A BILL FOR AN ACT

CONCERNING THE REFUNDING OF STATE REVENUES IN EXCESS OF THE STATE FISCAL YEAR SPENDING LIMIT.

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://www.leg.state.co.us/billsummaries.)

Current law provides 3 mechanisms for refunding state revenues in excess of the state fiscal year spending limit imposed by the taxpayer's bill of rights (TABOR) and subsequently increased by a voter-approved revenue change in 2005 (excess state revenues): An earned income tax credit; a temporary income tax rate reduction; and a state sales tax refund that is paid to taxpayers through the state income tax system in amounts...
based on 6 income-based tiers. For refunds of excess state revenues for fiscal year 2014-15 or any subsequent fiscal year, the bill repeals the temporary income tax rate reduction refund mechanism and replaces the 6-tier state sales tax refund mechanism with a 3-tier state sales tax refund mechanism that is similarly administered. The bill does not affect the earned income tax credit refund mechanism. The tiers of the new 3-tier state sales tax refund mechanism are annually adjusted for inflation.

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

SECTION 1. In Colorado Revised Statutes, add 39-22-2004 as follows:

39-22-2004. State sales tax refund of excess state revenues for taxable years commencing on or after January 1, 2015 - offset against state income tax for qualified individuals - authority and duties of executive director - definitions. (1) As used in this section, unless the context otherwise requires:

(a) "Adjusted gross income" means, for the taxable year commencing on January 1, 2015, and for each taxable year thereafter, the combined total of:

(I) Federal adjusted gross income;

(II) Social security benefits excluded from federal adjusted gross income for the taxable year;

(III) Lump-sum distributions from pension and profit-sharing plans excluded from federal adjusted gross income that are added to federal taxable income pursuant to section 39-22-104 (3) (c); and

(IV) The amount of interest income from state and local bonds added to federal taxable income pursuant to section 39-22-104 (3) (b).

(b) "Excess state revenues" means the total combined
AMOUNT, AS CERTIFIED BY THE STATE CONTROLLER PURSUANT TO SECTION 24-77-106.5, C.R.S., OF:

(I) Excess revenues for a state fiscal year that voters statewide have not authorized the state to retain and spend, that are required to be refunded pursuant to section 20(7)(d) of article X of the state constitution, and that are not refunded by another method established by law; and

(II) Excess revenues for a state fiscal year preceding said state fiscal year that voters statewide did not authorize the state to retain and spend, that were required to be refunded pursuant to section 20(7)(d) of article X of the state constitution, that were intended to be refunded by another method previously established by law, but that were not actually refunded by the state as required.

(c) (I) "Qualified individual" means:

(A) A natural person who is domiciled in this state for the entire taxable year commencing January 1 and ending December 31 of the taxable year and who has state income tax liability under section 39-22-104 for the taxable year or who files a Colorado individual income tax return to claim a refund of Colorado income tax withheld from wages for the taxable year;

(B) A natural person who is domiciled in this state for the entire taxable year commencing January 1 and ending December 31 of the taxable year and who is at least eighteen years of age as of December 31 of the taxable year preceding the taxable year;

(C) A natural person who died during the taxable year
COMMENCING JANUARY 1 AND ENDING DECEMBER 31, WHO WAS DOMICILED IN THIS STATE FROM JANUARY 1 OF THE TAXABLE YEAR UNTIL THE DATE OF DEATH, AND WHOSE ESTATE OR SPOUSE HAS STATE INCOME TAX LIABILITY UNDER SECTION 39-22-104 FOR THE TAXABLE YEAR OR WHOSE ESTATE OR SPOUSE FILES A COLORADO INCOME TAX RETURN TO CLAIM A REFUND OF COLORADO INCOME TAX WITHHELD FROM WAGES FOR THE TAXABLE YEAR; OR

(D) A NATURAL PERSON WHO DIED DURING THE TAXABLE YEAR COMMENCING ON JANUARY 1 AND ENDING DECEMBER 31, WHO WAS DOMICILED IN THIS STATE FROM JANUARY 1 OF THE TAXABLE YEAR UNTIL THE DATE OF DEATH, AND WHOSE ESTATE OR SPOUSE FILES A COLORADO INCOME TAX RETURN TO CLAIM A REFUND OF COLORADO INCOME TAX WITHHELD FROM WAGES FOR THE TAXABLE YEAR; OR

(II) "QUALIFIED INDIVIDUAL" DOES NOT INCLUDE:

(A) ANY NATURAL PERSON WHO WAS CONVICTED OF A FELONY AND WHO SERVED A SENTENCE OF INCARCERATION IN A CORRECTIONAL FACILITY OPERATED BY OR UNDER CONTRACT WITH THE DEPARTMENT OF CORRECTIONS OR IN A COUNTY OR MUNICIPAL JAIL AWAITING TRANSFER TO THE DEPARTMENT OF CORRECTIONS PURSUANT TO SECTION 16-11-308, C.R.S., OR IN BOTH SUCH FACILITY AND JAIL FOR A TOTAL OF ONE HUNDRED EIGHTY DAYS OR MORE DURING THE FISCAL YEAR ENDING DURING THE TAXABLE YEAR, REGARDLESS OF WHETHER THE NATURAL PERSON MEETS THE QUALIFICATIONS SET FORTH IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (c);

(B) ANY NATURAL PERSON WHO IS CONVICTED OF A MISDEMEANOR OR IS ADJUDICATED FOR AN OFFENSE THAT WOULD CONSTITUTE A MISDEMEANOR IF COMMITTED BY AN ADULT AND WHO IS INCARCERATED IN A COUNTY OR MUNICIPAL JAIL FOR A TOTAL OF ONE HUNDRED EIGHTY
DAYS OR MORE DURING THE FISCAL YEAR ENDING DURING THE TAXABLE YEAR, REGARDLESS OF WHETHER THE NATURAL PERSON MEETS THE QUALIFICATIONS SET FORTH IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (c);

(C) Any natural person under eighteen years of age who is adjudicated for an offense that would constitute a felony if committed by an adult and who was committed to the Department of Human Services for a total of one hundred eighty days or more during the fiscal year ending during the taxable year, regardless of whether the person meets the qualifications set forth in subparagraph (I) of this paragraph (c).

