

**FINAL  
FISCAL NOTE**

---

<b>Drafting Number:</b> LLS 14-0114	<b>Date:</b> May 20, 2014
<b>Prime Sponsor(s):</b> Sen. Steadman Rep. Moreno; Ginal	<b>Bill Status:</b> Signed into Law
	<b>Fiscal Analyst:</b> Louis Pino (303-866-3556)

---

**SHORT TITLE:** STATUS OF TAXPAYERS WHO MAY FILE JOINT RETURNS

### Summary of Legislation

This bill requires partners in a civil union to file their Colorado taxes using the same filing status as on their federal tax return. The bill also allows these taxpayers to amend prior year tax returns subject to federal conditions. In addition, SB14-019 replaces "husband or wife, or both" with "two taxpayers" and "spouse" with "taxpayer" under several Colorado income tax statutes.

### Background

In June 2013, the United States Supreme Court ruled that a ban on federal benefits for same-sex marriages was unconstitutional. As a result, the Internal Revenue Service (IRS) issued a ruling stating that all federal tax laws will apply to parties of a valid same-sex marriage as long as the marriage was performed in a state that recognized the marriage as valid. The ruling does not apply to registered domestic partnerships or civil unions. The IRS ruling applies to all federal taxes, including income, gift, and estate taxes.

Under current law, Colorado utilizes federal taxable income as the starting point for determining state taxable income, so any change in federal income tax law will also affect Colorado income taxes. Current law also requires that all Colorado taxpayers file their state income taxes using the same filing status as on their federal income tax return. Following adoption of the IRS ruling, the Colorado Department of Revenue promulgated an emergency regulation clarifying this statutory requirement.

### Assessment

The bill is assessed as having no fiscal impact. It clarifies how a change in federal income tax policy will be applied in Colorado, but it does not affect the collections or administration of Colorado income taxes.

### Effective Date

The bill was signed into law by the Governor on February 27, 2014. Tax changes are effective beginning tax year 2013.

### State and Local Government Contacts

Revenue