

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0593.02 Jessica Herrera x4218

HOUSE BILL 24-1271

HOUSE SPONSORSHIP

McCormick,

SENATE SPONSORSHIP

(None),

House Committees

Agriculture, Water & Natural Resources

Senate Committees

A BILL FOR AN ACT

101 CONCERNING A STATE INCOME TAX CREDIT FOR QUALIFIED
102 INDIVIDUALS IN THE VETERINARY FIELD.

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>.)

For income tax years commencing on or after January 1, 2026, but before January 1, 2033, the bill creates a new refundable state income tax credit for a qualified licensed veterinarian and a registered veterinary technician (veterinary professional) working full-time in an underserved area or under-resourced area (underserved area) and for a buyer of a veterinary practice in an underserved area. The department of agriculture

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

(department) is required to certify tax credits for eligible veterinary professionals and buyers of a veterinary practice in an underserved area in an amount not to exceed, in aggregate, \$2 million in any tax year.

No later than July 1, 2025, the department is required to promulgate rules for issuing a tax credit certificate to an eligible veterinary professional working full-time in an underserved area and for a buyer of a veterinary practice in an underserved area using the recommendations of an advisory board (board) that consists of 3 licensed veterinarians, 3 registered veterinary technicians, 3 agricultural animal producers, and 3 representatives from animal welfare nonprofits chosen by the commissioner of agriculture.

The department must promulgate rules that include criteria for the determination of which geographic areas of the state fall within the definition of an underserved or under-resourced area. The department must also promulgate rules that determine a mechanism to determine the tax credit amount the department is able to certify to an eligible veterinary professional working full-time in an underserved area that is no less than \$5,000 and no more than \$30,000 and to a buyer of a veterinary practice in an underserved or under-resourced area that is no less than \$10,000 and no more than \$200,000.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-560 as
3 follows:

4 **39-22-560. Qualified veterinary professional and buyer of**
5 **veterinary practice tax credit - tax preference performance statement**
6 **- legislative declaration - definitions - repeal.** (1) (a) IN ACCORDANCE
7 WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES
8 A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE
9 STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE
10 GENERAL ASSEMBLY DECLARES THAT:

11 (I) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDIT
12 ALLOWED BY THIS SECTION ARE TO INDUCE CERTAIN DESIGNATED
13 BEHAVIOR BY TAXPAYERS AND TO PROVIDE TAX RELIEF FOR CERTAIN
14 BUSINESSES OR INDIVIDUALS; AND

1 (II) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDIT
2 ALLOWED BY THIS SECTION IS TO ADDRESS THE SHORTAGE OF LICENSED
3 VETERINARIANS AND REGISTERED VETERINARY TECHNICIANS IN
4 UNDERSERVED AND UNDER-RESOURCED AREAS OF THE STATE BY
5 PROVIDING INCENTIVES TO THOSE VETERINARIANS AND VETERINARY
6 TECHNICIANS TO WORK IN UNDERSERVED OR UNDER-RESOURCED AREAS OR
7 TO BUY A VETERINARY PRACTICE IN AN UNDERSERVED OR
8 UNDER-RESOURCED AREA.

9 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
10 MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSE
11 SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION BASED ON THE NUMBER
12 OF CREDITS THAT ARE CLAIMED.

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

15 (a) "CREDIT CERTIFICATE" MEANS A CERTIFICATE ISSUED BY THE
16 DEPARTMENT CERTIFYING THAT A QUALIFIED TAXPAYER QUALIFIES FOR AN
17 INCOME TAX CREDIT AUTHORIZED IN THIS SECTION AND SPECIFYING THE
18 AMOUNT OF THE CREDIT ALLOWED AND THE INCOME TAX YEAR FOR WHICH
19 THE CREDIT MAY BE CLAIMED.

20 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF AGRICULTURE.

21 (c) "QUALIFIED TAXPAYER" MEANS A VETERINARY PROFESSIONAL
22 WORKING FULL-TIME IN AN UNDERSERVED OR UNDER-RESOURCED AREA OR
23 A BUYER OF A VETERINARY PRACTICE IN AN UNDERSERVED OR
24 UNDER-RESOURCED AREA.

