

**First Regular Session  
Sixty-third General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 01-0322.01 Christy Chase

**HOUSE BILL 01-1059**

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**HOUSE SPONSORSHIP**

**Jameson**

**SENATE SPONSORSHIP**

**Pascoe**

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**House Committees**

Finance

Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING STATE INCOME TAX MODIFICATIONS FOR FULL-TIME**  
102            **PUBLIC SCHOOL TEACHERS, AND, IN CONNECTION THEREWITH,**  
103            **AUTHORIZING AN INCOME TAX MODIFICATION FOR**  
104            **NONREIMBURSED TUITION EXPENSES INCURRED BY PUBLIC**  
105            **SCHOOL TEACHERS WHO ENROLL IN CERTAIN CONTINUING**  
106            **EDUCATION COURSES AND AN INCOME TAX MODIFICATION FOR**  
107            **CERTAIN TEACHERS WHO TEACH IN STATE PUBLIC SCHOOLS.**

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**Bill Summary**

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

If the state has excess revenues for income tax years beginning on

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.*

or after January 1, 2001, but before January 1, 2012, authorizes an income tax modification in an amount equal to the amount of nonreimbursed tuition expenses incurred by a teacher for enrollment in a qualified continuing education course during the state fiscal year ending in the income tax year for which the modification is claimed. Allows the state income tax modification regardless of whether or not the amount may also be claimed as a deduction on the teacher's federal taxable income. Limits the modification to teachers who have:

- Instructed students in a public school in the state on a full-time basis for at least the three preceding school years; and
- Enrolled in and completed a qualified continuing education course.

Defines "teacher" as a person licensed by the department of education and employed by the state to provide educational instruction to students in any public school in the state. Defines "qualified continuing education course" as any postgraduate course taught by an institution of higher education that qualifies toward an advanced degree in education or is in the teacher's academic field or subfield or any professional development that satisfies the requirements for renewal of a professional license issued by the department.

If the state has excess revenues for income tax years beginning on or after January 1, 2001, but before January 1, 2012, authorizes an income tax modification for any full-time teacher who provides classroom instruction in any public school in the state for an entire academic school year. Establishes the modification in certain amounts based on where the teacher received an undergraduate degree.

Allows the modification to be claimed for not more than a certain number of income tax years and not later than a certain number of years after first licensed by the state as a teacher. Requires any teacher claiming the modification to submit to the department of revenue a certification form obtained from the school district that employed the teacher certifying that the teacher has satisfied the requirements for allowance of the modification.

Requires any teacher who has claimed the modification but has failed to provide classroom instruction in a public school on a full-time basis for at least 4 consecutive academic school years to repay the amount of the tax savings realized by the modification received for all years claimed. Provides an exception to the repay requirement for teachers who become disabled, are drafted into active military service, die, or take one leave of absence for pregnancy.

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

1           **SECTION 1.** Part 1 of article 22 of title 39, Colorado Revised  
2 Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW  
3 SECTIONS to read:

4           **39-22-104.7. Pretax payments - nonreimbursed tuition expenses**  
5 **incurred by public school teachers for continuing education courses -**  
6 **legislative declaration - mechanism to refund excess state revenues.**

7 (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

8           (I) COLORADO WILL SOON LOSE A LARGE POPULATION OF ITS  
9 EXPERIENCED TEACHERS IN THE PUBLIC SCHOOL SYSTEM DUE TO THE  
10 RETIREMENT OR EXPECTED RETIREMENT OF MANY TEACHERS IN THE NEAR  
11 FUTURE.

12           (II) IT IS CRUCIAL THAT THE STATE RETAIN A SUFFICIENT POOL OF  
13 EXPERIENCED, TRAINED, AND EDUCATED TEACHERS IN THE PUBLIC SCHOOL  
14 SYSTEM IN ORDER TO IMPROVE THE SYSTEM.

15           (III) TEACHERS ARE CONSTANTLY REQUIRED TO IMPROVE THEIR  
16 SKILLS AND CONTINUALLY EDUCATE THEMSELVES NOT ONLY TO MAINTAIN  
17 A PROFESSIONAL LICENSE TO TEACH BUT ALSO TO ENSURE THAT THEY ARE  
18 USING THE BEST TEACHING TOOLS TO EDUCATE THE CHILDREN OF  
19 COLORADO.

20           (IV) TEACHERS OFTEN INCUR OUT-OF-POCKET EXPENSES IN THEIR  
21 PURSUIT OF IMPROVEMENT AND CONTINUOUS LEARNING.

22           (V) TEACHERS IN THE PUBLIC SCHOOL SYSTEM MAKE AN ECONOMIC  
23 SACRIFICE BY TEACHING BECAUSE:

24           (A) THEIR EARNING POTENTIAL WOULD BE GREATER IN THE  
25 PRIVATE SECTOR;

26           (B) THE AVERAGE ANNUAL TEACHER SALARY IN THE STATE IS NOT  
27 COMPETITIVE WITH THE AVERAGE ANNUAL TEACHER SALARY IN OTHER

1 STATES; AND

2 (C) TEACHERS HAVE TO INCUR EXPENSES FOR THEIR CONTINUING  
3 EDUCATION AND PROFESSIONAL DEVELOPMENT AND ARE NOT REIMBURSED  
4 FOR THOSE EXPENSES.