(d) "Taxable year" means a taxable year for natural persons that begins on January 1 and ends on December 31 and does not include any corporate taxable year that begins and ends on other dates.

(2) Except as otherwise provided in subsection (5) of this section, for the taxable year commencing on January 1, 2015, and for each subsequent taxable year, if there were excess state revenues for the fiscal year ending in the taxable year, each qualified individual is allowed a state sales tax refund in an amount specified in either subsection (3) or (4) of this section, whichever is applicable.

(3) No later than October 1 of any taxable year commencing on or after January 1, 2015, in which a state fiscal year for which there are excess state revenues ends, the executive director shall divide the total amount of excess state revenues for the state fiscal year by the number of qualified individuals expected to claim a refund in order to determine the
AMOUNT OF THE REFUND THAT EACH SUCH QUALIFIED INDIVIDUAL WOULD
receive if each qualified individual received an identical state
sales tax refund. If the amount of the identical individual
refund so determined is less than or equal to fifteen dollars,
the executive director shall allow state sales tax refunds as
follows:

(a) For a qualified individual filing a single return, a
refund in the amount of the identical individual sales tax
refund; and

(b) For any two qualified individuals filing a joint return,
double the amount of the identical individual sales tax refund.

(4) (a) No later than October 1 of any taxable year in
which the executive director determines, pursuant to subsection
(3) of this section, that the amount of the identical state sales
tax refund that each qualified individual would receive would
exceed fifteen dollars, the executive director shall determine
a single percentage that, when used to calculate the amount of
the refund allowed pursuant to paragraph (b) of this subsection
(4) for the taxable year, will cause the total amount of refunds
to be allowed to equal the amount of excess state revenues for
the fiscal year that ended during the taxable year.

(b) Except as otherwise provided in paragraph (c) of this
subsection (4), for any taxable year for which the executive
director determines a single percentage pursuant to paragraph
(a) of this subsection (4), the executive director shall allow
refunds as follows:

(I) For a qualified individual filing a single return:
(A) If the qualified individual's federal adjusted gross income for the taxable year is less than or equal to thirty-six thousand six hundred dollars, a refund in an amount equal to thirty-six thousand six hundred dollars multiplied by the single percentage;

(B) If the qualified individual's federal adjusted gross income for the taxable year is greater than thirty-six thousand six hundred dollars but not more than one hundred seventeen thousand one hundred dollars, a refund in an amount equal to the qualified individual's federal adjusted gross income multiplied by the single percentage; and

(C) If the qualified individual's federal adjusted gross income for the taxable year is more than one hundred seventeen thousand one hundred dollars, a refund in an amount equal to one hundred seventeen thousand one hundred dollars multiplied by the single percentage.

(II) For two qualified individuals filing a joint return:

(A) If the qualified individuals' aggregate federal adjusted gross income for the taxable year is less than or equal to thirty-six thousand six hundred dollars, an amount equal to double the amount of the refund allowed under sub-subparagraph (A) of subparagraph (I) of this paragraph (b);

(B) If the qualified individuals' aggregate federal adjusted gross income for the taxable year is greater than thirty-six thousand six hundred dollars but not more than one hundred seventeen thousand one hundred dollars, an amount equal to double the amount of the refund allowed under
SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (b); AND

(C) IF THE QUALIFIED INDIVIDUALS' AGGREGATE FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IS MORE THAN ONE HUNDRED SEVENTEEN THOUSAND ONE HUNDRED DOLLARS, AN AMOUNT EQUAL TO DOUBLE THE AMOUNT OF THE REFUND ALLOWED UNDER SUB-SUBPARAGRAPH (C) OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (b).

(c) FOR ANY TAXABLE YEAR COMMENCING ON OR AFTER JANUARY 1, 2016, THE EXECUTIVE DIRECTOR SHALL ADJUST THE AMOUNTS OF FEDERAL ADJUSTED GROSS INCOME SPECIFIED IN PARAGRAPH (b) OF THIS SUBSECTION (4) TO REFLECT THE PERCENTAGE CHANGE FROM JULY 1, 2015, THROUGH THE END OF THE FISCAL YEAR THAT ENDS DURING THE TAXABLE YEAR IN THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, CONSUMER PRICE INDEX FOR DENVER-BOULDER-GREELEY, ALL ITEMS, ALL URBAN CONSUMERS, OR ITS SUCCESSOR INDEX. THE EXECUTIVE DIRECTOR SHALL ROUND THE ADJUSTED AMOUNTS TO THE NEAREST ONE HUNDRED DOLLARS.

