

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

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 24-0958.01 Rebecca Bayetti x4348

HOUSE BILL 24-1240

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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.

SENATE
3rd Reading Unamended
May 6, 2024

SENATE
2nd Reading Unamended
May 4, 2024

HOUSE
3rd Reading Unamended
May 1, 2024

HOUSE
Amended 2nd Reading
April 30, 2024

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 nationwide,
5 including in Colorado, where AmeriCorps members serve throughout the
6 state in education, climate change resilience, public and behavioral health,
7 digital navigation, economic mobility, and other areas, with a focus on
8 workforce development and quality credentials earned through
9 service-to-career pathways;

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

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

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

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

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

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

27 **39-22-104. Income tax imposed on individuals, estates, and**

1 **trusts - single rate - report - legislative declaration - definitions -**
2 **repeal.** (4) There shall be subtracted from federal taxable income:

3 (cc) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
4 JANUARY 1, 2026, BUT BEFORE JANUARY 1, 2034, AN AMOUNT EQUAL TO
5 THE AMOUNT OF ANY SEGAL AMERICORPS EDUCATION AWARD RECEIVED
6 FOR SERVICE IN THE AMERICORPS NATIONAL SERVICE PROGRAM, WHICH
7 IS USED BY THE TAXPAYER DURING THE INCOME TAX YEAR.

8 (II) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
9 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
10 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
11 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS AND
12 DECLARES THAT:

13 (A) THE PURPOSE OF THE INCOME TAX SUBTRACTION CREATED IN
14 THIS SUBSECTION (4)(cc) IS TO PROVIDE TAX RELIEF FOR CERTAIN
15 INDIVIDUALS, SPECIFICALLY TAXPAYERS WHO HAVE RECEIVED SEGAL
16 AMERICORPS EDUCATION AWARDS FOR AMERICORPS SERVICE; AND

17 (B) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
18 MEASURE THE EFFECTIVENESS OF THE SUBTRACTION IN ACHIEVING THE
19 PURPOSE SPECIFIED IN SUBSECTION (4)(cc)(II)(A) OF THIS SECTION BASED
20 ON THE NUMBER AND AGGREGATE AMOUNT OF SUBTRACTIONS CLAIMED
21 IN A TAX YEAR.

22 (III) THE DEPARTMENT OF REVENUE SHALL MAINTAIN
23 INFORMATION ABOUT THE NUMBER OF TAXPAYERS WHO CLAIM THE
24 SUBTRACTION IN A TAX YEAR AND THE AGGREGATE AMOUNT OF
25 SUBTRACTIONS CLAIMED IN A TAX YEAR, IN ADDITION TO ANY OTHER
26 INFORMATION DETERMINED NECESSARY BY THE DEPARTMENT OF
27 REVENUE, TO EVALUATE THE EFFECTIVENESS OF THE TAX SUBTRACTION

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

5 (IV) THIS SUBSECTION (4)(cc) IS REPEALED, EFFECTIVE JULY 1,
6 2039.

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