5 (VI) IT IS THEREFORE THE INTENT OF THE GENERAL ASSEMBLY TO  
6 RECOGNIZE THE ECONOMIC SACRIFICES THAT TEACHERS IN THE PUBLIC  
7 SCHOOL SYSTEM MAKE BY PROVIDING AN INCOME TAX MODIFICATION FOR  
8 FULL-TIME TEACHERS WHO INCUR NONREIMBURSED EXPENSES FOR  
9 ENROLLMENT IN QUALIFIED CONTINUING EDUCATION COURSES.

10 (b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT  
11 PROVIDING A STATE INCOME TAX MODIFICATION FOR FULL-TIME PUBLIC  
12 SCHOOL TEACHERS WHO INCUR NONREIMBURSED TUITION EXPENSES FOR  
13 ENROLLING IN QUALIFIED CONTINUING EDUCATION COURSES IS A  
14 REASONABLE METHOD OF REFUNDING A PORTION OF THE EXCESS STATE  
15 REVENUES REQUIRED TO BE REFUNDED IN ACCORDANCE WITH SECTION 20  
16 (7) (d) OF ARTICLE X OF THE STATE CONSTITUTION.

17 (2) SUBJECT TO THE PROVISIONS OF SUBSECTION (5) OF THIS  
18 SECTION, FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY  
19 1, 2001, BUT PRIOR TO JANUARY 1, 2012, IF, BASED ON THE FINANCIAL  
20 REPORT PREPARED BY THE CONTROLLER IN ACCORDANCE WITH SECTION  
21 24-77-106.5, C.R.S., THE CONTROLLER CERTIFIES THAT THE AMOUNT OF  
22 STATE REVENUES FOR THE STATE FISCAL YEAR ENDING IN THAT INCOME TAX  
23 YEAR EXCEEDS THE LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED  
24 BY SECTION 20 (7) (a) OF ARTICLE X OF THE STATE CONSTITUTION AND THE  
25 VOTERS STATEWIDE EITHER HAVE NOT AUTHORIZED THE STATE TO RETAIN  
26 AND SPEND ALL OF THE EXCESS STATE REVENUES OR HAVE AUTHORIZED  
27 THE STATE TO RETAIN AND SPEND ONLY A PORTION OF THE EXCESS STATE

1 REVENUES FOR THAT FISCAL YEAR, AN AMOUNT EQUAL TO THE AMOUNT OF  
2 NONREIMBURSED TUITION EXPENSES INCURRED BY A FULL-TIME TEACHER  
3 FOR ENROLLMENT IN ONE QUALIFIED CONTINUING EDUCATION COURSE  
4 DURING THAT INCOME TAX YEAR SHALL BE SUBTRACTED FROM THE  
5 TEACHER'S FEDERAL TAXABLE INCOME FOR PURPOSES OF THE STATE  
6 INCOME TAX IMPOSED BY SECTION 39-22-104 IF THE TEACHER:

7 (a) HAS INSTRUCTED STUDENTS IN A PUBLIC SCHOOL IN THE STATE  
8 ON A FULL-TIME BASIS FOR AT LEAST THE THREE PRECEDING ACADEMIC  
9 SCHOOL YEARS; AND

10 (b) HAS ENROLLED IN AND COMPLETED THE QUALIFIED CONTINUING  
11 EDUCATION COURSE FOR WHICH THE EXPENSES WERE INCURRED.

12 (3) THE AMOUNT OF THE MODIFICATION AUTHORIZED BY  
13 SUBSECTION (2) OF THIS SECTION SHALL BE ALLOWED NOTWITHSTANDING  
14 THE FACT THAT SUCH AMOUNT MAY ALSO BE CLAIMED AS A DEDUCTION  
15 FROM THE TEACHER'S FEDERAL TAXABLE INCOME.

16 (4) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
17 REQUIRES:

18 (a) "INSTITUTION OF HIGHER EDUCATION" SHALL HAVE THE SAME  
19 MEANING AS SET FORTH IN SECTION 23-1-121 (1) (b), C.R.S.

20 (b) "NONREIMBURSED TUITION EXPENSES" MEANS THE AMOUNT  
21 PAID BY A TEACHER FOR ENROLLMENT IN A QUALIFIED CONTINUING  
22 EDUCATION COURSE FOR WHICH NO REIMBURSEMENT HAS BEEN OBTAINED  
23 FROM ANY SOURCE.

24 (c) "PUBLIC SCHOOL" SHALL HAVE THE SAME MEANING AS SET  
25 FORTH IN SECTION 22-1-101, C.R.S.

26 (d) "QUALIFIED CONTINUING EDUCATION COURSE" MEANS:

27 (I) ANY POSTGRADUATE COURSE TAUGHT BY AN INSTITUTION OF

1 HIGHER EDUCATION THAT QUALIFIES TOWARD AN ADVANCED DEGREE IN  
2 EDUCATION OR IS IN THE TEACHER'S ACADEMIC FIELD OR SUBFIELD; OR

3 (II) ANY PROFESSIONAL DEVELOPMENT THAT SATISFIES THE  
4 REQUIREMENTS OF SECTION 22-60.5-110 (3), C.R.S.

5 (e) "TEACHER" SHALL HAVE THE SAME MEANING AS SET FORTH IN  
6 SECTION 22-63-103 (11), C.R.S.

