

Income/Franchise:

Colorado: New Law Temporarily Lowers Income Tax Rate from 4.40% to 4.25% for 2024 Tax Year

S.B. 228, signed by gov. 5/14/24. Pursuant to preexisting Colorado law under the Taxpayer's Bill of Rights (TABOR) that refunds to Colorado taxpayers certain excess State revenues when specified conditions are met ("TABOR refunds"), new law amends some of these mechanisms and provides that to refund excess State revenues from fiscal year 2023-24, Colorado's income tax rate (including the state corporate income tax rate) is temporarily reduced from 4.40% to 4.25% for the 2024 tax year. Moreover, under the new law, additional temporary income tax rate reductions potentially may be reactivated for income tax years 2025 through 2035, if the amount of excess State revenues exceeds certain other specified thresholds. Please contact us with any questions.

URL: <https://leg.colorado.gov/bills/sb24-228>

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