HB1006_S_FIN.001

SENATE COMMITTEE OF REFERENCE REPORT

________________________________ August 24, 2025
Chair of Committee Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB25B-1006 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

Amend reengrossed bill, page 2, line 3, strike "and (16)".

Page 3, strike lines 1 through 4.

Page 4, line 12, strike "**add**" and substitute "**amend** (1)(g) and (1)(h); and **add** (1)(i) and".

Page 4, strike lines 14 through 27.

Page 5, strike lines 1 through 13 and substitute:

"**10-16-1206. Health insurance affordability cash fund - creation.** (1) There is created in the state treasury the health insurance affordability cash fund. The fund consists of:

(g) The federal share of the medical assistance payments received pursuant to section 25.5-4-503 (2); ~~and~~

(h) Gifts, grants, or donations received from private or public sources; AND

(i) ANY OTHER MONEY THAT MAY BE APPROPRIATED OR TRANSFERRED TO THE FUND.

(1.5) (a) THE FUND ALSO CONSISTS OF ONE HUNDRED MILLION DOLLARS FROM THE FOLLOWING SOURCES, WHICH THE ENTERPRISE SHALL ALLOCATE IN ACCORDANCE WITH SECTION 10-16-1205 (2)(e):

(I) UP TO ONE HUNDRED MILLION DOLLARS FROM TAX CREDIT SALE PROCEEDS CREDITED TO THE FUND PURSUANT TO SECTION 24-36-406; AND

(II) (A) IF THE TOTAL AMOUNT OF TAX CREDIT SALE PROCEEDS AVAILABLE FOR DEPOSIT IN THE FUND IS LESS THAN ONE HUNDRED MILLION DOLLARS, AN AMOUNT DETERMINED AND TRANSFERRED, IN

ACCORDANCE WITH SUBSECTION (1.5)(a)(II)(B) OF THIS SECTION, FROM THE GENERAL FUND TO THE FUND;

(B) THE STATE TREASURER SHALL DETERMINE THE AMOUNT OF THE TRANSFER FROM THE GENERAL FUND TO THE FUND BY CALCULATING THE DIFFERENCE BETWEEN ONE HUNDRED MILLION DOLLARS AND THE AMOUNT OF TAX CREDIT SALE PROCEEDS CREDITED TO THE FUND PURSUANT TO SECTION 24-36-406 AND, WITHIN TEN DAYS AFTER MAKING THE DETERMINATION, SHALL TRANSFER THAT AMOUNT FROM THE GENERAL FUND TO THE FUND.".

Page 13, strike lines 5 through 27.

Strike page 14.

Page 15, strike lines 1 through 19 and substitute:

"**SECTION 6.** In Colorado Revised Statutes, 24-36-401 **as added by House Bill 25B-1004, amend** (2) as follows:

24-36-401. Legislative declaration - tax preference performance statement. (2) (a) In accordance with section 39-21-304 (1), which requires each bill that creates a new tax expenditure to include a tax preference performance statement as part of a statutory legislative declaration, the general assembly further finds and declares that the general purposes of the tax credits provided for in this part 4 are to induce certain designated behavior by taxpayers and provide a reduction in insurance premium tax liability for certain businesses. Specifically, this tax expenditure is intended to induce insurance companies to purchase tax credits that will reduce their future insurance premium tax liability in order to generate money for the HEALTH INSURANCE AFFORDABILITY CASH FUND CREATED IN SECTION 10-16-1206 (1) AND THE general fund.

(b) The general assembly and the state auditor shall measure the effectiveness of the tax credits in achieving the purposes specified in subsection (2)(a) of this section based on the number and value of the credits claimed and the total amount of ~~general fund~~ money generated FOR THE HEALTH INSURANCE AFFORDABILITY CASH FUND AND THE GENERAL FUND. The division of insurance shall provide the state auditor with information regarding the total amount of credits claimed and the ~~general fund~~ AMOUNT OF money generated FOR THE HEALTH INSURANCE AFFORDABILITY CASH FUND AND THE GENERAL FUND.

SECTION 7. In Colorado Revised Statutes, 24-36-402 **as added by House Bill 25B-1004, amend** (6) as follows:

24-36-402. Definitions. As used in this part 4, unless the context otherwise requires:

(6) "Tax credit sale proceeds" or "sale proceeds" means the money or other liquid asset acceptable to the state treasurer that a qualified taxpayer pays to the department that is deposited ~~in the tax credit sale proceeds cash fund created in section 24-36-405 (1)~~ AS SPECIFIED IN SECTION 24-36-406.

SECTION 8. In Colorado Revised Statutes, 24-36-403 **as added by House Bill 25B-1004, amend** (2)(a)(I) and (8) as follows:

24-36-403. Insurance premium tax credits - purchase - authorization to issue - terms - report. (2) (a) (I) (A) The department is authorized to issue tax credit certificates to qualified taxpayers pursuant to this part 4 and part 5 of this article 36 equal to the lesser of a total face value of up to one hundred twenty-five million dollars and any reasonable and necessary administrative, monitoring, and closing costs using sale proceeds or total ~~sales~~ SALE proceeds of up to one hundred million dollars.

(B) IN ADDITION TO THE TAX CREDIT CERTIFICATES AUTHORIZED IN SUBSECTION (2)(a)(I)(A) OF THIS SECTION, THE DEPARTMENT IS AUTHORIZED TO ISSUE TAX CREDIT CERTIFICATES TO QUALIFIED TAXPAYERS PURSUANT TO THIS PART 4 AND PART 5 OF THIS ARTICLE 36 EQUAL TO THE LESSER OF A TOTAL FACE VALUE OF UP TO ONE HUNDRED TWENTY-FIVE MILLION DOLLARS AND ANY REASONABLE AND NECESSARY ADMINISTRATIVE, MONITORING, AND CLOSING COSTS USING SALE PROCEEDS OR TOTAL SALE PROCEEDS OF UP TO ONE HUNDRED MILLION DOLLARS. THIS SUBSECTION (2)(a)(I) TAKES EFFECT ON JANUARY 1, 2026, ONLY IF THE CONDITION SPECIFIED IN SECTION 10-16-1209 (1) OCCURS.

(8) The tax credit sale proceeds provided by a qualified taxpayer in return for a tax credit certificate must be deposited ~~in the general fund~~ AS SPECIFIED IN SECTION 24-36-406.

SECTION 9. In Colorado Revised Statutes, **amend as added by House Bill 25B-1004** 24-36-406 as follows:

24-36-406. Distribution of sale proceeds. (1) EXCEPT AS PROVIDED IN SUBSECTION (2) OF THIS SECTION, each month, the state treasurer shall credit the money generated by the sale proceeds pursuant to parts 4 and 5 of this article 36 to the tax credit sale proceeds cash fund. The department shall transfer the money to the general fund less any amounts used for the expenses described in section 24-36-405 (4).

(2) (a) EACH MONTH, THE STATE TREASURER SHALL CREDIT THE MONEY GENERATED BY THE SALE PROCEEDS PURSUANT TO PARTS 4 AND 5 OF THIS ARTICLE 36 AS FOLLOWS:

(I) AN AMOUNT EQUAL TO THE MONTHLY EXPENSES DESCRIBED IN SECTION 24-36-405 (4) TO THE TAX CREDIT SALE PROCEEDS CASH FUND;

(II) THE REMAINDER TO THE HEALTH INSURANCE AFFORDABILITY CASH FUND CREATED IN SECTION 10-16-1206 (1); EXCEPT THAT THE

AMOUNT CREDITED TO THE HEALTH INSURANCE AFFORDABILITY CASH FUND SHALL NOT EXCEED ONE HUNDRED MILLION DOLLARS; AND

(III) AFTER THE AMOUNT SPECIFIED IN SUBSECTION (2)(a)(II) OF THIS SECTION HAS BEEN CREDITED TO THE HEALTH INSURANCE AFFORDABILITY CASH FUND, THEN THE REMAINDER TO THE TAX CREDIT SALE PROCEEDS CASH FUND.

(b) THE DEPARTMENT SHALL TRANSFER THE MONEY IN THE TAX CREDIT SALE PROCEEDS CASH FUND, LESS ANY AMOUNTS USED FOR THE EXPENSES DESCRIBED IN SECTION 24-36-405 (4), TO THE GENERAL FUND.

