

First Extraordinary Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 25B-0032.01 Jed Franklin x5484

SENATE BILL 25B-006

SENATE SPONSORSHIP

Carson,

HOUSE SPONSORSHIP

(None),

Senate Committees

State, Veterans, & Military Affairs

House Committees

A BILL FOR AN ACT

101 CONCERNING AN INCOME TAX CREDIT FOR CONTRIBUTIONS TO A
102 HEALTH SAVINGS ACCOUNT.

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>.)

The bill creates an income tax credit for a resident individual's contributions to a health savings account that supports a high deductible health plan, as defined pursuant to federal law (credit). The credit is an amount equal to 25% of the amount of the contribution, limited to:

- \$500 for a single filer;
- \$1,000 for joint filers; and

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.

● \$1,500 for contributions to a family health plan.
If the credit exceeds the income taxes due on the resident individual's income, the amount of the credit not used to offset income taxes is not carried forward as tax credits against the resident individual's subsequent years' income tax liability and is not refunded to the individual. The executive director of the department of revenue is required to adopt rules implementing the credit.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-131 as
3 follows:

4 **39-22-131. Tax credit for contributions to a health savings**
5 **account - high deductible insurance plan - tax preference**
6 **performance statement - legislative declaration - repeal.** (1) (a) IN
7 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL
8 THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE
9 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE
10 DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE
11 PURPOSE OF THE TAX EXPENDITURE CREATED IN SUBSECTION (2) OF THIS
12 SECTION IS TO PROVIDE TAX RELIEF TO CERTAIN INDIVIDUALS BY
13 PROVIDING A FINANCIAL INCENTIVE FOR MAKING CONTRIBUTIONS TO
14 HEALTH SAVINGS ACCOUNTS.

15 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR, IN
16 CONSULTATION WITH THE DEPARTMENT OF REVENUE, SHALL MEASURE THE
17 EFFECTIVENESS OF THE CREDIT ALLOWED BY THIS SECTION BY
18 DETERMINING THE INCREASE IN CONTRIBUTIONS TO HEALTH SAVINGS
19 ACCOUNTS DUE TO THE CREDIT.

20 (2) BEGINNING JANUARY 1, 2026, A RESIDENT INDIVIDUAL WHO
21 CONTRIBUTES TO A HEALTH SAVINGS ACCOUNT THAT SUPPORTS A HIGH
22 DEDUCTIBLE HEALTH INSURANCE PLAN AS DEFINED IN 26 U.S.C. SEC. 223

1 (c)(2), INCLUDING A QUALIFYING HIGH DEDUCTIBLE HEALTH INSURANCE
2 PLAN ISSUED BY AN EXCHANGE ESTABLISHED UNDER THE COLORADO
3 HEALTH BENEFIT EXCHANGE CREATED IN ARTICLE 22 OF TITLE 10, IS
4 ALLOWED A CREDIT AGAINST THE INCOME TAXES DUE ON THE
5 INDIVIDUAL'S INCOME UNDER THIS ARTICLE 22 IN ACCORDANCE WITH THIS
6 SECTION. SUBJECT TO SUBSECTION (3) OF THIS SECTION, THE CREDIT IS AN
7 AMOUNT EQUAL TO TWENTY-FIVE PERCENT OF THE AMOUNT CONTRIBUTED
8 TO THE HEALTH SAVINGS ACCOUNT DURING THE TAXABLE YEAR FOR
9 WHICH THE CREDIT IS CLAIMED.

10 (3) THE AMOUNT OF THE CREDIT CLAIMED PURSUANT TO THIS
11 SECTION SHALL NOT EXCEED:

12 (a) FIVE HUNDRED DOLLARS FOR A SINGLE FILER;

13 (b) ONE THOUSAND DOLLARS FOR JOINT FILERS; AND

14 (c) ONE THOUSAND FIVE HUNDRED DOLLARS FOR CONTRIBUTIONS
15 TO A FAMILY HEALTH PLAN, WHETHER THE CONTRIBUTION IS BY A SINGLE
16 FILER OR JOINT FILERS.

17 (4) IF THE CREDIT ALLOWED UNDER SUBSECTION (2) OF THIS
18 SECTION EXCEEDS THE INCOME TAXES DUE ON THE RESIDENT INDIVIDUAL'S
19 INCOME, THE AMOUNT OF THE CREDIT NOT USED TO OFFSET INCOME TAXES
20 MUST NOT BE CARRIED FORWARD AS TAX CREDITS AGAINST THE RESIDENT
21 INDIVIDUAL'S SUBSEQUENT YEARS' INCOME TAX LIABILITY AND MUST NOT
22 BE REFUNDED TO THE INDIVIDUAL.

23 (5) THE CREDIT ALLOWED PURSUANT TO THIS SECTION MUST BE
24 PUBLISHED IN RULES ADOPTED BY THE EXECUTIVE DIRECTOR AND MUST BE
25 INCLUDED IN INCOME TAX FORMS FOR THE TAXABLE YEAR BEGINNING
26 JANUARY 1, 2026, AND FOR SUBSEQUENT TAX YEARS.

27 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2030.

1 **SECTION 2. Act subject to petition - effective date.** This act
2 takes effect at 12:01 a.m. on the day following the expiration of the
3 ninety-day period after final adjournment of the general assembly; except
4 that, if a referendum petition is filed pursuant to section 1 (3) of article V
5 of the state constitution against this act or an item, section, or part of this
6 act within such period, then the act, item, section, or part will not take
7 effect unless approved by the people at the general election to be held in
8 November 2026 and, in such case, will take effect on the date of the
9 official declaration of the vote thereon by the governor.