(5) (a) (I) IF ONE OR MORE BALLOT QUESTIONS ARE SUBMITTED TO THE VOTERS AT A STATEWIDE ELECTION TO BE HELD IN NOVEMBER OF ANY CALENDAR YEAR COMMENCING ON OR AFTER JANUARY 1, 2015, THAT SEEK AUTHORIZATION FOR THE STATE TO RETAIN AND SPEND ALL OR ANY PORTION OF THE AMOUNT OF EXCESS STATE REVENUES FOR THE FISCAL YEAR ENDING DURING THE CALENDAR YEAR, NO LATER THAN OCTOBER 1 OF SAID CALENDAR YEAR, THE EXECUTIVE DIRECTOR, IN ADDITION TO MAKING THE IDENTICAL STATE SALES TAX REFUND AMOUNT DETERMINATION AND, IF NECESSARY, SINGLE PERCENTAGE DETERMINATION REQUIRED BY SUBSECTIONS (3) AND (4) OF THIS SECTION,
SHALL:

(A) DETERMINE AN ALTERNATIVE IDENTICAL STATE SALES TAX REFUND AMOUNT FOR EACH SCENARIO IN WHICH ONE OR MORE OF THE BALLOT QUESTIONS ARE APPROVED BY VOTERS STATEWIDE BUT THE APPROVAL DOES NOT WHOLLY ELIMINATE REQUIRED REFUNDS; AND

(B) FOR ANY SCENARIO IN WHICH AN ALTERNATIVE IDENTICAL STATE SALES TAX REFUND AMOUNT DETERMINED PURSUANT TO SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (I) EXCEEDS FIFTEEN DOLLARS, CALCULATE AN ALTERNATIVE SINGLE PERCENTAGE.

(b) UPON DETERMINING THE AMOUNT OF ANY IDENTICAL STATE SALES TAX REFUND AND, IF NECESSARY, SINGLE PERCENTAGE PURSUANT TO SUBSECTIONS (3) AND (4) OF THIS SECTION AND, IF APPLICABLE, PARAGRAPH (a) OF THIS SUBSECTION (5), THE EXECUTIVE DIRECTOR SHALL NOTIFY IN WRITING THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL CREATED PURSUANT TO SECTION 2-3-301 (1), C.R.S., OF THE DETERMINATIONS AND THE BASIS FOR THEM. THE EXECUTIVE DIRECTOR SHALL PROVIDE THE WRITTEN NOTIFICATION WITHIN FIVE WORKING DAYS AFTER MAKING THE DETERMINATIONS BUT NO LATER THAN OCTOBER 1 OF THE CALENDAR YEAR.

(c) IT IS THE FUNCTION OF THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL TO REVIEW AND APPROVE OR DISAPPROVE ANY IDENTICAL STATE SALES TAX REFUND AMOUNT AND ANY SINGLE PERCENTAGE DETERMINED BY THE EXECUTIVE DIRECTOR WITHIN TWENTY DAYS AFTER RECEIPT OF WRITTEN NOTIFICATION FROM THE EXECUTIVE DIRECTOR. ANY SUCH AMOUNT OR PERCENTAGE THAT IS NOT EITHER APPROVED OR DISAPPROVED BY THE EXECUTIVE COMMITTEE WITHIN TWENTY DAYS IS AUTOMATICALLY APPROVED; EXCEPT THAT, IF WITHIN
SAID TWENTY DAYS THE EXECUTIVE COMMITTEE SCHEDULES A HEARING ON ANY SUCH AMOUNT OR PERCENTAGE, THE AUTOMATIC APPROVAL ONLY OCCURS IF THE EXECUTIVE COMMITTEE DOES NOT APPROVE OR DISAPPROVE THE AMOUNT OR PERCENTAGE AFTER THE CONCLUSION OF THE HEARING. ANY HEARING CONDUCTED BY THE EXECUTIVE COMMITTEE PURSUANT TO THE PROVISIONS OF THIS PARAGRAPH (c) MUST BE CONCLUDED NO LATER THAN TWENTY-FIVE DAYS AFTER RECEIPT OF WRITTEN NOTIFICATION FROM THE EXECUTIVE DIRECTOR.

(d) (I) IF THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL DISAPPROVES ANY IDENTICAL STATE SALES TAX REFUND AMOUNT OR SINGLE PERCENTAGE CALCULATED BY THE EXECUTIVE DIRECTOR PURSUANT TO THIS SECTION, THE EXECUTIVE COMMITTEE SHALL SPECIFY THE AMOUNT OR PERCENTAGE TO BE IMPLEMENTED BY THE EXECUTIVE DIRECTOR. ANY AMOUNT OR PERCENTAGE SPECIFIED BY THE EXECUTIVE COMMITTEE PURSUANT TO THIS SUBPARAGRAPH (I) MUST BE CALCULATED OR ADJUSTED IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.

(II) THE EXECUTIVE DIRECTOR SHALL NOT ADJUST ANY IDENTICAL STATE SALES TAX REFUND AMOUNT OR SINGLE PERCENTAGE THAT HAS NOT BEEN APPROVED PURSUANT TO THE PROVISIONS OF PARAGRAPH (c) OF THIS SUBSECTION (5) OR OTHERWISE SPECIFIED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (d).