(c) (I) THIS SUBSECTION (2) WILL TAKE EFFECT ONLY IF, BY DECEMBER 31, 2025, THE UNITED STATES CONGRESS DOES NOT ENACT AND THE PRESIDENT DOES NOT SIGN FEDERAL LEGISLATION THAT EXTENDS, RECREATES, OR OTHERWISE REINSTATES THE ENHANCED PREMIUM TAX CREDIT FOR THE 2026 PLAN YEAR. THE COMMISSIONER OF INSURANCE SHALL NOTIFY THE REVISOR OF STATUTES IN WRITING IF THE CONDITION SPECIFIED IN THIS SUBSECTION (2)(c)(I) HAS OCCURRED BY EMAILING THE NOTICE TO REVISOROFSTATUTES.GA@COLEG.GOV. IF THE CONDITION SPECIFIED IN THIS SUBSECTION (2)(c)(I) OCCURS, THIS SUBSECTION (2) TAKES EFFECT ON JANUARY 1, 2026.

(II) THIS SUBSECTION (2) WILL BE REPEALED IF, ON OR BEFORE DECEMBER 31, 2025, THE UNITED STATES CONGRESS ENACTS AND THE PRESIDENT SIGNS FEDERAL LEGISLATION THAT EXTENDS, RECREATES, OR OTHERWISE REINSTATES THE ENHANCED PREMIUM TAX CREDIT FOR THE 2026 PLAN YEAR WITH AT LEAST THE SAME ELIGIBILITY AND IN THE SAME AMOUNT AS AUTHORIZED BY THE AMENDMENTS TO THE PREMIUM TAX CREDIT IN THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AND THE FEDERAL "INFLATION REDUCTION ACT OF 2022", PUB.L. 117-169, 136 STAT. 1818 (2022). THE COMMISSIONER OF INSURANCE SHALL NOTIFY THE REVISOR OF STATUTES IN WRITING IF THE CONDITION SPECIFIED IN THIS SUBSECTION (2)(c)(II) HAS OCCURRED AND OF THE DATE ON WHICH THE CONDITION OCCURRED BY EMAILING THE NOTICE TO REVISOROFSTATUTES.GA@COLEG.GOV. THIS SUBSECTION (2) IS REPEALED UPON THE DATE IDENTIFIED IN THE NOTICE THAT THE CONDITION SPECIFIED IN THIS SUBSECTION (2)(c)(II) OCCURRED OR, IF THE NOTICE DOES NOT SPECIFY THAT DATE, UPON THE DATE OF THE NOTICE TO THE REVISOR OF STATUTES.

SECTION 10. In Colorado Revised Statutes, 24-36-501 **as added by House Bill 25B-1004, amend** (2) as follows:

24-36-501. Legislative declaration - tax preference performance statement. (2) (a) In accordance with section 39-21-304 (1), which requires each bill that creates a new tax expenditure to include a tax preference performance statement as part of a statutory legislative declaration, the general assembly further finds and declares that the general purposes of the tax credits provided for in this part 5 are to induce certain designated behavior by taxpayers and provide a reduction in income tax liability for certain businesses. Specifically, this tax expenditure is intended to induce C corporations to purchase tax credits that will reduce their future income tax liability in order to generate money for THE HEALTH INSURANCE AFFORDABILITY CASH FUND CREATED IN SECTION 10-16-1206 (1) AND the general fund.

(b) The general assembly and the state auditor shall measure the effectiveness of the tax credits in achieving the purposes specified in subsection (2)(a) of this section based on the number and value of the credits claimed and the total amount of ~~general fund~~ money generated FOR THE HEALTH INSURANCE AFFORDABILITY CASH FUND AND THE GENERAL FUND. The department of revenue shall provide the state auditor with information regarding the total amount of credits claimed and the ~~general fund~~ AMOUNT OF money generated FOR THE HEALTH INSURANCE AFFORDABILITY CASH FUND AND THE GENERAL FUND.

SECTION 11. In Colorado Revised Statutes, 24-36-502 **as added by House Bill 25B-1004, amend** (6) as follows:

24-36-502. Definitions. As used in this part 5, unless the context otherwise requires:

(6) "Tax credit sale proceeds" or "sale proceeds" means the money or other liquid asset acceptable to the state treasurer that a qualified taxpayer pays to the department that is deposited ~~in the general fund~~ AS SPECIFIED IN SECTION 24-36-406.

SECTION 12. In Colorado Revised Statutes, 24-36-503 **as added by House Bill 25B-1004, amend** (2)(a) and (8) as follows:

24-36-503. Corporate tax credits - purchase - authorization to issue - terms - report. (2) (a) (I) The department is authorized to issue tax credit certificates to qualified taxpayers pursuant to this part 5 and part 4 of this article 36 equal to the lesser of a total face value of up to one hundred twenty-five million dollars and any reasonable and necessary administrative, monitoring, and closing costs using ~~sales~~ SALE proceeds or total ~~sales~~ SALE proceeds of up to one hundred million dollars.

(II) (A) IN ADDITION TO THE TAX CREDIT CERTIFICATES AUTHORIZED IN SUBSECTION (2)(a)(I) OF THIS SECTION, THE DEPARTMENT IS AUTHORIZED TO ISSUE TAX CREDIT CERTIFICATES TO QUALIFIED TAXPAYERS PURSUANT TO THIS PART 5 AND PART 4 OF THIS ARTICLE 36 EQUAL TO THE LESSER OF A TOTAL FACE VALUE OF UP TO ONE HUNDRED TWENTY-FIVE MILLION DOLLARS AND ANY REASONABLE AND NECESSARY ADMINISTRATIVE, MONITORING, AND CLOSING COSTS USING SALE PROCEEDS OR TOTAL SALE PROCEEDS OF UP TO ONE HUNDRED MILLION DOLLARS.

(B) THIS SUBSECTION (2)(a)(II) TAKES EFFECT ON JANUARY 1,

2026, ONLY IF THE CONDITION SPECIFIED IN SECTION 10-16-1209 (1) OCCURS.

(8) The tax credit sale proceeds provided by a qualified taxpayer in return for a tax credit certificate must be deposited ~~in the general fund~~ AS SPECIFIED IN SECTION 24-36-406.

SECTION 13. In Colorado Revised Statutes, **add** parts 4 and 5 to article 36 of title 24 as follows:

PART 4

SALE OF INSURANCE PREMIUM TAX CREDITS

24-36-401. Legislative declaration - tax preference performance statement. (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) THE INSURANCE PREMIUM TAX CREDITS AUTHORIZED BY THIS PART 4 ARE NOT REFUNDABLE AND DO NOT IMPOSE AN OBLIGATION OF PAYMENT IN ANY FUTURE YEAR ON THE STATE;

(b) THE USE OF PROCEEDS FROM THE SALE OF INSURANCE PREMIUM TAX CREDITS DOES NOT REQUIRE THE STATE TO BORROW MONEY, EXTEND OR PLEDGE THE STATE'S CREDIT, OR OBLIGATE THE STATE TO MAKE FUTURE PAYMENTS FROM STATE REVENUE;

(c) THE SALE AND USE OF THE TAX CREDITS SHALL NOT BE DEEMED OR CONSTRUED AS CREATING INDEBTEDNESS OR ANY OTHER FINANCIAL OBLIGATION WHATSOEVER WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR THE LAWS OF THE STATE CONCERNING OR LIMITING THE CREATION OF INDEBTEDNESS OR OTHER FINANCIAL OBLIGATION BY THE STATE;

(d) THE TAX CREDITS ALLOW AN INSURANCE COMPANY WITH AN INSURANCE PREMIUM TAX LIABILITY TO PREPAY ITS TAX LIABILITY FOR FUTURE YEARS, WHICH DOES NOT CONSTITUTE A TAX POLICY CHANGE UNDER SECTION 20 (4)(a) OF ARTICLE X OF THE STATE CONSTITUTION; AND

(e) ANY PROCEEDS FROM THE SALE OF THE TAX CREDITS WILL BE OFFSET BY DECREASES IN FUTURE REVENUE RESULTING FROM THE BUYER'S USE OF THE TAX CREDITS AND THEREFORE WILL NOT CAUSE A NET TAX REVENUE GAIN UNDER SECTION 20 (4)(a) OF ARTICLE X OF THE STATE CONSTITUTION.

(2) (a) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT THE GENERAL PURPOSES OF THE TAX CREDITS PROVIDED FOR IN THIS PART 4 ARE TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS AND PROVIDE A REDUCTION IN INSURANCE PREMIUM TAX LIABILITY FOR CERTAIN BUSINESSES. SPECIFICALLY, THIS TAX EXPENDITURE IS INTENDED TO INDUCE INSURANCE COMPANIES TO

PURCHASE TAX CREDITS THAT WILL REDUCE THEIR FUTURE INSURANCE PREMIUM TAX LIABILITY IN ORDER TO GENERATE MONEY FOR THE HEALTH INSURANCE AFFORDABILITY CASH FUND.

