HB1121_L.003

HOUSE COMMITTEE OF REFERENCE AMENDMENT
Committee on Business Affairs & Labor.

HB22-1121 be amended as follows:

Amend printed bill, strike everything below the enacting clause and substitute:

"SECTION 1.  Legislative declaration.  (1)  The general assembly hereby finds and declares that:
   (a)  Local news media is an important source of unbiased information for communities to learn about the actions of their state and local governments;
   (b)  In many communities, local news media is the only available source of reliable information, but local news broadcasters and newspapers are closing across the country;
   (c)  Local news media advertising reaches communities in a more meaningful way than other advertising options such as social media advertising, which often excludes groups due to their demographics, socioeconomic status, or personal choices;
   (d)  Multiple studies show that local news media is a trusted source of information, while large social media platforms are increasingly seen as spreading misinformation; and
   (e)  Advertising in local news media provides revenue for local news media and so strengthens American democracy by supporting local news media, the public's watchdog organizations.

SECTION 2.  In Colorado Revised Statutes, add 39-22-543 as follows:

39-22-543.  Tax credit for supporting local broadcasters and newspapers - legislative declaration - definitions - repeal.  (1)  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 hereby finds and declares that:
   (a)  The general legislative purposes of the tax credits allowed by this section are:
      (I)  To induce certain designated behavior by taxpayers, specifically purchasing local broadcaster and newspaper subscriptions or memberships, purchasing advertising from local broadcasters and in local newspapers, and making contributions to nonprofit local broadcasters and newspapers; and
      (II)  To provide tax relief to taxpayers who purchase local broadcaster and newspaper subscriptions or memberships, purchase advertising from local broadcasters and in local
NEWSPAPERS, OR MAKE CONTRIBUTIONS TO NONPROFIT LOCAL
BROADCASTERS AND NEWSPAPERS.

(b) The specific legislative purpose of the tax credits
allowed by this section is to support local broadcasters and
newspapers by encouraging taxpayers to purchase local
broadcaster and newspaper subscriptions or memberships,
purchase advertising from local broadcasters and in local
newspapers, and make contributions to nonprofit local
broadcasters and newspapers. In order to allow the general
assembly and the state auditor to measure the effectiveness of
the credits, the department of revenue shall require each
taxpayer who claims the credit to submit a certification form
verifying that they qualify for the credit and identifying each
local broadcaster or newspaper that they purchased a
subscription or membership from, made a contribution to, or
purchased advertising from.

(2) As used in this section, unless the context otherwise
requires:

(a) "Advertising" means providing consideration for the
publication, dissemination, solicitation, or circulation of visual,
aural, spoken, or written communication to directly or
indirectly induce any person to purchase a good or service.

(b) "Disqualified organization" means any organization:

(I) described in section 501 (c)(4) of the internal revenue
code and exempt from taxation under section 501 (a) of the
internal revenue code;

(II) described in section 527 of the internal revenue code;

or

(III) owned or controlled by one or more organizations
described in this subsection (2)(b).

(c) "Eligible small business" means a business with fewer
than fifty employees.

(d) "Local broadcaster" means a broadcast entity
licensed by the federal communications commission that:

(I) primarily serves the needs of the state of Colorado or
a regional or local community within Colorado with news,
weather, and emergency information;

(II) primarily has content derived from primary sources
relating to news and current events;

(III) employs at least one journalist who resides in
Colorado and who regularly gathers, collects, photographs,
records, writes, or reports news or information that concerns
local events or other matters of local public interest;
(IV) is covered by media liability insurance;  
(V) discloses its ownership to the public; and  
(VI) is neither a disqualified organization nor an  
organization that received more than fifty percent of its gross  
receipts in the previous tax year from disqualified  
organizations.

(e) "local newspaper" means a print or digital publication  
that:

(I) primarily serves the needs of the state of Colorado or  
a regional or local community within Colorado;  
(II) primarily has content derived from primary sources  
relating to news and current events;  
(III) employs at least one journalist who resides in  
Colorado and who regularly gathers, collects, photographs,  
records, writes, or reports news or information that concerns  
local events or other matters of local public interest;  
(IV) is covered by media liability insurance;  
(V) discloses its ownership to the public; and  
(VI) is neither a disqualified organization nor an  
organization that received more than fifty percent of its gross  
receipts in the previous tax year from disqualified  
organizations.

(f) "nonprofit local broadcaster or newspaper" means any  
local broadcaster or newspaper that is exempt from the income  
tax imposed under this article 22.

(3) for income tax years beginning on or after January 1,  
2023, but before January 1, 2028:

(a) a taxpayer is allowed a credit against the income  
taxes imposed by this article 22 in an amount equal to fifty  
percent, not to exceed two hundred fifty dollars, of the total  
combined amount:

(I) paid by the taxpayer for local broadcaster or  
newspaper subscriptions or memberships for the personal use of  
the taxpayer; and  
(II) of the contributions made by the taxpayer to  
nonprofit local broadcasters or newspapers.

(b) an eligible small business is allowed a credit against  
the income taxes imposed by this article 22 in an amount equal to  
fifty percent, not to exceed two thousand five hundred dollars,  
of the total amount paid by the eligible small business to a  
local broadcaster or newspaper for advertising in Colorado  
and in connection with a news-related portion of a broadcast or  
a news-related publication.
(4) To qualify for the credit provided by this section, a taxpayer shall submit a certification form, which may be provided by each local broadcaster or newspaper that the taxpayer purchased a subscription or membership from, made a contribution to, or purchased advertising from, with the taxpayer's income tax return form. A local broadcaster or newspaper that provides a certification form must certify that the taxpayer has satisfied the requirements for allowance of a tax credit as specified in this section and identify the local broadcaster or newspaper that the taxpayer purchased a subscription or membership from, made a contribution to, or purchased advertising from.

(5) If the amount of a credit under this section exceeds a taxpayer's actual tax liability for an income tax year, the amount of the credit not used as an offset against income taxes in the income tax year may be carried forward as a credit against subsequent years' income tax liability for a period not to exceed ten years and shall be applied first to the earliest income tax years possible. Any amount of the credit that is not used after such period shall not be refunded to the taxpayer.

(6) This section is repealed, effective December 31, 2037.

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.".