(6) (a) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (a), A QUALIFIED INDIVIDUAL MUST CLAIM A REFUND ALLOWED PURSUANT TO THIS SECTION BY TIMELY FILING AN INCOME TAX RETURN WITH THE DEPARTMENT OF REVENUE FOR THE TAXABLE YEAR FOR WHICH THE REFUND IS ALLOWED IN COMPLIANCE WITH THE PROVISIONS OF THIS ARTICLE.
A QUALIFIED INDIVIDUAL AS DEFINED IN SUB-SUBPARAGRAPH (A) OR (C) OF SUBPARAGRAPH (I) OF PARAGRAPH (c) OF SUBSECTION (1) OF THIS SECTION OR A QUALIFIED INDIVIDUAL WHO IS REQUIRED TO FILE A COLORADO INDIVIDUAL INCOME TAX RETURN FOR THAT TAXABLE YEAR PURSUANT TO SECTION 39-22-601 (1)(a) WHO IS GRANTED AN EXTENSION OF TIME TO FILE AN INCOME TAX RETURN BY FILING AN INCOME TAX RETURN WITH THE DEPARTMENT OF REVENUE MUST CLAIM A REFUND ALLOWED PURSUANT TO THIS SECTION NO LATER THAN OCTOBER 15 OF THE CALENDAR YEAR FOLLOWING THE TAXABLE YEAR FOR WHICH THE REFUND IS BEING CLAIMED. THE QUALIFIED INDIVIDUAL IS NOT REQUIRED TO PAY ALL OR ANY PORTION OF THE QUALIFIED INDIVIDUAL’S NET TAX LIABILITY DUE PRIOR TO OCTOBER 15 OF THE CALENDAR YEAR IN ORDER TO BE GRANTED AN EXTENSION OF TIME TO FILE SAID TAX RETURN; EXCEPT THAT, PURSUANT TO SECTION 39-22-621, THE QUALIFIED INDIVIDUAL MAY BE SUBJECT TO A LATE PAYMENT PENALTY AND INTEREST ON ANY NET INCOME TAX LIABILITY NOT PAID BY APRIL 15 OF THE CALENDAR YEAR.

THE DEPARTMENT OF REVENUE SHALL NOT ALLOW A REFUND CLAIMED ON ANY INCOME TAX RETURN NOT FILED IN COMPLIANCE WITH THE PROVISIONS OF THIS ARTICLE. A REFUND CLAIMED BY A QUALIFIED INDIVIDUAL AS DEFINED IN SUB-SUBPARAGRAPH (A) OR (C) OF SUBPARAGRAPH (I) OF PARAGRAPH (c) OF SUBSECTION (1) OF THIS SECTION ON ANY INCOME TAX RETURN SHALL NOT BE:

(A) DISALLOWED IF THE RETURN IS FILED ON OR BEFORE OCTOBER 15 OF THE CALENDAR YEAR FOLLOWING THE TAXABLE YEAR FOR WHICH THE REFUND IS BEING CLAIMED; OR

(B) ALLOWED IF SAID RETURN IS FILED AFTER OCTOBER 15 OF THE CALENDAR YEAR FOLLOWING THE TAXABLE YEAR FOR WHICH THE REFUND
IS BEING CLAIMED.

(b) EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (II) OF PARAGRAPH (a) OF THIS SUBSECTION (6), A QUALIFIED INDIVIDUAL AS DEFINED IN SUB-SUBPARAGRAPH (B) OR (D) OF SUBPARAGRAPH (I) OF PARAGRAPH (c) OF SUBSECTION (1) OF THIS SECTION MUST CLAIM A REFUND ALLOWED PURSUANT TO THIS SECTION BY FILING AN INCOME TAX RETURN FOR THE TAXABLE YEAR FOR WHICH THE REFUND IS ALLOWED WITH THE DEPARTMENT OF REVENUE NO LATER THAN APRIL 15 OF THE CALENDAR YEAR FOLLOWING THE TAXABLE YEAR FOR WHICH THE REFUND IS BEING CLAIMED. THE DEPARTMENT OF REVENUE SHALL NOT ALLOW THE REFUND CLAIMED BY A QUALIFIED INDIVIDUAL AS DEFINED IN SUB-SUBPARAGRAPH (B) OR (D) OF SUBPARAGRAPH (I) OF PARAGRAPH (c) OF SUBSECTION (1) OF THIS SECTION ON ANY INCOME TAX RETURN FILED WITH THE DEPARTMENT OF REVENUE AFTER APRIL 15 OF THE CALENDAR YEAR FOLLOWING THE TAXABLE YEAR FOR WHICH THE REFUND IS BEING CLAIMED.

(c) (I) NOTWITHSTANDING ANY PROVISION OF PARAGRAPH (b) OF THIS SUBSECTION (6) TO THE CONTRARY, A QUALIFIED INDIVIDUAL AS DEFINED IN SUB-SUBPARAGRAPH (B) OR (D) OF SUBPARAGRAPH (I) OF PARAGRAPH (c) OF SUBSECTION (1) OF THIS SECTION WHO CLAIMS A PROPERTY TAX ASSISTANCE GRANT PURSUANT TO SECTION 39-31-101 OR A HEAT OR FUEL EXPENSES ASSISTANCE GRANT PURSUANT TO SECTION 39-31-104 MAY CLAIM A REFUND AUTHORIZED BY THIS SECTION ON THE ASSISTANCE GRANT APPLICATION FORM DESCRIBED IN SECTION 39-31-102 (2). CLAIMING A REFUND ON THE ASSISTANCE GRANT APPLICATION FORM IS IN LIEU OF CLAIMING THE REFUND ON AN INCOME TAX RETURN PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (6). ANY REFUND
CLAIMED PURSUANT TO THIS PARAGRAPH (c) MUST BE CLAIMED ON OR BEFORE APRIL 15 OF THE CALENDAR YEAR FOLLOWING THE TAXABLE YEAR FOR WHICH THE REFUND IS BEING CLAIMED.