(b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL MEASURE THE EFFECTIVENESS OF THE TAX CREDITS IN ACHIEVING THE PURPOSES SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION BASED ON THE NUMBER AND VALUE OF THE CREDITS CLAIMED AND THE TOTAL AMOUNT OF MONEY GENERATED AND ALLOCATED TO THE HEALTH INSURANCE AFFORDABILITY CASH FUND. THE DIVISION OF INSURANCE SHALL PROVIDE THE STATE AUDITOR WITH INFORMATION REGARDING THE TOTAL AMOUNT OF CREDITS CLAIMED AND THE MONEY ALLOCATED TO THE HEALTH INSURANCE AFFORDABILITY CASH FUND.

24-36-402. Definitions. AS USED IN THIS PART 4, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "DEPARTMENT" MEANS THE DEPARTMENT OF THE TREASURY.

(2) "DIVISION OF INSURANCE" MEANS THE DIVISION OF INSURANCE IN THE DEPARTMENT OF REGULATORY AGENCIES CREATED IN SECTION 10-1-103.

(3) "HEALTH INSURANCE AFFORDABILITY CASH FUND" MEANS THE HEALTH INSURANCE AFFORDABILITY CASH FUND CREATED IN SECTION 10-16-1206 (1).

(4) "PREMIUM TAX LIABILITY" MEANS THE LIABILITY IMPOSED BY SECTION 10-3-209 OR 10-6-128, OR, IN THE CASE OF A REPEAL OR REDUCTION BY THE STATE OF THE LIABILITY IMPOSED BY SECTION 10-3-209 OR 10-6-128, ANY OTHER TAX LIABILITY IMPOSED UPON AN INSURANCE COMPANY BY THE STATE.

(5) "QUALIFIED TAXPAYER" MEANS AN INSURANCE COMPANY AUTHORIZED TO DO BUSINESS IN COLORADO THAT HAS PREMIUM TAX LIABILITY OWING TO THE STATE AND THAT PURCHASES A TAX CREDIT UNDER THIS PART 4. "QUALIFIED TAXPAYER" ALSO INCLUDES AN INSURANCE COMPANY THAT RECEIVES OR ASSUMES A TAX CREDIT TRANSFERRED IN ACCORDANCE WITH SECTION 24-36-403 (7)(e) OR 24-36-404 (5).

(6) "TAX CREDIT" MEANS THE TAX CREDIT CREATED IN SECTION 24-36-403.

(7) "TAX CREDIT SALE PROCEEDS" OR "SALE PROCEEDS" MEANS THE MONEY OR OTHER LIQUID ASSET ACCEPTABLE TO THE STATE TREASURER THAT A QUALIFIED TAXPAYER PAYS TO THE DEPARTMENT THAT IS DEPOSITED AS SPECIFIED IN SECTION 24-36-406.

24-36-403. Insurance premium tax credits - purchase - authorization to issue - terms - report. (1) A QUALIFIED TAXPAYER MAY PURCHASE INSURANCE PREMIUM TAX CREDITS FROM THE DEPARTMENT IN ACCORDANCE WITH THIS SECTION AND MAY APPLY THE

TAX CREDITS AGAINST ITS PREMIUM TAX LIABILITY IN ACCORDANCE WITH SECTION 24-36-404.

(2) (a) THE DEPARTMENT IS AUTHORIZED TO ISSUE TAX CREDIT CERTIFICATES TO QUALIFIED TAXPAYERS PURSUANT TO THIS PART 4 AND PART 5 OF THIS ARTICLE 36 EQUAL TO THE LESSER OF A TOTAL FACE VALUE OF UP TO ONE HUNDRED TWENTY-FIVE MILLION DOLLARS AND ANY REASONABLE AND NECESSARY ADMINISTRATIVE, MONITORING, AND CLOSING COSTS USING SALE PROCEEDS OR TOTAL SALE PROCEEDS OF UP TO ONE HUNDRED MILLION DOLLARS.

(b) THE DEPARTMENT MAY CONTRACT WITH AN INDEPENDENT THIRD PARTY TO CONDUCT OR CONSULT ON A BIDDING PROCESS AMONG QUALIFIED TAXPAYERS TO PURCHASE THE TAX CREDITS.

(c) THE DEPARTMENT SHALL CONSULT WITH INSURANCE COMPANIES IN ADVANCE OF ISSUING ANY TAX CREDITS IN ACCORDANCE WITH THIS SECTION.

(3) AN INSURANCE COMPANY AUTHORIZED TO DO BUSINESS IN COLORADO SEEKING TO PURCHASE TAX CREDITS MUST APPLY TO THE DEPARTMENT IN THE MANNER PRESCRIBED BY THE DEPARTMENT.

(4) USING PROCEDURES ADOPTED BY THE DEPARTMENT OR, IF APPLICABLE, BY AN INDEPENDENT THIRD PARTY, EACH INSURANCE COMPANY THAT SUBMITS AN APPLICATION SHALL MAKE A TIMELY AND IRREVOCABLE OFFER, CONTINGENT ONLY ON THE DEPARTMENT'S ISSUANCE TO THE INSURANCE COMPANY OF THE TAX CREDIT CERTIFICATES, TO MAKE A SPECIFIED PURCHASE PAYMENT AMOUNT TO THE DEPARTMENT ON DATES SPECIFIED BY THE DEPARTMENT, WHICH MUST NOT BURDEN ANY SINGLE TAX YEAR. THE OFFER MUST INCLUDE:

(a) THE REQUESTED AMOUNT OF TAX CREDITS, WHICH MUST NOT BE LESS THAN ANY MINIMUM AMOUNT ESTABLISHED IN PROCEDURES BY THE DEPARTMENT OR, IF APPLICABLE, THE INDEPENDENT THIRD PARTY;

(b) THE QUALIFIED TAXPAYER'S PROPOSED TAX CREDIT PURCHASE AMOUNT FOR EACH TAX CREDIT DOLLAR REQUESTED. THE MINIMUM PROPOSED TAX CREDIT PURCHASE AMOUNT MUST BE THE GREATER OF EITHER:

(I) THE PERCENTAGE OF THE REQUESTED DOLLAR AMOUNT OF TAX CREDITS THAT THE DEPARTMENT AND, IF APPLICABLE, THE INDEPENDENT THIRD PARTY DETERMINES TO BE CONSISTENT WITH MARKET CONDITIONS AS OF THE OFFER DATE; OR

(II) EIGHTY PERCENT OF THE REQUESTED DOLLAR AMOUNT OF TAX CREDITS; AND

(c) ANY OTHER INFORMATION THE DEPARTMENT OR, IF APPLICABLE, THE INDEPENDENT THIRD PARTY REQUIRES.

(5) THE DEPARTMENT SHALL PROVIDE WRITTEN NOTICE TO EACH INSURANCE COMPANY THAT SUBMITS AN APPLICATION INDICATING

WHETHER THE INSURANCE COMPANY HAS BEEN APPROVED AS A PURCHASER OF TAX CREDITS AND, IF SO, THE AMOUNT OF TAX CREDITS ALLOCATED AND THE DATE BY WHICH PAYMENT OF THE TAX CREDIT SALE PROCEEDS MUST BE MADE.

(6) ON RECEIPT OF PAYMENT OF THE SALE PROCEEDS, THE DEPARTMENT SHALL ISSUE TO EACH QUALIFIED TAXPAYER A TAX CREDIT CERTIFICATE. THE TAX CREDIT CERTIFICATE MUST STATE:

(a) THE TOTAL AMOUNT OF PREMIUM TAX CREDITS THAT THE QUALIFIED TAXPAYER MAY CLAIM;

(b) THE AMOUNT THAT THE QUALIFIED TAXPAYER HAS PAID OR AGREED TO PAY IN RETURN FOR THE ISSUANCE OF THE TAX CREDIT CERTIFICATES AND THE DATE OF THE PAYMENT;

(c) THE DATES ON WHICH THE TAX CREDITS WILL BE AVAILABLE FOR USE BY THE QUALIFIED TAXPAYER;

(d) ANY PENALTIES OR OTHER REMEDIES FOR NONCOMPLIANCE;

(e) THE PROCEDURES TO BE USED FOR TRANSFERRING OR ASSUMING THE TAX CREDITS IN ACCORDANCE WITH SUBSECTION (7)(e) OF THIS SECTION OR SECTION 24-36-404 (5);

(f) THE SERIAL NUMBER OF THE TAX CREDIT CERTIFICATE; AND

(g) ANY OTHER REQUIREMENTS DEEMED NECESSARY BY THE DEPARTMENT AS A CONDITION OF ISSUING THE TAX CREDIT CERTIFICATE.

