

2025-2026 #48 - Final

Be it Enacted by the People of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 39-22-104, **amend** (1.7)(c); and **add** (1.7)(d) and (1.7)(e) as follows:

39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - legislative declaration - definitions - repeal.

(1.7)(c) Except as otherwise provided in section 39-22-627, subject to subsection (2) of this section, with respect to taxable years commencing on or after January 1, 2022, BUT BEFORE JANUARY 1, 2027, a tax of four and forty one-hundredths percent is imposed on the federal taxable income, as determined pursuant to section 63 of the internal revenue code, of every individual, estate, and trust.

(d) SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO THE TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2027, A TAX OF THREE AND FOUR-TENTHS PERCENT (3.4%) IS IMPOSED ON THE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST.

SECTION 2. In Colorado Revised Statutes, 39-22-301, **amend** (1)(d)(I)(K); and **add** (1)(d)(I)(L) as follows:

39-22-301. Corporate tax imposed.

(1)(d)(I) A tax is imposed upon each domestic C corporation, foreign C corporation, and combined group, as defined in section 39-22-303 (12)(a.3), doing business in Colorado annually in an amount of the net income of such C corporation during the year derived from sources within Colorado as set forth in the following schedule of rates:

(K) Except as otherwise provided in section 39-22-627, for income tax years commencing on or after January 1, 2022, BUT BEFORE JANUARY 1, 2027, four and forty one-hundredths percent of the Colorado net income.

(L) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2027, THREE AND FOUR-HUNDREDTHS PERCENT (3.4%) OF THE COLORADO NET INCOME.

SECTION 3. Effective date. This act takes effect January 1, 2027.