

NOTE: This bill has been prepared for the signature of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.



HOUSE BILL 10-1002

BY REPRESENTATIVE(S) Kefalas, Gagliardi, Kagan, Apuan, Benefield, Casso, Court, Ferrandino, Fischer, Frangas, Hullinghorst, Kerr A., Labuda, Levy, McFadyen, Merrifield, Middleton, Miklosi, Pace, Peniston, Pommer, Rice, Riesberg, Ryden, Schafer S., Solano, Todd, Tyler, Vigil, Carroll T.; also SENATOR(S) Sandoval, Boyd, Hudak, Steadman, Williams.

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

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

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

39-22-627. Temporary adjustment of rate of income tax - refund of excess state revenues - authority of executive director. (1) (b) In order for the provisions of paragraph (a) of this subsection (1) to take effect, the amount of state revenues required to be refunded for the specified state fiscal year shall exceed the TOTAL OF THE ADJUSTED AMOUNT SET FORTH IN SECTION 39-22-123 (4) (c), PLUS THE estimated amount by which state revenues would be decreased as the result of a reduction in the state income

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

tax rate from four and sixty-three one-hundredths percent to four and one-half percent of federal taxable income, as determined pursuant to this section.

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

(6) 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 the state revenues for any state fiscal year commencing on or after July 1, 2010, exceeds the limitation on state fiscal year spending imposed by section 20 (7) (a) of article X of the state constitution for that state fiscal year and exceeds the amount of excess state revenues that the voters statewide have authorized the state to retain and spend for that state fiscal year by less than the TOTAL OF THE ADJUSTED AMOUNT SET FORTH IN SECTION 39-22-123 (4) (c), PLUS THE estimated amount by which state revenues would be decreased as the result of a reduction in the state income tax rate from four and sixty-three one-hundredths percent to four and one-half percent of federal taxable income as calculated by the executive director pursuant to subsection (2) of this section, then the reduction in the state income tax rate allowed pursuant to subsection (1) of this section shall not be allowed for the income tax year commencing during the calendar year in which the state fiscal year ended.

SECTION 2. Act subject to petition - 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 (August 11, 2010, if adjournment sine die is on May 12, 2010); 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 shall not take effect unless approved by the people at the general election to be held in November 2010 and shall take effect on the date of the official declaration of the vote thereon by the governor.

Terrance D. Carroll
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Brandon C. Shaffer
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Karen Goldman
SECRETARY OF
THE SENATE

APPROVED _____

Bill Ritter, Jr.
GOVERNOR OF THE STATE OF COLORADO