(7) (a) THE DEPARTMENT SHALL NOT ISSUE A TAX CREDIT CERTIFICATE TO ANY QUALIFIED TAXPAYER THAT FAILS TO PROVIDE THE TAX CREDIT SALE PROCEEDS WITHIN THE TIME THE DEPARTMENT SPECIFIES.

(b) A QUALIFIED TAXPAYER THAT FAILS TO PROVIDE THE TAX CREDIT SALE PROCEEDS WITHIN THE TIME THE DEPARTMENT SPECIFIES IS SUBJECT TO A PENALTY EQUAL TO TEN PERCENT OF THE AMOUNT OF THE PURCHASE PRICE THAT REMAINS UNPAID. THE PENALTY MUST BE PAID TO THE DEPARTMENT WITHIN THIRTY DAYS AFTER DEMAND.

(c) THE DEPARTMENT MAY OFFER TO REALLOCATE THE DEFAULTED TAX CREDITS AMONG OTHER QUALIFIED TAXPAYERS, SO THAT THE RESULT AFTER REALLOCATION IS THE SAME AS IF THE INITIAL ALLOCATION HAD BEEN PERFORMED WITHOUT CONSIDERING THE TAX CREDIT ALLOCATION TO THE DEFAULTING QUALIFIED TAXPAYER.

(d) IF THE REALLOCATION OF TAX CREDITS UNDER SUBSECTION (7)(c) OF THIS SECTION RESULTS IN THE PAYMENT BY ANOTHER QUALIFIED TAXPAYER OF THE AMOUNT OF TAX CREDIT SALE PROCEEDS NOT PAID BY THE DEFAULTING QUALIFIED TAXPAYER, THE DEPARTMENT MAY WAIVE THE PENALTY IMPOSED UNDER SUBSECTION (7)(b) OF THIS SECTION.

(e) A QUALIFIED TAXPAYER THAT FAILS TO PAY THE TAX CREDIT SALE PROCEEDS WITHIN THE TIME SPECIFIED MAY AVOID THE IMPOSITION OF THE PENALTY BY TRANSFERRING THE ALLOCATION OF TAX CREDITS TO

A NEW OR EXISTING QUALIFIED TAXPAYER WITHIN THIRTY DAYS AFTER THE DUE DATE OF THE DEFAULTED INSTALLMENT. ANY TRANSFEREE OF AN ALLOCATION OF TAX CREDITS OF A DEFAULTING QUALIFIED TAXPAYER UNDER THIS SUBSECTION (7) SHALL AGREE TO PAY THE TAX CREDIT SALE PROCEEDS WITHIN FIVE DAYS AFTER THE DATE OF THE TRANSFER.

(8) THE TAX CREDIT SALE PROCEEDS PROVIDED BY A QUALIFIED TAXPAYER IN RETURN FOR A TAX CREDIT CERTIFICATE ISSUED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION MUST BE DEPOSITED AS SPECIFIED IN SECTION 24-36-406.

(9) (a) THE DEPARTMENT SHALL PROVIDE, WITHIN THIRTY DAYS AFTER THE CLOSE OF THE FISCAL YEAR, A DATA FILE TO THE DIVISION OF INSURANCE AND THE DEPARTMENT OF REVENUE FOR EACH FISCAL YEAR IN WHICH IT ISSUES TAX CREDIT CERTIFICATES PURSUANT TO THIS PART 4. THE DATA FILE MUST INCLUDE:

(I) THE NAME AND IDENTIFYING NUMBER ISSUED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, OR ANY SUCCESSOR ORGANIZATION, OF EACH QUALIFIED TAXPAYER TO WHICH THE DEPARTMENT ISSUED A TAX CREDIT CERTIFICATE;

(II) THE TOTAL AMOUNT OF THE TAX CREDIT ALLOCATED TO THE QUALIFIED TAXPAYER; AND

(III) THE SERIAL NUMBER OF THE TAX CREDIT CERTIFICATE ISSUED TO THE QUALIFIED TAXPAYER.

(b) THE DEPARTMENT SHALL MAINTAIN RECORDS OF EACH TAX CREDIT CERTIFICATE ISSUED, TRANSFERRED, OR ASSUMED THAT ARE SUFFICIENT TO ALLOW THE DEPARTMENT OF REVENUE OR THE DIVISION OF INSURANCE TO VERIFY THE ISSUANCE AND OWNERSHIP OF THE CREDIT. THE DEPARTMENT SHALL PROVIDE THE RECORDS TO THE OFFICE OF THE STATE AUDITOR UPON REQUEST SO THAT THE STATE AUDITOR CAN EVALUATE THE EFFECTIVENESS OF THE TAX CREDITS IN ACCORDANCE WITH SECTIONS 24-36-401 (2)(b) AND 39-21-305.

(10) THE DEPARTMENT MAY PAY AN INDEPENDENT THIRD PARTY AND ANY CONSULTANTS REASONABLE AND NECESSARY ADMINISTRATIVE, MONITORING, AND CLOSING COSTS USING THE PROCEEDS FROM THE SALE OF TAX CREDITS.

24-36-404. Use of insurance premium tax credits - carry over. (1) FOR A TAX CREDIT CERTIFICATE ISSUED IN FISCAL YEAR 2025-26, THE DEPARTMENT, IN CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING, PRIOR TO THE SALE, MAY DETERMINE THE CALENDAR YEARS IN WHICH THE QUALIFIED TAXPAYER MAY CLAIM THE QUALIFIED TAXPAYER'S TAX CREDIT AGAINST THE QUALIFIED TAXPAYER'S PREMIUM TAX LIABILITY.

(2) THE TOTAL CREDIT TO BE APPLIED BY A QUALIFIED TAXPAYER IN ANY ONE YEAR MUST NOT EXCEED THE PREMIUM TAX LIABILITY OF THE

QUALIFIED TAXPAYER FOR THE TAXABLE YEAR. IF THE QUALIFIED TAXPAYER CANNOT USE THE ENTIRE AMOUNT OF THE TAX CREDIT FOR THE TAXABLE YEAR IN WHICH THE TAXPAYER IS ELIGIBLE FOR THE CREDIT, THE EXCESS MAY BE CARRIED OVER TO SUCCEEDING TAXABLE YEARS AND USED AS A CREDIT AGAINST THE PREMIUM TAX LIABILITY OF THE TAXPAYER FOR THOSE TAXABLE YEARS; EXCEPT THAT THE CREDIT MAY NOT BE CARRIED OVER TO ANY TAXABLE YEAR THAT BEGINS AFTER DECEMBER 31, 2033. ANY AMOUNT OF THE CREDIT THAT IS NOT TIMELY CLAIMED EXPIRES AND IS NOT REFUNDABLE.

(3) A QUALIFIED TAXPAYER CLAIMING A CREDIT UNDER THIS PART 4 SHALL SUBMIT THE TAX CREDIT CERTIFICATE WITH ITS TAX RETURN.

(4) A QUALIFIED TAXPAYER CLAIMING A TAX CREDIT UNDER THIS PART 4 SHALL NOT BE REQUIRED TO PAY ANY ADDITIONAL OR RETALIATORY TAX AS A RESULT OF CLAIMING THE CREDIT.

(5) IF A QUALIFIED TAXPAYER HOLDING AN UNCLAIMED TAX CREDIT IS PART OF A MERGER, ACQUISITION, OR LINE OF BUSINESS DIVESTITURE TRANSACTION, THE TAX CREDIT MAY BE TRANSFERRED TO AND ASSUMED BY THE RESULTING ENTITY IF THE RESULTING ENTITY IS AN INSURANCE COMPANY AUTHORIZED TO DO BUSINESS IN COLORADO THAT HAS PREMIUM TAX LIABILITY. THE QUALIFIED TAXPAYER THAT ORIGINALLY PURCHASED THE CREDIT AND THE RESULTING ENTITY SHALL NOTIFY THE DEPARTMENT IN WRITING OF THE TRANSFER OR ASSUMPTION OF THE CREDIT IN ACCORDANCE WITH PROCEDURES ADOPTED BY THE DEPARTMENT. THE TRANSFER OR ASSUMPTION OF THE TAX CREDIT DOES NOT AFFECT THE TIME SCHEDULE FOR CLAIMING THE TAX CREDIT AS PROVIDED IN THIS SECTION.

