

**First Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 19-0576.01 Esther van Mourik x4215

**HOUSE BILL 19-1097**

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**HOUSE SPONSORSHIP**

Neville, Humphrey, Van Winkle, Saine, Buck, Baisley, Ransom

**SENATE SPONSORSHIP**

(None),

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**House Committees**

State, Veterans, & Military Affairs  
Finance

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING GENERAL FUND REDUCTIONS, AND, IN CONNECTION**  
102            **THEREWITH, REDUCING THE INCOME TAX RATE AND REQUIRING**  
103            **REDUCTIONS IN GENERAL FUND APPROPRIATIONS FOR CERTAIN**  
104            **PRINCIPAL DEPARTMENTS.**

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**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>.)*

For income tax years commencing on and after January 1, 2019,  
the bill:

!            Reduces both the individual and the corporate state income

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.

- tax rate from 4.63% to 4.25%; and
  - ! Reduces the state alternative minimum tax by 0.38%.
- The bill also requires the state controller to:
- ! Proportionally void general fund appropriations for each principal department, except for the department of education, for the 2018-19 state fiscal year in an amount totaling \$374.3 million;
  - ! For the 2019-20 state fiscal year, to proportionally reduce the general fund appropriations for each principal department, except for the department of education, as set forth in the 2019 annual general appropriations act in an amount totaling \$760.7 million.

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

2           **SECTION 1.** In Colorado Revised Statutes, 39-22-104, **amend**  
3 (1.7) as follows:

4           **39-22-104. Income tax imposed on individuals, estates, and**  
5 **trusts - single rate - legislative declaration - definitions - repeal.**

6 (1.7) (a) Except as otherwise provided in section 39-22-627, subject to  
7 subsection (2) of this section, with respect to taxable years commencing  
8 on or after January 1, 2000, BUT BEFORE JANUARY 1, 2019, a tax of four  
9 and sixty-three one hundredths percent is imposed on the federal taxable  
10 income, as determined pursuant to section 63 of the internal revenue  
11 code, of every individual, estate, and trust.

12           (b) EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-22-627,  
13 SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO TAXABLE  
14 YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, A TAX OF FOUR AND  
15 TWENTY-FIVE ONE HUNDREDTHS PERCENT IS IMPOSED ON THE FEDERAL  
16 TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 63 OF THE  
17 INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST.

18           **SECTION 2.** In Colorado Revised Statutes, 39-22-105, **amend**  
19 (1.5) and (3)(b) as follows:

1           **39-22-105. Alternative minimum tax.** (1.5) (a) With respect to  
2 each taxable year commencing on or after January 1, 2000, BUT BEFORE  
3 JANUARY 1, 2019, for every individual, estate, and trust, in addition to the  
4 tax imposed in section 39-22-104, a tax is imposed in an amount equal to  
5 the excess of:

6           (a) (I) Three and forty-seven one-hundredths percent of the  
7 Colorado alternative minimum taxable income, as determined pursuant  
8 to subsection (2) of this section; over

9           (b) (II) The tax imposed in section 39-22-104.

10           (b) WITH RESPECT TO EACH TAXABLE YEAR COMMENCING ON OR  
11 AFTER JANUARY 1, 2019, FOR EVERY INDIVIDUAL, ESTATE, AND TRUST, IN  
12 ADDITION TO THE TAX IMPOSED IN SECTION 39-22-104, A TAX IS IMPOSED  
13 IN AN AMOUNT EQUAL TO THE EXCESS OF:

14           (I) THREE AND NINE ONE HUNDREDTHS PERCENT OF THE  
15 COLORADO ALTERNATIVE MINIMUM TAXABLE INCOME, AS DETERMINED  
16 PURSUANT TO SUBSECTION (2) OF THIS SECTION; OVER

17           (II) THE TAX IMPOSED IN SECTION 39-22-104.

18           (3) (b) (I) For taxable years beginning on or after January 1, 2000,  
19 BUT BEFORE JANUARY 1, 2019, each individual, estate, and trust shall be  
20 allowed a credit against the tax imposed by this part 1 in an amount equal  
21 to twelve percent of the credit allowed for the same tax year by section 53  
22 of the internal revenue code.

23           (II) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1,  
24 2019, EACH INDIVIDUAL, ESTATE, AND TRUST SHALL BE ALLOWED A  
25 CREDIT AGAINST THE TAX IMPOSED BY THIS PART 1 IN AN AMOUNT EQUAL  
26 TO ELEVEN AND SIXTY-TWO ONE HUNDREDTHS PERCENT OF THE CREDIT  
27 ALLOWED FOR THE SAME TAX YEAR BY SECTION 53 OF THE INTERNAL

1 REVENUE CODE.

2 **SECTION 3.** In Colorado Revised Statutes, 39-22-301, **amend**  
3 (1)(d)(I)(I); and **add** (1)(d)(I)(J) as follows:

4 **39-22-301. Corporate tax imposed.** (1) (d) (I) A tax is imposed  
5 upon each domestic C corporation and foreign C corporation doing  
6 business in Colorado annually in an amount of the net income of such C  
7 corporation during the year derived from sources within Colorado as set  
8 forth in the following schedule of rates:

9 (I) Except as otherwise provided in section 39-22-627, for income  
10 tax years commencing on or after January 1, 2000, BUT BEFORE JANUARY  
11 1, 2019, four and sixty-three one hundredths percent of the Colorado net  
12 income;

13 (J) EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-22-627, FOR  
14 INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, FOUR  
15 AND TWENTY-FIVE ONE HUNDREDTHS PERCENT OF THE COLORADO NET  
16 INCOME.

