

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0452.01 Jed Franklin x5484

HOUSE BILL 24-1243

HOUSE SPONSORSHIP

Woodrow,

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE ELIMINATION OF STATE INCOME TAX LIABILITY ON
102 THE EARNED INCOME OF A MINOR.

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>.)

Currently, an individual aged 17 years or younger (minor) is liable to the state for income tax on earned income. The bill allows a subtraction from federal taxable income of an amount equal to the earned income of a minor. An employer is not required to deduct income tax from the wages of a minor.

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.** In Colorado Revised Statutes, 39-22-104, **add**
3 (4)(cc) as follows:

4 **39-22-104. Income tax imposed on individuals, estates, and**
5 **trusts - single rate - report - legislative declaration - definitions -**
6 **repeal.** (4) There shall be subtracted from federal taxable income:

7 (cc) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
8 1, 2025, FOR AN INDIVIDUAL SEVENTEEN YEARS OF AGE OR YOUNGER, AN
9 AMOUNT EQUAL TO THE EARNED INCOME OF THE INDIVIDUAL, TO THE
10 EXTENT INCLUDED IN THE INDIVIDUAL'S FEDERAL TAXABLE INCOME.

11 **SECTION 2.** In Colorado Revised Statutes, 39-22-604, **amend**
12 (19); and **repeal** (20) as follows:

13 **39-22-604. Withholding tax - requirement to withhold - tax**
14 **lien - exemption from lien - annual statement - notice - definitions.**

15 (19) No amount is required to be deducted and withheld from an
16 employee's wages pursuant to this section for income tax due to the state
17 if the employee's withholding certificate indicates that the compensation
18 is eligible to be subtracted from federal taxable income pursuant to
19 ~~section 39-22-104 (4)(t)~~ SECTION 39-22-104 (4)(t), (4)(u), OR (4)(cc).

20 ~~(20) No amount is required to be deducted and withheld from an~~
21 ~~employee's wages pursuant to this section for income tax due to the state~~
22 ~~if the employee's withholding certificate indicates that the compensation~~
23 ~~is eligible to be subtracted from federal taxable income pursuant to~~
24 ~~section 39-22-104 (4)(u).~~

25 **SECTION 3. Act subject to petition - effective date.** This act
26 takes effect at 12:01 a.m. on the day following the expiration of the

1 ninety-day period after final adjournment of the general assembly; except
2 that, if a referendum petition is filed pursuant to section 1 (3) of article V
3 of the state constitution against this act or an item, section, or part of this
4 act within such period, then the act, item, section, or part will not take
5 effect unless approved by the people at the general election to be held in
6 November 2024 and, in such case, will take effect on the date of the
7 official declaration of the vote thereon by the governor.