(6) THE DEPARTMENT SHALL PROVIDE A REPORT TO THE DIVISION OF INSURANCE FOR EACH FISCAL YEAR IN WHICH IT ISSUES TAX CREDIT CERTIFICATES PURSUANT TO THIS PART 4 WITHIN THIRTY DAYS AFTER THE CLOSE OF THE FISCAL YEAR. THE REPORT MUST INCLUDE:

(a) THE NAME AND IDENTIFYING NUMBER ISSUED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, OR ANY SUCCESSOR ORGANIZATION, OF EACH QUALIFIED TAXPAYER TO WHICH THE DEPARTMENT ISSUED A TAX CREDIT CERTIFICATE;

(b) THE TOTAL AMOUNT OF THE TAX CREDIT ALLOCATED TO THE QUALIFIED TAXPAYER; AND

(c) THE SERIAL NUMBER OF THE TAX CREDIT CERTIFICATE ISSUED, TRANSFERRED, OR ASSUMED THAT IS SUFFICIENT TO ALLOW THE DIVISION OF INSURANCE TO VERIFY THE ISSUANCE AND OWNERSHIP OF THE TAX CREDIT.

24-36-405. Tax credit sale proceeds cash fund - creation. (1) THE TAX CREDIT SALE PROCEEDS CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY GENERATED BY SALE

PROCEEDS CREDITED TO THE FUND PURSUANT TO SECTION 24-36-406 AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

(2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE TAX CREDIT SALE PROCEEDS CASH FUND TO THE FUND.

(3) THE STATE TREASURER SHALL TRANSFER ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE TAX CREDIT SALE PROCEEDS CASH FUND AT THE END OF A FISCAL YEAR TO THE GENERAL FUND.

(4) (a) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, THE DEPARTMENT MAY EXPEND MONEY FROM THE FUND FOR ANY REASONABLE AND NECESSARY ADMINISTRATIVE, MONITORING, AND CLOSING COSTS ASSOCIATED WITH IMPLEMENTING AND ADMINISTERING PARTS 4 AND 5 OF THIS ARTICLE 36.

(b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, THE DEPARTMENT OF REVENUE MAY EXPEND MONEY FROM THE FUND FOR DIRECT AND INDIRECT COSTS ASSOCIATED WITH IMPLEMENTING AND ADMINISTERING PARTS 4 AND 5 OF THIS ARTICLE 36.

24-36-406. Distribution of sale proceeds. (1) EACH MONTH, THE STATE TREASURER SHALL CREDIT THE MONEY GENERATED BY THE SALE PROCEEDS PURSUANT TO PARTS 4 AND 5 OF THIS ARTICLE 36 AS FOLLOWS:

(a) AN AMOUNT EQUAL TO THE MONTHLY EXPENSES DESCRIBED IN SECTION 24-36-405 (4) TO THE TAX CREDIT SALE PROCEEDS CASH FUND;

(b) THE REMAINDER TO THE HEALTH INSURANCE AFFORDABILITY CASH FUND; EXCEPT THAT THE AMOUNT CREDITED TO THE HEALTH INSURANCE AFFORDABILITY CASH FUND SHALL NOT EXCEED ONE HUNDRED MILLION DOLLARS; AND

(c) AFTER THE AMOUNT SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION HAS BEEN CREDITED TO THE HEALTH INSURANCE AFFORDABILITY CASH FUND, THEN THE REMAINDER TO THE TAX CREDIT SALE PROCEEDS CASH FUND.

(2) THE DEPARTMENT SHALL TRANSFER THE MONEY IN THE TAX CREDIT SALE PROCEEDS CASH FUND, LESS ANY AMOUNTS USED FOR THE EXPENSES DESCRIBED IN SECTION 24-36-405 (4), TO THE GENERAL FUND.

24-36-407. Part contingent on condition - repeal of part - notice to the revisor. (1) THIS PART 4 WILL TAKE EFFECT ONLY IF, BY DECEMBER 31, 2025, THE UNITED STATES CONGRESS DOES NOT ENACT AND THE PRESIDENT DOES NOT SIGN FEDERAL LEGISLATION THAT EXTENDS, RECREATES, OR OTHERWISE REINSTATES THE ENHANCED PREMIUM TAX CREDIT FOR THE 2026 PLAN YEAR. THE COMMISSIONER OF INSURANCE SHALL NOTIFY THE REVISOR OF STATUTES IN WRITING IF THE CONDITION SPECIFIED IN THIS SUBSECTION (1) HAS OCCURRED BY

EMAILING THE NOTICE TO REVISOROFSTATUTES.GA@COLEG.GOV. IF THE CONDITION SPECIFIED IN THIS SUBSECTION (1) OCCURS, THIS PART 4 TAKES EFFECT ON JANUARY 1, 2026.

(2) THIS PART 4 WILL BE REPEALED IF, ON OR BEFORE DECEMBER 31, 2025, THE UNITED STATES CONGRESS ENACTS AND THE PRESIDENT SIGNS FEDERAL LEGISLATION THAT EXTENDS, RECREATES, OR OTHERWISE REINSTATES THE ENHANCED PREMIUM TAX CREDIT FOR THE 2026 PLAN YEAR WITH AT LEAST THE SAME ELIGIBILITY AND IN THE SAME AMOUNT AS AUTHORIZED BY THE AMENDMENTS TO THE PREMIUM TAX CREDIT IN THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AND THE FEDERAL "INFLATION REDUCTION ACT OF 2022", PUB.L. 117-169, 136 STAT. 1818 (2022). THE COMMISSIONER OF INSURANCE SHALL NOTIFY THE REVISOR OF STATUTES IN WRITING IF THE CONDITION SPECIFIED IN THIS SUBSECTION (2) HAS OCCURRED AND OF THE DATE ON WHICH THE CONDITION OCCURRED BY EMAILING THE NOTICE TO REVISOROFSTATUTES.GA@COLEG.GOV. THIS PART 4 IS REPEALED UPON THE DATE IDENTIFIED IN THE NOTICE THAT THE CONDITION SPECIFIED IN THIS SUBSECTION (2) OCCURRED OR, IF THE NOTICE DOES NOT SPECIFY THAT DATE, UPON THE DATE OF THE NOTICE TO THE REVISOR OF STATUTES.

(3) THIS PART 4 IS REPEALED, EFFECTIVE DECEMBER 31, 2040.

PART 5
SALE OF CORPORATE TAX CREDITS

24-36-501. Legislative declaration - tax preference performance statement. (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) THE CORPORATE TAX CREDITS AUTHORIZED BY THIS PART 5 ARE NOT REFUNDABLE AND DO NOT IMPOSE AN OBLIGATION OF PAYMENT IN ANY FUTURE YEAR ON THE STATE;

(b) THE USE OF PROCEEDS FROM THE SALE OF CORPORATE TAX CREDITS DOES NOT REQUIRE THE STATE TO BORROW MONEY, EXTEND OR PLEDGE THE STATE'S CREDIT, OR OBLIGATE THE STATE TO MAKE FUTURE PAYMENTS FROM STATE REVENUE;

(c) THE SALE AND USE OF THE CORPORATE TAX CREDITS SHALL NOT BE DEEMED OR CONSTRUED AS CREATING INDEBTEDNESS OR ANY OTHER FINANCIAL OBLIGATION WHATSOEVER WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR THE LAWS OF THE STATE CONCERNING OR LIMITING THE CREATION OF INDEBTEDNESS OR OTHER FINANCIAL OBLIGATION BY THE STATE;

(d) THE TAX CREDITS ALLOW A CORPORATION WITH AN INCOME TAX LIABILITY TO PREPAY ITS TAX LIABILITY FOR FUTURE YEARS, WHICH DOES NOT CONSTITUTE A TAX POLICY CHANGE UNDER SECTION 20 (4)(a) OF ARTICLE X OF THE STATE CONSTITUTION; AND

(e) ANY PROCEEDS FROM THE SALE OF THE TAX CREDITS WILL BE

OFFSET BY DECREASES IN FUTURE REVENUE RESULTING FROM THE BUYER'S USE OF THE TAX CREDITS AND THEREFORE WILL NOT CAUSE A NET TAX REVENUE GAIN UNDER SECTION 20 (4)(a) OF ARTICLE X OF THE STATE CONSTITUTION.

