

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 24-1196.01 Rebecca Bayetti x4348

SENATE BILL 24-228

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SENATE SPONSORSHIP

Mullica and Lundeen,

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A BILL FOR AN ACT

101 CONCERNING MECHANISMS TO REFUND EXCESS STATE REVENUES.

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>.)*

If the state exceeds its constitutional fiscal year spending limit, it is required by the Taxpayer's Bill of Rights (TABOR) to refund the excess state revenues (TABOR refunds). There are currently 2 active mechanisms for TABOR refunds, which occur in the following order of priority:

- First, a reimbursement paid to counties for allocation to local governments to offset the reduction in property taxes resulting from property tax exemptions for qualifying

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.

seniors, veterans with disabilities, and spouses of veterans who died in the line of duty or as a result of a service-related injury or disease (homestead exemptions); and

- Last, a sales tax refund for individual taxpayers, the amount of which is either an identical flat refund amount or based on 6 tiers of income.

Another refund mechanism exists in current law but is not active. That mechanism is a temporary reduction in the state individual income tax rate from 4.63% to 4.5%. Because the current state individual income tax rate is 4.4%, however, this temporary rate reduction refund mechanism is not able to be triggered by any excess state revenues.

The bill affects the existing TABOR refund mechanisms and creates a fourth TABOR refund mechanism; except that the homestead exemptions are not affected.

Under the current sales tax refund mechanism, all qualified individuals receive an identical refund amount if the identical refund amount is less than or equal to \$15 dollars, but if the identical refund amount would be above \$15 dollars, the excess state revenues are instead refunded through a 6-tier refund mechanism based on the qualified individual's adjusted gross income. The bill increases the identical refund amount above which the 6-tier mechanism is triggered and ties this identical refund threshold to internal revenue service calculations of sales tax paid in the state. The 6-tiered income classifications of the sales tax refund are not changed. The bill clarifies that if, by September 1 of any year, the executive director of the department of revenue has not received advice from the internal revenue service that an identical refund is regarded as a refund of sales tax and not as an accession to wealth, no identical refund is allowed and all excess state revenues are refunded through the 6-tier mechanism. The sales tax refund mechanism is addressed in **sections 3 through 8** of the bill.

The temporary income tax rate reduction is reactivated for income tax years 2025 through 2035. To refund excess state revenues from fiscal year 2023-24, the income tax rate for income tax year 2024 is temporarily reduced from 4.40% to 4.25%. After that year, if the amount of excess state revenues exceeds the projected total amount of TABOR refunds issued as reimbursement to counties for the homestead exemptions, then the state individual income tax rate is temporarily reduced by the following percentages according to the total amount of excess state revenues remaining after the reimbursement is paid (remaining excess state revenues):

- If the remaining excess state revenues are above \$300 million but less than or equal to \$500 million, the individual income tax rate is temporarily reduced by 0.04%;

- If the remaining excess state revenues are above \$500 million but less than or equal to \$600 million, the individual income tax rate is temporarily reduced by 0.07%;
- If the remaining excess state revenues are above \$600 million but less than or equal to \$700 million, the individual income tax rate is temporarily reduced by 0.09%;
- If the remaining excess state revenues are above \$700 million but less than or equal to \$800 million, the individual income tax rate is temporarily reduced by 0.11%;
- If the remaining excess state revenues are above \$800 million but less than or equal to \$1 billion, the individual income tax rate is temporarily reduced by 0.12%;
- If the remaining excess state revenues are above \$1 billion but less than or equal to \$1.5 billion, the individual income tax rate is temporarily reduced by 0.13%; and
- If the remaining excess state revenues are above \$1.5 billion, the individual income tax rate is temporarily reduced by 0.15%.

The individual income tax rate reduction refund mechanism is set to repeal on July 1, 2035. The income tax rate reduction refund mechanism is addressed in **sections 1 and 2**.

The bill also establishes a fourth TABOR refund mechanism for remaining excess state revenues for fiscal years starting on July 1, 2024, but before July 1, 2034. Under this mechanism, if the amount of remaining excess state revenues is equal to or greater than \$1.5 billion and exceeds the projected total amount of TABOR refunds issued as reimbursement to counties for the homestead exemptions and through the temporary income tax rate reduction, then the state sales and use tax rates are temporarily reduced by 0.13%. The state sales and use tax rate reduction refund mechanism is set to repeal on July 1, 2035. The sales and use tax rate reduction refund mechanism is addressed in **sections 9 through 15**.

Whether the TABOR refund mechanisms are triggered and, if so, how many of the mechanisms are triggered depends on the amount of remaining excess state revenues as follows:

- If remaining excess state revenues are less than or equal to \$300 million, TABOR refunds are distributed only through the tiered or flat sales tax refund mechanism;
- If remaining excess state revenues are greater than \$300 million but less than or equal to \$1.5 billion, TABOR refunds are distributed first through the income tax rate reduction and then through the tiered or flat sales tax

- refund mechanism; and
- If remaining excess state revenues are greater than \$1.5 billion, TABOR refunds are distributed first through the income tax rate reduction, next through the sales and use tax rate reduction, and finally through the tiered or flat sales tax refund mechanism.

If there are not sufficient excess state revenues to pay the full amount of an income tax rate reduction refund mechanism or the sales and use tax rate reduction TABOR refund mechanism, then the affected refund mechanism is not triggered.

The bill also repeals statutory sections related to TABOR refund mechanisms that are no longer applicable, including the 4-tier sales tax refund mechanism to refund excess revenues from fiscal year 1997-98, and makes conforming amendments.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-627, **amend**  
 3 (1), (2), (3), and (6); **repeal** (5)(d); and **add** (10) and (11) as follows:

4 **39-22-627. Temporary adjustment of rate of income tax -**  
 5 **refund of excess state revenues - authority of executive director -**  
 6 **definition - repeal.** (1) (a) Subject to the provisions of this section, if, for  
 7 any state fiscal year commencing on or after ~~July 1, 2010~~ JULY 1, 2024,  
 8 BUT BEFORE JULY 1, 2034, the amount of state revenues in excess of the  
 9 limitation on state fiscal year spending imposed by section 20 (7)(a) of  
 10 article X of the state constitution that are required to be refunded for such  
 11 state fiscal year exceeds the amount specified in ~~paragraph (b) of this~~  
 12 ~~subsection (1)~~ SUBSECTION (1)(b) OF THIS SECTION, the executive director  
 13 shall temporarily reduce the state income tax rate for the income tax year  
 14 commencing during the calendar year in which the state fiscal year ended  
 15 from ~~four and sixty-three one-hundredths percent~~ ITS CURRENT  
 16 PERCENTAGE of the federal taxable income of every individual, estate,  
 17 trust, and corporation, as specified in sections 39-22-104 (1.7) and

1 ~~39-22-301 (1)(d)(I)(I), to four and one-half percent of the federal taxable~~  
2 ~~income of every individual, estate, trust, and corporation~~ 39-22-301  
3 (1)(d)(I), AS A METHOD to refund excess state revenues that are required  
4 to be refunded pursuant to section 20 (7)(d) of article X of the state  
5 constitution. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b)(II)  
6 OF THIS SECTION, THE STATE INCOME TAX RATE FOR THE INCOME TAX  
7 YEAR COMMENCING DURING THE CALENDAR YEAR IN WHICH THE STATE  
8 FISCAL YEAR ENDED IS REDUCED, DEPENDING ON THE TOTAL AMOUNT OF  
9 EXCESS STATE REVENUES REQUIRED TO BE REFUNDED FOR A SPECIFIED  
10 STATE FISCAL YEAR PURSUANT TO SECTION 20 (7)(d) OF ARTICLE X OF THE  
11 STATE CONSTITUTION AS DETERMINED BY THE ANNUAL CERTIFICATION OF  
12 EXCESS STATE REVENUES REQUIRED BY SECTION 24-77-106.5 THAT  
13 EXCEED THE AMOUNT OF SUCH EXCESS STATE REVENUES SPECIFIED IN  
14 SUBSECTION (1)(b)(I) OF THIS SECTION, AS FOLLOWS, SUBJECT TO THE  
15 ANNUAL ADJUSTMENTS REQUIRED BY SUBSECTION (1)(a)(II) OF THIS  
16 SECTION.

17 (I) (A) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS  
18 GREATER THAN THREE HUNDRED MILLION DOLLARS BUT LESS THAN OR  
19 EQUAL TO FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS  
20 REDUCED BY FOUR ONE-HUNDREDTHS OF ONE PERCENT;

21 (B) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
22 THAN FIVE HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO SIX  
23 HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY SEVEN  
24 ONE-HUNDREDTHS OF ONE PERCENT;

25 (C) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
26 THAN SIX HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO SEVEN  
27 HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY NINE

1 ONE-HUNDREDTHS OF ONE PERCENT;

2 (D) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
3 THAN SEVEN HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO  
4 EIGHT HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY  
5 ELEVEN ONE-HUNDREDTHS OF ONE PERCENT;

6 (E) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
7 THAN EIGHT HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO  
8 ONE BILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY TWELVE  
9 ONE-HUNDREDTHS OF ONE PERCENT;

10 (F) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
11 THAN ONE BILLION DOLLARS BUT LESS THAN OR EQUAL TO ONE BILLION  
12 FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY  
13 THIRTEEN ONE-HUNDREDTHS OF ONE PERCENT; AND

14 (G) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
15 THAN ONE BILLION FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX  
16 RATE IS REDUCED BY FIFTEEN ONE-HUNDREDTHS OF ONE PERCENT.

17 (II) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER JULY  
18 1, 2025, THE EXECUTIVE DIRECTOR SHALL ANNUALLY ADJUST THE EXCESS  
19 STATE REVENUE AMOUNTS SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS  
20 SECTION BY A PERCENTAGE EQUAL TO THE PERCENTAGE OF ALLOWABLE  
21 INCREASE IN STATE FISCAL YEAR SPENDING CALCULATED PURSUANT TO  
22 SECTION 24-77-103 (2)(a)(I) FOR THE STATE FISCAL YEAR FOR WHICH THE  
23 EXCESS STATE REVENUE MUST BE REFUNDED.

