

Second Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 10-0233.01 Ed DeCecco

**HOUSE BILL 10-1002**

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**HOUSE SPONSORSHIP**

**Kefalas**, Gagliardi, Kagan

**SENATE SPONSORSHIP**

**Sandoval**, Boyd, Hudak

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**House Committees**

Finance  
Appropriations

**Senate Committees**

Finance

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**A BILL FOR AN ACT**

101 **CONCERNING AN INCREASE IN THE THRESHOLD NECESSARY TO**  
102 **TRIGGER A TEMPORARY INCOME TAX RATE REDUCTION AS A**  
103 **METHOD TO REFUND EXCESS STATE REVENUES BY AN AMOUNT**  
104 **EQUAL TO THE THRESHOLD NECESSARY TO TRIGGER THE**  
105 **EARNED INCOME TAX CREDIT REFUND.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

**Economic Opportunity Poverty Reduction Task Force.** The bill increases the threshold necessary to trigger a temporary income tax rate reduction as a method to provide a constitutionally required refund

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

SENATE  
3rd Reading Unam ended  
March 12, 2010

SENATE  
2nd Reading Unam ended  
March 11, 2010

HOUSE  
3rd Reading Unam ended  
February 12, 2010

HOUSE  
2nd Reading Unam ended  
February 10, 2010

of excess state revenues so that the rate reduction does not occur unless there is also an earned income tax credit refund.

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

2 **SECTION 1.** 39-22-627 (1) (b), (3), and (6), Colorado Revised  
3 Statutes, are amended to read:

4 **39-22-627. Temporary adjustment of rate of income tax -**  
5 **refund of excess state revenues - authority of executive director.**

6 (1) (b) In order for the provisions of paragraph (a) of this subsection (1)  
7 to take effect, the amount of state revenues required to be refunded for the  
8 specified state fiscal year shall exceed the TOTAL OF THE ADJUSTED  
9 AMOUNT SET FORTH IN SECTION 39-22-123 (4) (c), PLUS THE estimated  
10 amount by which state revenues would be decreased as the result of a  
11 reduction in the state income tax rate from four and sixty-three  
12 one-hundredths percent to four and one-half percent of federal taxable  
13 income, as determined pursuant to this section.

14 (3) If one or more ballot questions are submitted to the voters at  
15 a statewide election to be held in November of any given calendar year  
16 that seek authorization for the state to retain and spend all or any portion  
17 of the amount of excess state revenues for the state fiscal year ending  
18 during said calendar year, the executive director shall not reduce the state  
19 income tax rate until the results of said election are known so that the  
20 state income tax rate may be reduced only if, after the results of said  
21 election, the amount of excess state revenues required to be refunded for  
22 the state fiscal year exceeds the TOTAL OF THE ADJUSTED AMOUNT SET  
23 FORTH IN SECTION 39-22-123 (4) (c), PLUS THE estimated amount by which  
24 state revenues would be decreased as a result of a reduction in the state  
25 income tax rate from four and sixty-three one-hundredths percent to four

1 and one-half percent of federal taxable income pursuant to this section.

2 (6) If, based on the financial report prepared by the controller in  
3 accordance with section 24-77-106.5, C.R.S., the controller certifies that  
4 the amount of the state revenues for any state fiscal year commencing on  
5 or after July 1, 2010, exceeds the limitation on state fiscal year spending  
6 imposed by section 20 (7) (a) of article X of the state constitution for that  
7 state fiscal year and exceeds the amount of excess state revenues that the  
8 voters statewide have authorized the state to retain and spend for that  
9 state fiscal year by less than the TOTAL OF THE ADJUSTED AMOUNT SET  
10 FORTH IN SECTION 39-22-123 (4) (c), PLUS THE estimated amount by which  
11 state revenues would be decreased as the result of a reduction in the state  
12 income tax rate from four and sixty-three one-hundredths percent to four  
13 and one-half percent of federal taxable income as calculated by the  
14 executive director pursuant to subsection (2) of this section, then the  
15 reduction in the state income tax rate allowed pursuant to subsection (1)  
16 of this section shall not be allowed for the income tax year commencing  
17 during the calendar year in which the state fiscal year ended.

18 **SECTION 2. Act subject to petition - effective date.** This act  
19 shall take effect at 12:01 a.m. on the day following the expiration of the  
20 ninety-day period after final adjournment of the general assembly (August  
21 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a  
22 referendum petition is filed pursuant to section 1 (3) of article V of the  
23 state constitution against this act or an item, section, or part of this act  
24 within such period, then the act, item, section, or part shall not take effect  
25 unless approved by the people at the general election to be held in  
26 November 2010 and shall take effect on the date of the official  
27 declaration of the vote thereon by the governor.