

First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 23-0486.02 Pierce Lively x2059

**HOUSE BILL 23-1008**

**HOUSE SPONSORSHIP**

**Weissman,**

**SENATE SPONSORSHIP**

**Fields,**

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**House Committees**

Finance

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING TAX POLICIES RELATED TO THE ACCESSIBILITY OF FOOD,**  
102         **AND, IN CONNECTION THEREWITH, REQUIRING ADDITIONS TO**  
103         **COLORADO TAXABLE INCOME IN AMOUNTS EQUAL TO THE**  
104         **BUSINESS MEALS FEDERAL ITEMIZED DEDUCTION, PROVIDING**  
105         **FUNDING FOR THE SMALL BUSINESS RECOVERY AND RESILIENCE**  
106         **GRANT PROGRAM, CREATING A TAX CREDIT FOR CERTAIN**  
107         **PURCHASES ELIGIBLE FOR THAT GRANT PROGRAM, AND**  
108         **PROVIDING FUNDING FOR HEALTHY EATING PROGRAM**  
109         **INCENTIVES.**

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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*

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.*

*applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

**Section 2** of the bill requires the general assembly, for fiscal year 2023-24 through fiscal year 2030-31, to annually transfer \$1 million to the prevention services division (division) within the department of public health and environment. The bill requires the division to use this money to partner with a statewide nonprofit organization to provide healthy eating program incentives among Colorado's low-income populations.

**Section 3** requires individual taxpayers to add an amount of federal taxable income equal to their federal deduction for business meals to their state income tax liability for the 2024 through 2030 income tax years. **Section 4** requires the same of corporate taxpayers. **Section 6** requires the general assembly to transfer the following amounts from the general fund to the department of agriculture to implement the small business recovery and resilience grant program (grant program):

- For fiscal years 2023-24 and 2030-31, \$2.5 million; and
- For fiscal years 2024-25 through 2029-30, \$5 million.

Section 6 also extends the repeal date of the grant program from September 1, 2027 to September 1, 2031.

**Section 5** creates a tax credit for small food retailers and small family farms that purchase certain systems or equipment. The tax credit is equal to 75% of the cost of those systems or equipment. Purchasers may assign the tax credit to the seller who sells them the qualifying systems or equipment. The tax credit is available for the 2024 through 2030 tax years.

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

2                   **SECTION 1. Legislative declaration.** (1) The general assembly  
3     finds and declares that:

4                   (a) A recent survey found that one in three Coloradans are "food  
5     insecure", that is, lacking reliable access to nutritious food;

6                   (b) In addition, more than one in three adults living with children  
7     have reported regularly cutting back or skipping meals to allow their  
8     children to have enough to eat;

9                   (c) Childhood hunger can have lifetime impacts, such as  
10    interfering with developmental and educational progress;

14 (g) Expanding the number of retailers selling fresh produce may  
15 also create new market opportunities for Colorado agricultural producers;

16 (h) Therefore, the general assembly determines that enacting this  
17 legislation to further support existing nutrition access efforts will improve  
18 access to nutritious food for Coloradans, assist small businesses, and  
19 foster Colorado's agricultural industry.

20                   **SECTION 2.** In Colorado Revised Statutes, 25-20.5-104, add  
21                   (2.5) as follows:

22                   **25-20.5-104. Functions of division.** (2.5) (a) FOR STATE FISCAL  
23                   YEARS 2024-25 THROUGH 2029-30, THE GENERAL ASSEMBLY SHALL  
24                   ANNUALLY APPROPRIATE ONE MILLION DOLLARS TO THE DIVISION FOR THE  
25                   DIVISION TO PARTNER WITH A STATEWIDE NONPROFIT ORGANIZATION TO  
26                   PROVIDE HEALTHY EATING PROGRAM INCENTIVES AMONG COLORADO'S  
27                   LOW-INCOME POPULATIONS. THESE PROGRAM INCENTIVES MUST ATTEMPT

1 TO IMPROVE ACCESS TO FRESH COLORADO GROWN FRUITS AND  
2 VEGETABLES AMONG COLORADO'S LOW-INCOME POPULATIONS.

3 (b) THE STATEWIDE NONPROFIT ORGANIZATION SELECTED BY THE  
4 DIVISION FOR THE PARTNERSHIP DESCRIBED IN THIS SUBSECTION (2.5)  
5 MUST HAVE EXPERIENCE IN SUPPORTING HEALTHY EATING INCENTIVE  
6 PROGRAMS, SUCH AS PROGRAMS AT LOCAL FARMERS MARKETS, AND  
7 EXPERIENCE WITH COORDINATING HEALTHY EATING PROGRAMS AND  
8 FUNDING BETWEEN LOCAL, STATE, AND FEDERAL PROGRAMS.