7 (5) (a) IF, BASED ON THE FINANCIAL REPORT PREPARED BY THE  
8 CONTROLLER IN ACCORDANCE WITH SECTION 24-77-106.5, C.R.S., THE  
9 CONTROLLER CERTIFIES THAT THE AMOUNT OF STATE REVENUES FOR THE  
10 STATE FISCAL YEAR COMMENCING ON JULY 1, 2000, EXCEEDS THE  
11 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20 (7)  
12 (a) OF ARTICLE X OF THE STATE CONSTITUTION FOR THAT FISCAL YEAR BY  
13 LESS THAN \_\_\_\_\_ DOLLARS, THEN THE STATE INCOME TAX  
14 MODIFICATION AUTHORIZED BY SUBSECTION (2) OF THIS SECTION SHALL  
15 NOT BE ALLOWED FOR THE INCOME TAX YEAR COMMENCING ON JANUARY  
16 1, 2001.

17 (b) IF, BASED ON THE FINANCIAL REPORT PREPARED BY THE  
18 CONTROLLER IN ACCORDANCE WITH SECTION 24-77-106.5, C.R.S., THE  
19 CONTROLLER CERTIFIES THAT THE AMOUNT OF STATE REVENUES FOR ANY  
20 STATE FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2001, BUT PRIOR  
21 TO JULY 1, 2011, EXCEEDS THE LIMITATION ON STATE FISCAL YEAR  
22 SPENDING IMPOSED BY SECTION 20 (7) (a) OF ARTICLE X OF THE STATE  
23 CONSTITUTION FOR THAT FISCAL YEAR BY LESS THAN \_\_\_\_\_  
24 DOLLARS, AS ADJUSTED PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION  
25 (5), THEN THE STATE INCOME TAX MODIFICATION AUTHORIZED BY  
26 SUBSECTION (2) OF THIS SECTION SHALL NOT BE ALLOWED FOR THE INCOME  
27 TAX YEAR IN WHICH SAID STATE FISCAL YEAR ENDED.

1           (c) (I) NO LATER THAN OCTOBER 1 OF ANY GIVEN CALENDAR YEAR  
2 COMMENCING ON OR AFTER JANUARY 1, 2001, THE EXECUTIVE DIRECTOR  
3 SHALL ANNUALLY ADJUST THE DOLLAR AMOUNT SPECIFIED IN PARAGRAPH  
4 (b) OF THIS SUBSECTION (5) TO REFLECT THE RATE OF GROWTH OF  
5 COLORADO PERSONAL INCOME FOR THE CALENDAR YEAR IMMEDIATELY  
6 PRECEDING THE CALENDAR YEAR IN WHICH SUCH ADJUSTMENT IS MADE.  
7 FOR PURPOSES OF THIS PARAGRAPH (c), "THE RATE OF GROWTH OF  
8 COLORADO PERSONAL INCOME" MEANS THE PERCENTAGE CHANGE  
9 BETWEEN THE MOST RECENT PUBLISHED ANNUAL ESTIMATE OF TOTAL  
10 PERSONAL INCOME FOR COLORADO, AS DEFINED AND OFFICIALLY  
11 REPORTED BY THE BUREAU OF ECONOMIC ANALYSIS IN THE UNITED STATES  
12 DEPARTMENT OF COMMERCE FOR THE CALENDAR YEAR IMMEDIATELY  
13 PRECEDING THE CALENDAR YEAR IN WHICH THE ADJUSTMENT IS MADE, AND  
14 THE MOST RECENT PUBLISHED ANNUAL ESTIMATE OF TOTAL PERSONAL  
15 INCOME FOR COLORADO, AS DEFINED AND OFFICIALLY REPORTED BY THE  
16 BUREAU OF ECONOMIC ANALYSIS IN THE UNITED STATES DEPARTMENT OF  
17 COMMERCE FOR THE CALENDAR YEAR PRIOR TO THE CALENDAR YEAR  
18 IMMEDIATELY PRECEDING THE CALENDAR YEAR IN WHICH THE ADJUSTMENT  
19 IS MADE.

20           (II) UPON CALCULATING THE ADJUSTMENT OF SAID DOLLAR  
21 AMOUNT IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH (c),  
22 THE EXECUTIVE DIRECTOR SHALL NOTIFY IN WRITING THE EXECUTIVE  
23 COMMITTEE OF THE LEGISLATIVE COUNCIL CREATED PURSUANT TO SECTION  
24 2-3-301 (1), C.R.S., OF THE ADJUSTED DOLLAR AMOUNT AND THE BASIS  
25 FOR THE ADJUSTMENT. SUCH WRITTEN NOTIFICATION SHALL BE GIVEN  
26 WITHIN FIVE WORKING DAYS AFTER SUCH CALCULATION IS COMPLETED,  
27 BUT SUCH WRITTEN NOTIFICATION SHALL BE GIVEN NO LATER THAN