17 **SECTION 4.** In Colorado Revised Statutes, 39-22-604, **amend**  
18 (18)(a) introductory portion and (18)(b) as follows:

19 **39-22-604. Withholding tax - requirement to withhold - tax**  
20 **lien - exemption from lien - definitions.** (18) (a) Any person who  
21 makes a payment for services to any natural person that is not otherwise  
22 subject to state income tax withholding but that requires an information  
23 return, including but not limited to any payment for which internal  
24 revenue service form 1099-B, 1099-DIV, 1099-INT, 1099-MISC,  
25 1099-OID, or 1099-PATR, the issuance of any of which allows taxpayer  
26 identification number verification through the taxpayer identification  
27 number matching program administered by the internal revenue service,

1 or any other version of form 1099 is required, shall deduct and withhold  
2 state income tax at the rate of ~~four and sixty-three one-hundredths percent~~  
3 SET FORTH IN SECTION 39-22-104 OR 39-22-304 if the person who  
4 performed the services:

5 (b) Any person other than a natural person and any natural person  
6 who in the course of conducting a trade or business as a sole proprietor  
7 makes any payment for services to a natural person that is not reported on  
8 any information return shall deduct and withhold state income tax at the  
9 rate of ~~four and sixty-three one-hundredths percent~~ SET FORTH IN SECTION  
10 39-22-104, unless the employer making payment has a validated taxpayer  
11 identification number from the person to whom payment is made.

12 **SECTION 5.** In Colorado Revised Statutes, 39-22-627, **amend**  
13 (1), (2), (3), and (6) as follows:

14 **39-22-627. Temporary adjustment of rate of income tax -**  
15 **refund of excess state revenues - authority of executive director.**

16 (1) (a) Subject to the provisions of this section, if, for any state fiscal  
17 year commencing on or after July 1, 2010, the amount of state revenues  
18 in excess of the limitation on state fiscal year spending imposed by  
19 section 20 (7)(a) of article X of the state constitution that are required to  
20 be refunded for such state fiscal year exceeds the amount specified in  
21 ~~paragraph (b) of this subsection (1)~~ SUBSECTION (1)(b) OF THIS SECTION,  
22 the executive director shall temporarily reduce the state income tax rate  
23 for the income tax year commencing during the calendar year in which  
24 the state fiscal year ended ~~from four and sixty-three one-hundredths~~  
25 ~~percent of the federal taxable income of every individual, estate, trust, and~~  
26 ~~corporation, as specified in sections 39-22-104 (1.7) and 39-22-301~~  
27 ~~(1)(d)(I)(I), to four and one-half percent of the federal taxable income of~~

1 ~~every individual, estate, trust, and corporation~~ BY TWO AND EIGHTY  
2 THOUSAND SEVEN HUNDRED SEVENTY-EIGHT HUNDRED-THOUSANDTHS  
3 PERCENT to refund excess state revenues that are required to be refunded  
4 pursuant to section 20 (7)(d) of article X of the state constitution.

5 (b) In order for the provisions of subsection (1)(a) of this section  
6 to take effect, the amount of state revenues required to be refunded for the  
7 specified state fiscal year must exceed the total of the amount of  
8 reimbursement for property tax revenues lost as a result of the property  
9 tax exemptions allowed by part 2 of article 3 of this title 39 paid by the  
10 state treasurer to each county treasurer as required by section 39-3-207 (4)  
11 for the property tax year that commenced during the specified state fiscal  
12 year plus the estimated amount by which state revenues would be  
13 decreased as the result of a reduction in the state income tax rate ~~from~~  
14 ~~four and sixty-three one-hundredths percent to four and one-half percent~~  
15 ~~of federal taxable income~~, BY TWO AND EIGHTY THOUSAND SEVEN  
16 HUNDRED SEVENTY-EIGHT HUNDRED-THOUSANDTHS PERCENT as  
17 determined pursuant to this section.