(2) (a) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT THE GENERAL PURPOSES OF THE TAX CREDITS PROVIDED FOR IN THIS PART 5 ARE TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS AND PROVIDE A REDUCTION IN INCOME TAX LIABILITY FOR CERTAIN BUSINESSES. SPECIFICALLY, THIS TAX EXPENDITURE IS INTENDED TO INDUCE C CORPORATIONS TO PURCHASE TAX CREDITS THAT WILL REDUCE THEIR FUTURE INCOME TAX LIABILITY IN ORDER TO GENERATE MONEY FOR THE HEALTH INSURANCE AFFORDABILITY CASH FUND.

(b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL MEASURE THE EFFECTIVENESS OF THE TAX CREDITS IN ACHIEVING THE PURPOSES SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION BASED ON THE NUMBER AND VALUE OF THE CREDITS CLAIMED AND THE TOTAL AMOUNT OF MONEY GENERATED AND ALLOCATED TO THE HEALTH INSURANCE AFFORDABILITY CASH FUND. THE DEPARTMENT OF REVENUE SHALL PROVIDE THE STATE AUDITOR WITH INFORMATION REGARDING THE TOTAL AMOUNT OF CREDITS CLAIMED AND THE MONEY ALLOCATED TO THE HEALTH INSURANCE AFFORDABILITY CASH FUND.

24-36-502. Definitions. AS USED IN THIS PART 5, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "C CORPORATION" HAS THE SAME MEANING AS IN SECTION 39-22-103 (2.5).

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF THE TREASURY.

(3) "HEALTH INSURANCE AFFORDABILITY CASH FUND" MEANS THE HEALTH INSURANCE AFFORDABILITY CASH FUND CREATED IN SECTION 10-16-1206 (1).

(4) "INCOME TAX LIABILITY" MEANS THE LIABILITY IMPOSED BY SECTION 39-22-301.

(5) "QUALIFIED TAXPAYER" MEANS A C CORPORATION AUTHORIZED TO DO BUSINESS IN COLORADO THAT HAS OR WILL HAVE AN INCOME TAX LIABILITY OWING TO THE STATE. "QUALIFIED TAXPAYER" ALSO INCLUDES A C CORPORATION THAT RECEIVES OR ASSUMES A TAX CREDIT TRANSFERRED IN ACCORDANCE WITH SECTION 26-36-503 (7)(e).

(6) "TAX CREDIT" MEANS THE TAX CREDIT CREATED IN SECTION 24-36-503.

(7) "TAX CREDIT SALE PROCEEDS" OR "SALE PROCEEDS" MEANS THE MONEY OR OTHER LIQUID ASSET ACCEPTABLE TO THE STATE

TREASURER THAT A QUALIFIED TAXPAYER PAYS TO THE DEPARTMENT THAT IS CREDITED AS SPECIFIED IN SECTION 24-36-406.

24-36-503. Corporate tax credits - purchase - authorization to issue - terms - report. (1) A QUALIFIED TAXPAYER MAY PURCHASE INCOME TAX CREDITS FROM THE DEPARTMENT IN ACCORDANCE WITH THIS SECTION AND MAY APPLY THE TAX CREDITS AGAINST ITS INCOME TAX LIABILITY IN ACCORDANCE WITH SECTION 24-36-504.

(2) (a) THE DEPARTMENT IS AUTHORIZED TO ISSUE TAX CREDIT CERTIFICATES TO QUALIFIED TAXPAYERS PURSUANT TO THIS PART 5 AND PART 4 OF THIS ARTICLE 36 EQUAL TO THE LESSER OF A TOTAL FACE VALUE OF UP TO ONE HUNDRED TWENTY-FIVE MILLION DOLLARS AND ANY REASONABLE AND NECESSARY ADMINISTRATIVE, MONITORING, AND CLOSING COSTS USING SALES PROCEEDS OR TOTAL SALES PROCEEDS OF UP TO ONE HUNDRED MILLION DOLLARS.

(b) THE DEPARTMENT MAY CONTRACT WITH AN INDEPENDENT THIRD PARTY TO CONDUCT OR CONSULT ON A BIDDING PROCESS AMONG QUALIFIED TAXPAYERS TO PURCHASE THE TAX CREDITS.

(c) THE DEPARTMENT SHALL CONSULT WITH C CORPORATIONS IN ADVANCE OF ISSUING ANY TAX CREDITS IN ACCORDANCE WITH THIS SECTION.

(3) A C CORPORATION AUTHORIZED TO DO BUSINESS IN COLORADO SEEKING TO PURCHASE TAX CREDITS MUST APPLY TO THE DEPARTMENT IN THE MANNER PRESCRIBED BY THE DEPARTMENT.

(4) USING PROCEDURES ADOPTED BY THE DEPARTMENT OR, IF APPLICABLE, BY AN INDEPENDENT THIRD PARTY, EACH C CORPORATION THAT SUBMITS AN APPLICATION SHALL MAKE A TIMELY AND IRREVOCABLE OFFER, CONTINGENT ONLY ON THE DEPARTMENT'S ISSUANCE TO THE C CORPORATION OF THE TAX CREDIT CERTIFICATES, TO MAKE A SPECIFIED PURCHASE PAYMENT AMOUNT TO THE DEPARTMENT ON DATES SPECIFIED BY THE DEPARTMENT, WHICH MUST NOT BURDEN ANY SINGLE TAX YEAR. THE OFFER MUST INCLUDE:

(a) THE REQUESTED AMOUNT OF TAX CREDITS, WHICH MUST NOT BE LESS THAN ANY MINIMUM AMOUNT ESTABLISHED IN PROCEDURES BY THE DEPARTMENT OR, IF APPLICABLE, THE INDEPENDENT THIRD PARTY;

(b) THE QUALIFIED TAXPAYER'S PROPOSED TAX CREDIT PURCHASE AMOUNT FOR EACH TAX CREDIT DOLLAR REQUESTED. THE MINIMUM PROPOSED TAX CREDIT PURCHASE AMOUNT MUST BE THE GREATER OF EITHER:

(I) THE PERCENTAGE OF THE REQUESTED DOLLAR AMOUNT OF TAX CREDITS THAT THE DEPARTMENT AND, IF APPLICABLE, THE INDEPENDENT THIRD PARTY DETERMINES TO BE CONSISTENT WITH MARKET CONDITIONS AS OF THE OFFER DATE; OR

(II) EIGHTY PERCENT OF THE REQUESTED DOLLAR AMOUNT OF TAX

CREDITS; AND

(c) ANY OTHER INFORMATION THE DEPARTMENT OR, IF APPLICABLE, THE INDEPENDENT THIRD PARTY REQUIRES.

(5) THE DEPARTMENT SHALL PROVIDE WRITTEN NOTICE TO EACH C CORPORATION THAT SUBMITS AN APPLICATION INDICATING WHETHER THE C CORPORATION HAS BEEN APPROVED AS A PURCHASER OF TAX CREDITS AND, IF SO, THE AMOUNT OF TAX CREDITS ALLOCATED AND THE DATE BY WHICH PAYMENT OF THE TAX CREDIT SALE PROCEEDS MUST BE MADE.

(6) ON RECEIPT OF PAYMENT OF THE SALE PROCEEDS, THE DEPARTMENT SHALL ISSUE TO EACH QUALIFIED TAXPAYER A TAX CREDIT CERTIFICATE. THE TAX CREDIT CERTIFICATE MUST STATE:

(a) THE TOTAL AMOUNT OF INCOME TAX CREDITS THAT THE QUALIFIED TAXPAYER MAY CLAIM;

(b) THE AMOUNT THAT THE QUALIFIED TAXPAYER HAS PAID FOR THE ISSUANCE OF THE TAX CREDIT CERTIFICATES AND THE DATE OF THE PAYMENT;

(c) THE DATES ON WHICH THE TAX CREDITS WILL BE AVAILABLE FOR USE BY THE QUALIFIED TAXPAYER;

(d) ANY PENALTIES OR OTHER REMEDIES FOR NONCOMPLIANCE;

(e) THE PROCEDURES TO BE USED FOR TRANSFERRING OR ASSUMING THE TAX CREDITS IN ACCORDANCE WITH SUBSECTION (7)(e) OF THIS SECTION;

(f) THE SERIAL NUMBER OF THE TAX CREDIT CERTIFICATE; AND

(g) ANY OTHER REQUIREMENTS DEEMED NECESSARY BY THE DEPARTMENT AS A CONDITION OF ISSUING THE TAX CREDIT CERTIFICATE.