25 (d) "VETERINARY PRACTICE" MEANS A VETERINARY BUSINESS,
26 OFFICE, HOSPITAL, CLINIC, OR TEMPORARY LOCATION WHERE VETERINARY
27 MEDICINE IS BEING PRACTICED BY OR UNDER THE DIRECTION AND

1 SUPERVISION OF A LICENSED VETERINARIAN. A PRACTICE MAY ALSO
2 INCLUDE A VETERINARY PRACTICE THAT DOES NOT HAVE A PERMANENT
3 PHYSICAL ESTABLISHMENT OR LOCATION.

4 (e) "VETERINARY PROFESSIONAL" MEANS A VETERINARIAN
5 LICENSED PURSUANT TO PART 1 OF ARTICLE 315 OF TITLE 12 AND A
6 VETERINARY TECHNICIAN REGISTERED PURSUANT TO PART 2 OF ARTICLE
7 315 OF TITLE 12.

8 (3) (a) SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION
9 (3)(b) OF THIS SECTION, FOR INCOME TAX YEARS COMMENCING ON OR
10 AFTER JANUARY 1, 2026, BUT BEFORE JANUARY 1, 2033:

11 (I) A VETERINARY PROFESSIONAL WORKING FULL-TIME IN AN
12 UNDERSERVED OR UNDER-RESOURCED AREA IS ALLOWED A CREDIT
13 AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT
14 DETERMINED BY THE DEPARTMENT PURSUANT TO SUBSECTION (3)(b) OF
15 THIS SECTION THAT IS NO LESS THAN FIVE THOUSAND DOLLARS AND NO
16 MORE THAN THIRTY THOUSAND DOLLARS.

17 (II) A BUYER OF A VETERINARY PRACTICE IN AN UNDERSERVED OR
18 UNDER-RESOURCED AREA IS ALLOWED A CREDIT AGAINST THE INCOME
19 TAXES IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT DETERMINED BY THE
20 DEPARTMENT PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION THAT IS
21 NO LESS THAN TEN THOUSAND DOLLARS AND NO MORE THAN TWO
22 HUNDRED THOUSAND DOLLARS.

23 (III) TO CLAIM THE TAX CREDIT, A QUALIFIED TAXPAYER SHALL
24 FILE THE TAX CREDIT CERTIFICATE ISSUED BY THE DEPARTMENT PURSUANT
25 TO SUBSECTION (3)(b) OF THIS SECTION WITH THE QUALIFIED TAXPAYER'S
26 STATE INCOME TAX RETURN.

27 (b) (I) A TAXPAYER SHALL SUBMIT AN APPLICATION TO THE

1 DEPARTMENT FOR A TAX CREDIT CERTIFICATE TO CLAIM THE TAX CREDIT
2 ALLOWED BY THIS SECTION ON A FORM AND IN A MANNER PRESCRIBED BY
3 THE DEPARTMENT. THE DEPARTMENT SHALL ISSUE TAX CREDIT
4 CERTIFICATES AND SHALL REVIEW AND APPROVE OR DENY AN APPLICATION
5 WITHIN A REASONABLE TIME NOT TO EXCEED NINETY DAYS AFTER THE
6 FILING OF A COMPLETED APPLICATION. IF THE DEPARTMENT DETERMINES
7 THAT AN APPLICANT IS NOT ENTITLED TO A TAX CREDIT CERTIFICATE
8 UNDER THIS SECTION, THE BOARD SHALL NOTIFY THE APPLICANT OF ITS
9 DISAPPROVAL IN WRITING.

10 (II) THE DEPARTMENT SHALL, IN A SUFFICIENTLY TIMELY MANNER
11 TO ALLOW THE DEPARTMENT OF REVENUE TO PROCESS RETURNS ON WHICH
12 A QUALIFIED TAXPAYER CLAIMS THE INCOME TAX CREDIT ALLOWED IN
13 THIS SECTION, PROVIDE THE DEPARTMENT OF REVENUE WITH AN
14 ELECTRONIC REPORT FOR THE PRECEDING TAX YEAR THAT LISTS EACH
15 QUALIFIED TAXPAYER TO WHICH THE BOARD ISSUED A TAX CREDIT
16 CERTIFICATE AND INCLUDES THE FOLLOWING INFORMATION:

17 (A) THE QUALIFIED TAXPAYER'S NAME;

18 (B) THE AMOUNT OF THE INCOME TAX CREDIT THAT THE
19 CERTIFICATE INDICATES THE QUALIFIED TAXPAYER IS ELIGIBLE TO CLAIM;
20 AND

21 (C) THE QUALIFIED TAXPAYER'S SOCIAL SECURITY NUMBER OR THE
22 QUALIFIED TAXPAYER'S COLORADO ACCOUNT NUMBER AND FEDERAL
23 EMPLOYER IDENTIFICATION NUMBER.

