

First Extraordinary Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 20B-0004.01 Nicole Myers x4326

HOUSE BILL 20B-1022

HOUSE SPONSORSHIP

Neville,

SENATE SPONSORSHIP

(None),

House Committees

State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 CONCERNING INCOME TAX CREDITS FOR A TAXPAYER WHO
102 EXPERIENCED CERTAIN FINANCIAL IMPACTS AS A RESULT OF THE
103 SUSPENSION OF IN-PERSON LEARNING FOR THE TAXPAYER'S
104 CHILD DUE TO THE COVID-19 PANDEMIC.

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>.)

The bill establishes an income tax credit for the 2020 and 2021 income tax years for any taxpayer who:

- Has one or more qualified children whose school

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

suspended in-person learning for at least 4 cumulative weeks during the 2020-21 school year due to the COVID-19 pandemic (suspension of in-person learning); and

- Incurred costs as a result of the suspension of in-person learning.

The amount of the credit allowed is either the amount of the costs incurred by the taxpayer as a result of the suspension of in-person learning or \$7,084 for any income tax year, whichever is less; except that the maximum amount of the credit that a taxpayer may claim in the 2020 and 2021 income tax years combined shall not exceed \$7,084 total per taxpayer. A taxpayer is required to claim the credit for the income tax year in which the costs were incurred due to the suspension of in-person learning.

The bill also creates an income tax credit for the 2020 and 2021 income tax years for any taxpayer who:

- Has one or more qualified children who experienced the suspension of in-person learning or whose daycare center was unable to provide in-person care for the qualified child for at least 4 cumulative weeks during the 2020-21 school year due to the COVID-19 pandemic;
- Had to provide care for the qualified child due to the suspension of in-person learning or the inability of the daycare center to provide care; and
- As a result of providing such care for the taxpayer's qualified child, was unable to work and experienced a loss of income.

The amount of the credit allowed is either the amount of income the taxpayer lost as a result of not being able to work due to the suspension of in-person learning or the inability of the qualified child's daycare center to provide care or \$7,084 for any income tax year, whichever is less; except that the total amount of the credit claimed in the 2020 and 2021 income tax years combined shall not exceed \$7,084. A taxpayer must claim the credit for the income tax year in which the taxpayer lost income.

A taxpayer who claims either income tax credit is required to retain certain information to provide to the department of revenue upon request by the department. A taxpayer who claims one credit created in the bill is ineligible to claim the other credit created in the bill. Both credits may be carried forward for 3 years but may not be refunded.

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

2 **SECTION 1. Legislative declaration.** The general assembly

1 finds and declares that the intent of the income tax credits created in this
2 act is to provide relief for taxpayers who have incurred demonstrable
3 costs or lost income due to a government- or governmental
4 entity-mandated suspension of in-person learning at their child's school
5 or the inability of their child's daycare center to provide in-person care
6 due to the COVID-19 pandemic.

7 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-542 and
8 39-22-543 as follows:

9 **39-22-542. Credit for expenses incurred due to suspension of**
10 **in-person learning - COVID-19 pandemic - definitions - repeal.**

11 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
12 REQUIRES:

13 (a) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

14 (b) "QUALIFIED CHILD" MEANS A DEPENDENT CHILD WHO IS
15 ENROLLED IN A SCHOOL AND WHO LIVES WITH THE TAXPAYER CLAIMING
16 A CREDIT PURSUANT TO THIS SECTION FOR ANY PORTION OF THE 2020-21
17 SCHOOL YEAR.

18 (c) "SCHOOL" MEANS AN ELEMENTARY OR SECONDARY PUBLIC
19 SCHOOL OR NONPUBLIC SCHOOL, AS SUCH TERMS ARE DEFINED IN SECTION
20 22-2-102. "SCHOOL" DOES NOT INCLUDE AN ONLINE EDUCATION PROGRAM
21 PURSUANT TO ARTICLE 30.7 OF TITLE 22 OR A NONPUBLIC HOME-BASED
22 EDUCATION PROGRAM PURSUANT TO SECTION 22-33-104.5.

