

Second Regular Session
Sixty-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 02-0108.01 Bob Lackner

HOUSE BILL 02-1006

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House Committees

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A BILL FOR AN ACT

101 **CONCERNING THE CREDIT AGAINST THE COLORADO INCOME TAX FOR**
102 **HEALTH CARE PROFESSIONALS PRACTICING IN RURAL**
103 **HEALTHCARE PROFESSIONAL SHORTAGE AREAS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Task Force to Evaluate Health Care Needs. Makes the existing credit against the state income tax for health care professionals practicing in rural health care professional shortage areas, currently allowed for certain income tax years in which the state controller certifies a specified amount of excess state revenues for the state fiscal year ending in that income tax year, a permanent tax credit that shall be allowed for any income tax year commencing on or after January 1, 2002, but prior to

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

January 1, 2011.

For income tax years commencing on or after January 1, 2003, adds registered nurses, licensed practical nurses, and pharmacists to the list of health care professionals that may claim the credit.

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

2 **SECTION 1.** 39-22-126 (1) (b), (2) (a), (3), (9), and (10) (a),
3 Colorado Revised Statutes, are amended, and the said 39-22-126 is
4 further amended BY THE ADDITION OF A NEW SUBSECTION, to
5 read:

6 **39-22-126. Credit for health care professionals practicing in**
7 **rural health care professional shortage areas - legislative declaration**
8 **- definitions.** (1) (b) The general assembly further finds and declares
9 that creating an income tax credit for health care professionals practicing
10 in health care professional shortage areas IN ACCORDANCE WITH
11 SUBSECTION (3) OF THIS SECTION is a reasonable method of refunding a
12 portion of the excess state revenues required to be refunded in accordance
13 with section 20 (7) (d) of article X of the state constitution.

14 (2) As used in this section, unless the context otherwise requires:

15 (a) (I) For the income tax year commencing on or after January 1,
16 2000, but prior to January 1, 2001, "health care professional" means a
17 physician, physician assistant, or advanced practice nurse who is licensed
18 as such under the laws of this state.

19 (II) For any income tax year commencing on or after January 1,
20 2001, but prior to January 1, 2002, "health care professional" means a
21 physician, physician assistant, advanced practice nurse, or dentist who is
22 licensed as such under the laws of this state.

23 (III) For any income tax year commencing on or after January 1,

1 2002, BUT PRIOR TO JANUARY 1, 2003, "health care professional" means
2 a physician, physician assistant, advanced practice nurse, dentist, or
3 dental hygienist who is licensed as such under the laws of this state.

4 (IV) FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER
5 JANUARY 1, 2003, "HEALTH CARE PROFESSIONAL" MEANS A PHYSICIAN,
6 PHYSICIAN ASSISTANT, ADVANCED PRACTICE NURSE, DENTIST, DENTAL
7 HYGIENIST, REGISTERED NURSE, LICENSED PRACTICAL NURSE, OR
8 PHARMACIST WHO IS LICENSED AS SUCH UNDER THE LAWS OF THIS STATE.

9 (3) Subject to subsection (9) of this section, for any income tax
10 year commencing on or after January 1, 2000, but prior to ~~January 1,~~
11 ~~2008~~ JANUARY 1, 2002, if, based on the financial report prepared by the
12 controller in accordance with section 24-77-106.5, C.R.S., the controller
13 certifies that the amount of excess state revenues for the state fiscal year
14 ending in that income tax year exceeds the limitation on state fiscal year
15 spending imposed by section 20 (7) (a) of article X of the state
16 constitution and the voters statewide either have not authorized the state
17 to retain and spend all of the excess state revenues or have authorized the
18 state to retain and spend only a portion of the excess state revenues for
19 that fiscal year, there shall be allowed to each taxpayer a credit against
20 the tax imposed by this article in an amount equal to one-third of the
21 amount of the student loan referenced in paragraph (d) of subsection (4)
22 of this section up to the amount of the taxpayer's actual income tax
23 liability for the taxable year for which the credit is claimed; except that,
24 in no event shall the aggregate amount of the credit claimed by the
25 taxpayer for all income tax years pursuant to this section exceed the
26 amount of the student loan referenced in paragraph (d) of subsection (4)
27 of this section.

1 (3.5) FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER
2 JANUARY 1, 2002, BUT PRIOR TO JANUARY 1, 2011, THERE SHALL BE
3 ALLOWED TO EACH TAXPAYER A CREDIT AGAINST THE TAX IMPOSED BY
4 THIS ARTICLE IN AN AMOUNT EQUAL TO ONE-THIRD OF THE AMOUNT OF THE
5 STUDENT LOAN REFERENCED IN PARAGRAPH (d) OF SUBSECTION (4) OF THIS
6 SECTION UP TO THE AMOUNT OF THE TAXPAYER'S ACTUAL INCOME TAX
7 LIABILITY FOR THE TAXABLE YEAR FOR WHICH THE CREDIT IS CLAIMED;
8 EXCEPT THAT, IN NO EVENT SHALL THE AGGREGATE AMOUNT OF THE
9 CREDIT CLAIMED BY THE TAXPAYER FOR ALL INCOME TAX YEARS
10 PURSUANT TO THIS SECTION EXCEED THE AMOUNT OF THE STUDENT LOAN
11 REFERENCED IN PARAGRAPH (d) OF SUBSECTION (4) OF THIS SECTION.

12 (9) If, based on the financial report prepared by the controller in
13 accordance with section 24-77-106.5, C.R.S., the controller certifies that
14 the amount of state revenues for any state fiscal year commencing on or
15 after July 1, 1999, but prior to ~~July 1, 2008~~ JULY 1, 2001, exceeds the
16 limitation on state fiscal year spending imposed by section 20 (7) (a) of
17 article X of the state constitution for that fiscal year by less than two
18 hundred eighty-five million dollars, as adjusted pursuant to subsection
19 (10) of this section, then the state income tax credit authorized by
20 subsection (3) of this section shall not be allowed for the income tax year
21 in which said state fiscal year ended.

22 (10) (a) No later than ~~October 1 of any given calendar year~~
23 ~~commencing on or after January 1, 2001~~ OCTOBER 1, 2001, the executive
24 director shall ~~annually~~ adjust the dollar amount specified in subsection
25 (9) of this section to reflect the rate of growth of Colorado personal
26 income for the calendar year immediately preceding the calendar year in
27 which such adjustment is made. For purposes of this paragraph (a), "the

1 rate of growth of Colorado personal income" means the percentage
2 change between the most recent published annual estimate of total
3 personal income for Colorado, as defined and officially reported by the
4 bureau of economic analysis in the United States department of
5 commerce for the calendar year immediately preceding the calendar year
6 in which the adjustment is made and the most recent published annual
7 estimate of total personal income for Colorado, as defined and officially
8 reported by the bureau of economic analysis in the United States
9 department of commerce for the calendar year prior to the calendar year
10 immediately preceding the calendar year in which the adjustment is made.

11 **SECTION 2. Effective date.** This act shall take effect at 12:01
12 a.m. on the day following the expiration of the ninety-day period after
13 final adjournment of the general assembly that is allowed for submitting
14 a referendum petition pursuant to article V, section 1 (3) of the state
15 constitution; except that, if a referendum petition is filed against this act
16 or an item, section, or part of this act within such period, then the act,
17 item, section, or part, if approved by the people, shall take effect on the
18 date of the official declaration of the vote thereon by proclamation of the
19 governor.