24 (III) NO LATER THAN JULY 1, 2025, THE DEPARTMENT SHALL
25 PROMULGATE RULES FOR ISSUING A TAX CREDIT CERTIFICATE TO AN
26 ELIGIBLE VETERINARY PROFESSIONAL WORKING FULL-TIME IN AN
27 UNDERSERVED AREA AND FOR A BUYER OF A VETERINARY PRACTICE IN AN

1 UNDERSERVED AREA USING THE RECOMMENDATIONS OF AN ADVISORY
2 BOARD APPOINTED BY THE STATE VETERINARIAN THAT CONSISTS OF THREE
3 LICENSED VETERINARIANS, THREE REGISTERED VETERINARY TECHNICIANS,
4 THREE AGRICULTURAL ANIMAL PRODUCERS, AND THREE REPRESENTATIVES
5 FROM ANIMAL WELFARE NONPROFITS.

6 (IV) THE DEPARTMENT SHALL NOT CERTIFY MORE THAN TWO
7 MILLION DOLLARS OF TAX CREDITS IN ANY GIVEN TAX YEAR UNDER THIS
8 SECTION.

9 (V) THE RULES PROMULGATED BY THE DEPARTMENT MUST
10 INCLUDE:

11 (A) CRITERIA FOR THE DETERMINATION OF WHICH GEOGRAPHIC
12 AREAS FALL WITHIN THE DEFINITION OF AN UNDERSERVED OR
13 UNDER-RESOURCED AREA;

14 (B) A MECHANISM TO DETERMINE THE TAX CREDIT AMOUNT THE
15 DEPARTMENT IS ABLE TO CERTIFY TO AN ELIGIBLE VETERINARY
16 PROFESSIONAL WORKING FULL-TIME IN AN UNDERSERVED AREA THAT IS NO
17 LESS THAN FIVE THOUSAND DOLLARS AND NO MORE THAN THIRTY
18 THOUSAND DOLLARS;

19 (C) A MECHANISM FOR DETERMINING THE TAX CREDIT AMOUNT
20 ALLOWED TO A BUYER OF A VETERINARY PRACTICE;

21 (D) CRITERIA FOR APPLICATION REQUIREMENTS INCLUDING ANY
22 DOCUMENTATION NEEDED FOR VERIFYING ELIGIBILITY; AND

23 (E) CRITERIA FOR A WAIT LIST IF APPLICATIONS FOR TAX CREDIT
24 CERTIFICATES SUBMITTED TO THE DEPARTMENT BY QUALIFIED TAXPAYERS
25 ISSUED IN ANY GIVEN TAX YEAR EXCEED THE LIMIT PURSUANT TO
26 SUBSECTION (3)(b)(II) OF THIS SECTION.

27 (VI) THE DEPARTMENT MAY PROMULGATE ANY OTHER RULES

1 NECESSARY FOR THE ADMINISTRATION OF THIS SECTION.

2 (VII) ONLY ONE TAX CREDIT MAY BE ISSUED PER QUALIFIED
3 TAXPAYER PER YEAR.

4 (VIII) IF A CREDIT AUTHORIZED BY THIS SECTION EXCEEDS THE
5 INCOME TAX DUE ON THE INCOME OF THE QUALIFIED TAXPAYER, THE
6 EXCESS TAX CREDIT MAY NOT BE CARRIED FORWARD AND IS REFUNDED TO
7 THE TAXPAYER.

8 (4) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2037.

9 **SECTION 2. 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; except
12 that, if a referendum petition is filed pursuant to section 1 (3) of article V
13 of the state constitution against this act or an item, section, or part of this
14 act within such period, then the act, item, section, or part will not take
15 effect unless approved by the people at the general election to be held in
16 November 2024 and, in such case, will take effect on the date of the
17 official declaration of the vote thereon by the governor.