

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 18-0631.01 Ed DeCecco x4216

**HOUSE BILL 18-1060**

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**HOUSE SPONSORSHIP**

**Danielson and Landgraf**, Becker J., Lundein, McKean, Rankin, Reyher, Thurlow, Williams D., Wilson, Wist

**SENATE SPONSORSHIP**

**Crowder and Williams A.,**

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**House Committees**

Finance  
Appropriations

**Senate Committees**

Finance  
Appropriations

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**A BILL FOR AN ACT**

101     **CONCERNING A STATE INCOME TAX DEDUCTION FOR MILITARY**  
102       **RETIREMENT BENEFITS FOR AN INDIVIDUAL WHO IS UNDER**  
103       **FIFTY-FIVE YEARS OF AGE.**

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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>.)*

HOUSE  
3rd Reading Unamended  
May 7, 2018

HOUSE  
Amended 2nd Reading  
May 4, 2018

The starting point for determining state income tax liability is federal taxable income. This number is adjusted for additions and subtractions (deductions) that are used to determine Colorado taxable income, which amount is multiplied by the state's 4.63% income tax rate. The bill allows an individual who is under 55 years old to claim a

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.*

deduction of up to \$20,000 for the individual's military retirement benefits.

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

2           **SECTION 1. Legislative declaration.** The general assembly  
3 hereby finds and declares that the purpose of the tax deduction created by  
4 this act is to honor the sacrifice and service of veterans and to create an  
5 incentive for more veterans to make their post-military homes in the state.

6           **SECTION 2.** In Colorado Revised Statutes, 39-22-104, **add**  
7 (4)(y) as follows:

8           **39-22-104. Income tax imposed on individuals, estates, and**  
9 **trusts - single rate - legislative declaration - definitions - repeal.**

10          (4) There shall be subtracted from federal taxable income:

11           (y) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
12 JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2024, AN AMOUNT EQUAL TO  
13 A QUALIFIED INDIVIDUAL'S MILITARY RETIREMENT BENEFITS INCLUDED  
14 IN FEDERAL ADJUSTED GROSS INCOME, BUT NOT TO EXCEED THE  
15 FOLLOWING AMOUNTS:

16           (A) FOUR THOUSAND FIVE HUNDRED DOLLARS FOR INCOME TAX  
17 YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, BUT PRIOR TO  
18 JANUARY 1, 2020;

19           (B) SEVEN THOUSAND FIVE HUNDRED DOLLARS FOR INCOME TAX  
20 YEARS COMMENCING ON OR AFTER JANUARY 1, 2020, BUT PRIOR TO  
21 JANUARY 1, 2021;

22           (C) TEN THOUSAND DOLLARS FOR INCOME TAX YEARS  
23 COMMENCING ON OR AFTER JANUARY 1, 2021, BUT BEFORE JANUARY 1,  
24 2022; OR

25           (D) FIFTEEN THOUSAND DOLLARS FOR INCOME TAX YEARS

1        COMMENCING ON OR AFTER JANUARY 1, 2022, BUT BEFORE JANUARY 1,  
2        2024.

3        (II) AS USED IN THIS SUBSECTION (4)(y):

4        (A) "MILITARY RETIREMENT BENEFITS" MEANS ANY RETIREMENT  
5        BENEFITS RECEIVED AS A RESULT OF THE INDIVIDUAL'S SERVICE IN THE  
6        ARMED FORCES OF THE UNITED STATES.

7        (B) "QUALIFIED INDIVIDUAL" MEANS AN INDIVIDUAL WHO IS  
8        UNDER FIFTY-FIVE YEARS OF AGE AT THE CLOSE OF THE TAXABLE YEAR.

9        **SECTION 3. Act subject to petition - effective date.** This act  
10      takes effect at 12:01 a.m. on the day following the expiration of the  
11      ninety-day period after final adjournment of the general assembly (August  
12      8, 2018, if adjournment sine die is on May 9, 2018); except that, if a  
13      referendum petition is filed pursuant to section 1 (3) of article V of the  
14      state constitution against this act or an item, section, or part of this act  
15      within such period, then the act, item, section, or part will not take effect  
16      unless approved by the people at the general election to be held in  
17      November 2018 and, in such case, will take effect on the date of the  
18      official declaration of the vote thereon by the governor.