(II) THE DEPARTMENT OF REVENUE SHALL NOT ALLOW A REFUND AUTHORIZED BY THIS SECTION THAT IS CLAIMED ON AN ASSISTANCE GRANT APPLICATION FORM IF:

(A) THE ASSISTANCE GRANT APPLICATION FORM IS FILED AFTER APRIL 15 OF THE CALENDAR YEAR FOLLOWING THE TAXABLE YEAR FOR WHICH THE REFUND IS BEING CLAIMED; OR

(B) THE QUALIFIED INDIVIDUAL HAS CLAIMED THE REFUND AUTHORIZED BY THIS SECTION ON AN INCOME TAX FORM FILED IN ACCORDANCE WITH PARAGRAPH (b) OF THIS SUBSECTION (6) FOR THE TAXABLE YEAR FOR WHICH THE REFUND IS ALLOWED.

(7) IF THE REFUND ALLOWED UNDER THIS SECTION EXCEEDS THE INCOME TAXES OTHERWISE DUE ON THE CLAIMANT'S INCOME, THE AMOUNT OF THE REFUND SHALL BE REFUNDED TO THE CLAIMANT.

(8) IN ADDITION TO ANY OTHER PENALTIES ALLOWED BY LAW, ANY PERSON WHO CLAIMS BUT IS NOT ELIGIBLE TO CLAIM THE REFUND ALLOWED PURSUANT TO THIS SECTION IS SUBJECT TO THE CRIMINAL PENALTIES IMPOSED PURSUANT TO SECTION 39-21-118, AS APPLICABLE.

(9) THE DEPARTMENT OF REVENUE SHALL NOT REPORT THE STATE SALES TAX REFUND ALLOWED TO ANY QUALIFIED INDIVIDUAL UNDER THIS SECTION AS A PAYMENT OF A REFUND, CREDIT, OR OFFSET OF STATE INCOME TAXES TO THE QUALIFIED INDIVIDUAL IN ANY INFORMATION RETURN REQUIRED TO BE FILED PURSUANT TO FEDERAL LAW.

(10) (a) THE DEPARTMENT OF REVENUE SHALL IDENTIFY ANY QUALIFIED INDIVIDUAL WHO HAS BEEN CONVICTED OF A FELONY AND WHO,
AT THE TIME OF FILING FOR A REFUND PURSUANT TO THIS SECTION, IS 
INCARCERATED IN A CORRECTIONAL FACILITY OPERATED BY OR UNDER 
CONTRACT WITH THE DEPARTMENT OF CORRECTIONS OR IN A COUNTY OR 
MUNICIPAL JAIL AWAITING TRANSFER TO A CORRECTIONAL FACILITY 
PURSUANT TO SECTION 16-11-308, C.R.S. THE DEPARTMENT OF REVENUE 
SHALL TRANSFER THE AMOUNT OF ANY REFUND OWED TO SAID QUALIFIED 
INDIVIDUAL TO THE DEPARTMENT OF CORRECTIONS.

(b) The department of corrections shall transmit the 
amount of a refund transferred to it pursuant to paragraph (a) 
of this subsection (10) as follows:

(I) Except as otherwise provided in paragraph (c) of this 
subsection (10), if the qualified individual is under a valid court 
order to pay restitution or costs and under a valid court order 
or administrative order to pay child support then:

(A) One-half of the refund shall be transmitted to the 
clerk of the district court that issued an order for payment of 
estitution entered pursuant to article 18.5 of title 16, C.R.S., or 
an order for costs pursuant to section 18-1.3-701, C.R.S. The 
refund shall be credited in the priority specified in section 
16-11-101.6 (1), C.R.S.

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

(II) If the qualified individual is not under a valid court 
order or administrative order to pay child support but is under 
a valid court order to pay restitution or costs, then the refund
SHALL BE TRANSMITTED TO THE CLERK OF THE DISTRICT COURT THAT
ISSUED AN ORDER FOR PAYMENT OF RESTITUTION ENTERED PURSUANT TO
ARTICLE 18.5 OF TITLE 16, C.R.S., OR AN ORDER FOR COSTS PURSUANT TO
SECTION 18-1.3-701, C.R.S., WHEREUPON THE REFUND SHALL BE
CREDITED IN THE PRIORITY SPECIFIED IN SECTION 16-11-101.6 (1), C.R.S.;
OR

(III) IF THE QUALIFIED INDIVIDUAL IS NOT UNDER A VALID COURT
ORDER TO PAY RESTITUTION OR COSTS BUT IS UNDER A VALID COURT
ORDER OR ADMINISTRATIVE ORDER TO PAY CHILD SUPPORT, THEN THE
REFUND SHALL BE TRANSMITTED TO THE DEPARTMENT OF HUMAN
SERVICES FOR APPLICATION TOWARD THE QUALIFIED INDIVIDUAL'S CHILD
SUPPORT OBLIGATION FOR INDIVIDUALS RECEIVING SERVICES PURSUANT
TO SECTION 26-13-106, C.R.S.; OR

(IV) IF THE QUALIFIED INDIVIDUAL IS NOT UNDER A VALID COURT
ORDER OR ADMINISTRATIVE ORDER TO PAY CHILD SUPPORT AND IS NOT
UNDER A VALID COURT ORDER TO PAY RESTITUTION OR COSTS, THEN THE
REFUND SHALL BE TRANSMITTED TO THE QUALIFIED INDIVIDUAL SUBJECT
TO OTHER APPLICABLE PROVISIONS OF LAW.