(7) (a) THE DEPARTMENT SHALL NOT ISSUE A TAX CREDIT CERTIFICATE TO ANY QUALIFIED TAXPAYER THAT FAILS TO PROVIDE THE TAX CREDIT SALE PROCEEDS WITHIN THE TIME THE DEPARTMENT SPECIFIES.

(b) A QUALIFIED TAXPAYER THAT FAILS TO PROVIDE THE TAX CREDIT SALE PROCEEDS WITHIN THE TIME THE DEPARTMENT SPECIFIES IS SUBJECT TO A PENALTY EQUAL TO TEN PERCENT OF THE AMOUNT OF THE PURCHASE PRICE THAT REMAINS UNPAID. THE PENALTY MUST BE PAID TO THE DEPARTMENT WITHIN THIRTY DAYS AFTER DEMAND.

(c) THE DEPARTMENT MAY OFFER TO REALLOCATE THE DEFAULTED TAX CREDITS AMONG OTHER QUALIFIED TAXPAYERS SO THAT THE RESULT AFTER REALLOCATION IS THE SAME AS IF THE INITIAL ALLOCATION HAD BEEN PERFORMED WITHOUT CONSIDERING THE TAX CREDIT ALLOCATION TO THE DEFAULTING QUALIFIED TAXPAYER.

(d) IF THE REALLOCATION OF TAX CREDITS UNDER SUBSECTION (7)(c) OF THIS SECTION RESULTS IN THE PAYMENT BY ANOTHER QUALIFIED TAXPAYER OF THE AMOUNT OF TAX CREDIT SALE PROCEEDS NOT PAID BY

THE DEFAULTING QUALIFIED TAXPAYER, THE DEPARTMENT MAY WAIVE THE PENALTY IMPOSED UNDER SUBSECTION (7)(b) OF THIS SECTION.

(e) A QUALIFIED TAXPAYER THAT FAILS TO PAY THE TAX CREDIT SALE PROCEEDS WITHIN THE TIME SPECIFIED MAY AVOID THE IMPOSITION OF THE PENALTY BY TRANSFERRING THE ALLOCATION OF TAX CREDITS TO A NEW OR EXISTING QUALIFIED TAXPAYER WITHIN THIRTY DAYS AFTER THE DUE DATE OF THE DEFAULTED INSTALLMENT. ANY TRANSFEREE OF AN ALLOCATION OF TAX CREDITS OF A DEFAULTING QUALIFIED TAXPAYER UNDER THIS SUBSECTION (7) SHALL AGREE TO PAY THE TAX CREDIT SALE PROCEEDS WITHIN FIVE DAYS AFTER THE DATE OF THE TRANSFER.

(8) THE TAX CREDIT SALE PROCEEDS PROVIDED BY A QUALIFIED TAXPAYER IN RETURN FOR A TAX CREDIT CERTIFICATE ISSUED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION MUST BE CREDITED AS SPECIFIED IN SECTION 24-36-406.

(9) (a) THE DEPARTMENT SHALL PROVIDE, WITHIN THIRTY DAYS AFTER THE CLOSE OF THE FISCAL YEAR, A DATA FILE TO THE DEPARTMENT OF REVENUE FOR EACH FISCAL YEAR IN WHICH IT ISSUES TAX CREDIT CERTIFICATES PURSUANT TO THIS PART 5. THE DATA FILE MUST INCLUDE:

(I) THE NAME AND FEDERAL EMPLOYER IDENTIFICATION NUMBER OF EACH QUALIFIED TAXPAYER TO WHICH THE DEPARTMENT ISSUED A TAX CREDIT CERTIFICATE;

(II) THE TOTAL AMOUNT OF THE TAX CREDIT ALLOCATED TO THE QUALIFIED TAXPAYER; AND

(III) THE SERIAL NUMBER OF THE TAX CREDIT CERTIFICATE ISSUED TO THE QUALIFIED TAXPAYER.

(b) THE DEPARTMENT SHALL MAINTAIN RECORDS OF EACH TAX CREDIT CERTIFICATE ISSUED, TRANSFERRED, OR ASSUMED THAT ARE SUFFICIENT TO ALLOW THE DEPARTMENT OF REVENUE TO VERIFY THE ISSUANCE AND OWNERSHIP OF THE CREDIT. THE DEPARTMENT SHALL PROVIDE THE RECORDS TO THE OFFICE OF THE STATE AUDITOR UPON REQUEST SO THAT THE STATE AUDITOR CAN EVALUATE THE EFFECTIVENESS OF THE TAX CREDITS IN ACCORDANCE WITH SECTIONS 24-36-501 (2)(b) AND 39-21-305.

(10) THE DEPARTMENT MAY PAY AN INDEPENDENT THIRD PARTY AND ANY CONSULTANTS REASONABLE AND NECESSARY ADMINISTRATIVE, MONITORING, AND CLOSING COSTS USING THE PROCEEDS FROM THE SALE OF TAX CREDITS.

24-36-504. Use of corporate income tax credits - carry over. (1) FOR A TAX CREDIT CERTIFICATE ISSUED IN FISCAL YEAR 2025-26, THE DEPARTMENT, IN CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING, PRIOR TO THE SALE, MAY DETERMINE THE TAX YEARS IN WHICH THE QUALIFIED TAXPAYER MAY CLAIM THE QUALIFIED TAXPAYER'S TAX CREDIT AGAINST THE QUALIFIED TAXPAYER'S INCOME TAX LIABILITY.

(2) FOR THE TAX YEAR SPECIFIED IN THE TAX CREDIT CERTIFICATE ISSUED PURSUANT TO SECTION 24-34-503 (6), THE QUALIFIED TAXPAYER MAY CLAIM THE AMOUNT OF THE TAX CREDIT AGAINST THE QUALIFIED TAXPAYER'S INCOME TAX LIABILITY. IF THE AMOUNT OF THE TAX CREDIT EXCEEDS THE QUALIFIED TAXPAYER'S ACTUAL TAX LIABILITY FOR THAT TAX YEAR, THE EXCESS IS NOT REFUNDED TO THE QUALIFIED TAXPAYER. THE QUALIFIED TAXPAYER MAY CARRY FORWARD AND APPLY THE UNUSED TAX CREDIT AGAINST THE INCOME TAX LIABILITY FOR ANY SUCCEEDING TAX YEAR; EXCEPT THAT THE TAX CREDIT MAY NOT BE CARRIED FORWARD TO A TAX YEAR THAT BEGINS AFTER DECEMBER 31, 2033. THE TAXPAYER SHALL APPLY THE CARRY FORWARD CREDIT AGAINST THE INCOME TAX LIABILITY FOR THE EARLIEST OF THE INCOME TAX YEARS POSSIBLE. ANY AMOUNT OF THE TAX CREDIT THAT IS NOT USED AFTER THIS PERIOD IS NOT REFUNDABLE.

(3) A QUALIFIED TAXPAYER CLAIMING A CREDIT UNDER THIS PART 5 SHALL SUBMIT THE TAX CREDIT CERTIFICATE WITH ITS TAX RETURN.

24-36-505. Part contingent on condition - repeal of part - notice to the revisor. (1) THIS PART 5 WILL TAKE EFFECT ONLY IF, BY DECEMBER 31, 2025, THE UNITED STATES CONGRESS DOES NOT ENACT AND THE PRESIDENT DOES NOT SIGN FEDERAL LEGISLATION THAT EXTENDS, RECREATES, OR OTHERWISE REINSTATES THE ENHANCED PREMIUM TAX CREDIT FOR THE 2026 PLAN YEAR. THE COMMISSIONER OF INSURANCE SHALL NOTIFY THE REVISOR OF STATUTES IN WRITING IF THE CONDITION SPECIFIED IN THIS SUBSECTION (1) HAS OCCURRED BY EMAILING THE NOTICE TO REVISOROFSTATUTES.GA@COLEG.GOV. IF THE CONDITION SPECIFIED IN THIS SUBSECTION (1) OCCURS, THIS PART 5 TAKES EFFECT ON JANUARY 1, 2026.