1 OCTOBER 1 OF THE CALENDAR YEAR.

2 (III) IT IS THE FUNCTION OF THE EXECUTIVE COMMITTEE OF THE  
3 LEGISLATIVE COUNCIL TO REVIEW AND APPROVE OR DISAPPROVE THE  
4 ADJUSTMENT OF THE DOLLAR AMOUNT REQUIRED BY SUBPARAGRAPH (I) OF  
5 THIS PARAGRAPH (c) WITHIN TWENTY DAYS AFTER RECEIPT OF THE WRITTEN  
6 NOTIFICATION FROM THE EXECUTIVE DIRECTOR REQUIRED BY  
7 SUBPARAGRAPH (II) OF THIS PARAGRAPH (c). ANY ADJUSTMENT THAT IS  
8 NOT APPROVED OR DISAPPROVED BY THE EXECUTIVE COMMITTEE WITHIN  
9 SAID TWENTY DAYS SHALL BE AUTOMATICALLY APPROVED; EXCEPT THAT,  
10 IF WITHIN SAID TWENTY DAYS THE EXECUTIVE COMMITTEE SCHEDULES A  
11 HEARING ON SUCH ADJUSTMENT, SUCH AUTOMATIC APPROVAL SHALL NOT  
12 OCCUR UNLESS THE EXECUTIVE COMMITTEE DOES NOT APPROVE OR  
13 DISAPPROVE SUCH ADJUSTMENT AT THE CONCLUSION OF SUCH HEARING.  
14 ANY HEARING CONDUCTED BY THE EXECUTIVE COMMITTEE PURSUANT TO  
15 THIS SUBPARAGRAPH (III) SHALL BE CONCLUDED NO LATER THAN  
16 TWENTY-FIVE DAYS AFTER RECEIPT OF SUCH WRITTEN NOTIFICATION FROM  
17 THE EXECUTIVE DIRECTOR.

18 (IV) (A) IF THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE  
19 COUNCIL DISAPPROVES ANY ADJUSTMENT OF SAID DOLLAR AMOUNT  
20 CALCULATED BY THE EXECUTIVE DIRECTOR PURSUANT TO THIS PARAGRAPH  
21 (c), THE EXECUTIVE COMMITTEE SHALL SPECIFY SUCH ADJUSTED DOLLAR  
22 AMOUNT TO BE UTILIZED BY THE EXECUTIVE DIRECTOR. ANY ADJUSTED  
23 DOLLAR AMOUNT SPECIFIED BY THE EXECUTIVE COMMITTEE PURSUANT TO  
24 THIS SUBPARAGRAPH (IV) SHALL BE CALCULATED IN ACCORDANCE WITH  
25 THE PROVISIONS OF THIS PARAGRAPH (c).

26 (B) FOR THE PURPOSE OF DETERMINING WHETHER THE STATE  
27 INCOME TAX MODIFICATION AUTHORIZED BY SUBSECTION (2) OF THIS



1 SECTION IS TO BE ALLOWED FOR ANY GIVEN INCOME TAX YEAR, THE  
2 EXECUTIVE DIRECTOR SHALL NOT UTILIZE ANY ADJUSTED DOLLAR AMOUNT  
3 THAT HAS NOT BEEN APPROVED PURSUANT TO SUBPARAGRAPH (III) OF THIS  
4 PARAGRAPH (c) OR OTHERWISE SPECIFIED PURSUANT TO  
5 SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (IV).

6 (6) ANY STATE INCOME TAX MODIFICATION ALLOWED PURSUANT TO  
7 THE PROVISIONS OF SUBSECTION (2) OF THIS SECTION SHALL BE PUBLISHED  
8 IN RULES PROMULGATED BY THE EXECUTIVE DIRECTOR IN ACCORDANCE  
9 WITH ARTICLE 4 OF TITLE 24, C.R.S., AND SHALL BE INCLUDED IN INCOME  
10 TAX FORMS FOR THAT TAXABLE YEAR.

11 (7) IF ONE OR MORE BALLOT QUESTIONS ARE SUBMITTED TO THE  
12 VOTERS AT A STATEWIDE ELECTION TO BE HELD IN NOVEMBER OF ANY  
13 CALENDAR YEAR COMMENCING ON OR AFTER JANUARY 1, 2001, THAT SEEK  
14 AUTHORIZATION FOR THE STATE TO RETAIN AND SPEND ALL OR ANY  
15 PORTION OF THE AMOUNT OF EXCESS STATE REVENUES FOR THE STATE  
16 FISCAL YEAR ENDING DURING SAID CALENDAR YEAR, THE EXECUTIVE  
17 DIRECTOR SHALL NOT DETERMINE WHETHER THE STATE INCOME TAX  
18 MODIFICATION AUTHORIZED BY SUBSECTION (2) OF THIS SECTION SHALL BE  
19 ALLOWED AND SHALL NOT PROMULGATE RULES CONTAINING THE AMOUNT  
20 OF SAID STATE INCOME TAX MODIFICATION UNTIL THE IMPACT OF THE  
21 RESULTS OF SAID ELECTION ON THE EXCESS STATE REVENUES TO BE  
22 REFUNDED IS ASCERTAINED.

23 **39-22-104.8. Pretax payments - modification for public school**  
24 **teachers - legislative declaration - mechanism to refund excess state**  
25 **revenues.** (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES  
26 THAT:

27 (I) COLORADO IS EXPERIENCING THE EARLY SIGNS OF A PUBLIC

1 SCHOOL TEACHER SHORTAGE DUE TO THE RETIREMENT OR EXPECTED  
2 RETIREMENT OF A LARGE POPULATION OF PUBLIC SCHOOL TEACHERS IN THE  
3 NEAR FUTURE.