9 (c) IN PROVIDING THE PROGRAM INCENTIVES DESCRIBED IN THIS  
10 SUBSECTION (2.5), BOTH THE DIVISION AND THE NONPROFIT SHALL  
11 MINIMIZE THEIR ADMINISTRATIVE EXPENSES. THE DIVISION SHALL NOT USE  
12 MORE THAN TEN THOUSAND DOLLARS AND THE NONPROFIT SHALL NOT USE  
13 MORE THAN FIVE PERCENT OF THE AMOUNT TRANSFERRED PURSUANT TO  
14 SUBSECTION (2.5)(a) OF THIS SECTION FOR THEIR ADMINISTRATIVE  
15 EXPENSES.

16 (d) THIS SUBSECTION (2.5) IS REPEALED, EFFECTIVE SEPTEMBER 1,  
17 2031.

18 **SECTION 3.** In Colorado Revised Statutes, 39-22-104, **add** (3)(s)  
19 as follows:

20 **39-22-104. Income tax imposed on individuals, estates, and  
21 trusts - single rate - report - legislative declaration - definitions -  
22 repeal.** (3) There shall be added to the federal taxable income:

23 (s) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
24 JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2031, AN AMOUNT EQUAL TO  
25 A FEDERAL DEDUCTION CLAIMED FOR A BUSINESS MEAL PURSUANT TO  
26 SECTION 274 (k) OF THE INTERNAL REVENUE CODE.

27 (II) THIS SUBSECTION (3)(s) IS REPEALED, EFFECTIVE DECEMBER

1 31, 2035.

2 **SECTION 4.** In Colorado Revised Statutes, 39-22-304, **add**  
3 (2)(k) as follows:

4 **39-22-304. Net income of corporation - legislative declaration**  
5 **- definitions - repeal.** (2) There shall be added to federal taxable income:

6 (k) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
7 JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2031, AN AMOUNT EQUAL TO  
8 A FEDERAL DEDUCTION CLAIMED FOR A BUSINESS MEAL PURSUANT TO  
9 SECTION 274 (k) OF THE INTERNAL REVENUE CODE.

10 (II) THIS SUBSECTION (2)(k) IS REPEALED, EFFECTIVE DECEMBER  
11 31, 2035.

12 **SECTION 5.** In Colorado Revised Statutes, **add** 39-22-549 as  
13 follows:

14 **39-22-549. Credit against tax - small food business recovery**  
15 **and resilience grant program equipment - tax preference**  
16 **performance statement - legislative declaration - definitions - repeal.**

17 (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT, IN  
18 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL  
19 THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE  
20 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE  
21 DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES  
22 THAT THE PURPOSES OF THE TAX EXPENDITURE CREATED IN SUBSECTION  
23 (3) OF THIS SECTION ARE TO:

24 (I) INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS,  
25 SPECIFICALLY THE PURCHASE AND USE OF SMALL FOOD BUSINESS  
26 RECOVERY AND RESILIENCE GRANT PROGRAM EQUIPMENT; AND

27 (II) CONTRIBUTE TO THE STATE'S EFFORT TO IMPROVE ACCESS TO

1 AND LOWER PRICES FOR HEALTHY FOODS IN LOW-INCOME AND  
2 UNDERSERVED AREAS OF THE STATE BY SUPPORTING SMALL FOOD  
3 RETAILERS.

4 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL  
5 MEASURE THE EFFECTIVENESS OF THE TAX CREDITS IN ACHIEVING THE  
6 PURPOSES SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS SECTION BASED ON  
7 THE NUMBER OF THE TAX CREDITS CREATED IN THIS SECTION THAT  
8 TAXPAYERS CLAIM. THE DEPARTMENT OF AGRICULTURE AND THE  
9 DEPARTMENT OF REVENUE SHALL PROVIDE THE STATE AUDITOR WITH ANY  
10 AVAILABLE INFORMATION THAT WOULD ASSIST THE STATE AUDITOR IN  
11 THIS MEASUREMENT.

12 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
13 REQUIRES:

14 (a) "PURCHASE PRICE" MEANS THE AMOUNT ACTUALLY PAID BY  
15 THE PURCHASER FOR THE SMALL FOOD BUSINESS RECOVERY AND  
16 RESILIENCE GRANT PROGRAM EQUIPMENT, INCLUDING CHARGES FOR SALES  
17 TAX AND FREIGHT, BUT NOT INCLUDING ANY CHARGES FOR ASSEMBLY,  
18 INSTALLATION, OTHER CONSTRUCTION SERVICES, OR PERMIT FEES.

19 (b) "PURCHASER" MEANS A SMALL FOOD RETAILER OR SMALL  
20 FAMILY FARM THAT PURCHASES SMALL FOOD BUSINESS RECOVERY AND  
21 RESILIENCE GRANT PROGRAM EQUIPMENT.