(2) THIS PART 5 WILL BE REPEALED IF, ON OR BEFORE DECEMBER 31, 2025, THE UNITED STATES CONGRESS ENACTS AND THE PRESIDENT SIGNS FEDERAL LEGISLATION THAT EXTENDS, RECREATES, OR OTHERWISE REINSTATES THE ENHANCED PREMIUM TAX CREDIT FOR THE 2026 PLAN YEAR WITH AT LEAST THE SAME ELIGIBILITY AND IN THE SAME AMOUNT AS AUTHORIZED BY THE AMENDMENTS TO THE PREMIUM TAX CREDIT IN THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AND THE FEDERAL "INFLATION REDUCTION ACT OF 2022", PUB.L. 117-169, 136 STAT. 1818 (2022). THE COMMISSIONER OF INSURANCE SHALL NOTIFY THE REVISOR OF STATUTES IN WRITING IF THE CONDITION SPECIFIED IN THIS SUBSECTION (2) HAS OCCURRED AND OF THE DATE ON WHICH THE CONDITION OCCURRED BY EMAILING THE NOTICE TO REVISOROFSTATUTES.GA@COLEG.GOV. THIS PART 5 IS REPEALED UPON THE DATE IDENTIFIED IN THE NOTICE THAT THE CONDITION SPECIFIED IN THIS SUBSECTION (2) OCCURRED OR, IF THE NOTICE DOES NOT SPECIFY THAT DATE, UPON THE DATE OF THE NOTICE TO THE REVISOR OF STATUTES.

(3) THIS PART 5 IS REPEALED, EFFECTIVE DECEMBER 31, 2040.

SECTION 14. In Colorado Revised Statutes, 24-75-201.1, **amend** (1)(d)(XXII); **repeal** (1)(d)(XXIII); and **add** (1)(d)(XXIV), (1)(d)(XXV), (1)(d)(XXVI), and (1)(d)(XXVII) as follows:

24-75-201.1. Restriction on state appropriations - legislative declaration - definitions. (1) (d) For each fiscal year, unrestricted general fund year-end balances must be retained as a reserve in the following amounts:

(XXII) For the fiscal year 2021-22, thirteen and four-tenths percent of the amount appropriated for expenditure from the general fund for that fiscal year; ~~and~~

(XXIII) ~~(A) Except as otherwise provided in subsection (1)(d)(XXIII)(B) of this section, for the fiscal year 2022-23 and each fiscal year thereafter, fifteen percent of the amount appropriated for expenditure from the general fund for that fiscal year; except that, for the 2023-24 state fiscal year, the amount retained as a reserve must be fifteen percent of the amount appropriated for expenditure from the general fund for that fiscal year plus fifteen percent of the amount of the general fund appropriations reduced pursuant to section 24-75-226 (4)(a)(I); and for the 2024-25 state fiscal year, the amount retained as a reserve must be fifteen percent of the amount appropriated for expenditure from the general fund plus fifty-six million four hundred ninety-three thousand five hundred forty-three dollars.~~

~~(B) For the fiscal year 2023-24 and each fiscal year thereafter until the escrow money is released as set forth in section 23-40-107, the amount of the reserve described in subsection (1)(d)(XXIII)(A) of this section for that fiscal year reduced by forty-one million two hundred fifty thousand dollars. As used in this subsection (1)(d)(XXIII)(B), "escrow money" has the same meaning as set forth in section 23-40-107 (2)(c).~~

(XXIV) FOR THE FISCAL YEAR 2022-23, FIFTEEN PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM THE GENERAL FUND FOR THAT FISCAL YEAR;

(XXV) FOR THE FISCAL YEAR 2023-24, FIFTEEN PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM THE GENERAL FUND FOR THAT FISCAL YEAR:

(A) PLUS FIFTEEN PERCENT OF THE AMOUNT OF THE GENERAL FUND APPROPRIATIONS REDUCED PURSUANT TO SECTION 24-75-226 (4)(a)(I); AND

(B) SO LONG AS THE ESCROW MONEY IS NOT RELEASED AS SET FORTH IN SECTION 23-40-107, MINUS FORTY-ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS. AS USED IN THIS SUBSECTION (1)(d)(XXV)(B), "ESCROW MONEY" HAS THE MEANING SET FORTH IN SECTION 23-40-107 (2)(c).

(XXVI) FOR THE FISCAL YEAR 2024-25, FIFTEEN PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM THE GENERAL FUND FOR THAT FISCAL YEAR:

(A) PLUS FIFTY-SIX MILLION FOUR HUNDRED NINETY-THREE THOUSAND FIVE HUNDRED FORTY-THREE DOLLARS; AND

(B) SO LONG AS THE ESCROW MONEY IS NOT RELEASED AS SET FORTH IN SECTION 23-40-107, MINUS FORTY-ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS. AS USED IN THIS SUBSECTION (1)(d)(XXVI)(B), "ESCROW MONEY" HAS THE MEANING SET FORTH IN SECTION 23-40-107 (2)(c).

(XXVII) FOR THE FISCAL YEAR 2025-26, AND EACH FISCAL YEAR THEREAFTER, FIFTEEN PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM THE GENERAL FUND FOR THAT FISCAL YEAR MINUS:

(A) THE AMOUNT CALCULATED BY THE STATE TREASURER IN ACCORDANCE WITH SECTION 10-16-1206 (1.5)(a)(II)(B); EXCEPT THAT THIS SUBSECTION (1)(d)(XXVII)(A) TAKES EFFECT ON JANUARY 1, 2026, ONLY IF THE CONDITION SPECIFIED IN SECTION 10-16-1209 (1) OCCURS; AND

(B) SO LONG AS THE ESCROW MONEY IS NOT RELEASED AS SET FORTH IN SECTION 23-40-107, FORTY-ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS. AS USED IN THIS SUBSECTION (1)(d)(XXVII)(B), "ESCROW MONEY" HAS THE MEANING SET FORTH IN SECTION 23-40-107 (2)(c).

SECTION 15. In Colorado Revised Statutes, 24-75-226.5, **add** (2)(c)(III) as follows:

24-75-226.5. ARPA refinance state money cash fund - creation - reduction in general fund appropriations - legislative intent - definitions - repeal. (2) (c) (III) (A) WITHIN THREE DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (2)(c)(III), THE STATE TREASURER SHALL TRANSFER TEN MILLION DOLLARS FROM THE REFINANCE DISCRETIONARY ACCOUNT TO THE HEALTH INSURANCE AFFORDABILITY CASH FUND CREATED IN SECTION 10-16-1206 (1).

(B) THIS SUBSECTION (2)(c)(III) TAKES EFFECT ON JANUARY 1, 2026, ONLY IF THE CONDITION SPECIFIED IN SECTION 10-16-1209 (1) OCCURS.

SECTION 16. Effective date. (1) Except as otherwise provided in this section, this act takes effect upon passage.

(2) Section 24-36-401 (2), Colorado Revised Statutes, as amended in section 6 of this act, section 24-36-402 (6), Colorado Revised Statutes, as amended in section 7 of this act, 24-36-403 (2)(a)(I) and (8), Colorado Revised Statutes, as amended in section 8 of this act, section 24-36-406, Colorado Revised Statutes, as amended in section 9 of this act, section 24-36-501 (2), Colorado Revised Statutes, as amended in section 10 of

this act, section 24-36-502 (6), Colorado Revised Statutes, as amended in section 11 of this act, and section 24-36-503 (2)(a) and (8), Colorado Revised Statutes, as amended in section 12 of this act, take effect only if House Bill 25B-1004 becomes law, in which case section 24-36-401 (2), Colorado Revised Statutes, as amended in section 6 of this act, section 24-36-402 (6), Colorado Revised Statutes, as amended in section 7 of this act, 24-36-403 (2)(a)(I) and (8), Colorado Revised Statutes, as amended in section 8 of this act, section 24-36-406, Colorado Revised Statutes, as amended in section 9 of this act, section 24-36-501 (2), Colorado Revised Statutes, as amended in section 10 of this act, section 24-36-502 (6), Colorado Revised Statutes, as amended in section 11 of this act, and section 24-36-503 (2)(a) and (8), Colorado Revised Statutes, as amended in section 12 of this act, take effect one day after the effective date of House Bill 25B-1004.

(3) Parts 4 and 5 of article 36 of title 24, Colorado Revised Statutes, enacted in section 13 of this act, take effect only if House Bill 25B-1004 does not become law, in which case parts 4 and 5 of article 36 of title 24, Colorado Revised Statutes, enacted in section 13 of this act, take effect upon passage.".

Renumber succeeding section accordingly.

Strike "10-16-1203 (16), 10-16-1205 (2)(e), AND 10-16-1206 (1.5)" and substitute "10-16-1205 (2)(e), 10-16-1206 (1.5), AND 24-75-201.1 (1)(d)(XXVII)(A)" on: **Page 8**, lines 17 and 18 and lines 26 and 27; and **Page 9**, lines 1 and 2 and line 15.

** *** ** *** **