

First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 13-0763.01 Nicole Myers x4326

SENATE BILL 13-131

SENATE SPONSORSHIP

Hill,

HOUSE SPONSORSHIP

(None),

Senate Committees
Education

House Committees

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF AN INCOME TAX CREDIT FOR COSTS
102 INCURRED IN PROVIDING A SUPPLEMENTAL EDUCATION SERVICE
103 TO A DEPENDENT CHILD.

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 a state 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 and who incurs costs for providing a supplemental education service to the child, to claim an

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.

income tax credit for the costs incurred in providing the supplemental education service. The amount of the credit allowed is an amount equal to the aggregate expenditures for a supplemental education service or \$500, whichever is less.

To claim the income tax credit, a taxpayer is required to obtain a letter from a licensed educator, mental health professional, or physician recommending that the taxpayer's qualified child receive a specified supplemental education service. The taxpayer is required to submit the letter with the taxpayer's income tax return form.

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.** In Colorado Revised Statutes, **add** 39-22-129 as
3 follows:

4 **39-22-129. Supplemental education services - credit against**
5 **state tax - definitions.** (1) THE GENERAL ASSEMBLY HEREBY FINDS,
6 DETERMINES, AND DECLARES THAT:

7 (a) STUDENTS IN ELEMENTARY AND SECONDARY SCHOOLS IN THE
8 STATE OFTEN ARE IN NEED OF CERTAIN EDUCATION SERVICES AS A
9 SUPPLEMENT TO THE EDUCATION PROGRAM PROVIDED BY THE CHILD'S
10 SCHOOL. A PARENT, EDUCATOR, MENTAL HEALTH PROFESSIONAL, OR
11 PHYSICIAN MAY BELIEVE THAT THE CHILD NEEDS AND WOULD BENEFIT
12 FROM A SUPPLEMENTAL EDUCATION SERVICE SUCH AS SPECIALIZED
13 TUTORING, INTERVENTION SERVICES, VOCATIONAL EDUCATIONAL
14 PROGRAMS, THERAPY, OR GENERAL COUNSELING, BUT THESE SERVICES
15 MAY NOT BE AVAILABLE FOR A CHILD THROUGH HIS OR HER SCHOOL.

16 (b) IT MAY BE COST-PROHIBITIVE OR PARTICULARLY DIFFICULT FOR
17 COLORADO FAMILIES DURING THESE CHALLENGING ECONOMIC TIMES TO
18 PROVIDE THESE SUPPLEMENTAL EDUCATION SERVICES WHEN THE CHILD'S
19 SCHOOL IS UNABLE TO DO SO.

1 (c) THE PRIMARY PURPOSE OF THE INCOME TAX CREDIT ALLOWED
2 PURSUANT TO THIS SECTION IS TO ENABLE COLORADO FAMILIES TO
3 PROVIDE A SUPPLEMENTAL EDUCATION SERVICE TO A CHILD WHEN
4 NECESSARY TO AUGMENT THE EDUCATION PROGRAM PROVIDED BY THE
5 CHILD'S SCHOOL AND TO AMELIORATE THE ECONOMIC STRESS THAT
6 COLORADO FAMILIES MAY EXPERIENCE BY PROVIDING SUCH
7 SUPPLEMENTAL EDUCATION SERVICE.

8 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
9 REQUIRES:

10 (a) "EDUCATION PROVIDER" MEANS A SCHOOL DISTRICT, A BOARD
11 OF COOPERATIVE SERVICES THAT OPERATES ONE OR MORE PUBLIC
12 SCHOOLS, A PUBLIC SCHOOL OF A SCHOOL DISTRICT, INCLUDING A CHARTER
13 SCHOOL, AN INSTITUTE CHARTER SCHOOL, A PRIVATE SCHOOL, OR A
14 HOME-SCHOOL PROGRAM.

15 (b) "LICENSED PROFESSIONAL" MEANS AN EDUCATOR LICENSED
16 PURSUANT TO ARTICLE 60.5 OF TITLE 22, C.R.S., A MENTAL HEALTH
17 PROFESSIONAL LICENSED PURSUANT TO ARTICLE 43 OF TITLE 12, C.R.S.,
18 OR A PHYSICIAN LICENSED PURSUANT TO SECTION 12-36-114, C.R.S.

19 (c) "QUALIFIED CHILD" MEANS A DEPENDENT CHILD WHO IS
20 ENROLLED IN AN ELEMENTARY OR SECONDARY SCHOOL THROUGH AN
21 EDUCATION PROVIDER IN THE STATE.

