

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0952.01 Jed Franklin x5484

HOUSE BILL 24-1288

HOUSE SPONSORSHIP

Rutinel,

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING MEANS OF INCREASING THE NUMBER OF CLAIMS FOR
102 CERTAIN INCOME TAX CREDITS THAT SUPPORT CHILDREN.

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 requires the department of revenue (department) to share the contact information of a resident individual who claimed the earned income tax credit or the child tax credit, or both, on or before July 1 of each year with the department of early childhood, the department of health care policy and financing, the department of human services, the department of local affairs, and the department of public health and

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.

environment, if requested. The information disclosed remains confidential, and the recipient departments may only use it for the purpose of benefit outreach

The bill also requires the department to create a pilot program to assist resident individuals who have not filed a federal income tax return for the 2022 income tax year in claiming the earned income tax credit (credit) for the 2022 income tax year. The department must select and collaborate with a third-party entity to identify resident individuals who may have been eligible for the credit in 2022 but did not file a federal income tax return in 2022. The third-party entity will create a prefilled form for each resident individual who may be eligible for the pilot program. The pilot program must begin no later than 8 months after the internal revenue service has approved it.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-21-113, **add** (34)
3 as follows:

4 **39-21-113. Reports and returns - rule - repeal.**
5 (34) (a) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, ON
6 OR BEFORE JULY 1, 2025, AND ON OR BEFORE EVERY JULY 1 THEREAFTER,
7 IF REQUESTED, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
8 REVENUE SHALL PROVIDE THE DEPARTMENT OF EARLY CHILDHOOD, THE
9 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, THE DEPARTMENT
10 OF HUMAN SERVICES, THE DEPARTMENT OF LOCAL AFFAIRS, AND THE
11 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT CONTACT
12 INFORMATION FOR EACH RESIDENT INDIVIDUAL WHO CLAIMED THE CREDIT
13 ALLOWED BY SECTION 39-22-123.5, THE CREDIT ALLOWED BY SECTION
14 39-22-129, OR BOTH CREDITS, FOR THE 2024 INCOME TAX YEAR OR ANY
15 SUBSEQUENT TAX YEAR FOR THE PURPOSE OF BENEFIT OUTREACH BY THE
16 REQUESTING DEPARTMENT.

17 (b) THE INFORMATION THAT THE EXECUTIVE DIRECTOR IS
18 REQUIRED TO PROVIDE PURSUANT TO THIS SUBSECTION (34) IS SUBJECT TO

1 ANY LIMITATIONS IMPOSED PURSUANT TO SECTION 6103 OF THE FEDERAL
2 "INTERNAL REVENUE CODE OF 1986", AS AMENDED. THE REQUESTING
3 AGENCY SHALL SECURE THE CONTACT INFORMATION AS REQUIRED BY THIS
4 SUBSECTION (34) AND SHALL USE THE CONTACT INFORMATION FOR
5 BENEFIT OUTREACH ONLY.

6 (c) ANY INFORMATION PROVIDED TO THE DEPARTMENT OF EARLY
7 CHILDHOOD, THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING,
8 THE DEPARTMENT OF HUMAN SERVICES, THE DEPARTMENT OF LOCAL
9 AFFAIRS, OR THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
10 PURSUANT TO THIS SUBSECTION (34) REMAINS CONFIDENTIAL, AND ALL
11 AGENTS, CLERKS, AND EMPLOYEES OF THE DEPARTMENT OF EARLY
12 CHILDHOOD, THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING,
13 THE DEPARTMENT OF HUMAN SERVICES, THE DEPARTMENT OF LOCAL
14 AFFAIRS, AND THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
15 ARE SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION (4) OF THIS
16 SECTION AND THE PENALTIES CONTAINED IN SUBSECTION (6) OF THIS
17 SECTION TO THE SAME EXTENT AS AGENTS, CLERKS, AND EMPLOYEES OF
18 THE DEPARTMENT.

