

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

INTRODUCED

LLS NO. 20B-0044.01 Pierce Lively x2059

HOUSE BILL 20B-1020

HOUSE SPONSORSHIP

Soper and Rich, Carver, Humphrey, McKean, Ransom, Will

SENATE SPONSORSHIP

Tate, Scott

House Committees

State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE DEDUCTION OF TIPS RECEIVED BY A TAXPAYER**
102 **FROM THE TAXPAYER'S FEDERAL TAXABLE INCOME WHEN**
103 **CALCULATING COLORADO TAXABLE INCOME.**

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 allows a taxpayer to deduct the total amount of tips received by a taxpayer during the 2021 income tax year from the taxpayer's federal taxable income for purposes of calculating the taxpayer's 2021 Colorado taxable 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.

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 hereby finds, determines, and declares that the purpose of the tax
4 deduction created in section 39-22-104 (4)(z), Colorado Revised Statutes,
5 is to provide tax relief to those Coloradans who work in service industries
6 that have been severely impacted by the COVID-19 pandemic.

7 **SECTION 2.** In Colorado Revised Statutes, 39-22-104, **add**
8 (4)(z) as follows:

9 **39-22-104. Income tax imposed on individuals, estates, and**
10 **trusts - single rate - legislative declaration - definitions - repeal.**

11 (4) There shall be subtracted from federal taxable income:

12 (z) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
13 2021, AND ENDING DECEMBER 31, 2021, AN AMOUNT EQUAL TO THE
14 TOTAL AMOUNT OF TIPS RECEIVED BY THE TAXPAYER DURING THAT
15 INCOME TAX YEAR.

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