22 (d) "SUPPLEMENTAL EDUCATION SERVICE" MEANS AN EDUCATION
23 SERVICE OR ACADEMIC ENRICHMENT SERVICE THAT A QUALIFIED CHILD
24 RECEIVES TO AUGMENT THE EDUCATIONAL PROGRAM PROVIDED BY THE
25 QUALIFIED CHILD'S EDUCATION PROVIDER AS RECOMMENDED AND DEEMED
26 NECESSARY BY A LICENSED PROFESSIONAL. "SUPPLEMENTAL EDUCATION
27 SERVICE" INCLUDES AN EDUCATION OR ACADEMIC ENRICHMENT SERVICE

1 FOR A CHILD WHO DOES NOT HAVE AN INDIVIDUALIZED EDUCATION
2 PROGRAM PURSUANT TO SECTION 22-20-108, C.R.S., WHO HAS AN
3 INDIVIDUALIZED EDUCATION PROGRAM THAT DOES NOT INCLUDE THE
4 EDUCATION OR ACADEMIC ENRICHMENT SERVICE, OR WHO IS NOT
5 ENROLLED IN A PUBLIC SCHOOL.

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

8 (3) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
9 1, 2013, AND SUBJECT TO THE LIMITATION SPECIFIED IN SUBSECTION (5) OF
10 THIS SECTION, ANY TAXPAYER WHO IS THE PARENT OR GUARDIAN OF A
11 QUALIFIED CHILD, WHO OBTAINS A LETTER FROM A LICENSED
12 PROFESSIONAL PURSUANT TO SUBSECTION (4) OF THIS SECTION, WHOSE
13 QUALIFIED CHILD RECEIVES A SUPPLEMENTAL EDUCATION SERVICE, AND
14 WHO INCURS COSTS DURING THE TAX YEAR FOR PROVIDING SUCH
15 SUPPLEMENTAL EDUCATION SERVICE, SHALL BE ALLOWED A CREDIT
16 AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE. THE AMOUNT OF
17 THE CREDIT ALLOWED IS AN AMOUNT EQUAL TO THE AGGREGATE
18 EXPENDITURES FOR ONE OR MORE SUPPLEMENTAL EDUCATION SERVICE OR
19 FIVE HUNDRED DOLLARS, WHICHEVER IS LESS.

20 (4) UPON THE REQUEST OF A TAXPAYER, A LICENSED
21 PROFESSIONAL MAY ISSUE TO THE TAXPAYER A LETTER STATING THAT HE
22 OR SHE RECOMMENDS AND DEEMS IT NECESSARY THAT THE TAXPAYER'S
23 QUALIFIED CHILD RECEIVE A SPECIFIED SUPPLEMENTAL EDUCATION
24 SERVICE. TO BE ELIGIBLE TO CLAIM AN INCOME TAX CREDIT PURSUANT TO
25 SUBSECTION (3) OF THIS SECTION, A TAXPAYER IS REQUIRED TO SUBMIT
26 WITH THE TAXPAYER'S INCOME TAX RETURN FORM, A LETTER FROM A
27 LICENSED PROFESSIONAL FOR THE SUPPLEMENTAL EDUCATION SERVICE

1 FOR WHICH THE TAXPAYER IS CLAIMING THE CREDIT.

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

12 (6) THE DEPARTMENT OF REVENUE SHALL DETERMINE THE FORM
13 AND MANNER OF A LETTER FROM A LICENSED PROFESSIONAL THAT A
14 TAXPAYER REQUESTS TO CLAIM A CREDIT PURSUANT TO THIS SECTION.

15 (7) A LICENSED PROFESSIONAL SHALL NOT BE SUBJECT TO LEGAL
16 ACTION OR TO LOSS OF HIS OR HER LICENSE SOLELY ON THE BASIS OF
17 ISSUING A LETTER TO A TAXPAYER PURSUANT TO SUBSECTION (4) OF THIS
18 SECTION.

19 **SECTION 2. Act subject to petition - effective date.** This act
20 takes effect at 12:01 a.m. on the day following the expiration of the
21 ninety-day period after final adjournment of the general assembly (August
22 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a
23 referendum petition is filed pursuant to section 1 (3) of article V of the
24 state constitution against this act or an item, section, or part of this act
25 within such period, then the act, item, section, or part will not take effect
26 unless approved by the people at the general election to be held in

- 1 November 2014 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.