

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0485.01 Ed DeCecco x4216

HOUSE BILL 14-1106

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HOUSE SPONSORSHIP

Nordberg and Wright, Szabo, Conti, Dore, Joshi, Landgraf, Lawrence, Scott, Sonnenberg

SENATE SPONSORSHIP

(None),

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House Committees

State, Veterans, & Military Affairs

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING A STATE INCOME TAX DEDUCTION FOR A TAXPAYER WHO  
102 PAYS A PENALTY FOR FAILING TO MAINTAIN MINIMUM  
103 ESSENTIAL COVERAGE REQUIRED BY THE FEDERAL "PATIENT  
104 PROTECTION AND AFFORDABLE CARE ACT".

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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://www.leg.state.co.us/billsummaries>.)*

The starting point for determining state income tax liability is federal taxable income. This number is adjusted for additions and

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.

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 a taxpayer who pays a penalty for failing to maintain minimum essential coverage under section 5000A of the internal revenue code, which was enacted by the federal "Patient Protection and Affordable Care Act", to claim a state income tax deduction for an amount equal to the penalty.

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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 in  
4 this act is to lessen the impact of an unfair federal law that requires an  
5 individual to pay a penalty for failing to have health insurance.

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

8           **39-22-104. Income tax imposed on individuals, estates, and**  
9 **trusts - single rate - definitions - repeal.** (4) There shall be subtracted  
10 from federal taxable income:

11           (t) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
12 1, 2015, AN AMOUNT EQUAL TO ANY PENALTY THAT A TAXPAYER PAYS  
13 PURSUANT TO SECTION 5000A OF THE INTERNAL REVENUE CODE, OR A  
14 SUCCESSOR SECTION, FOR A MONTH DURING THE TAXABLE YEAR.

15           **SECTION 3. Act subject to petition - effective date.** This act  
16 takes effect at 12:01 a.m. on the day following the expiration of the  
17 ninety-day period after final adjournment of the general assembly (August  
18 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a  
19 referendum petition is filed pursuant to section 1 (3) of article V of the  
20 state constitution against this act or an item, section, or part of this act  
21 within such period, then the act, item, section, or part will not take effect  
22 unless approved by the people at the general election to be held in

- 1 November 2014 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.