HING CONCERNING THE EXTENSION OF THE INCOME TAX CREDIT FOR CHILD
CARE EXPENSES PAID BY A RESIDENT INDIVIDUAL WITH A
FEDERAL ADJUSTED GROSS INCOME OF TWENTY-FIVE THOUSAND
DOLLARS OR LESS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

For income tax years prior to January 1, 2021, a resident individual who has a federal adjusted gross income of $25,000 or less may claim a refundable state income tax credit for child care expenses for the care of
a dependent who is less than 13 years old. The tax credit is equal to 25% of eligible child care expenses that the individual incurred during the taxable year, up to a maximum amount of $500 for a single dependent or $1,000 for 2 or more dependents. The bill makes the tax credit permanent.

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

SECTION 1. In Colorado Revised Statutes, 39-22-119.5, amend

(3)(a) introductory portion; and repeal (3)(a.5) and (7) as follows:

39-22-119.5. Child care expenses tax credit - legislative
declaration - definitions. (3) (a) For income tax years beginning on and
after January 1, 2014, but prior to January 1, 2017, and for income tax
years specified in subsection (3)(a.5) of this section BEGINNING ON AND
AFTER JANUARY 1, 2018, a resident individual is allowed a credit against
the taxes due under this article ARTICLE 22 for child care expenses that the
individual incurred during the taxable year if:

(a.5) (I) If, based on the revenue estimate prepared by legislative
council staff in June 2017, the general fund surplus for the 2016-17 state
fiscal year is expected to be greater than or equal to two million nine
hundred thousand dollars, then the credit is available for income tax years
beginning on and after January 1, 2017, but prior to January 1, 2020:

(II) If the condition in subsection (3)(a.5)(I) of this section is not
met, then the credit is available for income tax years beginning on and
after January 1, 2018, but prior to January 1, 2021:

(III) For purposes of determining whether subsection (3)(a.5)(I)
or (3)(a.5)(II) of this section applies, legislative council staff shall not
take into account any reduction in revenue that would result from the
credit applying for income tax years beginning on and after January 1,
2017, but prior to January 1, 2018:
This section is repealed, effective January 1, 2022.

SECTION 2. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.