23 (d) "TAXPAYER" MEANS A RESIDENT INDIVIDUAL. A "TAXPAYER"
24 SHALL NOT INCLUDE A DOMESTIC OR FOREIGN CORPORATION SUBJECT TO
25 PART 3 OF THIS ARTICLE 22, A PARTNERSHIP, LIMITED LIABILITY COMPANY,
26 S CORPORATION, OR OTHER SIMILAR PASS-THROUGH ENTITY, ESTATE, OR
27 TRUST, OR A PARTNER, MEMBER, OR SUBCHAPTER S SHAREHOLDER OF

1 SUCH PASS-THROUGH ENTITY.

2 (2) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
3 JANUARY 1, 2020, BUT PRIOR TO JANUARY 1, 2022, THERE IS ALLOWED AS
4 A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 AN
5 AMOUNT SPECIFIED IN SUBSECTION (2)(b) OF THIS SECTION FOR ANY
6 TAXPAYER WHO:

7 (I) HAS ONE OR MORE QUALIFIED CHILDREN WHOSE SCHOOL
8 SUSPENDED IN-PERSON LEARNING FOR AT LEAST FOUR CUMULATIVE WEEKS
9 DURING THE 2020-21 SCHOOL YEAR DUE TO THE COVID-19 PANDEMIC;
10 AND

11 (II) INCURRED COSTS THAT CAN BE REASONABLY TRACED TO
12 EDUCATIONAL PURPOSES AS A DIRECT RESULT OF THE QUALIFIED CHILD'S
13 SCHOOL SUSPENDING IN-PERSON LEARNING AS SPECIFIED IN SUBSECTION
14 (2)(a)(I) OF THIS SECTION.

15 (b) THE AMOUNT OF THE CREDIT AUTHORIZED IN THIS SECTION
16 EQUALS EITHER THE COSTS INCURRED AS A RESULT OF THE
17 CIRCUMSTANCES SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION, OR
18 SEVEN THOUSAND EIGHTY-FOUR DOLLARS FOR ANY INCOME TAX YEAR,
19 WHICHEVER IS LESS; EXCEPT THAT THE TOTAL AMOUNT OF THE CREDIT
20 CLAIMED IN THE 2020 AND 2021 INCOME TAX YEARS COMBINED SHALL
21 NOT EXCEED SEVEN THOUSAND EIGHTY-FOUR DOLLARS TOTAL PER
22 TAXPAYER. A TAXPAYER MUST CLAIM THE CREDIT FOR THE INCOME TAX
23 YEAR IN WHICH THE COSTS WERE INCURRED FOR THE QUALIFIED CHILD.

24 (3) (a) A TAXPAYER WHO CLAIMS A CREDIT PURSUANT TO THIS
25 SECTION SHALL RETAIN THE FOLLOWING INFORMATION AND PROVIDE SUCH
26 INFORMATION TO THE DEPARTMENT UPON REQUEST:

27 (I) A LIST OF THE COSTS INCURRED BY THE TAXPAYER, INCLUDING

1 RECEIPTS FOR SUCH COSTS, AS A RESULT OF THE SUSPENSION OF IN-PERSON
2 LEARNING FOR A QUALIFIED CHILD DURING THE 2020-21 SCHOOL YEAR
3 DUE TO THE COVID-19 PANDEMIC; AND

4 (II) A STATEMENT FROM THE QUALIFIED CHILD'S SCHOOL STATING
5 HOW MANY CUMULATIVE WEEKS THE QUALIFIED CHILD'S SCHOOL WAS
6 CLOSED FOR IN-PERSON LEARNING DURING THE PORTION OF THE 2020-21
7 SCHOOL YEAR THAT FALLS IN THE INCOME TAX YEAR FOR WHICH THE
8 CREDIT IS BEING CLAIMED PURSUANT TO THIS SECTION.

9 (b) A SCHOOL SHALL PROVIDE, UPON REQUEST OF THE TAXPAYER,
10 A STATEMENT REGARDING THE NUMBER OF CUMULATIVE WEEKS THAT THE
11 SCHOOL SUSPENDED IN-PERSON LEARNING DUE TO THE COVID-19
12 PANDEMIC DURING THE PORTION OF THE 2020-2021 SCHOOL YEAR THAT
13 FALLS IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS BEING CLAIMED
14 PURSUANT TO THIS SECTION. A SCHOOL SHALL PROVIDE THE STATEMENT
15 WITHIN SIXTY DAYS OF A TAXPAYER'S REQUEST.

