

CHAPTER 138

HUMAN SERVICES - SOCIAL SERVICES

SENATE BILL 01-150

BY SENATOR(S) Tate;
also REPRESENTATIVE(S) Mitchell and Webster.

AN ACT

CONCERNING INDIVIDUAL DEVELOPMENT ACCOUNTS.

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

SECTION 1. 26-2-1005 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

26-2-1005. Eligibility for participation in the individual development account program. (1) Sponsoring organizations that elect to participate in the program shall recruit individuals or households to participate in the IDA program and shall determine the eligibility of prospective participants based upon the criteria set forth in this subsection (1). All individuals within one family or a single individual shall be eligible to be selected for participation in the IDA program if the individual or household meets the following requirements:

(e) THE INDIVIDUAL SUBMITTING THE APPLICATION IS A CITIZEN OF THE UNITED STATES AND IS A LEGAL RESIDENT OF THE STATE.

SECTION 2. 26-2-1005 (4) and (6), Colorado Revised Statutes, are amended to read:

26-2-1005. Eligibility for participation in the individual development account program. (4) ~~The principal of an individual development account shall not exceed ten thousand dollars.~~ THE MAXIMUM AMOUNT OF MONEYS IN AN INDIVIDUAL DEVELOPMENT ACCOUNT THAT MAY BE MATCHED BY A CHARITABLE DONOR IS TEN THOUSAND DOLLARS. THE INDIVIDUAL MAY DEPOSIT AN AMOUNT GREATER THAN TEN THOUSAND DOLLARS, BUT FUNDS IN EXCESS OF TEN THOUSAND DOLLARS ARE SUBJECT TO ANY APPLICABLE STATE AND FEDERAL INCOME TAXES, AND SHALL NOT BE MATCHED BY A CHARITABLE DONOR. Only one account per family may be established

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

in the IDA program; except that every member of the family may utilize the account.

(6) It shall be the responsibility of the ~~sponsoring organizations~~ NONPROFIT ORGANIZATION DESIGNATED PURSUANT TO SECTION 39-22-524 (6), C.R.S., to provide charitable donors who contribute cash, stocks, or bonds for use in the program with the necessary documentation, in the form prescribed by the department of revenue, that such donors may use to claim the income tax credit described in section 39-22-524, C.R.S.

SECTION 3. 39-22-524 (4), Colorado Revised Statutes, is amended to read:

39-22-524. Tax credit for individuals contributing matching funds for individual development accounts - repeal. (4) The nonprofit organization designated by the department pursuant to subsection (6) of this section shall approve applications for tax credits to charitable donors during each tax year on a fair and equitable basis subject to the guidelines specified in subsection (1) of this section and subject to any other limitation set forth in this section. Application for the tax credit created in this section shall be made by the charitable donor to the nonprofit organization designated by the department in accordance with the rules established pursuant to subsection (8) of this section. Such nonprofit organization ~~and any sponsoring organization~~ may assess a fee, not to exceed ten percent ~~of the cost of processing such application or administering the program~~ OF ALL FUNDS RAISED TO ADMINISTER THE IDA PROGRAM, AS DEFINED IN PART 10 OF ARTICLE 2 OF TITLE 26, C.R.S. When claiming a tax credit pursuant to this section, a charitable donor shall include proof that its application has been granted in accordance with this section.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: April 19, 2001