

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

INTRODUCED

LLS NO. 24-0958.01 Rebecca Bayetti x4348

HOUSE BILL 24-1240

HOUSE SPONSORSHIP

Joseph and Weinberg,

SENATE SPONSORSHIP

Rich,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF AN INCOME TAX SUBTRACTION FOR**
102 **SEGAL AMERICORPS EDUCATION AWARDS.**

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 creates an income tax subtraction for the next 3 income tax years for the amount of any Segal AmeriCorps Education Award received by a taxpayer for service in the AmeriCorps national service program and used by the taxpayer during the income tax year.

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.

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) AmeriCorps members serve communities throughout the
5 nation, including in Colorado, where AmeriCorps members lead the
6 Reading Corps as literacy tutors in schools across the state to help young
7 students achieve grade-level reading, resulting in better outcomes for
8 Colorado students;

9 (b) After completing their terms of service, AmeriCorps members
10 may earn a Segal AmeriCorps Education Award that can be used to pay
11 education expenses at eligible higher education institutions and programs
12 or to repay qualified student loans;

13 (c) Segal AmeriCorps Education Awards are taxed as income in
14 the year or years they are used;

15 (d) Other states have removed state income tax on the amount of
16 a Segal AmeriCorps Education Award;

17 (e) Subtracting the amount of a Segal AmeriCorps Education
18 Award reduces burdens on individuals, supports education and workforce
19 development, and encourages AmeriCorps alumni to remain in Colorado
20 to use their awards; and

21 (f) The purpose of this tax subtraction is to incentivize
22 AmeriCorps members to seek higher education in the state and to retain
23 AmeriCorps members in the state after their terms of service have ended.

24 **SECTION 2.** In Colorado Revised Statutes, 39-22-104, **add**
25 (4)(cc) as follows:

26 **39-22-104. Income tax imposed on individuals, estates, and**
27 **trusts - single rate - report - legislative declaration - definitions -**

1 **repeal.** (4) There shall be subtracted from federal taxable income:
2 (cc) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
3 JANUARY 1, 2025, BUT BEFORE JANUARY 1, 2028, AN AMOUNT EQUAL TO
4 THE AMOUNT OF ANY SEGAL AMERICORPS EDUCATION AWARD RECEIVED
5 FOR SERVICE IN THE AMERICORPS NATIONAL SERVICE PROGRAM AND USED
6 BY THE TAXPAYER DURING THE INCOME TAX YEAR.
7 (II) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
8 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
9 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
10 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS AND
11 DECLARES THAT:
12 (A) THE PURPOSE OF THE INCOME TAX SUBTRACTION CREATED IN
13 THIS SUBSECTION (4)(cc) IS TO PROVIDE TAX RELIEF FOR CERTAIN
14 INDIVIDUALS, SPECIFICALLY TAXPAYERS WHO HAVE RECEIVED SEGAL
15 AMERICORPS EDUCATION AWARDS FOR AMERICORPS SERVICE; AND
16 (B) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
17 MEASURE THE EFFECTIVENESS OF THE SUBTRACTION IN ACHIEVING THE
18 PURPOSE SPECIFIED IN SUBSECTION (4)(cc)(II)(A) OF THIS SECTION BASED
19 ON THE NUMBER AND AGGREGATE AMOUNT OF SUBTRACTIONS CLAIMED
20 IN A TAX YEAR.
21 (III) THE DEPARTMENT OF REVENUE SHALL MAINTAIN
22 INFORMATION ABOUT THE NUMBER OF TAXPAYERS WHO CLAIM THE
23 SUBTRACTION IN A TAX YEAR AND THE AGGREGATE AMOUNT OF
24 SUBTRACTIONS CLAIMED IN A TAX YEAR, IN ADDITION TO ANY OTHER
25 INFORMATION DETERMINED NECESSARY BY THE DEPARTMENT OF
26 REVENUE, TO EVALUATE THE EFFECTIVENESS OF THE TAX SUBTRACTION
27 ALLOWED IN THIS SUBSECTION (4)(cc) IN ACHIEVING THE PURPOSE

1 SPECIFIED IN SUBSECTION (4)(cc)(II)(A) OF THIS SECTION, AND SHALL
2 PROVIDE THIS INFORMATION UPON REQUEST OF THE GENERAL ASSEMBLY
3 OR THE STATE AUDITOR.

4 (IV) THIS SUBSECTION (4)(cc) IS REPEALED, EFFECTIVE JULY 1,
5 2033.

6 **SECTION 3. Safety clause.** The general assembly finds,
7 determines, and declares that this act is necessary for the immediate
8 preservation of the public peace, health, or safety or for appropriations for
9 the support and maintenance of the departments of the state and state
10 institutions.