16 (4) IF THE CREDIT ALLOWED IN THIS SECTION EXCEEDS THE INCOME
17 TAXES OTHERWISE DUE ON THE TAXPAYER'S INCOME, THE AMOUNT OF THE
18 CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES MAY BE CARRIED
19 FORWARD AS A TAX CREDIT AGAINST SUBSEQUENT YEARS' INCOME TAX
20 LIABILITY FOR A PERIOD NOT EXCEEDING THREE YEARS AND SHALL BE
21 APPLIED FIRST TO THE EARLIEST YEARS POSSIBLE. ANY CREDIT REMAINING
22 AFTER SAID PERIOD MAY NOT BE REFUNDED OR CREDITED TO THE
23 TAXPAYER.

24 (5) A TAXPAYER WHO CLAIMS A CREDIT PURSUANT TO THIS
25 SECTION IN ANY INCOME TAX YEAR SHALL NOT BE ALLOWED TO CLAIM A
26 CREDIT PURSUANT TO SECTION 39-22-543 IN ANY INCOME TAX YEAR.

27 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2025.

1 **39-22-543. Credit for taxpayers unable to work due to**
2 **suspension of in-person learning - COVID-19 pandemic - definitions**
3 **- repeal.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE

4 REQUIRES:

5 (a) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

6 (b) "QUALIFIED CHILD" MEANS A DEPENDENT CHILD WHO IS
7 ENROLLED IN A SCHOOL OR WHO ATTENDS A DAYCARE CENTER AND WHO
8 LIVES WITH THE TAXPAYER CLAIMING A CREDIT PURSUANT TO THIS
9 SECTION FOR ANY PORTION OF THE 2020-21 SCHOOL YEAR.

10 (c) "SCHOOL" MEANS AN ELEMENTARY OR SECONDARY PUBLIC
11 SCHOOL OR NONPUBLIC SCHOOL, AS SUCH TERMS ARE DEFINED IN SECTION
12 22-2-102. "SCHOOL" DOES NOT INCLUDE AN ONLINE EDUCATION PROGRAM
13 PURSUANT TO ARTICLE 30.7 OF TITLE 22 OR A NONPUBLIC HOME-BASED
14 EDUCATION PROGRAM PURSUANT TO SECTION 22-33-104.5.

15 (d) "TAXPAYER" MEANS A RESIDENT INDIVIDUAL. A "TAXPAYER"
16 SHALL NOT INCLUDE A DOMESTIC OR FOREIGN CORPORATION SUBJECT TO
17 THE PROVISIONS OF PART 3 OF THIS ARTICLE 22, A PARTNERSHIP, LIMITED
18 LIABILITY COMPANY, S CORPORATION, OR OTHER SIMILAR PASS-THROUGH
19 ENTITY, ESTATE, OR TRUST, OR A PARTNER, MEMBER, OR SUBCHAPTER S
20 SHAREHOLDER OF SUCH PASS-THROUGH ENTITY.

21 (2) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
22 JANUARY 1, 2020, BUT PRIOR TO JANUARY 1, 2022, THERE IS ALLOWED AS
23 A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 AN
24 AMOUNT SPECIFIED IN SUBSECTION (2)(b) OF THIS SECTION FOR ANY
25 TAXPAYER WHO:

26 (I) HAS ONE OR MORE QUALIFIED CHILDREN WHOSE SCHOOL OR
27 DAYCARE CENTER SUSPENDED IN-PERSON LEARNING OR WAS OTHERWISE

1 UNABLE TO PROVIDE IN-PERSON LEARNING OR CHILD CARE FOR AT LEAST
2 FOUR CUMULATIVE WEEKS DURING THE 2020-21 SCHOOL YEAR DUE TO THE
3 COVID-19 PANDEMIC;

4 (II) HAD TO PROVIDE CARE FOR THE QUALIFIED CHILD DUE TO THE
5 SUSPENSION OF IN-PERSON LEARNING AT THE QUALIFIED CHILD'S SCHOOL
6 OR DUE TO THE INABILITY OF THE QUALIFIED CHILD'S DAYCARE CENTER TO
7 PROVIDE CARE; AND

8 (III) AS A RESULT OF PROVIDING SUCH CARE FOR THE TAXPAYER'S
9 QUALIFIED CHILD WAS UNABLE TO WORK AND EXPERIENCED A LOSS OF
10 INCOME.