19 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-123.7 as
20 follows:

21 **39-22-123.7. Earned income tax credit - pilot program -**
22 **prefilled tax return - rules - repeal.** (1) THERE IS CREATED IN THE
23 DEPARTMENT OF REVENUE A PILOT PROGRAM TO ASSIST RESIDENT
24 INDIVIDUALS WHO HAVE NOT FILED A FEDERAL INCOME TAX RETURN FOR
25 TAX YEAR 2022 IN CLAIMING THE EARNED INCOME TAX CREDIT FOR TAX
26 YEAR 2022. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2)(a) OF
27 THIS SECTION, TO DEVELOP, IMPLEMENT, AND ADMINISTER THE PILOT

1 PROGRAM, THE DEPARTMENT OF REVENUE SHALL:

2 (a) SELECT AND COLLABORATE WITH A THIRD-PARTY ENTITY TO
3 IDENTIFY THE POPULATION OF RESIDENT INDIVIDUALS WHO HAVE NOT
4 FILED A 2022 FEDERAL TAX RETURN AND MAY BE ELIGIBLE TO CLAIM THE
5 EARNED INCOME TAX CREDIT IN 2022;

6 (b) REQUIRE THE SELECTED THIRD-PARTY ENTITY TO CREATE A
7 PREFILLED FEDERAL INCOME TAX RETURN FOR 2022 FOR A RESIDENT
8 INDIVIDUAL WHO APPEARS TO QUALIFY FOR THE EARNED INCOME TAX
9 CREDIT AND DID NOT FILE A FEDERAL INCOME TAX RETURN FOR 2022 AND
10 DISTRIBUTE THE PREFILLED FORM TO THE RESIDENT INDIVIDUAL;

11 (c) DEVELOP A MECHANISM TO SHARE WAGE DATA WITH THE
12 SELECTED THIRD-PARTY ENTITY; AND

13 (d) DEVELOP A SYSTEM FOR RESIDENT INDIVIDUALS TO DIGITALLY
14 CONSENT TO HAVING WAGE DATA SHARED WITH THE SELECTED
15 THIRD-PARTY ENTITY.

16 (2) (a) THE DEPARTMENT OF REVENUE SHALL OBTAIN APPROVAL
17 OF THE PILOT PROGRAM FROM THE FEDERAL INTERNAL REVENUE SERVICE
18 BEFORE DEVELOPING, IMPLEMENTING, AND ADMINISTERING THE PILOT
19 PROGRAM.

20 (b) THE DEPARTMENT OF REVENUE SHALL DEVELOP, IMPLEMENT,
21 AND BEGIN TO ADMINISTER THE PILOT PROGRAM NO LATER THAN EIGHT
22 MONTHS AFTER THE FEDERAL INTERNAL REVENUE SERVICE HAS APPROVED
23 THE PILOT PROGRAM.

24 (3) THE DEPARTMENT OF REVENUE MAY ISSUE RULES FOR THE
25 IMPLEMENTATION OF THIS SECTION.

26 (4) (a) INFORMATION THAT THE DEPARTMENT OF REVENUE MAY
27 PROVIDE PURSUANT TO THIS SECTION IS SUBJECT TO ANY LIMITATIONS

1 IMPOSED PURSUANT TO SECTION 6103 OF THE INTERNAL REVENUE CODE.
2 THE SELECTED THIRD-PARTY ENTITY SHALL SECURE THE INFORMATION
3 SHARED PURSUANT TO THIS SECTION AND SHALL USE THE CONTACT
4 INFORMATION TO ASSIST A RESIDENT INDIVIDUAL IN CLAIMING THE
5 EARNED INCOME TAX CREDIT ONLY.

6 (b) INFORMATION PROVIDED TO THE SELECTED THIRD-PARTY
7 ENTITY PURSUANT TO THIS SECTION REMAINS CONFIDENTIAL, AND ALL
8 AGENTS, CLERKS, AND EMPLOYEES OF THE SELECTED THIRD-PARTY ENTITY
9 ARE SUBJECT TO THE LIMITATIONS SET FORTH IN SECTION 39-21-113 (4)
10 AND THE PENALTIES CONTAINED IN SECTION 39-21-113 (6) TO THE SAME
11 EXTENT AS AGENTS, CLERKS, AND EMPLOYEES OF THE DEPARTMENT OF
12 REVENUE.

13 (5) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2027.

14 **SECTION 3. Act subject to petition - effective date.** This act
15 takes effect at 12:01 a.m. on the day following the expiration of the
16 ninety-day period after final adjournment of the general assembly; except
17 that, if a referendum petition is filed pursuant to section 1 (3) of article V
18 of the state constitution against this act or an item, section, or part of this
19 act within such period, then the act, item, section, or part will not take
20 effect unless approved by the people at the general election to be held in
21 November 2024 and, in such case, will take effect on the date of the
22 official declaration of the vote thereon by the governor.