4 (II) THE SHORTAGE PROBLEM IS EXACERBATED BY THE FACT THAT  
5 MANY FUTURE TEACHERS THAT GRADUATE FROM COLORADO COLLEGES  
6 AND UNIVERSITIES CHOOSE EITHER NOT TO BECOME TEACHERS OR NOT TO  
7 TEACH IN THE STATE PUBLIC SCHOOL SYSTEM BECAUSE:

8 (A) THE EARNING POTENTIAL IS MUCH GREATER IN THE PRIVATE  
9 SECTOR BECAUSE OF LOW UNEMPLOYMENT AND A THRIVING ECONOMY;

10 (B) THE AVERAGE ANNUAL SALARY FOR TEACHERS IN COLORADO  
11 IS NOT COMPETITIVE WITH THE AVERAGE ANNUAL SALARY OF TEACHERS IN  
12 OTHER STATES;

13 (C) MANY TEACHERS FEEL THAT THE STATE GENERALLY EXHIBITS  
14 A LACK OF RESPECT FOR TEACHERS SINCE TEACHERS ARE OFTEN BLAMED  
15 FOR THE FAILURES IN THE STATE PUBLIC SCHOOL SYSTEM AND ARE RARELY  
16 RECOGNIZED FOR THEIR CONTRIBUTIONS TO THE SYSTEM.

17 (III) THE TEACHER SHORTAGE PROBLEM IS FURTHER AGGRAVATED  
18 BY THE FACT THAT MANY NEW TEACHERS ONLY TEACH FOR A SHORT PERIOD  
19 AND DO NOT CONSIDER TEACHING A CAREER BUT RATHER A STEPPING  
20 STONE TO A CAREER WITH A GREATER EARNING POTENTIAL.

21 (IV) IN ORDER TO ADDRESS THE TEACHER SHORTAGE PROBLEM, THE  
22 GENERAL ASSEMBLY MUST TAKE STEPS TO ENCOURAGE TEACHERS THAT  
23 ARE CURRENTLY TEACHING IN THE PUBLIC SCHOOL SYSTEM TO REMAIN IN  
24 THE SYSTEM AND TO GIVE INCENTIVES TO PEOPLE TO CHOOSE A CAREER AS  
25 A TEACHER IN THE PUBLIC SCHOOL SYSTEM.

26 (V) IT IS THEREFORE THE INTENT OF THE GENERAL ASSEMBLY TO  
27 PROVIDE AN ECONOMIC INCENTIVE TO FULL-TIME TEACHERS IN THE FORM

1 OF AN INCOME TAX MODIFICATION TO RECOGNIZE THE SACRIFICE AND  
2 DEDICATION OF PUBLIC SCHOOL TEACHERS IN THE STATE. THE INCENTIVE  
3 IS INTENDED TO ENCOURAGE TEACHERS TO STAY IN THE STATE AND TEACH  
4 IN THE PUBLIC SCHOOL SYSTEM ON A FULL-TIME BASIS AND TO HELP NEW  
5 TEACHERS REPAY ANY DEBT INCURRED IN CONNECTION WITH EDUCATIONAL  
6 EXPENSES.

7 (b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT  
8 PROVIDING A STATE INCOME TAX MODIFICATION FOR TEACHERS WHO  
9 PROVIDE CLASSROOM INSTRUCTION IN A PUBLIC SCHOOL IN THE STATE ON  
10 A FULL-TIME BASIS IS A REASONABLE METHOD OF REFUNDING A PORTION OF  
11 THE EXCESS STATE REVENUES REQUIRED TO BE REFUNDED IN ACCORDANCE  
12 WITH SECTION 20 (7) (d) OF ARTICLE X OF THE STATE CONSTITUTION.

13 (2) SUBJECT TO THE PROVISIONS OF SUBSECTION (7) OF THIS  
14 SECTION, FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY  
15 1, 2001, BUT PRIOR TO JANUARY 1, 2012, IF, BASED ON THE FINANCIAL  
16 REPORT PREPARED BY THE CONTROLLER IN ACCORDANCE WITH SECTION  
17 24-77-106.5, C.R.S., THE CONTROLLER CERTIFIES THAT THE AMOUNT OF  
18 EXCESS STATE REVENUES FOR THE STATE FISCAL YEAR ENDING IN THAT  
19 INCOME TAX YEAR EXCEEDS THE LIMITATION ON STATE FISCAL YEAR  
20 SPENDING IMPOSED BY SECTION 20 (7) (a) OF ARTICLE X OF THE STATE  
21 CONSTITUTION AND THE VOTERS STATEWIDE EITHER HAVE NOT  
22 AUTHORIZED THE STATE TO RETAIN AND SPEND ALL OF THE EXCESS STATE  
23 REVENUES OR HAVE AUTHORIZED THE STATE TO RETAIN AND SPEND ONLY  
24 A PORTION OF THE EXCESS STATE REVENUES FOR THAT FISCAL YEAR, ANY  
25 TEACHER WHO PROVIDES CLASSROOM INSTRUCTION IN ANY PUBLIC SCHOOL  
26 IN THE STATE ON A FULL-TIME BASIS FOR AN ENTIRE ACADEMIC SCHOOL  
27 YEAR SHALL BE ALLOWED TO SUBTRACT FROM THE TEACHER'S FEDERAL

1 TAXABLE INCOME FOR PURPOSES OF THE STATE INCOME TAX IMPOSED BY  
2 SECTION 39-22-104 AN AMOUNT EQUAL TO:

3 (a) TWO THOUSAND DOLLARS IF THE TEACHER GRADUATED FROM  
4 A STATE COLLEGE OR UNIVERSITY, AS DEFINED IN SECTION 23-2-102 (5),  
5 C.R.S.; OR

6 (b) ONE THOUSAND FIVE HUNDRED DOLLARS IF THE TEACHER  
7 GRADUATED FROM:

8 (I) A PRIVATE COLLEGE OR UNIVERSITY, AS DEFINED IN SECTION  
9 23-2-102 (3), C.R.S.;

10 (II) A SEMINARY OR BIBLE COLLEGE, AS DEFINED IN SECTION  
11 23-2-102 (4), C.R.S.; OR

12 (III) ANY POSTSECONDARY EDUCATIONAL INSTITUTION LOCATED  
13 OUTSIDE THE STATE.

