

SENATE FLOOR AMENDMENT

Second Reading

BY SENATOR Story

1 Amend reengrossed bill, page 4, after line 7 insert:

2 "SECTION 2. In Colorado Revised Statutes, 39-21-103, add
3 (1.5) as follows:

4 **39-21-103. Hearings.** (1.5)(a)(I) NO LATER THAN DECEMBER 15,
5 2021, COLLEGEINVEST SHALL PROVIDE THE DEPARTMENT WITH A SECURE
6 ELECTRONIC REPORT CONTAINING THE NAME AND SOCIAL SECURITY
7 NUMBER, AND THE AMOUNT OF THE DISTRIBUTION, OF EACH ACCOUNT
8 HOLDER OF A COLLEGEINVEST ACCOUNT WHO IS ALSO A COLORADO
9 TAXPAYER MAKING A DISTRIBUTION IN THE REPORTING TAX YEARS
10 COMMENCING ON OR AFTER JANUARY 1, 2017, BUT BEFORE JANUARY 1,
11 2021.

12 (II) THE DEPARTMENT SHALL EXAMINE A REPRESENTATIVE SAMPLE
13 OF THE INFORMATION PROVIDED BY COLLEGEINVEST UNDER SUBSECTION
14 (1.5)(a)(I) OF THIS SECTION TO SUBSTANTIATE THAT ANY DISTRIBUTION
15 FROM A COLLEGEINVEST ACCOUNT WAS MADE FOR THE REASONS SPECIFIED
16 IN SECTION 39-22-104 (4)(i)(III), AND SHALL DETERMINE THE CORRECT
17 AMOUNT OF TAX FOR ANY TAXPAYER THAT MADE UNQUALIFIED
18 DISTRIBUTIONS. IF THE TAX THAT IS FOUND DUE IS GREATER THAN THE
19 AMOUNT ASSESSED OR PAID, THE DEPARTMENT SHALL NOTIFY THE
20 TAXPAYER AS SET FORTH IN SUBSECTION (1) OF THIS SECTION.

21 (b) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
22 1, 2021, THE EXECUTIVE DIRECTOR SHALL REGULARLY EXAMINE A
23 REPRESENTATIVE SAMPLE OF THE INFORMATION PROVIDED BY
24 COLLEGEINVEST UNDER SECTION 39-22-104 (4)(i)(V) TO SUBSTANTIATE
25 THAT ANY DISTRIBUTION FROM A COLLEGEINVEST ACCOUNT WAS MADE
26 FOR THE REASONS SPECIFIED IN SECTION 39-22-104 (4)(i)(III), AND SHALL
27 DETERMINE THE CORRECT AMOUNT OF TAX FOR ANY TAXPAYER THAT
28 MADE UNQUALIFIED DISTRIBUTIONS. IF THE TAX THAT IS FOUND DUE IS
29 GREATER THAN THE AMOUNT ASSESSED OR PAID, THE DEPARTMENT SHALL
30 NOTIFY THE TAXPAYER AS SET FORTH IN SUBSECTION (1) OF THIS SECTION.

31 (c) THE EXECUTIVE DIRECTOR SHALL PROVIDE A REPORT OF THE
32 EXAMINATIONS REQUIRED UNDER SUBSECTIONS (1.5)(a) AND (1.5)(b) OF
33 THIS SECTION, CONSISTENT WITH SECTION 39-21-113 (5), AS PART OF THE
34 DEPARTMENT'S PRESENTATION TO ITS COMMITTEE OF REFERENCE AT A
35 HEARING HELD PURSUANT TO SECTION 2-7-203 (2)(a) OF THE "STATE
36 MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT
37 (SMART) GOVERNMENT ACT".

38 Renumber succeeding sections accordingly.

- 1 Page 9, line 3, strike "2023," and substitute "2022,".
- 2 Page 9, line 12, strike "2022;" and substitute "2021;".
- 3 Page 9, line 16, strike "2022," and substitute "2021,".
- 4 Page 9, line 19, strike "UNQUALIFIED".
- 5 Page 9, line 21, strike "AN UNQUALIFIED" and substitute "A".
- 6 Page 9, line 22, strike "2022," and substitute "2021," and strike "REASON"
7 and substitute "REASON, IF ANY,".
- 8 Page 9, line 23, strike "UNQUALIFIED".
- 9 Page 36, line 6, after "**Appropriation.**" insert "(1)".
- 10 Page 36, after line 11 insert:
- 11 "(2) For the 2021-22 state fiscal year, \$64,856 is appropriated to
12 the department of revenue. This appropriation is from the general fund.
13 To implement this act, the department may use this appropriation as
14 follows:
- 15 (a) \$1,280 for use by the executive director's office for personal
16 services related to administration and support;
- 17 (b) \$41,961 for use by the taxation business group for personal
18 services related to taxation services, which amount is based on an
19 assumption that the group will require an additional 0.8 FTE;
- 20 (c) \$3,615 for use by the taxation business group for operating
21 expenses related to taxation services; and
- 22 (d) \$18,000 for tax administration IT system (GenTax) support.".

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