars (\$76,890).

SECTION 5. 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 4, 1999