14 (3) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
15 REQUIRES:

16 (a) "PUBLIC SCHOOL" SHALL HAVE THE SAME MEANING AS SET  
17 FORTH IN SECTION 22-1-101, C.R.S.

18 (b) "TEACHER" SHALL HAVE THE SAME MEANING AS SET FORTH IN  
19 SECTION 22-63-103 (11), C.R.S.

20 (4) THE INCOME TAX MODIFICATION AUTHORIZED BY SUBSECTION  
21 (2) OF THIS SECTION MAY BE CLAIMED BY A FULL-TIME TEACHER FOR NOT  
22 MORE THAN A TOTAL OF EIGHT INCOME TAX YEARS AND MAY NOT BE  
23 CLAIMED LATER THAN TEN YEARS FOLLOWING THE YEAR IN WHICH THE  
24 TEACHER WAS FIRST LICENSED BY THE DEPARTMENT OF EDUCATION  
25 PURSUANT TO ARTICLE 60.5 OF TITLE 22, C.R.S.

26 (5) TO QUALIFY FOR THE INCOME TAX MODIFICATION AUTHORIZED  
27 BY SUBSECTION (2) OF THIS SECTION, THE TEACHER SHALL SUBMIT A

1 CERTIFICATION FORM WITH EACH INCOME TAX RETURN. SUCH FORM SHALL  
2 BE OBTAINED FROM THE SCHOOL DISTRICT THAT EMPLOYED THE TEACHER  
3 DURING THE ENTIRE ACADEMIC SCHOOL YEAR FOR WHICH THE  
4 MODIFICATION IS CLAIMED. THE SCHOOL DISTRICT SHALL CERTIFY THAT  
5 THE TEACHER HAS SATISFIED THE REQUIREMENTS FOR ALLOWANCE OF THE  
6 INCOME TAX MODIFICATION AS SPECIFIED IN SUBSECTION (2) OF THIS  
7 SECTION.

8 (6) (a) EXCEPT AS PROVIDED IN PARAGRAPHS (b) AND (c) OF THIS  
9 SUBSECTION (6), ANY TEACHER WHO HAS CLAIMED THE INCOME TAX  
10 MODIFICATION AUTHORIZED BY SUBSECTION (2) OF THIS SECTION AND WHO  
11 FAILS TO PROVIDE CLASSROOM INSTRUCTION IN A PUBLIC SCHOOL IN THE  
12 STATE ON A FULL-TIME BASIS FOR AT LEAST FOUR CONSECUTIVE ACADEMIC  
13 YEARS COMMENCING ON OR AFTER JANUARY 1, 2001, SHALL REPAY THE  
14 AMOUNT OF THE TAX SAVINGS REALIZED BY THE MODIFICATION CLAIMED  
15 PURSUANT TO THIS SECTION FOR ALL YEARS FOR WHICH THE MODIFICATION  
16 WAS CLAIMED. THE AMOUNT REALIZED BY THE TEACHER SHALL BE DEEMED  
17 TO BE THE TOTAL AMOUNT OF THE MODIFICATIONS CLAIMED BY THE  
18 TEACHER PURSUANT TO SUBSECTION (2) OF THIS SECTION MULTIPLIED BY  
19 THE TAX RATE ESTABLISHED IN SECTION 39-22-104 FOR THE INCOME TAX  
20 YEAR IN WHICH THE REPAYMENT IS DUE. THE REPAYMENT SHALL BE DUE  
21 IN THE INCOME TAX YEAR IN WHICH THE TEACHER FAILED TO PROVIDE  
22 CLASSROOM INSTRUCTION IN A PUBLIC SCHOOL IN THE STATE ON A  
23 FULL-TIME BASIS.

24 (b) ANY TEACHER WHO HAS CLAIMED THE INCOME TAX  
25 MODIFICATION AUTHORIZED BY SUBSECTION (2) OF THIS SECTION AND WHO  
26 BECOMES DISABLED, IS DRAFTED INTO ACTIVE MILITARY SERVICE, OR DIES  
27 PRIOR TO COMPLETION OF FOUR CONSECUTIVE YEARS OF CLASSROOM

1 INSTRUCTION IN A PUBLIC SCHOOL SHALL NOT BE REQUIRED TO REPAY ANY  
2 PORTION OF THE AMOUNT OF THE MODIFICATION CLAIMED PURSUANT TO  
3 THIS SECTION.

4 (c) ANY TEACHER WHO HAS CLAIMED THE INCOME TAX  
5 MODIFICATION AUTHORIZED BY SUBSECTION (2) OF THIS SECTION SHALL  
6 NOT HAVE TO COMPLY WITH THE REPAYMENT REQUIREMENTS OF  
7 PARAGRAPH (a) OF THIS SUBSECTION (6) IF THE TEACHER TAKES NOT MORE  
8 THAN ONE LEAVE OF ABSENCE FOR PREGNANCY PRIOR TO COMPLETION OF  
9 FOUR CONSECUTIVE YEARS OF CLASSROOM INSTRUCTION IN A PUBLIC  
10 SCHOOL.