24 (b) (I) ~~In order for~~ The provisions of subsection (1)(a) of this  
25 section ~~to~~ take effect ONLY IF the amount of EXCESS state revenues  
26 required to be refunded for the specified state fiscal year, ~~must exceed~~ AS  
27 OUTLINED IN SUBSECTION (1)(a)(I) OF THIS SECTION, EXCEEDS the total of

1 the amount of reimbursement for property tax revenues lost as a result of  
2 the property tax exemptions allowed by part 2 of article 3 of this title 39  
3 paid by the state treasurer to each county treasurer as required by section  
4 39-3-207 (4) for the property tax year that commenced during the  
5 specified state fiscal year plus the estimated amount by which state  
6 revenues would be decreased as the result of a THE APPLICABLE reduction  
7 in the state income tax rate. ~~from four and sixty-three one-hundredths~~  
8 ~~percent to four and one-half percent of federal taxable income, as~~  
9 ~~determined pursuant to this section~~

10 (II) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY  
11 1, 2025, IF THE PERMANENT STATE INCOME TAX RATE THEN IN EFFECT IS  
12 FOUR AND TWENTY-FIVE ONE-HUNDREDTHS PERCENT OR LESS OF THE  
13 FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL, ESTATE, TRUST, AND  
14 CORPORATION, ANY OTHERWISE APPLICABLE TEMPORARY INCOME TAX  
15 RATE REDUCTION OUTLINED IN SUBSECTION (1)(a) OF THIS SECTION DOES  
16 NOT TAKE EFFECT; EXCEPT THAT, IF THE AMOUNT OF EXCESS STATE  
17 REVENUES REQUIRED TO BE REFUNDED FOR THE STATE FISCAL YEAR IS  
18 EQUAL TO OR GREATER THAN TWO BILLION DOLLARS, THE EXECUTIVE  
19 DIRECTOR SHALL TEMPORARILY REDUCE THE STATE INCOME TAX RATE TO  
20 THE EXTENT NECESSARY TO REFUND ALL EXCESS STATE REVENUES THAT  
21 WOULD NOT OTHERWISE BE REFUNDED BY ANOTHER METHOD ESTABLISHED  
22 BY LAW OTHER THAN THE METHODS SET FORTH IN SECTIONS 39-22-2002  
23 AND 39-22-2003.

24 (c) FOR THE INCOME TAX YEAR BEGINNING ON JANUARY 1, 2024,  
25 THE EXECUTIVE DIRECTOR SHALL TEMPORARILY REDUCE THE STATE  
26 INCOME TAX RATE FROM FOUR AND FOUR ONE-HUNDREDTHS PERCENT OF  
27 THE FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL, ESTATE, TRUST,

1 AND CORPORATION, AS SPECIFIED IN SECTIONS 39-22-104 (1.7) AND  
2 39-22-301 (1)(d)(I), TO FOUR AND TWENTY-FIVE ONE-HUNDREDTHS  
3 PERCENT OF THE FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL,  
4 ESTATE, TRUST, AND CORPORATION, AS A METHOD TO REFUND EXCESS  
5 STATE REVENUES THAT ARE REQUIRED TO BE REFUNDED PURSUANT TO  
6 SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION FOR STATE  
7 FISCAL YEAR 2023-24.

8 (2) Except as otherwise provided in subsection (3) of this section,  
9 no later than ~~October 1, 2011~~, OCTOBER 1, 2024, and no later than each  
10 October 1 thereafter of any calendar year during which it is certified in  
11 accordance with the provisions of section 24-77-106.5, ~~C.R.S.~~ that state  
12 revenues exceed the limitation on state fiscal year spending imposed by  
13 section 20 (7)(a) of article X of the state constitution for the state fiscal  
14 year ending in that calendar year and exceed any amount that the voters  
15 statewide have authorized the state to retain and spend for the state fiscal  
16 year ending in that calendar year, the executive director shall estimate the  
17 amount by which state revenues would be decreased as the result of a  
18 ~~reduction~~ THE APPLICABLE PERCENTAGE REDUCTION LISTED IN  
19 SUBSECTION (1)(a)(I), (1)(b)(II), OR (1)(c) of this section in the state  
20 income tax rate ~~from four and sixty-three one-hundredths percent to four~~  
21 ~~and one-half percent of federal taxable income~~ for the income tax year  
22 commencing during the calendar year in which the state fiscal year ended.

23 (3) If one or more ballot questions are submitted to the voters at  
24 a statewide election to be held in November of any given calendar year  
25 that seek authorization for the state to retain and spend all or any portion  
26 of the amount of excess state revenues for the state fiscal year ending  
27 during said calendar year, the executive director shall not reduce the state



1 income tax rate until the results of said election are known so that the  
2 state income tax rate may be reduced only if, after the results of said  
3 election, the amount of excess state revenues required to be refunded for  
4 the state fiscal year exceeds the total of the amount of reimbursement for  
5 property tax revenues lost as a result of the property tax exemptions  
6 allowed by part 2 of article 3 of this title 39 paid by the state treasurer to  
7 each county treasurer as required by section 39-3-207 (4) for the property  
8 tax year that commenced during the specified state fiscal year plus the  
9 estimated amount by which state revenues would be decreased as a result  
10 of a THE APPLICABLE reduction in the state income tax rate from four and  
11 ~~sixty-three one-hundredths~~ percent to four and one-half percent of federal  
12 ~~taxable income~~ pursuant to this section.

13 (5) (d) ~~Any income tax rate adjustment made pursuant to the~~  
14 ~~provisions of this section shall be made by rules promulgated by the~~  
15 ~~executive director in accordance with article 4 of title 24, C.R.S.~~

16 (6) If, based on the financial report prepared by the controller in  
17 accordance with section 24-77-106.5, the controller certifies that the  
18 amount of the state revenues for any state fiscal year commencing on or  
19 after July 1, 2017, exceeds the limitation on state fiscal year spending  
20 imposed by section 20 (7)(a) of article X of the state constitution for that  
21 state fiscal year and exceeds the amount of excess state revenues that the  
22 voters statewide have authorized the state to retain and spend for that  
23 state fiscal year by less than the total of the amount of reimbursement for  
24 property tax revenues lost as a result of the property tax exemptions  
25 allowed by part 2 of article 3 of this title 39 paid by the state treasurer to  
26 each county treasurer as required by section 39-3-207 (4) for the property  
27 tax year that commenced during the specified state fiscal year plus the

1 estimated amount by which state revenues would be decreased as the  
2 result of a THE APPLICABLE reduction in the state income tax rate from  
3 ~~four and sixty-three one-hundredths percent to four and one-half percent~~  
4 ~~of federal taxable income~~ as calculated by the executive director pursuant  
5 to subsection (2) of this section, then the reduction in the state income tax  
6 rate allowed pursuant to subsection (1) of this section ~~shall~~ IS NOT BE  
7 allowed for the income tax year commencing during the calendar year in  
8 which the state fiscal year ended.

9 (10) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
10 REQUIRES, "EXCESS STATE REVENUES" MEANS THE TOTAL AMOUNT OF THE  
11 STATE REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE  
12 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20  
13 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION THAT VOTERS  
14 STATEWIDE HAVE NOT AUTHORIZED THE STATE TO RETAIN AND SPEND AND  
15 THAT THE STATE IS REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF  
16 ARTICLE X OF THE STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT  
17 FOR AMOUNTS SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8.

18 (11) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2035.

19 **SECTION 2.** In Colorado Revised Statutes, 39-22-627, **amend**  
20 (1), (2), (3), and (6); **repeal** (5)(d); and **add** (10) and (11) as follows:

21 **39-22-627. Temporary adjustment of rate of income tax -**  
22 **refund of excess state revenues - authority of executive director -**  
23 **definition - repeal.** (1) (a) Subject to the provisions of this section, if, for  
24 any state fiscal year commencing on or after ~~July 1, 2010~~ JULY 1, 2024,  
25 BUT BEFORE JULY 1, 2034, the amount of state revenues in excess of the  
26 limitation on state fiscal year spending imposed by section 20 (7)(a) of  
27 article X of the state constitution that are required to be refunded for such

1 state fiscal year exceeds the amount specified in ~~paragraph (b) of this~~  
2 ~~subsection (1)~~ SUBSECTION (1)(b) OF THIS SECTION, the executive director  
3 shall temporarily reduce the state income tax rate for the income tax year  
4 commencing during the calendar year in which the state fiscal year ended  
5 from ~~four and sixty-three one-hundredths percent~~ ITS CURRENT  
6 PERCENTAGE of the federal taxable income of every individual, estate,  
7 trust, and corporation, as specified in sections 39-22-104 (1.7) and  
8 ~~39-22-301 (1)(d)(I)(I), to four and one-half percent of the federal taxable~~  
9 ~~income of every individual, estate, trust, and corporation~~ 39-22-301  
10 (1)(d)(I), AS A METHOD to refund excess state revenues that are required  
11 to be refunded pursuant to section 20 (7)(d) of article X of the state  
12 constitution. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b)(II)  
13 OF THIS SECTION, THE STATE INCOME TAX RATE FOR THE INCOME TAX  
14 YEAR COMMENCING DURING THE CALENDAR YEAR IN WHICH THE STATE  
15 FISCAL YEAR ENDED IS REDUCED, DEPENDING ON THE TOTAL AMOUNT OF  
16 EXCESS STATE REVENUES REQUIRED TO BE REFUNDED FOR A SPECIFIED  
17 STATE FISCAL YEAR PURSUANT TO SECTION 20 (7)(d) OF ARTICLE X OF THE  
18 STATE CONSTITUTION AS DETERMINED BY THE ANNUAL CERTIFICATION OF  
19 EXCESS STATE REVENUES REQUIRED BY SECTION 24-77-106.5 THAT  
20 EXCEED THE AMOUNT OF SUCH EXCESS STATE REVENUES SPECIFIED IN  
21 SUBSECTION (1)(b)(I) OF THIS SECTION, AS FOLLOWS, SUBJECT TO THE  
22 ANNUAL ADJUSTMENTS REQUIRED BY SUBSECTION (1)(a)(II) OF THIS  
23 SECTION.