22 (c) "SELLER" MEANS THE ENTITY THAT SELLS SMALL FOOD  
23 BUSINESS RECOVERY AND RESILIENCE GRANT PROGRAM EQUIPMENT TO A  
24 PURCHASER.

25 (d) "SMALL FAMILY FARM" HAS THE SAME MEANING AS SET FORTH  
26 IN SECTION 35-1-117 (8)(d).

27 (e) "SMALL FOOD BUSINESS RECOVERY AND RESILIENCE GRANT

1 PROGRAM EQUIPMENT" MEANS THE ITEMS LISTED IN SECTION 35-1-117  
2 (3)(a)(II) AND (3)(a)(IV).

3 (f) "SMALL FOOD RETAILER" HAS THE SAME MEANING AS SET  
4 FORTH IN SECTION 35-1-117 (8)(e).

5 (3) (a) (I) SUBJECT TO THE PROVISIONS OF SUBSECTION (4) OF THIS  
6 SECTION, FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
7 1, 2024, BUT BEFORE JANUARY 1, 2031, ANY PURCHASER OF SMALL FOOD  
8 BUSINESS RECOVERY AND RESILIENCE GRANT PROGRAM EQUIPMENT IS  
9 ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE 22 IN AN  
10 AMOUNT EQUAL TO SEVENTY-FIVE PERCENT OF THE PURCHASE PRICE OF  
11 THE RELEVANT SMALL FOOD BUSINESS RECOVERY AND RESILIENCE GRANT  
12 PROGRAM EQUIPMENT MINUS THE AMOUNT OF ANY GRANT AWARDED  
13 UNDER THE SMALL FOOD BUSINESS RECOVERY AND RESILIENCE GRANT  
14 PROGRAM FOR THE PURCHASE OF THE SAME SMALL FOOD BUSINESS  
15 RECOVERY AND RESILIENCE GRANT PROGRAM EQUIPMENT.

16 (II) IN A GIVEN INCOME TAX YEAR, THE DEPARTMENT OF REVENUE  
17 SHALL NOT AWARD TAX CREDITS PURSUANT TO THIS SUBSECTION (3) THAT  
18 EXCEED SIX MILLION FIVE HUNDRED THOUSAND DOLLARS.

19 (b) THE CREDIT ALLOWED PURSUANT TO THIS SECTION IS FOR THE  
20 INCOME TAX YEAR IN WHICH A PURCHASER PURCHASES THE RELEVANT  
21 SMALL FOOD BUSINESS RECOVERY AND RESILIENCE GRANT PROGRAM  
22 EQUIPMENT.

23 (4) (a) TO BE ELIGIBLE TO CLAIM A CREDIT PURSUANT TO THIS  
24 SECTION, THE PURCHASER MUST CERTIFY, IN A FORM AND MANNER  
25 DETERMINED BY THE DEPARTMENT OF AGRICULTURE, THAT THE  
26 PURCHASER IS A SMALL FOOD RETAILER OR SMALL FAMILY FARM THAT  
27 PURCHASED THE SMALL FOOD BUSINESS RECOVERY AND RESILIENCE

1 GRANT PROGRAM EQUIPMENT.

2 (b) THE PURCHASER MUST PROVIDE THE CERTIFICATION TO THE  
3 SELLER FOR THE PURPOSES OF SUBSECTION (5) OF THIS SECTION, IF  
4 APPLICABLE.

5 (5) (a) A PURCHASER MAY ASSIGN THE TAX CREDIT ALLOWED IN  
6 THIS SECTION TO THE SELLER. IN ORDER FOR THE PURCHASER TO PROPERLY  
7 MAKE THIS ASSIGNMENT:

8 (I) THE PURCHASER MUST COMPLETE THE ASSIGNMENT WHEN THE  
9 PURCHASER PURCHASES THE SMALL FOOD BUSINESS RECOVERY AND  
10 RESILIENCE GRANT PROGRAM EQUIPMENT BY ENTERING INTO A WRITTEN  
11 AGREEMENT WITH THE SELLER, OR AN AGENT OR DESIGNEE OF THE SELLER,  
12 THAT:

13 (A) INCLUDES A COPY OF THE CERTIFICATE DESCRIBED IN  
14 SUBSECTION (4)(a) OF THIS SECTION; AND

15 (B) AFFIRMS THAT THE REQUIREMENTS IN THIS SUBSECTION (5)(a)  
16 ARE MET;

17 (II) THE PURCHASER MUST ASSIGN THE TAX CREDIT TO THE SELLER  
18 AND FORFEIT THE RIGHT TO CLAIM THE TAX CREDIT ON THE PURCHASER'S  
19 TAX RETURN IN EXCHANGE FOR GOOD AND VALUABLE CONSIDERATION;  
20 AND

21 (III) THE SELLER MUST COMPENSATE THE PURCHASER FOR THE  
22 FULL NOMINAL VALUE OF THE TAX CREDIT.

