

CHAPTER 196

TAXATION

HOUSE BILL 01-1257

BY REPRESENTATIVE(S) Young, Alexander, Berry, Boyd, Coleman, Fairbank, Garcia, Groff, Hodge, Hoppe, Jahn, Kester, Larson, Lawrence, Marshall, Paschall, Plant, Romanoff, Sanchez, Schultheis, Scott, Smith, Snook, Tochtrop, Veiga, Vigil, and Witwer;
also SENATOR(S) Hillman, Chlouber, Entz, Fitz-Gerald, Gordon, Hagedorn, Hanna, Hernandez, Matsunaka, Musgrave, Nichol, Taylor, Teck, and Tupa.

AN ACT

CONCERNING MODIFICATIONS TO THE EXISTING STATE INCOME TAX CREDIT FOR HEALTH CARE PROFESSIONALS PRACTICING IN HEALTH CARE PROFESSIONAL SHORTAGE AREAS.

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

SECTION 1. 39-22-126 (2) (a), (2) (b) (I), (3), (4) (a), (4) (d), (6), (7), (9), and (10) (a), Colorado Revised Statutes, are amended to read:

39-22-126. Credit for health care professionals practicing in rural health care professional shortage areas - legislative declaration - definitions. (2) As used in this section, unless the context otherwise requires:

(a) (I) FOR THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2000, BUT PRIOR TO JANUARY 1, 2001, "health care professional" means a physician, physician assistant, or advanced practice nurse who is licensed or certified as such under the laws of this state.

(II) FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2001, BUT PRIOR TO JANUARY 1, 2002, "HEALTH CARE PROFESSIONAL" MEANS A PHYSICIAN, PHYSICIAN ASSISTANT, ADVANCED PRACTICE NURSE, OR DENTIST WHO IS LICENSED OR CERTIFIED AS SUCH UNDER THE LAWS OF THIS STATE.

(III) FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2002, "HEALTH CARE PROFESSIONAL" MEANS A PHYSICIAN, PHYSICIAN ASSISTANT, ADVANCED PRACTICE NURSE, DENTIST, OR DENTAL HYGIENIST WHO IS LICENSED OR CERTIFIED AS SUCH UNDER THE LAWS OF THIS STATE.

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

(b) "Rural health care professional shortage area" means:

(I) Any area within a county, which county is not included within Colorado's metropolitan statistical area counties of Adams, Arapahoe, Boulder, BROOMFIELD, Denver, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo, and Weld; ~~and is located thirty or more miles from the nearest hospital containing thirty or more beds;~~ or

(3) Subject to subsection (9) of this section, for any income tax year commencing on or after January 1, 2000, but prior to ~~January 1, 2005~~ JANUARY 1, 2008, 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 excess 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, there shall be allowed to each taxpayer a credit against the tax imposed by this article in an amount equal to one-third of the amount of the student loan referenced in paragraph (d) of subsection (4) of this section up to the amount of the taxpayer's actual income tax liability for the taxable year for which the credit is claimed; except that in no event shall the aggregate amount of the credit claimed by the taxpayer for all income tax years pursuant to this section exceed the amount of the student loan referenced in paragraph (d) of subsection (4) of this section.

(4) Notwithstanding any other provision of this section, the credit created by this section shall only be allowed when the taxpayer:

(a) Is a health care professional PRACTICING AT LEAST TWENTY HOURS PER WEEK;

(d) Is a borrower on a student loan ISSUED UNDER A RECOGNIZED STUDENT LOAN PROGRAM, made to AND USED BY him or her to finance higher education opportunities resulting in a ~~medical, physician assistant, or nursing~~ degree THAT IS REQUIRED TO ENABLE THE TAXPAYER TO BE LICENSED OR CERTIFIED AS A HEALTH CARE PROFESSIONAL. THE AMOUNT OF ANY LOAN SUBJECT TO THE CREDIT ALLOWED BY THIS SECTION SHALL BE THE SUM OF THE BALANCE DUE ON ANY SUCH LOAN AS OF THE BEGINNING OF THE FIRST INCOME TAX YEAR FOR WHICH THE CREDIT IS CLAIMED.

(6) To qualify for the credit provided by this section, the taxpayer shall submit a certification form with each income tax return. Such form shall be obtained from the department of public health and environment. The department shall certify that the taxpayer has satisfied the requirements for allowance of the credit as specified in subsections (3), (4), and (5) of this section. IN ADDITION, AS PART OF THE CERTIFICATION REQUIRED BY THIS SUBSECTION (6), THE FORM SHALL CONTAIN THE IDENTITY OF THE LOAN REFERENCED IN PARAGRAPH (d) OF SUBSECTION (4) OF THIS SECTION AND THE BALANCE DUE ON SUCH LOAN AS OF THE BEGINNING OF THE FIRST INCOME TAX YEAR FOR WHICH THE CREDIT IS CLAIMED.

(7) Any taxpayer who has claimed the credit provided by this section and who EITHER moves out of a rural health care professional shortage area OR CEASES TO PRACTICE IN SUCH AREA during the period that such taxpayer was committed to reside

and practice in such area shall repay the entire amount of the total credit claimed pursuant to this section for all years for which the credit was claimed. THE TAXPAYER SHALL REPORT THE RECAPTURE REQUIRED BY THIS SECTION BY INCREASING THE TAXPAYER'S INCOME TAX LIABILITY BY THE AMOUNT OF THE TOTAL CREDIT CLAIMED FOR THE YEAR IN WHICH THE RECAPTURE OCCURS.

(9) 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 any state fiscal year commencing on or after ~~January 1, 2000~~ JULY 1, 1999, but prior to ~~January 1, 2005~~ JULY 1, 2008, exceeds the limitation on state fiscal year spending imposed by section 20 (7) (a) of article X of the state constitution for that fiscal year by less than two hundred eighty-five million dollars, as adjusted pursuant to subsection (10) of this section, then the state income tax credit authorized by subsection (3) of this section shall not be allowed for the income tax year in which said state fiscal year ended.

(10) (a) No later than October 1 of any given calendar year commencing on or after January 1, 2001, the executive director shall annually adjust the dollar amount specified in ~~this subsection (10)~~ SUBSECTION (9) OF THIS SECTION to reflect the rate of growth of Colorado personal income for the calendar year immediately preceding the calendar year in which such adjustment is made. For purposes of this paragraph (a), "the rate of growth of Colorado personal income" means the percentage change between the most recent published annual estimate of total personal income for Colorado, as defined and officially reported by the bureau of economic analysis in the United States department of commerce for the calendar year immediately preceding the calendar year in which the adjustment is made and the most recent published annual estimate of total personal income for Colorado, as defined and officially reported by the bureau of economic analysis in the United States department of commerce for the calendar year prior to the calendar year immediately preceding the calendar year in which the adjustment is made.

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 30, 2001