

CHAPTER 294

TAXATION

HOUSE BILL 00-1049

BY REPRESENTATIVES McPherson, Allen, Bacon, Berry, Chavez, Clarke, Coleman, Decker, Gagliardi, George, Gotlieb, Hagedorn, Hefley, Hoppe, Lawrence, Leyba, Mace, Miller, Morrison, Plant, Scott, Tapia, Taylor, Tochtrop, Tool, Tupa, Veiga, Vigil, Webster, S. Williams, Windels, and Zimmerman;
also SENATORS Lacy, Arnold, Blickensderfer, Linkhart, Pascoe, Perlmutter, and Reeves.

AN ACT

CONCERNING THE ALLOWANCE OF AN EARNED INCOME TAX CREDIT FOR SPECIFIED INCOME TAX YEARS,
AND, IN CONNECTION THEREWITH, MODIFYING THE AMOUNT OF THE CREDIT.

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

SECTION 1. 39-22-123 (1), Colorado Revised Statutes, is amended, and the said 39-22-123 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

39-22-123. Earned income tax credit - refund of state excess revenues for fiscal years commencing on or after July 1, 1998 - repeal. (1) (a) (I) Subject to the provisions of subsection (4) of this section, for THE income tax ~~years~~ YEAR commencing on ~~or after~~ January 1, 1999, AND ENDING DECEMBER 31, 1999, if, based on the financial report prepared by the controller in accordance with section 24-77-106.5, C.R.S., the controller certifies that the amount of state revenues for the state fiscal year ending ~~in that income tax year~~ ON JUNE 30, 1999, exceeds the limitation on state fiscal year spending imposed by section 20 (7) (a) of article X of the state constitution and the voters statewide either have not authorized the state to retain and spend all of the excess state revenues or have authorized the state to retain and spend only a portion of the excess state revenues for that fiscal year, a resident individual or part-year resident individual who claims an earned income tax credit on the individual's federal tax return shall be allowed an earned income tax credit against the taxes due on the individual's income under this article. The amount of the credit shall be an amount equal to eight and one-half percent of the amount of the federal credit claimed on the resident individual's federal tax return or, in the case of a part-year resident individual, such amount as shall reflect eight and one-half percent of the federal earned income credit earned while a resident of Colorado.

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

(II) THIS PARAGRAPH (a) IS REPEALED, EFFECTIVE JANUARY 1, 2005.

(b) SUBJECT TO THE PROVISIONS OF SUBSECTION (4) OF THIS SECTION, FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2000, IF, BASED ON THE FINANCIAL REPORT PREPARED BY THE CONTROLLER IN ACCORDANCE WITH SECTION 24-77-106.5, C.R.S., THE CONTROLLER CERTIFIES THAT THE AMOUNT OF STATE REVENUES FOR THE STATE FISCAL YEAR ENDING IN THAT INCOME TAX YEAR EXCEEDS THE LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20 (7) (a) OF ARTICLE X OF THE STATE CONSTITUTION AND THE VOTERS STATEWIDE EITHER HAVE NOT AUTHORIZED THE STATE TO RETAIN AND SPEND ALL OF THE EXCESS STATE REVENUES OR HAVE AUTHORIZED THE STATE TO RETAIN AND SPEND ONLY A PORTION OF THE EXCESS STATE REVENUES FOR THAT FISCAL YEAR, A RESIDENT INDIVIDUAL OR PART-YEAR RESIDENT INDIVIDUAL WHO CLAIMS AN EARNED INCOME TAX CREDIT ON THE INDIVIDUAL'S FEDERAL TAX RETURN SHALL BE ALLOWED AN EARNED INCOME TAX CREDIT AGAINST THE TAXES DUE ON THE INDIVIDUAL'S INCOME UNDER THIS ARTICLE. THE AMOUNT OF THE CREDIT SHALL BE AN AMOUNT EQUAL TO TEN PERCENT OF THE AMOUNT OF THE FEDERAL CREDIT CLAIMED ON THE RESIDENT INDIVIDUAL'S FEDERAL TAX RETURN OR, IN THE CASE OF A PART-YEAR RESIDENT INDIVIDUAL, SUCH AMOUNT AS SHALL REFLECT TEN PERCENT OF THE FEDERAL EARNED INCOME CREDIT EARNED WHILE A RESIDENT OF COLORADO.

(3.5) ANY EARNED INCOME TAX CREDIT ALLOWED TO ANY PERSON PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL NOT BE CONSIDERED AS INCOME OR RESOURCES FOR THE PURPOSE OF DETERMINING ELIGIBILITY OR FOR THE PAYMENT OF PUBLIC ASSISTANCE BENEFITS AND MEDICAL ASSISTANCE BENEFITS AUTHORIZED UNDER STATE LAW OR FOR PAYMENTS MADE UNDER ANY OTHER PUBLICLY FUNDED PROGRAMS.

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: May 31, 2000