24 (I) (A) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS  
25 GREATER THAN THREE HUNDRED MILLION DOLLARS BUT LESS THAN OR  
26 EQUAL TO FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS  
27 REDUCED BY FOUR ONE-HUNDREDTHS OF ONE PERCENT;

1 (B) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
2 THAN FIVE HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO SIX  
3 HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY SEVEN  
4 ONE-HUNDREDTHS OF ONE PERCENT;

5 (C) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
6 THAN SIX HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO SEVEN  
7 HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY NINE  
8 ONE-HUNDREDTHS OF ONE PERCENT;

9 (D) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
10 THAN SEVEN HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO  
11 EIGHT HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY  
12 ELEVEN ONE-HUNDREDTHS OF ONE PERCENT;

13 (E) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
14 THAN EIGHT HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO  
15 ONE BILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY TWELVE  
16 ONE-HUNDREDTHS OF ONE PERCENT;

17 (F) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
18 THAN ONE BILLION DOLLARS BUT LESS THAN OR EQUAL TO ONE BILLION  
19 FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY  
20 THIRTEEN ONE-HUNDREDTHS OF ONE PERCENT; AND

21 (G) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
22 THAN ONE BILLION FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX  
23 RATE IS REDUCED BY FIFTEEN ONE-HUNDREDTHS OF ONE PERCENT.

24 (II) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER JULY  
25 1, 2025, THE EXECUTIVE DIRECTOR SHALL ANNUALLY ADJUST THE EXCESS  
26 STATE REVENUE AMOUNTS SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS  
27 SECTION BY A PERCENTAGE EQUAL TO THE PERCENTAGE OF ALLOWABLE

1 INCREASE IN STATE FISCAL YEAR SPENDING CALCULATED PURSUANT TO  
2 SECTION 24-77-103 (2)(a)(I) FOR THE STATE FISCAL YEAR FOR WHICH THE  
3 EXCESS STATE REVENUE MUST BE REFUNDED.

4 (b) (I) ~~In order for~~ The provisions of subsection (1)(a) of this  
5 section ~~to~~ take effect ONLY IF the amount of EXCESS state revenues  
6 required to be refunded for the specified state fiscal year, ~~must exceed~~ AS  
7 OUTLINED IN SUBSECTION (1)(a)(I) OF THIS SECTION, EXCEEDS the total of  
8 the amount of reimbursement for property tax revenues lost as a result of  
9 BOTH the property tax exemptions allowed by part 2 of article 3 of this  
10 title 39 AND THE REDUCED VALUATION FOR ASSESSMENT OF  
11 QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY PURSUANT TO  
12 SECTIONS 39-1-104.2 AND 39-1-104.6 THAT IS paid by the state treasurer  
13 to each county treasurer as required by section 39-3-207 (4) OR  
14 39-1-104.6 (9)(c) for the property tax year that commenced during the  
15 specified state fiscal year plus the estimated amount by which state  
16 revenues would be decreased as the result of ~~a~~ THE APPLICABLE reduction  
17 in the state income tax rate. ~~from four and sixty-three one-hundredths~~  
18 ~~percent to four and one-half percent of federal taxable income, as~~  
19 ~~determined pursuant to this section~~

20 (II) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY  
21 1, 2025, IF THE PERMANENT STATE INCOME TAX RATE THEN IN EFFECT IS  
22 FOUR AND TWENTY-FIVE ONE-HUNDREDTHS PERCENT OR LESS OF THE  
23 FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL, ESTATE, TRUST, AND  
24 CORPORATION, ANY OTHERWISE APPLICABLE TEMPORARY INCOME TAX  
25 RATE REDUCTION OUTLINED IN SUBSECTION (1)(a) OF THIS SECTION DOES  
26 NOT TAKE EFFECT; EXCEPT THAT, IF THE AMOUNT OF EXCESS STATE  
27 REVENUES REQUIRED TO BE REFUNDED FOR THE STATE FISCAL YEAR IS

1 EQUAL TO OR GREATER THAN TWO BILLION DOLLARS, THE EXECUTIVE  
2 DIRECTOR SHALL TEMPORARILY REDUCE THE STATE INCOME TAX RATE TO  
3 THE EXTENT NECESSARY TO REFUND ALL EXCESS STATE REVENUES THAT  
4 WOULD NOT OTHERWISE BE REFUNDED BY ANOTHER METHOD ESTABLISHED  
5 BY LAW OTHER THAN THE METHODS SET FORTH IN SECTIONS 39-22-2002  
6 AND 39-22-2003.

7 (c) FOR THE INCOME TAX YEAR BEGINNING ON JANUARY 1, 2024,  
8 THE EXECUTIVE DIRECTOR SHALL TEMPORARILY REDUCE THE STATE  
9 INCOME TAX RATE FROM FOUR AND FOUR ONE-HUNDREDTHS PERCENT OF  
10 THE FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL, ESTATE, TRUST,  
11 AND CORPORATION, AS SPECIFIED IN SECTIONS 39-22-104 (1.7) AND  
12 39-22-301 (1)(d)(I), TO FOUR AND TWENTY-FIVE ONE-HUNDREDTHS  
13 PERCENT OF THE FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL,  
14 ESTATE, TRUST, AND CORPORATION, AS A METHOD TO REFUND EXCESS  
15 STATE REVENUES THAT ARE REQUIRED TO BE REFUNDED PURSUANT TO  
16 SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION FOR STATE  
17 FISCAL YEAR 2023-24.

18 (2) Except as otherwise provided in subsection (3) of this section,  
19 no later than ~~October 1, 2011~~, OCTOBER 1, 2024, and no later than each  
20 October 1 thereafter of any calendar year during which it is certified in  
21 accordance with the provisions of section 24-77-106.5, ~~C.R.S.~~ that state  
22 revenues exceed the limitation on state fiscal year spending imposed by  
23 section 20 (7)(a) of article X of the state constitution for the state fiscal  
24 year ending in that calendar year and exceed any amount that the voters  
25 statewide have authorized the state to retain and spend for the state fiscal  
26 year ending in that calendar year, the executive director shall estimate the  
27 amount by which state revenues would be decreased as the result of a

1 ~~reduction~~ THE APPLICABLE PERCENTAGE REDUCTION LISTED IN  
2 SUBSECTION (1)(a)(I), (1)(b)(II), OR (1)(c) OF THIS SECTION IN THE STATE  
3 INCOME TAX RATE ~~FROM FOUR AND SIXTY-THREE ONE-HUNDREDTHS PERCENT TO FOUR~~  
4 ~~AND ONE-HALF PERCENT OF FEDERAL TAXABLE INCOME~~ FOR THE INCOME TAX YEAR  
5 COMMENCING DURING THE CALENDAR YEAR IN WHICH THE STATE FISCAL YEAR ENDED.

6 (3) If one or more ballot questions are submitted to the voters at  
7 a statewide election to be held in November of any given calendar year  
8 that seek authorization for the state to retain and spend all or any portion  
9 of the amount of excess state revenues for the state fiscal year ending  
10 during said calendar year, the executive director shall not reduce the state  
11 income tax rate until the results of said election are known so that the  
12 state income tax rate may be reduced only if, after the results of said  
13 election, the amount of excess state revenues required to be refunded for  
14 the state fiscal year exceeds the total of the amount of reimbursement for  
15 property tax revenues lost as a result of BOTH the property tax exemptions  
16 allowed by part 2 of article 3 of this title 39 AND THE REDUCED  
17 VALUATION FOR ASSESSMENT OF QUALIFIED-SENIOR PRIMARY RESIDENCE  
18 REAL PROPERTY PURSUANT TO SECTIONS 39-1-104.2 AND 39-1-104.6 THAT  
19 IS PAID BY THE STATE TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY  
20 SECTION 39-3-207 (4) OR 39-1-104.6 (9)(c) FOR THE PROPERTY TAX YEAR THAT  
21 COMMENCED DURING THE SPECIFIED STATE FISCAL YEAR PLUS THE ESTIMATED  
22 AMOUNT BY WHICH STATE REVENUES WOULD BE DECREASED AS A RESULT OF A THE  
23 APPLICABLE reduction in the state income tax rate ~~FROM FOUR AND~~  
24 ~~SIXTY-THREE ONE-HUNDREDTHS PERCENT TO FOUR AND ONE-HALF PERCENT OF FEDERAL~~  
25 ~~TAXABLE INCOME~~ PURSUANT TO THIS SECTION.

26 (5) (d) ~~Any income tax rate adjustment made pursuant to the~~  
27 ~~provisions of this section shall be made by rules promulgated by the~~

1 ~~executive director in accordance with article 4 of title 24, C.R.S.~~

2 (6) If, based on the financial report prepared by the controller in  
3 accordance with section 24-77-106.5, the controller certifies that the  
4 amount of the state revenues for any state fiscal year commencing on or  
5 after July 1, 2017, exceeds the limitation on state fiscal year spending  
6 imposed by section 20 (7)(a) of article X of the state constitution for that  
7 state fiscal year and exceeds the amount of excess state revenues that the  
8 voters statewide have authorized the state to retain and spend for that  
9 state fiscal year by less than the total of the amount of reimbursement for  
10 property tax revenues lost as a result of BOTH the property tax exemptions  
11 allowed by part 2 of article 3 of this title 39 AND THE REDUCED  
12 VALUATION FOR ASSESSMENT OF QUALIFIED-SENIOR PRIMARY RESIDENCE  
13 REAL PROPERTY PURSUANT TO SECTIONS 39-1-104.2 AND 39-1-104.6 THAT  
14 IS paid by the state treasurer to each county treasurer as required by  
15 section 39-3-207 (4) OR 39-1-104.6 (9)(c) for the property tax year that  
16 commenced during the specified state fiscal year plus the estimated  
17 amount by which state revenues would be decreased as the result of a THE  
18 APPLICABLE reduction in the state income tax rate ~~from four and~~  
19 ~~sixty-three one-hundredths percent to four and one-half percent of federal~~  
20 ~~taxable income~~ as calculated by the executive director pursuant to  
21 subsection (2) of this section, then the reduction in the state income tax  
22 rate allowed pursuant to subsection (1) of this section ~~shall~~ IS not ~~be~~  
23 allowed for the income tax year commencing during the calendar year in  
24 which the state fiscal year ended.