(c) IF A REFUND IS TRANSMITTED IN ACCORDANCE WITH THE
PROVISIONS OF SUBPARAGRAPH (I), (II), OR (III) OF PARAGRAPH (b) OF THIS
SUBSECTION (10) AND RESULTS IN EXCESS REFUND MONEYS REMAINING
AFTER SATISFACTION OF THE QUALIFIED INDIVIDUAL'S RESTITUTION OR
CHILD SUPPORT OBLIGATION, THE EXCESS REFUND MONEYS SHALL BE FIRST
APPLIED TOWARD ANY OUTSTANDING RESTITUTION OBLIGATION OR CHILD
SUPPORT OBLIGATION OF THE QUALIFIED INDIVIDUAL BEFORE BEING
RETURNED TO THE QUALIFIED INDIVIDUAL.

(11) THE DEPARTMENT OF CORRECTIONS, THE DEPARTMENT OF
HUMAN SERVICES, AND EACH COUNTY OF THE STATE, TO THE EXTENT EACH SUCH COUNTY HAS THE CAPABILITY WITHIN EXISTING RESOURCES, SHALL PROVIDE IN A TIMELY MANNER THE INFORMATION REQUESTED BY THE DEPARTMENT OF REVENUE NECESSARY TO IDENTIFY THE PERSONS SPECIFIED IN SUBPARAGRAPH (II) OF PARAGRAPH (c) OF SUBSECTION (1) OF THIS SECTION AND IN SUBSECTION (10) OF THIS SECTION. THE INFORMATION MUST BE PROVIDED IN THE FORM REQUESTED BY THE DEPARTMENT OF REVENUE. THE DEPARTMENT OF REVENUE SHALL KEEP CONFIDENTIAL ANY SOCIAL SECURITY NUMBER RECEIVED PURSUANT TO THIS SUBSECTION (11).

(12) (a) The executive director shall publish in rules promulgated by the executive director in accordance with Article 4 of Title 24, C.R.S., and shall include in income tax forms for any taxable year for which a refund is allowed under this section:

(I) The amount of any identical state sales tax refund allowed pursuant to subsection (3) of this section;

(II) Any single percentage determined under paragraph (a) of subsection (4) of this section;

(III) The adjusted amounts of federal adjusted gross income used to calculate the amount of a qualified individual's refund calculated pursuant to paragraph (b) of subsection (4) of this section;

(IV) The amount of any refund allowed pursuant to sub-subparagraphs (A) and (C) of subparagraph (I) or sub-subparagraphs (A) and (C) of subparagraph (II) of paragraph (b) of subsection (4) of this section; and
(V) The means by which a qualified individual may calculate the amount of any refund allowed pursuant to sub-subparagraph (B) of subparagraph (I) or sub-subparagraph (B) of subparagraph (II) of paragraph (b) of subsection (4) of this section.

(b) If one or more ballot questions are submitted to the voters at a statewide election to be held in November of any calendar year commencing on or after January 1, 2015, that seek authorization for the state to retain and spend all or any portion of the amounts of excess state revenues for the fiscal year ending during the calendar year, the executive director shall not publish rules or income tax forms containing the information specified in paragraph (a) of this subsection (12) until the rules and forms can be published to reflect the impact of the results of the election on any amounts of single percentage determined and any refunds to be allowed pursuant to this section.

SECTION 2. In Colorado Revised Statutes, 19-1-305, amend (1) (g) as follows:

19-1-305. Operation of juvenile facilities. (1) Except as otherwise authorized by section 19-1-303, all records prepared or obtained by the department of human services in the course of carrying out its duties pursuant to article 2 of this title shall be confidential and privileged. Said records may be disclosed only:


