

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 24-0892.01 Jason Gelender x4330

HOUSE BILL 24-1084

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A BILL FOR AN ACT

101 **CONCERNING THE REPEAL AND REENACTMENT OF THE LAW ENACTED**
102 **BY HOUSE BILL 23B-1002 THAT INCREASED THE EARNED**
103 **INCOME TAX CREDIT FOR 2023, AND, IN CONNECTION**
104 **THEREWITH, MAKING AN APPROPRIATION.**

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>.)

During the first extraordinary session of the seventy-fourth general assembly, which occurred in November 2023, the general assembly enacted House Bill 23B-1002 (HB 1002), which increased the amount of

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.

HOUSE
Amended 3rd Reading
January 17, 2024

HOUSE
2nd Reading Unamended
January 12, 2024

the state earned income tax credit for 2023 from 25% to 50% of the amount of the federal earned income tax credit as a means of refunding excess state revenues for the 2022-23 state fiscal year that TABOR requires to be refunded in the 2023-24 state fiscal year.

On December 28, 2023, a member of the house of representatives (house) filed a lawsuit alleging that the house failed to follow the constitutional requirement that the house read a bill at length unless such reading is waived by the unanimous consent of all house members present when enacting HB 1002 and that HB 1002 therefore must be declared null and void.

To remove any doubt arising from the lawsuit regarding the constitutionality of the law enacted by HB 1002, the bill repeals and reenacts that law.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) During the first extraordinary session of the seventy-fourth
5 general assembly, which occurred in November 2023, the general
6 assembly enacted House Bill 23B-1002, which, in order to refund excess
7 state revenues for the 2022-23 state fiscal year that are required by the
8 Taxpayer's Bill of Rights, section 20 of article X of the state constitution,
9 to be refunded in the 2023-24 state fiscal year, increased the amount of
10 the state earned income tax credit for 2023 from 25% to 50% of the
11 amount of the federal earned income tax credit; and

12 (b) It is in the public interest that House Bill 23B-1002 be
13 repealed and reenacted at the soonest possible time during the second
14 regular session of the seventy-fourth general assembly, given that:

15 (I) Litigation was filed over House Bill 23B-1002's compliance
16 with section 22 of article V of the state constitution providing for the
17 reading of bills at length unless there is unanimous consent to waive such
18 readings by the members present;

1 (II) The filing of that litigation has produced great financial
2 uncertainty for state taxpayers and families eligible for the earned income
3 tax credit; and

4 (III) The filing of that litigation has caused substantial
5 administrative uncertainty for state government regarding the amount of
6 the state earned income tax credit for 2023 and the amount of state
7 revenue that may be expended in the current state fiscal year.

8 **SECTION 2.** In Session Laws of Colorado 2023, First
9 Extraordinary Session, **repeal and reenact** 39-22-123.5 (2.8), Colorado
10 Revised Statutes, as added by section 1 of chapter 3, as follows:

11 **39-22-123.5. Earned income tax credit - legislative declaration**

12 **- repeal.** (2.8) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
13 JANUARY 1, 2023, BUT BEFORE JANUARY 1, 2024, ONLY, THE RATE OF
14 CREDIT ALLOWED FOR THE RESIDENT INDIVIDUALS DESCRIBED IN
15 SUBSECTIONS (2), (2.5), AND (2.7), OF THIS SECTION, RESPECTIVELY, IS
16 INCREASED FROM TWENTY-FIVE PERCENT TO FIFTY PERCENT OF THE
17 FEDERAL CREDIT DESCRIBED IN THE RESPECTIVE SUBSECTIONS (2), (2.5),
18 AND (2.7) OF THIS SECTION.

19 (b) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT
20 INCREASING THE RATE OF THE CREDIT AS SPECIFIED IN SUBSECTION (2.8)(a)
21 OF THIS SECTION REDUCES THE AMOUNT OF STATE REVENUES, AS DEFINED
22 IN SECTION 24-77-103.6 (6)(c), FOR THE 2023-24 STATE FISCAL YEAR AND
23 IS THEREFORE, AFTER EXCESS STATE REVENUES FOR THE 2022-23 STATE
24 FISCAL YEAR ARE REFUNDED PURSUANT TO SECTIONS 39-3-209, 39-3-210,
25 AND ANY OTHER REFUND MECHANISM PROVIDED FOR IN LAW OTHER THAN
26 THE REFUND MECHANISM PROVIDED FOR IN PART 20 OF ARTICLE 22 OF THIS
27 TITLE, A REASONABLE METHOD OF REFUNDING A PORTION OF ANY

1 REMAINING EXCESS STATE REVENUES FOR THE 2022-23 STATE FISCAL
2 YEAR THAT ARE REQUIRED TO BE REFUNDED IN THE 2023-24 STATE FISCAL
3 YEAR IN ACCORDANCE WITH SECTION 20 (7)(d) OF THE STATE
4 CONSTITUTION.

5 **SECTION 3.** In Session Laws of Colorado 2023, First
6 Extraordinary Session, **repeal and reenact** section 2 of chapter 3 as
7 follows:

8 Section 2. **Appropriation.** (1) For the 2023-24 state fiscal year,
9 \$51,483 is appropriated to the department of revenue. This appropriation
10 is from the general fund. To implement this act, the department may use
11 this appropriation as follows:

- 12 (a) \$23,175 for tax administration IT system (GenTax) support;
- 13 (b) \$13,792 for use by taxation services for personal services;
- 14 (c) \$14,000 for use by the executive director's office for personal
15 services related to administration and support; and
- 16 (d) \$516 for the purchase of document management services.

17 (2) For the 2023-24 state fiscal year, \$516 is appropriated to the
18 department of personnel. This appropriation is from reappropriated funds
19 received from the department of revenue under subsection (1)(d) of this
20 section. To implement this act, the department of personnel may use this
21 appropriation to provide document management services for the
22 department of revenue.

23 **SECTION 4. Safety clause.** The general assembly finds,
24 determines, and declares that this act is necessary for the immediate
25 preservation of the public peace, health, or safety or for appropriations for
26 the support and maintenance of the departments of the state and state
27 institutions.