

First Extraordinary Session  
Seventy-second General Assembly  
STATE OF COLORADO

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 20B-0054.01 Megan Waples x4348

**HOUSE BILL 20B-1006**

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**HOUSE SPONSORSHIP**

**Arndt,**

**SENATE SPONSORSHIP**

**Donovan and Zenzinger,**

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**House Committees**

Finance

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING MODIFICATIONS TO THE INSURANCE PREMIUM TAX, AND,**  
102         **IN CONNECTION THEREWITH, MODIFYING HOW CREDITS**  
103         **AGAINST PREMIUM TAX PAYMENTS MAY BE CLAIMED OR**  
104         **TRANSFERRED, ADJUSTING HOW ESTIMATED QUARTERLY TAXES**  
105         **ARE CALCULATED, AND ALLOWING A COMPANY TO CLAIM A**  
106         **REFUND FOR OVERPAYMENTS OF ESTIMATED PREMIUM TAX**  
107         **LIABILITY.**

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**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>.)*

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

HOUSE  
Amended 2nd Reading  
November 30, 2020

The bill:

- Adjusts how calendar quarter estimates of the tax on insurance premiums are calculated and allows the payment for the first calendar quarter of a year to be adjusted to reflect the claiming of an allowable tax credit or previous estimated payments;
- Allows a company that has overpaid on its estimated premium tax liability to either apply the overpayment to future estimated payments or claim a refund; except that the company may not claim a refund for any overpayment that is due to claiming a nonrefundable tax credit;
- Allows a taxpayer to claim a small business recovery tax credit or an affordable housing tax credit against estimated tax payments; and
- Provides for the transfer of small business recovery tax credits among affiliates.

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

2           **SECTION 1.** In Colorado Revised Statutes, 10-3-209, **amend**  
3     (3)(b), (3)(c), and (3)(d) as follows:

4           **10-3-209. Tax on premiums collected - exemptions - penalties.**

5     (3)(b) Such estimated taxes shall become due and payable on the last day  
6     of the month following the close of any calendar quarter of the year,  
7     except for the fourth quarter which shall be due March 1 and shall include  
8     adjustments for the preceding calendar year. Any company failing or  
9     refusing to pay such estimated taxes for more than thirty days after the  
10    time specified shall be liable to a penalty of up to one hundred dollars for  
11    each additional day of delinquency, to be assessed by the commissioner.

12    Failure of a company to make quarterly payments, if required, each  
13    payment to be of at least one-fourth of either the total tax paid during the  
14    preceding calendar year or eighty percent of the actual quarterly tax for  
15    the current calendar year, whichever is **greater** LESSER, shall be  
16    considered and treated the same as a failure or refusal to pay the estimated

1 taxes and shall subject the company to the penalties provided in this  
2 ~~paragraph~~ SUBSECTION (3)(b). The amount of estimated taxes and the  
3 penalties collected shall be paid to the division of insurance; and the  
4 commissioner may suspend the certificate of authority of such delinquent  
5 company until such estimated taxes and penalty, should any penalty be  
6 imposed, are fully paid.

7 (c) Estimated taxes paid pursuant to this subsection (3) shall be  
8 based on the estimated amount of taxable premiums during the preceding  
9 calendar quarter. ~~Except for the first calendar quarter of any year,~~  
10 Calendar quarter estimates of taxes may include adjustments for any  
11 previous calendar quarter estimates of taxes and ~~ALLOWABLE TAX~~  
12 ~~CREDITS CLAIMED BY THE COMPANY IN ACCORDANCE WITH PART 1 OF~~  
13 ~~ARTICLE 3.5 OF TITLE 10, PART 2 OF ARTICLE 36 OF TITLE 24, PART 2 OF~~  
14 ~~ARTICLE 46 OF TITLE 24, PART 21 OF ARTICLE 22 OF TITLE 39, OR ANY~~  
15 ~~OTHER LAW AUTHORIZING A CREDIT AGAINST PREMIUM TAX LIABILITY.~~  
16 Estimated taxes shall be paid on the basis of such adjusted estimates.