18 (2) Except as otherwise provided in subsection (3) of this section,  
19 no later than October 1, 2011, and no later than each October 1 thereafter  
20 of any calendar year, during which it is certified in accordance with ~~the~~  
21 ~~provisions of section 24-77-106.5 C.R.S.~~, that state revenues exceed the  
22 limitation on state fiscal year spending imposed by section 20 (7)(a) of  
23 article X of the state constitution for the state fiscal year ending in that  
24 calendar year and exceed any amount that the voters statewide have  
25 authorized the state to retain and spend for the state fiscal year ending in  
26 that calendar year, the executive director shall estimate the amount by  
27 which state revenues would be decreased as the result of a reduction in

1 the state income tax rate ~~from four and sixty-three one-hundredths percent~~  
2 ~~to four and one-half percent of federal taxable income~~ BY TWO AND  
3 EIGHTY THOUSAND SEVEN HUNDRED SEVENTY-EIGHT  
4 HUNDRED-THOUSANDTHS PERCENT for the income tax year commencing  
5 during the calendar year in which the state fiscal year ended.

6 (3) If one or more ballot questions are submitted to the voters at  
7 a statewide election to be held in November of any given calendar year  
8 that seek authorization for the state to retain and spend all or any portion  
9 of the amount of excess state revenues for the state fiscal year ending  
10 during said calendar year, the executive director shall not reduce the state  
11 income tax rate until the results of said election are known so that the  
12 state income tax rate may be reduced only if, after the results of said  
13 election, the amount of excess state revenues required to be refunded for  
14 the state fiscal year exceeds the total of the amount of reimbursement for  
15 property tax revenues lost as a result of the property tax exemptions  
16 allowed by part 2 of article 3 of this title 39 paid by the state treasurer to  
17 each county treasurer as required by section 39-3-207 (4) for the property  
18 tax year that commenced during the specified state fiscal year plus the  
19 estimated amount by which state revenues would be decreased as a result  
20 of a reduction in the state income tax rate ~~from four and sixty-three~~  
21 ~~one-hundredths percent to four and one-half percent of federal taxable~~  
22 ~~income~~ BY TWO AND EIGHTY THOUSAND SEVEN HUNDRED SEVENTY-EIGHT  
23 HUNDRED-THOUSANDTHS PERCENT pursuant to this section.

24 (6) If, based on the financial report prepared by the controller in  
25 accordance with section 24-77-106.5, the controller certifies that the  
26 amount of the state revenues for any state fiscal year commencing on or  
27 after July 1, 2017, exceeds the limitation on state fiscal year spending

1 imposed by section 20 (7)(a) of article X of the state constitution for that  
2 state fiscal year and exceeds the amount of excess state revenues that the  
3 voters statewide have authorized the state to retain and spend for that  
4 state fiscal year by less than the total of the amount of reimbursement for  
5 property tax revenues lost as a result of the property tax exemptions  
6 allowed by part 2 of article 3 of this title 39 paid by the state treasurer to  
7 each county treasurer as required by section 39-3-207 (4) for the property  
8 tax year that commenced during the specified state fiscal year plus the  
9 estimated amount by which state revenues would be decreased as the  
10 result of a reduction in the state income tax rate ~~from four and sixty-three~~  
11 ~~one-hundredths percent to four and one-half percent of federal taxable~~  
12 ~~income~~ BY TWO AND EIGHTY THOUSAND SEVEN HUNDRED SEVENTY-EIGHT  
13 HUNDRED-THOUSANDTHS PERCENT as calculated by the executive director  
14 pursuant to subsection (2) of this section, then the reduction in the state  
15 income tax rate allowed pursuant to subsection (1) of this section shall not  
16 be allowed for the income tax year commencing during the calendar year  
17 in which the state fiscal year ended.

18 **SECTION 6.** In Colorado Revised Statutes, **add** 24-75-101.5 as  
19 follows:

20 **24-75-101.5. Mandatory reduction in budget requests and**  
21 **appropriations.** (1) FOR EACH PRINCIPAL DEPARTMENT LISTED IN  
22 SECTION 24-1-110, EXCEPT FOR THE DEPARTMENT OF EDUCATION, THE  
23 STATE CONTROLLER SHALL PROPORTIONALLY VOID GENERAL FUND  
24 APPROPRIATIONS FOR THE 2018-19 STATE FISCAL YEAR IN AN AMOUNT  
25 TOTALING THREE HUNDRED SEVENTY-FOUR AND THREE-TENTHS MILLION  
26 DOLLARS.

27 (2) FOR THE 2019-20 STATE FISCAL YEAR, THE STATE CONTROLLER



1 SHALL PROPORTIONALLY REDUCE THE GENERAL FUND APPROPRIATIONS  
2 FOR EACH PRINCIPAL DEPARTMENT LISTED IN SECTION 24-1-110, EXCEPT  
3 FOR THE DEPARTMENT OF EDUCATION, AS SET FORTH IN THE 2019 ANNUAL  
4 GENERAL APPROPRIATIONS ACT IN AN AMOUNT TOTALING SEVEN HUNDRED  
5 SIXTY AND SEVEN-TENTHS MILLION DOLLARS.

6 **SECTION 7. Safety clause.** The general assembly hereby finds,  
7 determines, and declares that this act is necessary for the immediate  
8 preservation of the public peace, health, and safety.