

**First Extraordinary Session
Seventy-fourth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 23B-0008.01 Jessica Herrera x4218

HOUSE BILL 23B-1002

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A BILL FOR AN ACT

101 **CONCERNING AN INCREASE IN THE EARNED INCOME TAX CREDIT FOR**
102 **INCOME TAX YEAR 2023.**

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 the 2023 income tax year only, the bill increases the earned income tax credit that a resident individual, including a resident individual who does not have a social security number valid for employment, may claim on the resident individual's state income tax return from 25% to 75% of the federal credit claimed on the resident individual's federal income tax return or the federal credit that the resident

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

individual would have been allowed but for the fact that the resident individual does not have a social security number that is valid for employment.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-123.5, **amend**
3 (2)(c)(I) and (2.5)(d)(I); and **add** (2)(c.5) and (2.5)(d.5) as follows:

4 **39-22-123.5. Earned income tax credit - not a refund of excess**
5 **state revenues - trigger - legislative declaration - repeal.** (2) (c) (I) ~~For~~
6 ~~income tax years commencing on or after January 1, 2023, but before~~
7 ~~January 1, 2024, and~~ For the income tax year commencing on January 1,
8 2025, a resident individual who claims an earned income tax credit on the
9 individual's federal tax return is allowed an earned income tax credit
10 against the taxes due under this article 22 that is equal to twenty-five
11 percent of the federal credit that the resident individual claimed on ~~his or~~
12 ~~her~~ THE RESIDENT INDIVIDUAL'S federal tax return for the same tax year.

13 (c.5) (I) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
14 2023, A RESIDENT INDIVIDUAL WHO CLAIMS AN EARNED INCOME TAX
15 CREDIT ON THE INDIVIDUAL'S FEDERAL TAX RETURN IS ALLOWED AN
16 EARNED INCOME TAX CREDIT AGAINST THE TAXES DUE UNDER THIS
17 ARTICLE 22 THAT IS EQUAL TO SEVENTY-FIVE PERCENT OF THE FEDERAL
18 CREDIT THAT THE RESIDENT INDIVIDUAL CLAIMED ON THE RESIDENT
19 INDIVIDUAL'S FEDERAL TAX RETURN FOR THE SAME TAX YEAR.

20 (II) THIS SUBSECTION (2)(c.5) IS REPEALED, EFFECTIVE DECEMBER,
21 31, 2034.

22 (2.5) (d) (I) ~~For income tax years commencing on or after January~~
23 ~~1, 2023, but before January 1, 2024, and~~ For the income tax year
24 commencing on January 1, 2025, a resident individual is allowed an

1 earned income tax credit against the taxes due under this article 22 that
2 is equal to twenty-five percent of the federal credit that the resident
3 individual would have been allowed, but for the fact that the resident
4 individual, the resident individual's spouse, or one or more of the resident
5 individual's dependents do not have a social security number that is valid
6 for employment.

7 (d.5) (I) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY
8 1, 2023, A RESIDENT INDIVIDUAL IS ALLOWED AN EARNED INCOME TAX
9 CREDIT AGAINST THE TAXES DUE UNDER THIS ARTICLE 22 THAT IS EQUAL
10 TO SEVENTY-FIVE PERCENT OF THE FEDERAL CREDIT THAT THE RESIDENT
11 INDIVIDUAL WOULD HAVE BEEN ALLOWED, BUT FOR THE FACT THAT THE
12 RESIDENT INDIVIDUAL, THE RESIDENT INDIVIDUAL'S SPOUSE, OR ONE OR
13 MORE OF THE RESIDENT INDIVIDUAL'S DEPENDENTS DO NOT HAVE A SOCIAL
14 SECURITY NUMBER THAT IS VALID FOR EMPLOYMENT.

15 (II) THIS SUBSECTION (2.5)(d.5) IS REPEALED, EFFECTIVE
16 DECEMBER 31, 2034.

17 **SECTION 2. Safety clause.** The general assembly finds,
18 determines, and declares that this act is necessary for the immediate
19 preservation of the public peace, health, or safety or for appropriations for
20 the support and maintenance of the departments of the state and state
21 institutions.