

First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 13-0559.01 Nicole Myers x4326

HOUSE BILL 13-1094

HOUSE SPONSORSHIP

Dore,

SENATE SPONSORSHIP

(None),

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF AN INCOME TAX CREDIT FOR
102 SCHOOL-RELATED EXPENDITURES.

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://www.leg.state.co.us/billsummaries>.)

The bill creates an income tax credit for income tax years commencing on or after January 1, 2013, that allows a taxpayer who is the parent or guardian of a dependent child to claim a credit for costs incurred for school fees or school supplies in that income tax year. The amount of the credit allowed is 25% of the total expenditure for school

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.

fees or school supplies or \$500, whichever is less.

The bill allows the credit to be carried forward, but not refunded, for 3 years from the income tax year in which the credit is claimed.

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

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

4 (a) Over the past several years, Colorado families have had to take
5 on increased financial responsibility for costs in connection with their
6 children's education.

7 (b) These increased costs may be particularly difficult for
8 Colorado families during these challenging economic times.

9 (c) The primary purpose of the income tax credit allowed pursuant
10 to House Bill 13-____, enacted in 2013, is to provide economic relief to
11 the Colorado families that purchase school supplies and that pay
12 school-related fees and to ease any increased financial burdens associated
13 with sending their children to school.

14 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-129 as
15 follows:

16 **39-22-129. School-related expenses - credit against state tax -**
17 **definitions.** (1) AS USED IN THE SECTION, UNLESS THE CONTEXT
18 OTHERWISE REQUIRES:

19 (a) "COMPUTER" MEANS AN ELECTRONIC, MAGNETIC, OPTICAL,
20 ELECTROMAGNETIC, OR OTHER DATA PROCESSING DEVICE THAT PERFORMS
21 LOGICAL, ARITHMETIC, MEMORY, OR STORAGE FUNCTIONS BY THE
22 MANIPULATIONS OF ELECTRONIC, MAGNETIC, RADIO WAVE, OR LIGHT
23 WAVE IMPULSES, AND INCLUDES ALL INPUT, OUTPUT, PROCESSING,
24 STORAGE, SOFTWARE, OR COMMUNICATION FACILITIES THAT ARE

1 CONNECTED OR RELATED TO OR OPERATIONS IN CONJUNCTION WITH SUCH
2 A DEVICE.

3 (b) "QUALIFIED CHILD" MEANS A DEPENDENT CHILD WHO IS
4 ENROLLED IN A PUBLIC OR PRIVATE SCHOOL IN THE STATE OR WHO IS
5 HOME-SCHOOLED IN THE STATE OR TAUGHT AT HOME UNDER THE
6 SUPERVISION OF A PRIVATE SCHOOL.

7 (c) "SCHOOL FEE" MEANS A FEE CHARGED BY A PUBLIC OR PRIVATE
8 SCHOOL OR PUBLIC SCHOOL DISTRICT, OR INCURRED IN CONNECTION WITH
9 A HOME SCHOOL PROGRAM, FOR A DEPENDENT CHILD'S PARTICIPATION IN
10 A TRANSPORTATION PROGRAM, A CURRICULAR OR EXTRA-CURRICULAR
11 ACTIVITY, OR ANY OTHER SCHOOL-RELATED ACTIVITY.

12 (d) "SCHOOL SUPPLY" MEANS AN ART SUPPLY, BACKPACK, BINDER
13 POCKET, BINDER, BLACKBOARD CHALK, BOOK BAG, CALCULATOR,
14 CELLOPHANE TAPE, CLAY AND GLAZE, COMPASS, COMPOSITION BOOK,
15 COMPUTER, CRAYON SET, DICTIONARY OR THESAURUS, DRY ERASE
16 MARKER AND ERASER, FOLDER, GLUE AND PASTE, HIGHLIGHTER, INDEX
17 CARDSET AND BOX, LUNCH BOX, MAP OR GLOBE, MARKER, NOTEBOOK AND
18 DIVIDER, PAPER OR PAD, PENCIL BOX OR OTHER BOXES FOR SCHOOL
19 SUPPLIES, PENCIL SHARPENER, PENCIL AND ERASER, PEN, PROTRACTOR,
20 REFERENCE BOOK, RULER, SCISSORS, TEXTBOOK, AND WORKBOOK, OR
21 OTHER ITEMS REQUESTED BY A SCHOOL FOR USE IN A CLASSROOM.

22 (e) "TAXPAYER" MEANS A RESIDENT INDIVIDUAL AS DEFINED IN
23 SECTION 39-22-103 (8).

24 (2) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
25 1, 2013, AND SUBJECT TO THE LIMITATION SPECIFIED IN SUBSECTION (3) OF
26 THIS SECTION, ANY TAXPAYER WHO IS THE PARENT OR GUARDIAN OF A
27 QUALIFIED CHILD AND WHO INCURS COSTS FOR SCHOOL FEES OR FOR THE

1 PURCHASE OF SCHOOL SUPPLIES IN CONNECTION WITH THE QUALIFIED
2 CHILD'S ATTENDANCE AT A PUBLIC, PRIVATE, OR HOME SCHOOL, SHALL BE
3 ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS
4 ARTICLE IN AN AMOUNT EQUAL TO TWENTY-FIVE PERCENT OF THE
5 AGGREGATE EXPENDITURES FOR SUCH FEES OR SUPPLIES OR FIVE HUNDRED
6 DOLLARS, WHICHEVER IS LESS.

7 (3) IF THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS
8 SECTION EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE
9 INCOME OF THE TAXPAYER IN THE INCOME TAX YEAR FOR WHICH THE
10 CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN
11 OFFSET AGAINST INCOME TAXES IN SAID INCOME TAX YEAR MAY BE
12 CARRIED FORWARD AS A CREDIT AGAINST SUBSEQUENT YEARS' INCOME
13 TAX LIABILITY FOR A PERIOD NOT EXCEEDING THREE YEARS AND SHALL BE
14 APPLIED FIRST TO THE EARLIEST INCOME TAX YEARS POSSIBLE. ANY
15 CREDIT REMAINING AFTER SAID PERIOD SHALL NOT BE REFUNDED OR
16 CREDITED TO THE TAXPAYER.

17 **SECTION 3. Act subject to petition - effective date.** This act
18 takes effect at 12:01 a.m. on the day following the expiration of the
19 ninety-day period after final adjournment of the general assembly (August
20 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a
21 referendum petition is filed pursuant to section 1 (3) of article V of the
22 state constitution against this act or an item, section, or part of this act
23 within such period, then the act, item, section, or part will not take effect
24 unless approved by the people at the general election to be held in
25 November 2014 and, in such case, will take effect on the date of the
26 official declaration of the vote thereon by the governor.