25 (10) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
26 REQUIRES, "EXCESS STATE REVENUES" MEANS THE TOTAL AMOUNT OF THE  
27 STATE REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE



1       LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20  
2       (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION THAT VOTERS  
3       STATEWIDE HAVE NOT AUTHORIZED THE STATE TO RETAIN AND SPEND AND  
4       THAT THE STATE IS REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF  
5       ARTICLE X OF THE STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT  
6       FOR AMOUNTS SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8.

7               (11) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2035.

8               **SECTION 3.** In Colorado Revised Statutes, 39-22-2002, **amend**  
9       (1), (2), (3) introductory portion, (4), (5)(b), and (5)(c); **repeal** (3)(a),  
10       (3)(b), and (7); and **add** (3.5) as follows:

11               **39-22-2002. Fiscal years commencing on or after July 1, 1998**  
12       **- state sales tax refund - authority of executive director - repeal.**

13       (1) If, for any state fiscal year commencing on or after July 1, 1998, the  
14       amount of state revenues exceeds the limitation on state fiscal year  
15       spending imposed by section 20 (7)(a) of article X of the state  
16       constitution and voters statewide either have not authorized the state to  
17       retain and spend all of the excess revenues for that fiscal year or have  
18       authorized the state to retain and spend only a portion of the excess  
19       revenues for that fiscal year, the executive director shall, if the amount of  
20       the identical individual refund calculated pursuant to ~~paragraph (a) of~~  
21       ~~subsection (2)~~ SUBSECTION (2)(a) of this section exceeds ~~fifteen dollars~~  
22       THE IDENTICAL REFUND THRESHOLD, for the taxable year commencing on  
23       or after January 1 of the calendar year in which that fiscal year ended, but  
24       prior to January 1 of the subsequent calendar year, calculate a temporary  
25       state sales tax refund in accordance with the provisions of this section to  
26       refund the amount of excess state revenues. ~~that is not refunded by~~  
27       ~~another method established by law~~

1           (2) (a) ~~Subject to the provisions of paragraph (b) of subsection (7)~~  
2 ~~of this section, as applicable,~~ For the taxable year commencing on or after  
3 January 1 of the calendar year in which that fiscal year ended, but prior  
4 to January 1 of the subsequent calendar year, the executive director shall  
5 divide the total amount of excess state revenues ~~that is not refunded by~~  
6 ~~another method established by law and is required to be refunded~~ by the  
7 number of qualified individuals expected to claim a refund ~~in order~~ to  
8 determine the amount of the refund that each such qualified individual  
9 would receive if each individual received an identical refund.

10           (b) If the amount of the identical individual refund calculated  
11 pursuant to ~~paragraph (a) of this subsection (2)~~ SUBSECTION (2)(a) OF THIS  
12 SECTION is less than or equal to ~~fifteen dollars~~ THE IDENTICAL REFUND  
13 THRESHOLD, the executive director shall allow each qualified individual  
14 an identical refund in the manner set forth in section 39-22-2003 (3)(a)  
15 and (3)(b); EXCEPT THAT, IF BY SEPTEMBER 1 OF ANY CALENDAR YEAR,  
16 THE EXECUTIVE DIRECTOR HAS NOT RECEIVED ADVICE FROM THE  
17 INTERNAL REVENUE SERVICE THAT AN IDENTICAL REFUND IS REGARDED AS  
18 A REFUND OF SALES TAX AND NOT AS AN ACCESSION TO WEALTH, NO  
19 IDENTICAL REFUND IS ALLOWED AND ALL EXCESS STATE REVENUES TO BE  
20 REFUNDED PURSUANT TO THIS PART 20 MUST BE REFUNDED BY INCOME  
21 CLASSIFICATION IN THE MANNER SET FORTH IN SECTION 39-22-2003 (3)(c)  
22 AND (3)(d).

23           (3) As used in this section, unless the context otherwise requires,  
24 "excess state revenues" means the total ~~combined~~ amount of THE STATE  
25 REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE LIMITATION ON  
26 STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20 (7)(a) OF ARTICLE  
27 X OF THE STATE CONSTITUTION, THAT VOTERS STATEWIDE HAVE NOT

1 AUTHORIZED THE STATE TO RETAIN AND SPEND, THAT THE STATE IS  
2 REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF ARTICLE X OF THE  
3 STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT FOR AMOUNTS  
4 SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8, AND THAT ARE NOT  
5 REFUNDED BY ANOTHER METHOD ESTABLISHED BY LAW.

6 (a) ~~Excess revenues that voters statewide have not authorized the~~  
7 ~~state to retain and spend and that are required to be refunded pursuant to~~  
8 ~~section 20 (7)(d) of article X of the state constitution and that are not~~  
9 ~~refunded by another method established by law for said fiscal year ending~~  
10 ~~in that calendar year;~~

11 (b) ~~Excess revenues that voters statewide did not authorize the~~  
12 ~~state to retain and spend and were required to be refunded pursuant to~~  
13 ~~section 20 (7)(d) of article X of the state constitution for any other fiscal~~  
14 ~~year and that were not refunded by another method established by law~~  
15 ~~prior to said fiscal year, but that were not refunded by the state as~~  
16 ~~required; and~~

17 (3.5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
18 REQUIRES, "IDENTICAL REFUND THRESHOLD" MEANS THE LOWEST AMOUNT  
19 LISTED FOR COLORADO IN THE MOST RECENT TABLE PRESCRIBED  
20 PURSUANT TO SECTION 164 (b)(5)(H)(ii) OF THE INTERNAL REVENUE CODE.

21 (4) No later than October 1 of any given calendar year  
22 commencing on or after January 1, 1999, during which the controller  
23 certifies, in accordance with the provisions of section 24-77-106.5, ~~C.R.S.~~  
24 that state revenues exceed the limitation on state fiscal year spending  
25 imposed by section 20 (7)(a) of article X of the state constitution for the  
26 fiscal year ending in that calendar year, the executive director shall, if the  
27 amount of the identical individual refund calculated pursuant to

1 subsection (2) of this section exceeds ~~fifteen dollars~~ THE IDENTICAL  
2 REFUND THRESHOLD, calculate the income classifications and the amount  
3 of the refund allowed for each income classification pursuant to section  
4 39-22-2003 (3) for the taxable year commencing during said fiscal year  
5 that would refund the amount of excess state revenues that is not refunded  
6 by another method established by law.

7 (5) If one or more ballot questions are submitted to the voters at  
8 a statewide election to be held in November of any given calendar year  
9 commencing on or after January 1, 1999, that seek authorization for the  
10 state to retain and spend all or any portion of the amount of excess  
11 revenues for the fiscal year ending during said calendar year, no later than  
12 October 1 of said calendar year, the executive director shall, in addition  
13 to the calculations required by subsection (4) of this section:

14 (b) If the amount of any identical refund calculated pursuant to  
15 ~~subparagraph (I) of paragraph (a) of this subsection (5)~~ SUBSECTION  
16 (5)(a)(I) OF THIS SECTION exceeds ~~fifteen dollars~~ THE IDENTICAL REFUND  
17 THRESHOLD, calculate income classifications and the amount of the  
18 refund to be allowed for each income classification pursuant to section  
19 39-22-2003 (3) for the taxable year commencing during said fiscal year  
20 that would refund the amount of excess state revenues, if any, required to  
21 be refunded if one or more of such ballot questions are approved by  
22 voters statewide; ~~and that is not refunded by another method established~~  
23 ~~by law~~

24 (c) If the amount of the identical refund calculated pursuant to  
25 ~~subparagraph (II) of paragraph (a) of this subsection (5)~~ SUBSECTION  
26 (5)(a)(II) OF THIS SECTION exceeds ~~fifteen dollars~~ THE IDENTICAL REFUND  
27 THRESHOLD, calculate income classifications and the amount of the

1 refund to be allowed for each income classification pursuant to section  
2 39-22-2003 (3) for the taxable year commencing during said fiscal year  
3 that would refund the amount of excess state revenues, if any, required to  
4 be refunded if all of such ballot questions are not approved by voters  
5 statewide. and that is not refunded by another method established by law

6 (7) (a) ~~The amount of any sales tax refund calculated pursuant to~~  
7 ~~the provisions of this section shall be published in rules promulgated by~~  
8 ~~the executive director in accordance with article 4 of title 24, C.R.S., and~~  
9 ~~shall be included in income tax forms for that taxable year.~~

10 (b) ~~If one or more ballot questions are submitted to the voters at~~  
11 ~~a statewide election to be held in November of any calendar year~~  
12 ~~commencing on or after January 1, 1999, that seek authorization for the~~  
13 ~~state to retain and spend all or any portion of the amounts of excess state~~  
14 ~~revenues for the fiscal year ending during said calendar year, the~~  
15 ~~executive director shall not publish rules or income tax forms containing~~  
16 ~~any sales tax refund calculated pursuant to this section until such rules~~  
17 ~~and forms may be published to reflect the impact of the results of said~~  
18 ~~election on the amount of the refund to be allowed pursuant to section~~  
19 ~~39-22-2003 and that is not refunded by another method established by~~  
20 ~~law.~~

21 **SECTION 4.** In Colorado Revised Statutes, 39-22-2003, **amend**  
22 (1)(b)(I), (2), (3), (5)(a)(I), (5)(b), and (5)(c); and **repeal** (1)(b)(II),  
23 (1)(b)(III), (5)(a)(II), (8), (9), and (10); and **add** (1.7) and (9.5) as  
24 follows:

25 **39-22-2003. State sales tax refund - offset against state income**  
26 **tax - qualified individuals - definitions.** (1) (b) "Qualified individual"  
27 does not include:

1 (I) Any natural person who was convicted of a felony and who  
2 served a sentence of incarceration in a correctional facility operated by or  
3 under contract with the department of corrections or ~~in a county or~~  
4 ~~municipal jail awaiting transfer to the department of corrections pursuant~~  
5 ~~to section 16-11-308, C.R.S., or in both such facility and jail~~ THE  
6 FEDERAL BUREAU OF PRISONS for a total of one hundred eighty days or  
7 more during the fiscal year ending during the taxable year, regardless of  
8 whether such person meets the qualifications set forth in ~~paragraph (a) of~~  
9 ~~this subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION.