17 (d) (I) Adjustments in payments of estimated taxes for any  
18 calendar year shall be made at the time of the filing of the annual  
19 statement required under section 10-3-208 and the payment of taxes  
20 required by this section. ~~IF, UPON THE FILING OF THE ANNUAL STATEMENT,~~  
21 ~~A COMPANY HAS OVERPAID ITS TAXES FOR ANY CALENDAR YEAR, THE~~  
22 ~~COMPANY MAY EITHER APPLY THE OVERPAYMENT TO ITS CALENDAR~~  
23 ~~QUARTER ESTIMATES OF TAXES IN A SUBSEQUENT CALENDAR YEAR OR~~  
24 ~~CLAIM A REFUND FOR THE AMOUNT OF THE OVERPAYMENT.~~ If a company  
25 claims a refund, it shall file for such refund at the time of filing such  
26 annual statement, and, if the commissioner claims a deficiency, ~~he~~ THE  
27 COMMISSIONER shall notify the deficient company thereof.

9                   **SECTION 2.** In Colorado Revised Statutes, 24-36-203, amend  
10               (10) as follows:

11                   **24-36-203. Definitions.** As used in this part 2, unless the context  
12                   otherwise requires:

22                   **SECTION 3.** In Colorado Revised Statutes, 24-36-206, amend  
23                   (6)(e) as follows:

24 **24-36-206. Small business recovery tax credits - authorization**  
25 **to issue - terms - report.** (6) On receipt of payment of the sale proceeds,  
26 the department shall issue to each qualified taxpayer a tax credit  
27 certificate. The tax credit certificate must state all of the following:

5                   **SECTION 4.** In Colorado Revised Statutes, 24-36-207, amend  
6                   (1) and (2) as follows:

**7                   24-36-207. Use of small business recovery tax credits - carry  
8 over.** (1) For a tax credit certificate issued in fiscal year 2020-21:

9 (a) In calendar year 2026, The qualified taxpayer may claim up to  
10 fifty percent of the credit against premium tax liability incurred for a  
11 taxable year that begins on or after January 1, 2025; EXCEPT THAT, A  
12 TAXPAYER MAY NOT REDUCE ITS ESTIMATED TAX PAYMENTS IN  
13 PROPORTION TO SUCH CREDIT PRIOR TO JULY 1, 2025; and

14 (b) Beginning in calendar year 2027, The qualified taxpayer may  
15 claim the remaining amount of the credit against premium tax liability  
16 incurred for a taxable year that begins on or after January 1, 2026; EXCEPT  
17 THAT, A TAXPAYER MAY NOT REDUCE ITS ESTIMATED TAX PAYMENTS IN  
18 PROPORTION TO SUCH CREDIT PRIOR TO JULY 1, 2026.

19 (2) For a tax credit certificate issued in fiscal year 2021-22,  
20 beginning in calendar year 2028, the qualified taxpayer may claim the  
21 credit against premium tax liability incurred for a taxable year that begins  
22 on or after January 1, 2027; EXCEPT THAT, A TAXPAYER MAY NOT REDUCE  
23 ITS ESTIMATED TAX PAYMENTS IN PROPORTION TO SUCH CREDIT PRIOR TO  
24 JULY 1, 2027.

25                   **SECTION 5.** In Colorado Revised Statutes, 39-22-2105, amend  
26                   (1) as follows:

27 39-22-2105. Parallel credits - insurance premium taxes.

1       (1) Any taxpayer who is subject to the tax on insurance premiums  
2       established by sections 10-3-209, 10-5-111, and 10-6-128 E.R.S., and  
3       who is therefore exempt from the payment of income tax and who is  
4       otherwise eligible to claim a credit pursuant to this part 21 may claim  
5       such credit and carry such credit forward against such insurance premium  
6       tax ON ITS CALENDAR QUARTER ESTIMATED TAX PAYMENTS MADE IN  
7       ACCORDANCE WITH SECTION 10-3-209 to the same extent as the taxpayer  
8       would have been able to claim or carry forward such credit or refund  
9       against income tax. All other provisions of this part 21 with respect to the  
10      credit, including the amount, allocation, and recapture of the credit and  
11      the years for which the credit may be claimed shall apply to a credit  
12      claimed pursuant to this section.

13       **SECTION 6. Safety clause.** The general assembly hereby finds,  
14       determines, and declares that this act is necessary for the immediate  
15       preservation of the public peace, health, or safety.