11 (7) (a) IF, BASED ON THE FINANCIAL REPORT PREPARED BY THE  
12 CONTROLLER IN ACCORDANCE WITH SECTION 24-77-106.5, C.R.S., THE  
13 CONTROLLER CERTIFIES THAT THE AMOUNT OF STATE REVENUES FOR THE  
14 STATE FISCAL YEAR COMMENCING ON JULY 1, 2000, EXCEEDS THE  
15 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20 (7)  
16 (a) OF ARTICLE X OF THE STATE CONSTITUTION FOR THAT FISCAL YEAR BY  
17 LESS THAN \_\_\_\_\_ DOLLARS, THEN THE STATE INCOME TAX  
18 MODIFICATION AUTHORIZED BY SUBSECTION (2) OF THIS SECTION SHALL  
19 NOT BE ALLOWED FOR THE INCOME TAX YEAR COMMENCING ON JANUARY  
20 1, 2001.

21 (b) IF, BASED ON THE FINANCIAL REPORT PREPARED BY THE  
22 CONTROLLER IN ACCORDANCE WITH SECTION 24-77-106.5, C.R.S., THE  
23 CONTROLLER CERTIFIES THAT THE AMOUNT OF STATE REVENUES FOR ANY  
24 STATE FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2001, BUT PRIOR  
25 TO JULY 1, 2011, EXCEEDS THE LIMITATION ON STATE FISCAL YEAR  
26 SPENDING IMPOSED BY SECTION 20 (7) (a) OF ARTICLE X OF THE STATE  
27 CONSTITUTION FOR THAT FISCAL YEAR BY LESS THAN \_\_\_\_\_

1 DOLLARS, AS ADJUSTED PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION  
2 (7), THEN THE STATE INCOME TAX MODIFICATION AUTHORIZED BY  
3 SUBSECTION (2) OF THIS SECTION SHALL NOT BE ALLOWED FOR THE INCOME  
4 TAX YEAR IN WHICH SAID STATE FISCAL YEAR ENDED.

5 (c) (I) NO LATER THAN OCTOBER 1 OF ANY GIVEN CALENDAR YEAR  
6 COMMENCING ON OR AFTER JANUARY 1, 2001, THE EXECUTIVE DIRECTOR  
7 SHALL ANNUALLY ADJUST THE DOLLAR AMOUNT SPECIFIED IN PARAGRAPH  
8 (b) OF THIS SUBSECTION (7) TO REFLECT THE RATE OF GROWTH OF  
9 COLORADO PERSONAL INCOME FOR THE CALENDAR YEAR IMMEDIATELY  
10 PRECEDING THE CALENDAR YEAR IN WHICH SUCH ADJUSTMENT IS MADE.  
11 FOR PURPOSES OF THIS PARAGRAPH (c), "THE RATE OF GROWTH OF  
12 COLORADO PERSONAL INCOME" MEANS THE PERCENTAGE CHANGE  
13 BETWEEN THE MOST RECENT PUBLISHED ANNUAL ESTIMATE OF TOTAL  
14 PERSONAL INCOME FOR COLORADO, AS DEFINED AND OFFICIALLY  
15 REPORTED BY THE BUREAU OF ECONOMIC ANALYSIS IN THE UNITED STATES  
16 DEPARTMENT OF COMMERCE FOR THE CALENDAR YEAR IMMEDIATELY  
17 PRECEDING THE CALENDAR YEAR IN WHICH THE ADJUSTMENT IS MADE, AND  
18 THE MOST RECENT PUBLISHED ANNUAL ESTIMATE OF TOTAL PERSONAL  
19 INCOME FOR COLORADO, AS DEFINED AND OFFICIALLY REPORTED BY THE  
20 BUREAU OF ECONOMIC ANALYSIS IN THE UNITED STATES DEPARTMENT OF  
21 COMMERCE FOR THE CALENDAR YEAR PRIOR TO THE CALENDAR YEAR  
22 IMMEDIATELY PRECEDING THE CALENDAR YEAR IN WHICH THE ADJUSTMENT  
23 IS MADE.

24 (II) UPON CALCULATING THE ADJUSTMENT OF SAID DOLLAR  
25 AMOUNT IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH (c),  
26 THE EXECUTIVE DIRECTOR SHALL NOTIFY IN WRITING THE EXECUTIVE  
27 COMMITTEE OF THE LEGISLATIVE COUNCIL CREATED PURSUANT TO SECTION

1 2-3-301 (1), C.R.S., OF THE ADJUSTED DOLLAR AMOUNT AND THE BASIS  
2 FOR THE ADJUSTMENT. SUCH WRITTEN NOTIFICATION SHALL BE GIVEN  
3 WITHIN FIVE WORKING DAYS AFTER SUCH CALCULATION IS COMPLETED,  
4 BUT SUCH WRITTEN NOTIFICATION SHALL BE GIVEN NO LATER THAN  
5 OCTOBER 1 OF THE CALENDAR YEAR.