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

**39-21-108. Refunds.** (3) (a) (I) (A) Whenever it is established that any taxpayer has, for any period open under the statutes, overpaid a tax covered by articles 22 and 26 to 29 of this title, article 60 of title 34, C.R.S., and article 3 of title 42, C.R.S., and that: There is an unpaid balance of tax and interest accrued, according to the records of the executive director, owing by such taxpayer for any other period; there is an amount required to be repaid to the unemployment compensation fund pursuant to section 8-81-101 (4), C.R.S., the amount of which has been determined to be owing as a result of a final agency determination or judicial decision or that has been reduced to judgment by the division of unemployment insurance in the department of labor and employment; there is any unpaid child support debt as set forth in section 14-14-104, C.R.S., or child support arrearages that are the subject of enforcement services provided pursuant to section 26-13-106, C.R.S., as certified by the department of human services; there are any unpaid obligations owing to the state as set forth in section 26-2-133, C.R.S., for overpayment of public assistance or medical assistance benefits, the amount of which has been determined to be owing as a result of final agency determination or judicial decision or that has been reduced to judgment, as certified by the department of human services; there is any unpaid loan or other obligation due to a state-supported institution of higher education as set forth in section 23-5-115, C.R.S., the amount of which has been determined to be owing as a result of a final agency determination or judicial decision or that has been reduced to judgment, as certified by the appropriate institution; there is any unpaid loan due to the student loan division of the department of higher education as set forth in section...
23-3.1-104 (1) (p), C.R.S., the amount of which has been determined to
be owing as a result of a final agency determination or judicial decision
or that has been reduced to judgment, as certified by the division; there
is any unpaid loan due to the collegeinvest division of the department of
higher education as set forth in section 23-3.1-206, C.R.S., the amount of
which has been determined to be owing as a result of a final agency
determination or judicial decision or that has been reduced to judgment;
there is any outstanding judicial fine, fee, cost, or surcharge as set forth
in section 16-11-101.8, C.R.S., or judicial restitution as set forth in
section 16-18.5-106.8, C.R.S., the amount of which has been determined
to be owing as a result of a final judicial department determination or
certified by the judicial department as a judgment owed the state or a
victim; there is any unpaid debt owing to the state or any agency thereof
by such taxpayer, and that is found to be owing as a result of a final
agency determination or the amount of which has been reduced to
judgment and as certified by the controller; or the taxpayer is a qualified
individual identified pursuant to section 39-22-120 (10) or 39-22-2003 (9)
39-22-120 (10), 39-22-2003 (9), or 39-22-2004 (10), so much of the
overpayment of tax plus interest allowable thereon as does not exceed the
amount of such unpaid balance or unpaid debt must be credited first to the
unpaid balance of tax and interest accrued and then to the unpaid debt,
and any excess of the overpayment must be refunded. If the taxpayer
elects to designate his or her refund as a credit against a subsequent year's
tax liability, the amount allowed to be so credited must be reduced first
by the unpaid balance of tax and interest accrued and then by the unpaid
debt. If the taxpayer filed a joint return, the executive director shall notify
the other taxpayer named on the joint return that the portion of the
overpayment that is generated by the other taxpayer's income will be refunded upon receipt of a request detailing said amount. As used in this section, unless the context otherwise requires, "agency" includes a state-supported institution of higher education or a political subdivision of the state under contract with central collection services.

SECTION 4. In Colorado Revised Statutes, 39-21-113, amend (11) as follows:

39-21-113. Reports and returns - rule - repeal. (11) Notwithstanding the provisions of this section, the executive director of the department of revenue shall supply the department of corrections with any information obtained pursuant to this section which is necessary to implement the procedure to offset state sales tax refunds against restitution and costs pursuant to section 39-22-120 (10) or 39-22-2003 (9), 39-22-120 (10), 39-22-2003 (9), or 39-22-2004 (10).

SECTION 5. In Colorado Revised Statutes, 39-22-104, amend (1.7) as follows:

39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - definitions - repeal. (1.7) Except as otherwise provided in section 39-22-627, Subject to subsection (2) of this section, with respect to taxable years commencing on or after January 1, 2000, a tax of four and sixty-three one hundredths percent is imposed on the federal taxable income, as determined pursuant to section 63 of the internal revenue code, of every individual, estate, and trust.

SECTION 6. In Colorado Revised Statutes, 39-22-301, amend (1) (d) (I) (I) as follows:

39-22-301. Corporate tax imposed. (1) (d) (I) A tax is imposed upon each domestic C corporation and foreign C corporation doing
business in Colorado annually in an amount of the net income of such C
orporation during the year derived from sources within Colorado as set
forth in the following schedule of rates:

(I) Except as otherwise provided in section 39-22-627, For income
tax years commencing on or after January 1, 2000, four and sixty-three
one hundredths percent of the Colorado net income.

SECTION 7. In Colorado Revised Statutes, 39-22-605, amend
(2) (c), (7) (a), (8) (a), and (8) (b) (II) as follows:

39-22-605. Failure by individual to pay estimated income tax.

(2) As used in this section, unless the context otherwise requires:
(c) "Tax" or "tax liability" means the tax imposed under this
article minus the credits against tax provided by this article other than the
credits against tax for withholding pursuant to sections 39-22-604 and
39-22-604.5 and credits against tax for the sales tax refund pursuant to
section 39-22-2003 OR 39-22-2004, WHICHEVER IS APPLICABLE.

(7) (a) No addition to tax shall be imposed under subsection (3)
of this section for any taxable year if the tax shown on the return for such
taxable year or, if no return is filed, the tax, reduced by the credits
SECTION 39-22-2003 OR 39-22-2004, AS APPLICABLE, is less than one
thousand dollars.

(8) (a) For purposes of applying this section, the amount of the
EITHER SECTION 39-22-2003 OR 39-22-2004, AS APPLICABLE, for the
taxable year shall be deemed a payment of estimated tax and an equal part
of such amount shall be deemed paid on each due date for such taxable
year, unless the taxpayer establishes the dates on which all amounts were
actually withheld, in which case the amounts so withheld shall be deemed
payments of estimated tax on the dates on which such amounts were
actually withheld.

(b) The taxpayer may apply paragraph (a) of this subsection (8)
separately with respect to the following:

(II) All other amounts withheld for which credits are allowed
39-22-2003 or 39-22-2004, as applicable.

(1) (i) (IV) and (1) (i) (V); and add (1) (i) (VI) as follows:

39-22-2001. Legislative declaration - revenues exceeding
TABOR limit - sales tax refund. (1) The general assembly hereby finds
and declares that:

(i) It is the considered judgment of the general assembly that:

(IV) Notwithstanding the provisions of subparagraphs (I) to (III)
of this paragraph (i), it is reasonable and fair to simplify the process used
to refund state excess revenues for any fiscal year for which the amount
of such state excess revenues falls below a certain threshold by allowing
an identical refund of state sales tax revenues to each qualified individual;
and

(V) Refunding state excess revenues for fiscal years commencing
on or after July 1, 1998, but before July 1, 2014, through the state
income tax system in the manner set forth in sections 39-22-2002 and
39-22-2003 is a reasonable method for refunding such excess revenues;
AND

(VI) Refunding state excess revenues for fiscal years
commencing on or after July 1, 2014, through the state income
TAX SYSTEM IN THE MANNER SET FORTH IN SECTION 39-22-2004 IS A REASONABLE METHOD FOR REFUNDING SUCH EXCESS REVENUES.