10 (II) ~~Any natural person who is convicted of a misdemeanor or is~~  
11 ~~adjudicated for an offense that would constitute a misdemeanor if~~  
12 ~~committed by an adult and who is incarcerated in a county or municipal~~  
13 ~~jail for a total of one hundred eighty days or more during the fiscal year~~  
14 ~~ending during the taxable year, regardless of whether such person meets~~  
15 ~~the qualifications set forth in paragraph (a) of this subsection (1);~~

16 (III) ~~Any natural person under eighteen years of age who is~~  
17 ~~adjudicated for an offense that would constitute a felony if committed by~~  
18 ~~an adult and who was committed to the department of human services for~~  
19 ~~a total of one hundred eighty days or more during the fiscal year ending~~  
20 ~~during the taxable year, regardless of whether such person meets the~~  
21 ~~qualifications set forth in paragraph (a) of this subsection (1).~~

22 (1.7) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
23 REQUIRES:

24 (a) "EXCESS STATE REVENUES" HAS THE SAME MEANING AS SET  
25 FORTH IN SECTION 39-22-2002 (3).

26 (b) "IDENTICAL REFUND THRESHOLD" HAS THE SAME MEANING AS  
27 SET FORTH IN SECTION 39-22-2002 (3.5).

1           (2) With respect to the taxable year commencing on January 1,  
2 1999, and ending December 31, 1999, and for each subsequent taxable  
3 year, there ~~shall be~~ IS allowed to each qualified individual a state sales tax  
4 refund in an amount specified in subsection (3) of this section to be  
5 claimed in the manner specified in subsection (4) of this section if there  
6 were excess state revenues for the fiscal year ending in that tax year. ~~that~~  
7 ~~voters statewide have not authorized the state to retain and spend and that~~  
8 ~~are required to be refunded pursuant to section 20 (7)(d) of article X of~~  
9 ~~the state constitution.~~

10           (3) The amount of the refund allowed under this section ~~shall be~~  
11 IS as follows:

12           (a) For a qualified individual filing a single return OR FOR A  
13 QUALIFIED INDIVIDUAL FILING A JOINT RETURN WITH AN INDIVIDUAL WHO  
14 IS NOT QUALIFIED, the amount of the identical individual sales tax refund  
15 calculated pursuant to section 39-22-2002 (2) or (5)(a) if the amount of  
16 such identical individual refund is less than or equal to ~~fifteen dollars~~ THE  
17 IDENTICAL REFUND THRESHOLD;

18           (b) For any two qualified individuals filing a joint return, double  
19 the amount of the identical individual sales tax refund calculated pursuant  
20 to section 39-22-2002 (2) or (5)(a) if the amount of such identical  
21 individual refund is less than or equal to ~~fifteen dollars~~ THE IDENTICAL  
22 REFUND THRESHOLD;

23           (c) For a qualified individual filing a single return OR FOR A  
24 QUALIFIED INDIVIDUAL FILING A JOINT RETURN WITH AN INDIVIDUAL WHO  
25 IS NOT QUALIFIED, if the amount of the identical individual sales tax  
26 refund calculated pursuant to section 39-22-2002 (2) or (5)(a) exceeds  
27 ~~fifteen dollars~~ THE IDENTICAL REFUND THRESHOLD:

1 (I) If the qualified individual's adjusted gross income for the tax  
2 year is less than or equal to twenty-five thousand dollars, the refund ~~shall~~  
3 ~~be in~~ IS an amount equal to the amount of excess state revenues required  
4 to be refunded pursuant to subsection (1) of this section, multiplied by  
5 twenty-five percent, divided by the estimated number of said qualified  
6 individuals expected to claim the credit for that taxable year;

7 (II) If the qualified individual's adjusted gross income for the tax  
8 year is greater than twenty-five thousand dollars but not more than fifty  
9 thousand dollars, the refund ~~shall be in~~ IS an amount equal to the amount  
10 of excess state revenues required to be refunded pursuant to subsection  
11 (1) of this section, multiplied by twenty-three percent, divided by the  
12 estimated number of said qualified individuals expected to claim the  
13 credit for that taxable year;

14 (III) If the qualified individual's adjusted gross income for the tax  
15 year is greater than fifty thousand dollars but not more than seventy-five  
16 thousand dollars, the refund ~~shall be in~~ IS an amount equal to the amount  
17 of excess state revenues required to be refunded pursuant to subsection  
18 (1) of this section, multiplied by nineteen percent, divided by the  
19 estimated number of said qualified individuals expected to claim the  
20 credit for that taxable year;

21 (IV) If the qualified individual's adjusted gross income for the tax  
22 year is greater than seventy-five thousand dollars but not more than one  
23 hundred thousand dollars, the refund ~~shall be in~~ IS an amount equal to the  
24 amount of excess state revenues required to be refunded pursuant to  
25 subsection (1) of this section, multiplied by twelve percent, divided by the  
26 estimated number of said qualified individuals expected to claim the  
27 credit for that taxable year;



1 (V) If the qualified individual's adjusted gross income for the tax  
2 year is greater than one hundred thousand dollars but not more than one  
3 hundred twenty-five thousand dollars, the refund ~~shall be in~~ IS an amount  
4 equal to the amount of excess state revenues required to be refunded  
5 pursuant to subsection (1) of this section, multiplied by six percent,  
6 divided by the estimated number of said qualified individuals expected to  
7 claim the credit for that taxable year;

8 (VI) If the qualified individual's adjusted gross income for the tax  
9 year is greater than one hundred twenty-five thousand dollars, the refund  
10 ~~shall be in~~ IS an amount equal to the amount of excess state revenues  
11 required to be refunded pursuant to subsection (1) of this section,  
12 multiplied by fifteen percent, divided by the estimated number of said  
13 qualified individuals expected to claim the credit for that taxable year;

14 (d) For two qualified individuals filing a joint return, if the  
15 amount of the identical individual sales tax refund calculated pursuant to  
16 section 39-22-2002 (2) or (5)(a) exceeds ~~fifteen dollars~~ THE IDENTICAL  
17 REFUND THRESHOLD, the amount of the refund ~~shall be~~ IS based upon the  
18 aggregate adjusted gross income of the qualified individuals and ~~shall be~~  
19 IS an amount equal to double the amount of the refund allowed under  
20 paragraph (c) of this subsection (3) for such aggregate income amount.

21 (5) (a) (I) ~~Except as otherwise provided in subparagraph (H) of~~  
22 ~~this paragraph (a), any refund allowed pursuant to this section shall be~~  
23 ~~claimed by~~ A qualified individual as defined in ~~subparagraph (I) or (H)~~  
24 ~~of paragraph (a) of subsection (I)~~ SUBSECTION (1)(a)(I) OR (1)(a)(III) of  
25 this section MAY CLAIM A REFUND ALLOWED BY THIS SECTION by ~~timely~~  
26 filing an income tax return with the department of revenue for a taxable  
27 year for which the refund is allowed NO LATER THAN OCTOBER 15 OF THE

1 CALENDAR YEAR FOLLOWING THE TAXABLE YEAR FOR WHICH THE REFUND  
2 IS BEING CLAIMED, in compliance with the provisions of this article  
3 ARTICLE 22.

4 (II) ~~Any refund allowed pursuant to this section shall be claimed~~  
5 ~~by a qualified individual as defined in subparagraph (I) or (III) of~~  
6 ~~paragraph (a) of subsection (1) of this section or by a qualified individual~~  
7 ~~that is required to file a Colorado individual income tax return for that tax~~  
8 ~~year pursuant to section 39-22-601 (1)(a) who is granted an extension of~~  
9 ~~time to file an income tax return by filing an income tax return with the~~  
10 ~~department of revenue no later than October 15 of the calendar year~~  
11 ~~following the taxable year for which the refund is being claimed. Such~~  
12 ~~qualified individual shall not be required to pay all or any portion of the~~  
13 ~~qualified individual's net tax liability due prior to October 15 of said~~  
14 ~~calendar year in order to be granted an extension of time to file said tax~~  
15 ~~return; except that, pursuant to section 39-22-621, such qualified~~  
16 ~~individual may be subject to a late payment penalty and interest on any~~  
17 ~~net income tax liability not paid by April 15 of said calendar year.~~

18 (b) ~~Except as otherwise provided in subparagraph (II) of~~  
19 ~~paragraph (a) of this subsection (5), any refund allowed pursuant to this~~  
20 ~~section shall be claimed by A qualified individual as defined in~~  
21 ~~subparagraph (II) or (IV) of paragraph (a) of subsection (1) SUBSECTION~~  
22 ~~(1)(a)(II) OR (1)(a)(IV) of this section MAY CLAIM A REFUND ALLOWED BY~~  
23 ~~THIS SECTION by filing an income tax return for the taxable year for which~~  
24 ~~the refund is allowed with the department of revenue no later than April~~  
25 ~~15 OCTOBER 15 of the calendar year following the tax year for which the~~  
26 ~~refund is being claimed. The department of revenue shall not allow said~~  
27 ~~refund claimed by a qualified individual as defined in subparagraph (II)~~

1 or (IV) of paragraph (a) of subsection (1) of this section on any income  
2 tax return filed with the department of revenue after April 15 of the  
3 calendar year following the tax year for which the refund is being  
4 claimed.