6 (III) IT IS THE FUNCTION OF THE EXECUTIVE COMMITTEE OF THE  
7 LEGISLATIVE COUNCIL TO REVIEW AND APPROVE OR DISAPPROVE THE  
8 ADJUSTMENT OF THE DOLLAR AMOUNT REQUIRED BY SUBPARAGRAPH (I) OF  
9 THIS PARAGRAPH (c) WITHIN TWENTY DAYS AFTER RECEIPT OF THE WRITTEN  
10 NOTIFICATION FROM THE EXECUTIVE DIRECTOR REQUIRED BY  
11 SUBPARAGRAPH (II) OF THIS PARAGRAPH (c). ANY ADJUSTMENT THAT IS  
12 NOT APPROVED OR DISAPPROVED BY THE EXECUTIVE COMMITTEE WITHIN  
13 SAID TWENTY DAYS SHALL BE AUTOMATICALLY APPROVED; EXCEPT THAT,  
14 IF WITHIN SAID TWENTY DAYS THE EXECUTIVE COMMITTEE SCHEDULES A  
15 HEARING ON SUCH ADJUSTMENT, SUCH AUTOMATIC APPROVAL SHALL NOT  
16 OCCUR UNLESS THE EXECUTIVE COMMITTEE DOES NOT APPROVE OR  
17 DISAPPROVE SUCH ADJUSTMENT AT THE CONCLUSION OF SUCH HEARING.  
18 ANY HEARING CONDUCTED BY THE EXECUTIVE COMMITTEE PURSUANT TO  
19 THIS SUBPARAGRAPH (III) SHALL BE CONCLUDED NO LATER THAN  
20 TWENTY-FIVE DAYS AFTER RECEIPT OF SUCH WRITTEN NOTIFICATION FROM  
21 THE EXECUTIVE DIRECTOR.

22 (IV) (A) IF THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE  
23 COUNCIL DISAPPROVES ANY ADJUSTMENT OF SAID DOLLAR AMOUNT  
24 CALCULATED BY THE EXECUTIVE DIRECTOR PURSUANT TO THIS PARAGRAPH  
25 (c), THE EXECUTIVE COMMITTEE SHALL SPECIFY SUCH ADJUSTED DOLLAR  
26 AMOUNT TO BE UTILIZED BY THE EXECUTIVE DIRECTOR. ANY ADJUSTED  
27 DOLLAR AMOUNT SPECIFIED BY THE EXECUTIVE COMMITTEE PURSUANT TO



1 THIS SUBPARAGRAPH (IV) SHALL BE CALCULATED IN ACCORDANCE WITH  
2 THE PROVISIONS OF THIS PARAGRAPH (c).

3 (B) FOR THE PURPOSE OF DETERMINING WHETHER THE STATE  
4 INCOME TAX MODIFICATION AUTHORIZED BY SUBSECTION (2) OF THIS  
5 SECTION IS TO BE ALLOWED FOR ANY GIVEN INCOME TAX YEAR, THE  
6 EXECUTIVE DIRECTOR SHALL NOT UTILIZE ANY ADJUSTED DOLLAR AMOUNT  
7 THAT HAS NOT BEEN APPROVED PURSUANT TO SUBPARAGRAPH (III) OF THIS  
8 PARAGRAPH (c) OR OTHERWISE SPECIFIED PURSUANT TO  
9 SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (IV).

10 (8) ANY STATE INCOME TAX MODIFICATION ALLOWED PURSUANT TO  
11 THE PROVISIONS OF SUBSECTION (2) OF THIS SECTION SHALL BE PUBLISHED  
12 IN RULES PROMULGATED BY THE EXECUTIVE DIRECTOR IN ACCORDANCE  
13 WITH ARTICLE 4 OF TITLE 24, C.R.S., AND SHALL BE INCLUDED IN INCOME  
14 TAX FORMS FOR THAT TAXABLE YEAR.

15 (9) IF ONE OR MORE BALLOT QUESTIONS ARE SUBMITTED TO THE  
16 VOTERS AT A STATEWIDE ELECTION TO BE HELD IN NOVEMBER OF ANY  
17 CALENDAR YEAR COMMENCING ON OR AFTER JANUARY 1, 2001, THAT SEEK  
18 AUTHORIZATION FOR THE STATE TO RETAIN AND SPEND ALL OR ANY  
19 PORTION OF THE AMOUNT OF EXCESS STATE REVENUES FOR THE STATE  
20 FISCAL YEAR ENDING DURING SAID CALENDAR YEAR, THE EXECUTIVE  
21 DIRECTOR SHALL NOT DETERMINE WHETHER THE STATE INCOME TAX  
22 MODIFICATION AUTHORIZED BY SUBSECTION (2) OF THIS SECTION SHALL BE  
23 ALLOWED AND SHALL NOT PROMULGATE RULES CONTAINING THE AMOUNT  
24 OF SAID STATE INCOME TAX MODIFICATION UNTIL THE IMPACT OF THE  
25 RESULTS OF SAID ELECTION ON THE EXCESS STATE REVENUES TO BE  
26 REFUNDED IS ASCERTAINED.

27 **SECTION 2. Effective date.** This act shall take effect at 12:01

1 a.m. on the day following the expiration of the ninety-day period after  
2 final adjournment of the general assembly that is allowed for submitting  
3 a referendum petition pursuant to article V, section 1 (3) of the state  
4 constitution; except that, if a referendum petition is filed against this act  
5 or an item, section, or part of this act within such period, then the act,  
6 item, section, or part, if approved by the people, shall take effect on the  
7 date of the official declaration of the vote thereon by proclamation of the  
8 governor.