SECTION 9. In Colorado Revised Statutes, 39-22-2002, amend (1), (4), (5) introductory portion, and (7) (b) as follows:

39-22-2002. Fiscal years commencing on or after July 1, 1998, but before July 1, 2014 - state sales tax refund - authority of executive director. (1) If, for any state fiscal year commencing on or after July 1, 1998, but before July 1, 2014, the amount of state revenues exceeds the limitation on state fiscal year spending imposed by section 20 (7) (a) of article X of the state constitution and voters statewide either have not authorized the state to retain and spend all of the excess revenues for that fiscal year or have authorized the state to retain and spend only a portion of the excess revenues for that fiscal year, the executive director shall, if the amount of the identical individual refund calculated pursuant to paragraph (a) of subsection (2) of this section exceeds fifteen dollars, for the taxable year commencing on or after January 1 of the calendar year in which that fiscal year ended, but prior to January 1 of the subsequent calendar year, calculate a temporary state sales tax refund in accordance with the provisions of this section to refund the amount of excess state revenues that is not refunded by another method established by law.

(4) No later than October 1 of any given calendar year commencing on or after January 1, 1999, but before January 1, 2015, during which the controller certifies, in accordance with the provisions of section 24-77-106.5, C.R.S., that state revenues exceed the limitation on state fiscal year spending imposed by section 20 (7) (a) of article X of the state constitution for the fiscal year ending in that calendar year, the
executive director shall, if the amount of the identical individual refund calculated pursuant to subsection (2) of this section exceeds fifteen dollars, calculate the income classifications and the amount of the refund allowed for each income classification pursuant to section 39-22-2003 (3) for the taxable year commencing during said fiscal year that would refund the amount of excess state revenues that is not refunded by another method established by law.

(5) If one or more ballot questions are submitted to the voters at a statewide election to be held in November of any given calendar year commencing on or after January 1, 1999, but before January 1, 2015, that seek authorization for the state to retain and spend all or any portion of the amount of excess revenues for the fiscal year ending during said calendar year, no later than October 1 of said calendar year, the executive director shall, in addition to the calculations required by subsection (4) of this section:

(7) (b) If one or more ballot questions are submitted to the voters at a statewide election to be held in November of any calendar year commencing on or after January 1, 1999, but before January 1, 2015, that seek authorization for the state to retain and spend all or any portion of the amounts of excess state revenues for the fiscal year ending during said calendar year, the executive director shall not publish rules or income tax forms containing any sales tax refund calculated pursuant to this section until such rules and forms may be published to reflect the impact of the results of said election on the amount of the refund to be allowed pursuant to section 39-22-2003 and that is not refunded by another method established by law.

SECTION 10. In Colorado Revised Statutes, 39-22-2003, amend
(1.5) (b) introductory portion, (2), and (4) (a) introductory portion as follows:

39-22-2003. State sales tax refund for taxable years commencing before January 1, 2015 - offset against state income tax - qualified individuals. (1.5) For purposes of this section, "adjusted gross income" means:

(b) For the taxable year commencing on January 1, 2001, and ending December 31, 2001, and for each subsequent taxable year thereafter COMMENCING BEFORE JANUARY 1, 2015, the combined total of:

(2) With respect to the taxable year commencing on January 1, 1999, and ending December 31, 1999, and for each subsequent taxable year COMMENCING BEFORE JANUARY 1, 2015, there shall be IS allowed to each qualified individual a state sales tax refund in an amount specified in subsection (3) of this section to be claimed in the manner specified in subsection (4) of this section if there were excess state revenues for the fiscal year ending in that tax year that voters statewide have not authorized the state to retain and spend and that are required to be refunded pursuant to section 20 (7) (d) of article X of the state constitution.

(4) (a) The amount of the refund allowed under subsection (2) of this section for the taxable year commencing January 1, 2000, and ending December 31, 2000, and for each subsequent taxable year shall be COMMENCING BEFORE JANUARY 1, 2015, IS the same as provided in subsection (3) of this section; except that, for each such taxable year, the executive director shall adjust:

SECTION 11. In Colorado Revised Statutes, 39-31-102, amend (2) as follows:
39-31-102. Procedures to obtain grant - department of revenue
- responsibilities. (2) The executive director shall prescribe the forms to
be used for the grants authorized by section 39-31-101 or 39-31-104 and
prepare any instructions related to the forms. The executive director may
create an electronic form to be used in addition to the paper form. If a
sales tax refund is allowed for any given income tax year COMMENCING
BEFORE JANUARY 1, 2015, in accordance with section 39-22-2002, OR FOR
ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2015, IN
ACCORDANCE WITH SECTION 39-22-2004, the executive director shall
include provisions on the forms to allow qualified individuals to apply for
the refund pursuant to section 39-22-2003 (5) (c) OR 39-22-2004 (6) (c),
AS APPLICABLE. To receive a grant, an individual must claim the grant on
the executive director's form.


SECTION 13. Safety clause. The general assembly hereby finds,
determines, and declares that this act is necessary for the immediate
preservation of the public peace, health, and safety.