5 (c) (I) Notwithstanding any provision of ~~paragraph (b) of this~~  
6 ~~subsection (5)~~ SUBSECTION (5)(b) OF THIS SECTION to the contrary, a  
7 qualified individual as defined in ~~subparagraph (II) or (IV) of paragraph~~  
8 ~~(a) of subsection (1)~~ SUBSECTION (1)(a)(II) OR (1)(a)(IV) of this section  
9 who claims a property tax assistance grant pursuant to section 39-31-101  
10 or a heat or fuel expenses assistance grant pursuant to section 39-31-104  
11 may claim a refund authorized by this section on the assistance grant  
12 application form described in section 39-31-102 (2). Claiming a refund  
13 on such assistance grant application form ~~shall be~~ IS in lieu of claiming  
14 the refund on an income tax return pursuant to ~~paragraph (b) of this~~  
15 ~~subsection (5)~~ SUBSECTION (5)(b) OF THIS SECTION. Any refund claimed  
16 pursuant to this ~~paragraph (c)~~ SUBSECTION (5)(c) ~~shall~~ MUST be claimed  
17 on or before ~~April 15~~ OCTOBER 15 of the calendar year following the tax  
18 year for which the refund is being claimed.

19 (II) The department of revenue shall not allow a refund authorized  
20 by this section that is claimed on an assistance grant application form if:

21 (A) The assistance grant application form is filed after ~~April 15~~  
22 OCTOBER 15 of the calendar year following the tax year for which the  
23 refund is being claimed; or

24 (B) The qualified individual has claimed the refund authorized by  
25 this section on an income tax form filed in accordance with ~~paragraph (b)~~  
26 ~~of this subsection (5)~~ SUBSECTION (5)(b) OF THIS SECTION for the tax year  
27 for which the refund is allowed.

1           (8) ~~The state sales tax refund allowed to any qualified individual~~  
2 ~~under this section shall not be reported by the department of revenue as~~  
3 ~~a payment of a refund, credit, or offset of state income taxes to such~~  
4 ~~qualified individual in any information return required to be filed~~  
5 ~~pursuant to federal law.~~

6           (9) (a) ~~The department of revenue shall identify any qualified~~  
7 ~~individual who has been convicted of a felony and who, at the time of~~  
8 ~~filing for a refund pursuant to this section, is incarcerated in a correctional~~  
9 ~~facility operated by or under contract with the department of corrections~~  
10 ~~or in a county or municipal jail awaiting transfer to a correctional facility~~  
11 ~~pursuant to section 16-11-308, C.R.S. The department of revenue shall~~  
12 ~~transfer the amount of any refund owed to said qualified individual to the~~  
13 ~~department of corrections.~~

14           (b) ~~The department of corrections shall transmit the amount of~~  
15 ~~said refund as follows:~~

16           (I) ~~Except as otherwise provided in paragraph (c) of this~~  
17 ~~subsection (9), if the qualified individual is under a valid court order to~~  
18 ~~pay restitution or costs and under a valid court order or administrative~~  
19 ~~order to pay child support then:~~

20           (A) ~~One-half of the refund to the clerk of the district court that~~  
21 ~~issued an order for payment of restitution entered pursuant to article 18.5~~  
22 ~~of title 16, C.R.S., or an order for costs pursuant to section 18-1.3-701,~~  
23 ~~C.R.S. Such refund shall be credited in the priority specified in section~~  
24 ~~16-11-101.6 (1), C.R.S.; and~~

25           (B) ~~One-half of the refund to the department of human services~~  
26 ~~for application toward the qualified individual's child support obligation~~  
27 ~~for individuals receiving services pursuant to section 26-13-106, C.R.S.;~~

1 or

2 (H) ~~If the qualified individual is not under a valid court order or~~  
3 ~~administrative order to pay child support but is under a valid court order~~  
4 ~~to pay restitution or costs, then to the clerk of the district court that issued~~  
5 ~~an order for payment of restitution entered pursuant to article 18.5 of title~~  
6 ~~16, C.R.S., or an order for costs pursuant to section 18-1.3-701, C.R.S.,~~  
7 ~~whereupon such refund shall be credited in the priority specified in~~  
8 ~~section 16-11-101.6 (1), C.R.S.; or~~

9 (HH) ~~If the qualified individual is not under a valid court order to~~  
10 ~~pay restitution or costs but is under a valid court order or administrative~~  
11 ~~order to pay child support, then to the department of human services for~~  
12 ~~application toward the qualified individual's child support obligation for~~  
13 ~~individuals receiving services pursuant to section 26-13-106, C.R.S.; or~~

14 (IV) ~~If the qualified individual is not under a valid court order or~~  
15 ~~administrative order to pay child support and is not under a valid court~~  
16 ~~order to pay restitution or costs, then to the qualified individual subject~~  
17 ~~to other applicable provisions of law.~~

18 (c) ~~If a refund is transmitted in accordance with the provisions of~~  
19 ~~subparagraph (I), (H), or (HH) of paragraph (b) of this subsection (9) and~~  
20 ~~results in excess refund moneys remaining after satisfaction of the~~  
21 ~~qualified individual's restitution or child support obligation, the excess~~  
22 ~~refund moneys shall be first applied toward any outstanding restitution~~  
23 ~~obligation or child support obligation of the qualified individual before~~  
24 ~~being returned to the qualified individual.~~

25 (9.5) THE PROVISIONS OF SECTION 39-21-108 (3) APPLY TO THE  
26 REFUND ALLOWED PURSUANT TO THIS PART 20 IN THE SAME MANNER AS  
27 AN OVERPAYMENT OF TAX.

1           (10) ~~The department of corrections, the department of human~~  
2 ~~services, and each county of the state, to the extent each such county has~~  
3 ~~the capability within existing resources, shall provide in a timely manner~~  
4 ~~the information requested by the department of revenue necessary to~~  
5 ~~identify the persons specified in paragraph (b) of subsection (1) of this~~  
6 ~~section and in subsection (9) of this section. The information shall be~~  
7 ~~provided in the form requested by the department of revenue. The~~  
8 ~~department of revenue shall maintain the confidentiality of any social~~  
9 ~~security number received pursuant to this subsection (10).~~

10           **SECTION 5.** In Colorado Revised Statutes, **repeal** 39-22-120.

11           **SECTION 6.** In Colorado Revised Statutes, 19-1-305, **amend**  
12 (1)(g) as follows:

13           **19-1-305. Operation of juvenile facilities.** (1) Except as  
14 otherwise authorized by section 19-1-303 or 19-1-304 (8), all records  
15 prepared or obtained by the department of human services in the course  
16 of carrying out its duties pursuant to article 2.5 of this title 19 are  
17 confidential and privileged. The records may be disclosed only:

18           (g) To the department of revenue pursuant to ~~sections 39-22-120~~  
19 ~~and~~ SECTION 39-22-2003. ~~C.R.S.~~

20           **SECTION 7.** In Colorado Revised Statutes, 39-21-108, **amend**  
21 (3)(a)(I)(A) as follows:

22           **39-21-108. Refunds.** (3) (a) (I) (A) Whenever it is established  
23 that any taxpayer has, for any period open under the statutes, overpaid a  
24 tax covered by articles 22 and 26 to 29 of this title 39, article 60 of title  
25 34, and article 3 of title 42 OR THAT ANY TAXPAYER IS ALLOWED A  
26 REFUND PURSUANT TO PART 20 OF ARTICLE 22 OF THIS TITLE 39 and that:  
27 There is an unpaid balance of tax and interest accrued, according to the

1 records of the executive director, owing by such taxpayer for any other  
2 period; there is an amount required to be repaid to the unemployment  
3 compensation fund pursuant to section 8-81-101 (4), the amount of which  
4 has been determined to be owing as a result of a final agency  
5 determination or judicial decision or that has been reduced to judgment  
6 by the division of unemployment insurance in the department of labor and  
7 employment; there is any unpaid child support debt as set forth in section  
8 14-14-104, or child support arrearages that are the subject of enforcement  
9 services provided pursuant to section 26-13-106, as certified by the  
10 department of human services; there are any unpaid obligations owing to  
11 the state as set forth in section 26-2-133, for overpayment of public  
12 assistance or medical assistance benefits, the amount of which has been  
13 determined to be owing as a result of final agency determination or  
14 judicial decision or that has been reduced to judgment, as certified by the  
15 department of human services; there are any unpaid obligations owing to  
16 the state as set forth in section 26.5-4-119, for overpayment of child care  
17 assistance, the amount of which has been determined to be owing as a  
18 result of final agency determination or judicial decision or that has been  
19 reduced to judgment as certified by the department of early childhood;  
20 there is any unpaid loan or other obligation due to a state-supported  
21 institution of higher education as set forth in section 23-5-115, the  
22 amount of which has been determined to be owing as a result of a final  
23 agency determination or judicial decision or that has been reduced to  
24 judgment, as certified by the appropriate institution; there is any unpaid  
25 loan due to the student loan division of the department of higher  
26 education as set forth in section 23-3.1-104 (1)(p), the amount of which  
27 has been determined to be owing as a result of a final agency

1 determination or judicial decision or that has been reduced to judgment,  
2 as certified by the division; there is any unpaid loan due to the  
3 colleinvest division of the department of higher education as set forth  
4 in section 23-3.1-206, the amount of which has been determined to be  
5 owing as a result of a final agency determination or judicial decision or  
6 that has been reduced to judgment; there is any outstanding judicial fine,  
7 fee, cost, or surcharge as set forth in section 16-11-101.8, or judicial  
8 restitution as set forth in section 16-18.5-106.8, the amount of which has  
9 been determined to be owing as a result of a final judicial department  
10 determination or certified by the judicial department as a judgment owed  
11 the state or a victim; OR there is any unpaid debt owing to the state or any  
12 agency thereof by such taxpayer, and that is found to be owing as a result  
13 of a final agency determination or the amount of which has been reduced  
14 to judgment and as certified by the state agency, ~~or the taxpayer is a~~  
15 ~~qualified individual identified pursuant to section 39-22-120 (10) or~~  
16 ~~39-22-2003 (9)~~ so much of the overpayment of tax plus interest allowable  
17 thereon as does not exceed the amount of such unpaid balance or unpaid  
18 debt must be credited first to the unpaid balance of tax and interest  
19 accrued and then to the unpaid debt, and any excess of the overpayment  
20 must be refunded. If the taxpayer elects to designate ~~his or her~~ THE  
21 TAXPAYER'S refund as a credit against a subsequent year's tax liability, the  
22 amount allowed to be so credited must be reduced first by the unpaid  
23 balance of tax and interest accrued and then by the unpaid debt. If the  
24 taxpayer filed a joint return, the executive director shall notify the other  
25 taxpayer named on the joint return that the portion of the overpayment  
26 that is generated by the other taxpayer's income will be refunded upon  
27 receipt of a request detailing said amount.