23 (b) IF A PURCHASER ASSIGNS THE TAX CREDIT TO A SELLER  
24 PURSUANT TO THIS SUBSECTION (5):

25 (I) NOTWITHSTANDING SECTION 39-21-108 (3), THE SELLER  
26 RECEIVES THE FULL AMOUNT OF THE TAX CREDIT THAT THE PURCHASER IS  
27 ALLOWED IN THIS SECTION. ANY UNPAID BALANCE OR UNPAID DEBT OF THE

1 PURCHASER MAY NOT BE CREDITED FROM THE AMOUNT OF THE TAX  
2 CREDIT ALLOWED IN THIS SECTION.

3 (II) WITHIN THIRTY DAYS OF THE PURCHASE OF THE SMALL FOOD  
4 BUSINESS RECOVERY AND RESILIENCE GRANT PROGRAM EQUIPMENT, THE  
5 SELLER MUST ELECTRONICALLY SUBMIT A REPORT CONTAINING THE  
6 INFORMATION IN THE AGREEMENT DESCRIBED IN SUBSECTION (5)(a)(I) OF  
7 THIS SECTION TO THE DEPARTMENT OF REVENUE IN A FORM AND MANNER  
8 TO BE DETERMINED BY THE DEPARTMENT; AND

9 (III) THE SELLER MUST FILE THE AGREEMENT DESCRIBED IN  
10 SUBSECTION (5)(a)(I) OF THIS SECTION WITH THE SELLER'S ORIGINAL TAX  
11 RETURN FOR THE TAXABLE YEAR IN WHICH THE SELLER SOLD THE  
12 RELEVANT SMALL FOOD BUSINESS RECOVERY AND RESILIENCE GRANT  
13 PROGRAM EQUIPMENT.

14 (c) NO LATER THAN DECEMBER 1, 2023, THE DEPARTMENT OF  
15 REVENUE, IN CONSULTATION WITH THE DEPARTMENT OF AGRICULTURE,  
16 SHALL DEVELOP A MODEL AGREEMENT FOR PURPOSES OF SUBSECTION  
17 (5)(a)(I) OF THIS SECTION AND A MODEL REPORT FOR PURPOSES OF  
18 SUBSECTION (5)(b)(II) OF THIS SECTION.

19 (6) IF A CREDIT AUTHORIZED IN THIS SECTION EXCEEDS THE  
20 INCOME TAX DUE ON THE INCOME OF THE SELLER OR PURCHASER FOR THE  
21 TAXABLE YEAR, THE EXCESS CREDIT MAY NOT BE CARRIED FORWARD AND  
22 IS REFUNDABLE TO THE SELLER OR PURCHASER.

23 (7) MAKING A PURCHASER AWARE OF THE INCOME TAX CREDIT  
24 ALLOWED IN THIS SECTION OR HELPING A PURCHASER ASSIGN THE INCOME  
25 TAX CREDIT TO A SELLER AS ALLOWED IN THIS SECTION DOES NOT RISE TO  
26 THE LEVEL OF PROVIDING THE PURCHASER WITH UNAUTHORIZED TAX  
27 ADVICE.

(8) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2035.

2                   **SECTION 6.** In Colorado Revised Statutes, 35-1-117, **amend** (9);  
3                   **repeal** (2)(b)(V); and **add** (3.5) as follows:

4           **35-1-117. Community food access program - creation -**  
5       **purpose - duties and responsibilities - grant program - funding -**  
6       **reporting - rules - definitions - repeal.** (2) (b) (V) This subsection (2)  
7       **is repealed, effective September 1, 2027.**

8 (3.5) (a) FOR STATE FISCAL YEARS 2024-25 THROUGH 2029-30,  
9 THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE FIVE MILLION  
10 DOLLARS TO THE DEPARTMENT OF AGRICULTURE FOR THE PURPOSES OF  
11 IMPLEMENTING SUBSECTIONS (2) AND (3) OF THIS SECTION.

12 (b) FOR STATE FISCAL YEARS 2023-24 AND 2030-31, THE GENERAL  
13 ASSEMBLY SHALL ANNUALLY APPROPRIATE TWO MILLION FIVE HUNDRED  
14 THOUSAND DOLLARS TO THE DEPARTMENT OF AGRICULTURE FOR THE  
15 PURPOSES OF IMPLEMENTING SUBSECTIONS (2) AND (3) OF THIS SECTION.

16 (9) This section is repealed, effective ~~September 1, 2027~~  
17 SEPTEMBER 1, 2031.