11 (b) THE AMOUNT OF THE CREDIT AUTHORIZED IN THIS SECTION
12 EQUALS EITHER THE AMOUNT OF INCOME THE TAXPAYER LOST AS A
13 RESULT OF NOT BEING ABLE TO WORK DUE TO THE CIRCUMSTANCES
14 SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION, OR SEVEN THOUSAND
15 EIGHTY-FOUR DOLLARS FOR ANY INCOME TAX YEAR, WHICHEVER IS LESS;
16 EXCEPT THAT THE TOTAL AMOUNT OF THE CREDIT CLAIMED IN THE 2020
17 AND 2021 INCOME TAX YEARS COMBINED SHALL NOT EXCEED SEVEN
18 THOUSANDEIGHTY-FOUR DOLLARS. A TAXPAYER MUST CLAIM THE CREDIT
19 FOR THE INCOME TAX YEAR IN WHICH THE TAXPAYER LOST INCOME AS A
20 RESULT OF THE CIRCUMSTANCE SPECIFIED IN SUBSECTION (2)(a) OF THIS
21 SECTION.

22 (3) (a) A TAXPAYER WHO CLAIMS A CREDIT PURSUANT TO THIS
23 SECTION SHALL RETAIN THE FOLLOWING INFORMATION AND PROVIDE SUCH
24 INFORMATION TO THE DEPARTMENT UPON REQUEST:

25 (I) A RECORD OF INCOME EARNED BY THE TAXPAYER IN THE
26 MONTH IMMEDIATELY PRECEDING THE FIRST DAY ON WHICH THE
27 TAXPAYER WAS UNABLE TO WORK DUE TO THE CIRCUMSTANCES SPECIFIED

1 IN SUBSECTION (2)(a) OF THIS SECTION; AND

2 (II) A STATEMENT FROM THE QUALIFIED CHILD'S SCHOOL OR
3 DAYCARE CENTER STATING HOW MANY CUMULATIVE WEEKS THE SCHOOL
4 OR DAYCARE CENTER WAS CLOSED FOR IN-PERSON LEARNING OR WAS
5 OTHERWISE UNABLE TO PROVIDE IN-PERSON LEARNING OR CHILD CARE
6 DURING THE PORTION OF THE 2020-21 SCHOOL YEAR THAT FALLS IN THE
7 INCOME TAX YEAR FOR WHICH THE CREDIT IS BEING CLAIMED PURSUANT
8 TO THIS SECTION.

9 (b) A SCHOOL OR DAYCARE CENTER SHALL PROVIDE, UPON
10 REQUEST OF THE TAXPAYER, A STATEMENT REGARDING THE NUMBER OF
11 CUMULATIVE WEEKS THAT THE SCHOOL OR DAYCARE CENTER SUSPENDED
12 IN-PERSON LEARNING DUE TO THE COVID-19 PANDEMIC DURING THE
13 PORTION OF THE 2020-21 SCHOOL YEAR THAT FALLS IN THE INCOME TAX
14 YEAR FOR WHICH THE CREDIT IS BEING CLAIMED PURSUANT TO THIS
15 SECTION. A SCHOOL OR DAYCARE CENTER SHALL PROVIDE THE STATEMENT
16 WITHIN SIXTY DAYS OF A TAXPAYER'S REQUEST.

17 (4) IF THE CREDIT ALLOWED IN THIS SECTION EXCEEDS THE INCOME
18 TAXES OTHERWISE DUE ON THE TAXPAYER'S INCOME, THE AMOUNT OF THE
19 CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES MAY BE CARRIED
20 FORWARD AS A TAX CREDIT AGAINST SUBSEQUENT YEARS' INCOME TAX
21 LIABILITY FOR A PERIOD NOT EXCEEDING THREE YEARS AND SHALL BE
22 APPLIED FIRST TO THE EARLIEST YEARS POSSIBLE. ANY CREDIT REMAINING
23 AFTER SAID PERIOD MAY NOT BE REFUNDED OR CREDITED TO THE
24 TAXPAYER.

25 (5) A TAXPAYER WHO CLAIMS A CREDIT PURSUANT TO THIS
26 SECTION IN ANY INCOME TAX YEAR SHALL NOT BE ALLOWED TO CLAIM A
27 CREDIT PURSUANT TO SECTION 39-22-542 IN ANY INCOME TAX YEAR.

1 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2025.

2 **SECTION 3. Safety clause.** The general assembly hereby finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, or safety.