1           **SECTION 8.** In Colorado Revised Statutes, 39-21-113, **repeal**  
2 (11) as follows:

3           **39-21-113. Reports and returns - rule - repeal.**

4 (11) ~~Notwithstanding the provisions of this section, the executive~~  
5 ~~director of the department of revenue shall supply the department of~~  
6 ~~corrections with any information obtained pursuant to this section which~~  
7 ~~is necessary to implement the procedure to offset state sales tax refunds~~  
8 ~~against restitution and costs pursuant to section 39-22-120 (10) or~~  
9 ~~39-22-2003 (9).~~

10           **SECTION 9.** In Colorado Revised Statutes, 39-26-106, **amend**  
11 (1)(a)(II); and **repeal** (1)(a)(I) as follows:

12           **39-26-106. Schedule of sales tax.** (1) (a) (I) ~~Except as otherwise~~  
13 ~~provided in subparagraph (II) of this paragraph (a), there is imposed upon~~  
14 ~~all sales of commodities and services specified in section 39-26-104 a tax~~  
15 ~~at the rate of three percent of the amount of the sale, to be computed in~~  
16 ~~accordance with schedules or systems approved by the executive director~~  
17 ~~of the department of revenue. Said schedules or systems shall be designed~~  
18 ~~so that no such tax is charged on any sale of seventeen cents or less.~~

19           (II) ~~EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-26-901, on~~  
20 ~~and after January 1, 2001, there is imposed upon all sales of commodities~~  
21 ~~and services specified in section 39-26-104 a tax at the rate of two and~~  
22 ~~ninety one-hundredths percent of the amount of the sale to be computed~~  
23 ~~in accordance with schedules or systems approved by the executive~~  
24 ~~director of the department of revenue. Said schedules or systems shall~~  
25 ~~MUST be designed so that no such tax is charged on any sale of seventeen~~  
26 ~~cents or less.~~

27           **SECTION 10.** In Colorado Revised Statutes, 39-26-202, **amend**

1 (1)(b) as follows:

2 **39-26-202. Authorization of tax.** (1) (b) EXCEPT AS OTHERWISE  
3 PROVIDED IN SECTION 39-26-901, on and after January 1, 2001, there is  
4 imposed and ~~shall~~ MUST be collected from every person in this state a tax  
5 or excise at the rate of two and ninety one-hundredths percent of storage  
6 or acquisition charges or costs for the privilege of storing, using, or  
7 consuming in this state any articles of tangible personal property  
8 purchased at retail.

9 **SECTION 11.** In Colorado Revised Statutes, **add** part 9 to article  
10 26 of title 39 as follows:

11 PART 9

12 TEMPORARY STATE SALES AND USE TAX

13 RATE REDUCTIONS

14 **39-26-901. Temporary adjustment of rates of state sales and**  
15 **use taxes - refund of excess state revenues - definition - repeal.**

16 (1) (a) IF, FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY  
17 1, 2024, BUT BEFORE JULY 1, 2034, THE ESTIMATED AMOUNT OF STATE  
18 REVENUES IN EXCESS OF THE LIMITATION ON STATE FISCAL YEAR SPENDING  
19 IMPOSED BY SECTION 20 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION  
20 THAT ARE REQUIRED TO BE REFUNDED FOR THE STATE FISCAL YEAR IS  
21 GREATER THAN ONE BILLION FIVE HUNDRED MILLION DOLLARS, THE  
22 EXECUTIVE DIRECTOR SHALL TEMPORARILY REDUCE, FOR THE FOLLOWING  
23 STATE FISCAL YEAR, THE STATE SALES TAX RATE SET FORTH IN SECTION  
24 39-26-106 AND THE STATE USE TAX RATE SET FORTH IN SECTION  
25 39-26-202 BY THIRTEEN ONE-HUNDREDTHS OF ONE PERCENT.

26 (b) (I) THE CALCULATION OF THE ESTIMATED AMOUNT OF EXCESS  
27 STATE REVENUES FOR A STATE FISCAL YEAR REQUIRED BY SUBSECTION

1 (1)(a) OF THIS SECTION IS BASED ON THE MARCH ECONOMIC AND REVENUE  
2 FORECAST THAT IS SELECTED BY THE JOINT BUDGET COMMITTEE AS THE  
3 BASIS FOR THE STATE'S BUDGET FOR THE FOLLOWING STATE FISCAL YEAR.

4 (II) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER  
5 JULY 1, 2025, THE EXECUTIVE DIRECTOR SHALL ANNUALLY ADJUST THE  
6 EXCESS STATE REVENUE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF THIS  
7 SECTION BY A PERCENTAGE EQUAL TO THE PERCENTAGE OF ALLOWABLE  
8 INCREASE IN STATE FISCAL YEAR SPENDING CALCULATED PURSUANT TO  
9 SECTION 24-77-103 (2)(a)(I) FOR THE STATE FISCAL YEAR FOR WHICH THE  
10 EXCESS STATE REVENUE MUST BE REFUNDED.

11 (c) THE TEMPORARY STATE SALES AND USE TAX RATE REDUCTION  
12 IN SUBSECTION (1)(a) OF THIS SECTION TAKES EFFECT ONLY IF THE  
13 AMOUNT OF EXCESS STATE REVENUES REQUIRED TO BE REFUNDED FOR A  
14 STATE FISCAL YEAR EXCEEDS THE TOTAL OF THE AMOUNT OF  
15 REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS A RESULT OF THE  
16 PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF ARTICLE 3 OF THIS  
17 TITLE 39 PAID BY THE STATE TREASURER TO EACH COUNTY TREASURER AS  
18 REQUIRED BY SECTION 39-3-207 (4) FOR THE PROPERTY TAX YEAR THAT  
19 COMMENCED DURING THE STATE FISCAL YEAR PLUS THE ESTIMATED  
20 AMOUNT BY WHICH STATE REVENUES WILL BE DECREASED AS THE RESULT  
21 OF A REDUCTION IN THE STATE INDIVIDUAL INCOME TAX RATE REQUIRED  
22 BY SECTION 39-22-627.

23 (2) IF, AT A STATEWIDE ELECTION, VOTERS AUTHORIZE THE STATE  
24 TO RETAIN AND SPEND ALL OR ANY PORTION OF AN AMOUNT OF EXCESS  
25 STATE REVENUES FOR A STATE FISCAL YEAR THAT WAS EQUAL TO OR  
26 EXCEEDED THE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION,  
27 AND THEREFORE REQUIRED A REDUCTION OF THE STATE SALES AND USE

1 TAX RATES, SO THAT THE AMOUNT OF REMAINING EXCESS STATE  
2 REVENUES IS LESS THAN THE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF  
3 THIS SECTION, THE EXECUTIVE DIRECTOR SHALL RESTORE THE STATE  
4 SALES AND USE TAX RATES TO THE STANDARD RATES IMPOSED BY SECTION  
5 39-26-106 (1) OR 39-26-202 (1) BEGINNING ON JANUARY 1 OF THE  
6 FOLLOWING CALENDAR YEAR. ANY AMOUNT REFUNDED BY SUCH A  
7 REDUCTION IN THE STATE SALES AND USE TAX RATES CONSTITUTES AN  
8 OVER-REFUND AS DEFINED IN SECTION 24-77-103.7 (1).

9 (3) AS USED IN THIS PART 9, UNLESS THE CONTEXT OTHERWISE  
10 REQUIRES, "EXCESS STATE REVENUES" MEANS THE TOTAL AMOUNT OF THE  
11 STATE REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE  
12 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20  
13 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION THAT VOTERS  
14 STATEWIDE HAVE NOT AUTHORIZED THE STATE TO RETAIN AND SPEND AND  
15 THAT THE STATE IS REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF  
16 ARTICLE X OF THE STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT  
17 FOR AMOUNTS SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8.

18 (4) ANY TEMPORARY STATE SALES AND USE TAX RATE REDUCTION  
19 PURSUANT TO SUBSECTION (1) OF THIS SECTION DOES NOT AFFECT THE  
20 CALCULATION OF THE AMOUNT OF:

21 (a) THE VENDOR FEE CREDITED TO THE HOUSING DEVELOPMENT  
22 GRANT FUND IN ACCORDANCE WITH SECTION 39-26-123 (3)(b);

23 (b) THE STATE SALES TAX INCREMENT REVENUE FOR REGIONAL  
24 TOURISM ZONES IN ACCORDANCE WITH PART 3 OF ARTICLE 46 OF TITLE 24;

25 OR

26 (c) THE AVIATION FUND CREATED IN SECTION 43-10-109.

27 (5) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT

1 TEMPORARY STATE SALES AND USE TAX RATE REDUCTIONS ARE  
2 REASONABLE METHODS OF REFUNDING A PORTION OF THE EXCESS STATE  
3 REVENUES REQUIRED TO BE REFUNDED IN ACCORDANCE WITH SECTION 20  
4 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION.

5 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2035.

6 **SECTION 12.** In Colorado Revised Statutes, **add** part 9 to article  
7 26 of title 39 as follows:

8 PART 9

9 TEMPORARY STATE SALES AND USE TAX

10 RATE REDUCTIONS

11 **39-26-901. Temporary adjustment of rates of state sales and**  
12 **use taxes - refund of excess state revenues - definition - repeal.**

13 (1) (a) IF, FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY  
14 1, 2024, BUT BEFORE JULY 1, 2034, THE ESTIMATED AMOUNT OF STATE  
15 REVENUES IN EXCESS OF THE LIMITATION ON STATE FISCAL YEAR SPENDING  
16 IMPOSED BY SECTION 20 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION  
17 THAT ARE REQUIRED TO BE REFUNDED FOR THE STATE FISCAL YEAR IS  
18 GREATER THAN ONE BILLION FIVE HUNDRED MILLION DOLLARS, THE  
19 EXECUTIVE DIRECTOR SHALL TEMPORARILY REDUCE, FOR THE FOLLOWING  
20 STATE FISCAL YEAR, THE STATE SALES TAX RATE SET FORTH IN SECTION  
21 39-26-106 AND THE STATE USE TAX RATE SET FORTH IN SECTION  
22 39-26-202 BY THIRTEEN ONE-HUNDREDTHS OF ONE PERCENT.

23 (b) (I) THE CALCULATION OF THE ESTIMATED AMOUNT OF EXCESS  
24 STATE REVENUES FOR A STATE FISCAL YEAR REQUIRED BY SUBSECTION  
25 (1)(a) OF THIS SECTION IS BASED ON THE MARCH ECONOMIC AND REVENUE  
26 FORECAST THAT IS SELECTED BY THE JOINT BUDGET COMMITTEE AS THE  
27 BASIS FOR THE STATE'S BUDGET FOR THE FOLLOWING STATE FISCAL YEAR.

1           (II) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER  
2 JULY 1, 2025, THE EXECUTIVE DIRECTOR SHALL ANNUALLY ADJUST THE  
3 EXCESS STATE REVENUE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF THIS  
4 SECTION BY A PERCENTAGE EQUAL TO THE PERCENTAGE OF ALLOWABLE  
5 INCREASE IN STATE FISCAL YEAR SPENDING CALCULATED PURSUANT TO  
6 SECTION 24-77-103 (2)(a)(I) FOR THE STATE FISCAL YEAR FOR WHICH THE  
7 EXCESS STATE REVENUE MUST BE REFUNDED.

8           (c) THE TEMPORARY STATE SALES AND USE TAX RATE REDUCTION  
9 IN SUBSECTION (1)(a) OF THIS SECTION TAKES EFFECT ONLY IF THE  
10 AMOUNT OF EXCESS STATE REVENUES REQUIRED TO BE REFUNDED FOR A  
11 STATE FISCAL YEAR EXCEEDS THE TOTAL OF THE AMOUNT OF  
12 REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS A RESULT OF  
13 BOTH THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF ARTICLE 3  
14 OF THIS TITLE 39 AND THE REDUCED VALUATION FOR ASSESSMENT OF  
15 QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY PURSUANT TO  
16 SECTIONS 39-1-104.2 AND 39-1-104.6 THAT IS PAID BY THE STATE  
17 TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY SECTION  
18 39-3-207 (4) OR 39-1-104.6 (9)(c) FOR THE PROPERTY TAX YEAR THAT  
19 COMMENCED DURING THE STATE FISCAL YEAR PLUS THE ESTIMATED  
20 AMOUNT BY WHICH STATE REVENUES WILL BE DECREASED AS THE RESULT  
21 OF A REDUCTION IN THE STATE INDIVIDUAL INCOME TAX RATE REQUIRED  
22 BY SECTION 39-22-627.

23           (2) IF, AT A STATEWIDE ELECTION, VOTERS AUTHORIZE THE STATE  
24 TO RETAIN AND SPEND ALL OR ANY PORTION OF AN AMOUNT OF EXCESS  
25 STATE REVENUES FOR A STATE FISCAL YEAR THAT WAS EQUAL TO OR  
26 EXCEEDED THE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION,  
27 AND THEREFORE REQUIRED A REDUCTION OF THE STATE SALES AND USE

1 TAX RATES, SO THAT THE AMOUNT OF REMAINING EXCESS STATE  
2 REVENUES IS LESS THAN THE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF  
3 THIS SECTION, THE EXECUTIVE DIRECTOR SHALL RESTORE THE STATE  
4 SALES AND USE TAX RATES TO THE STANDARD RATES IMPOSED BY SECTION  
5 39-26-106 (1) OR 39-26-202 (1) BEGINNING ON JANUARY 1 OF THE  
6 FOLLOWING CALENDAR YEAR. ANY AMOUNT REFUNDED BY SUCH A  
7 REDUCTION IN THE STATE SALES AND USE TAX RATES CONSTITUTES AN  
8 OVER-REFUND AS DEFINED IN SECTION 24-77-103.7 (1).

9 (3) AS USED IN THIS PART 9, UNLESS THE CONTEXT OTHERWISE  
10 REQUIRES, "EXCESS STATE REVENUES" MEANS THE TOTAL AMOUNT OF THE  
11 STATE REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE  
12 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20  
13 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION THAT VOTERS  
14 STATEWIDE HAVE NOT AUTHORIZED THE STATE TO RETAIN AND SPEND AND  
15 THAT THE STATE IS REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF  
16 ARTICLE X OF THE STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT  
17 FOR AMOUNTS SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8.

18 (4) ANY TEMPORARY STATE SALES AND USE TAX RATE REDUCTION  
19 PURSUANT TO SUBSECTION (1) OF THIS SECTION DOES NOT AFFECT THE  
20 CALCULATION OF THE AMOUNT OF:

21 (a) THE VENDOR FEE CREDITED TO THE HOUSING DEVELOPMENT  
22 GRANT FUND IN ACCORDANCE WITH SECTION 39-26-123 (3)(b);

23 (b) THE STATE SALES TAX INCREMENT REVENUE FOR REGIONAL  
24 TOURISM ZONES IN ACCORDANCE WITH PART 3 OF ARTICLE 46 OF TITLE 24;

25 OR

26 (c) THE AVIATION FUND CREATED IN SECTION 43-10-109.

27 (5) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT

1 TEMPORARY STATE SALES AND USE TAX RATE REDUCTIONS ARE  
2 REASONABLE METHODS OF REFUNDING A PORTION OF THE EXCESS STATE  
3 REVENUES REQUIRED TO BE REFUNDED IN ACCORDANCE WITH SECTION 20  
4 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION.

5 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2035.

6 **SECTION 13.** In Colorado Revised Statutes, 39-26-105, **amend**  
7 (1)(a)(I)(A) as follows:

8 **39-26-105. Vendor liable for tax - definitions - repeal.**

9 (1) (a) (I) (A) Except as provided in subsections (1)(a)(I)(B), (1.3), and  
10 (1.5) of this section, every retailer shall, irrespective of the provisions of  
11 section 39-26-106, be liable and responsible for the payment of an  
12 amount equivalent to ~~two and ninety one-hundredths percent of all sales~~  
13 ~~made on or after January 1, 2001, by the retailer of commodities or~~  
14 ~~services as specified in section 39-26-104~~ THE TAX IMPOSED BY SECTION  
15 39-26-106 (1).

16 **SECTION 14.** In Colorado Revised Statutes, 39-26-112, **amend**  
17 (1) as follows:

18 **39-26-112. Excess tax - remittance - repeal.** (1) If any vendor,  
19 during any reporting period, collects as a tax an amount in excess of ~~three~~  
20 ~~percent of all taxable sales made prior to January 1, 2001, and two and~~  
21 ~~ninety one-hundredths percent of all taxable sales made on or after~~  
22 ~~January 1, 2001~~ THE TAX IMPOSED BY SECTION 39-26-106 (1), such vendor  
23 shall remit to the executive director of the department of revenue the full  
24 net amount of the tax imposed in this part 1 and also such excess. The  
25 retention by the retailer or vendor of any excess of tax collections over the  
26 said percentage of the total taxable sales of such retailer or vendor, or the  
27 intentional failure to remit punctually to the executive director the full



1 amount required to be remitted by the provisions of this part 1 is declared  
2 to be unlawful and constitutes a misdemeanor.

3 **SECTION 15.** In Colorado Revised Statutes, 43-10-109, **amend**  
4 (2)(a) as follows:

5 **43-10-109. Aviation fund created.** (2) (a) (I) In accordance with  
6 section 18 of article X of the Colorado constitution, for the 1991-92 fiscal  
7 year, and each fiscal year thereafter, one hundred percent of the sales and  
8 use taxes collected during that fiscal year by the state pursuant to sections  
9 39-26-104 and 39-26-202 ~~C.R.S.~~, on aviation fuels used in  
10 turbo-propeller or jet engine aircraft shall be credited to the aviation fund.

11 (II) IF A TEMPORARY REDUCTION OF THE STATE SALES AND USE  
12 TAX RATES PURSUANT TO SECTION 39-26-901 IS IN EFFECT, THE STATE  
13 TREASURER SHALL CREDIT ADDITIONAL SALES AND USE TAXES COLLECTED  
14 ON OTHER PROPERTY AND SERVICES TO THE AVIATION FUND SO THAT THE  
15 AVIATION FUND RECEIVES AN AMOUNT EQUAL TO THE AMOUNT THAT IT  
16 WOULD HAVE RECEIVED IF THE SALES AND USE TAX RATES HAD NOT BEEN  
17 TEMPORARILY REDUCED FOR THAT FISCAL YEAR.

18 **SECTION 16. Effective date.** (1) Except as otherwise provided  
19 in this section, this act takes effect upon passage.

20 (2) Sections 1 and 11 of this act take effect only if Senate Bill  
21 24-111 does not become law.

22 (3) Sections 2 and 12 of this act take effect only if Senate Bill  
23 24-111 becomes law, in which case sections 2 and 12 of this act take  
24 effect upon the effective date of this act or Senate Bill 24-111, whichever  
25 is later.

26 **SECTION 17. Safety clause.** The general assembly finds,  
27 determines, and declares that this act is necessary for the immediate

1 preservation of the public peace, health, or safety or for appropriations for  
2 the support and maintenance of the departments of the state and state  
3 institutions.