

HB1121_L.003

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business Affairs & Labor.

HB22-1121 be amended as follows:

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

3 **"SECTION 1. Legislative declaration.** (1) The general
4 assembly hereby finds and declares that:

5 (a) Local news media is an important source of unbiased
6 information for communities to learn about the actions of their state and
7 local governments;

8 (b) In many communities, local news media is the only available
9 source of reliable information, but local news broadcasters and
10 newspapers are closing across the country;

11 (c) Local news media advertising reaches communities in a more
12 meaningful way than other advertising options such as social media
13 advertising, which often excludes groups due to their demographics,
14 socioeconomic status, or personal choices;

15 (d) Multiple studies show that local news media is a trusted source
16 of information, while large social media platforms are increasingly seen
17 as spreading misinformation; and

18 (e) Advertising in local news media provides revenue for local
19 news media and so strengthens American democracy by supporting local
20 news media, the public's watchdog organizations.

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

23 **39-22-543. Tax credit for supporting local broadcasters and**
24 **newspapers - legislative declaration - definitions - repeal.** (1) IN
25 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL
26 THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE
27 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE
28 DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES
29 THAT:

30 (a) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDITS
31 ALLOWED BY THIS SECTION ARE:

32 (I) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS,
33 SPECIFICALLY PURCHASING LOCAL BROADCASTER AND NEWSPAPER
34 SUBSCRIPTIONS OR MEMBERSHIPS, PURCHASING ADVERTISING FROM LOCAL
35 BROADCASTERS AND IN LOCAL NEWSPAPERS, AND MAKING CONTRIBUTIONS
36 TO NONPROFIT LOCAL BROADCASTERS AND NEWSPAPERS; AND

37 (II) TO PROVIDE TAX RELIEF TO TAXPAYERS WHO PURCHASE LOCAL
38 BROADCASTER AND NEWSPAPER SUBSCRIPTIONS OR MEMBERSHIPS,
39 PURCHASE ADVERTISING FROM LOCAL BROADCASTERS AND IN LOCAL

1 NEWSPAPERS, OR MAKE CONTRIBUTIONS TO NONPROFIT LOCAL
2 BROADCASTERS AND NEWSPAPERS.

3 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDITS
4 ALLOWED BY THIS SECTION IS TO SUPPORT LOCAL BROADCASTERS AND
5 NEWSPAPERS BY ENCOURAGING TAXPAYERS TO PURCHASE LOCAL
6 BROADCASTER AND NEWSPAPER SUBSCRIPTIONS OR MEMBERSHIPS,
7 PURCHASE ADVERTISING FROM LOCAL BROADCASTERS AND IN LOCAL
8 NEWSPAPERS, AND MAKE CONTRIBUTIONS TO NONPROFIT LOCAL
9 BROADCASTERS AND NEWSPAPERS. IN ORDER TO ALLOW THE GENERAL
10 ASSEMBLY AND THE STATE AUDITOR TO MEASURE THE EFFECTIVENESS OF
11 THE CREDITS, THE DEPARTMENT OF REVENUE SHALL REQUIRE EACH
12 TAXPAYER WHO CLAIMS THE CREDIT TO SUBMIT A CERTIFICATION FORM
13 VERIFYING THAT THEY QUALIFY FOR THE CREDIT AND IDENTIFYING EACH
14 LOCAL BROADCASTER OR NEWSPAPER THAT THEY PURCHASED A
15 SUBSCRIPTION OR MEMBERSHIP FROM, MADE A CONTRIBUTION TO, OR
16 PURCHASED ADVERTISING FROM.

17 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
18 REQUIRES:

19 (a) "ADVERTISING" MEANS PROVIDING CONSIDERATION FOR THE
20 PUBLICATION, DISSEMINATION, SOLICITATION, OR CIRCULATION OF VISUAL,
21 AURAL, SPOKEN, OR WRITTEN COMMUNICATION TO DIRECTLY OR
22 INDIRECTLY INDUCE ANY PERSON TO PURCHASE A GOOD OR SERVICE.

23 (b) "DISQUALIFIED ORGANIZATION" MEANS ANY ORGANIZATION:
24 (I) DESCRIBED IN SECTION 501 (c)(4) OF THE INTERNAL REVENUE
25 CODE AND EXEMPT FROM TAXATION UNDER SECTION 501 (a) OF THE
26 INTERNAL REVENUE CODE;

27 (II) DESCRIBED IN SECTION 527 OF THE INTERNAL REVENUE CODE;
28 OR

29 (III) OWNED OR CONTROLLED BY ONE OR MORE ORGANIZATIONS
30 DESCRIBED IN THIS SUBSECTION (2)(b).

31 (c) "ELIGIBLE SMALL BUSINESS" MEANS A BUSINESS WITH FEWER
32 THAN FIFTY EMPLOYEES.

33 (d) "LOCAL BROADCASTER" MEANS A BROADCAST ENTITY
34 LICENSED BY THE FEDERAL COMMUNICATIONS COMMISSION THAT:

35 (I) PRIMARILY SERVES THE NEEDS OF THE STATE OF COLORADO OR
36 A REGIONAL OR LOCAL COMMUNITY WITHIN COLORADO WITH NEWS,
37 WEATHER, AND EMERGENCY INFORMATION;

38 (II) PRIMARILY HAS CONTENT DERIVED FROM PRIMARY SOURCES
39 RELATING TO NEWS AND CURRENT EVENTS;

40 (III) EMPLOYS AT LEAST ONE JOURNALIST WHO RESIDES IN
41 COLORADO AND WHO REGULARLY GATHERS, COLLECTS, PHOTOGRAPHS,
42 RECORDS, WRITES, OR REPORTS NEWS OR INFORMATION THAT CONCERNS
43 LOCAL EVENTS OR OTHER MATTERS OF LOCAL PUBLIC INTEREST;

1 (IV) IS COVERED BY MEDIA LIABILITY INSURANCE;
2 (V) DISCLOSES ITS OWNERSHIP TO THE PUBLIC; AND
3 (VI) IS NEITHER A DISQUALIFIED ORGANIZATION NOR AN
4 ORGANIZATION THAT RECEIVED MORE THAN FIFTY PERCENT OF ITS GROSS
5 RECEIPTS IN THE PREVIOUS TAX YEAR FROM DISQUALIFIED
6 ORGANIZATIONS.
7 (e) "LOCAL NEWSPAPER" MEANS A PRINT OR DIGITAL PUBLICATION
8 THAT:
9 (I) PRIMARILY SERVES THE NEEDS OF THE STATE OF COLORADO OR
10 A REGIONAL OR LOCAL COMMUNITY WITHIN COLORADO;
11 (II) PRIMARILY HAS CONTENT DERIVED FROM PRIMARY SOURCES
12 RELATING TO NEWS AND CURRENT EVENTS;
13 (III) EMPLOYS AT LEAST ONE JOURNALIST WHO RESIDES IN
14 COLORADO AND WHO REGULARLY GATHERS, COLLECTS, PHOTOGRAPHS,
15 RECORDS, WRITES, OR REPORTS NEWS OR INFORMATION THAT CONCERNS
16 LOCAL EVENTS OR OTHER MATTERS OF LOCAL PUBLIC INTEREST;
17 (IV) IS COVERED BY MEDIA LIABILITY INSURANCE;
18 (V) DISCLOSES ITS OWNERSHIP TO THE PUBLIC; AND
19 (VI) IS NEITHER A DISQUALIFIED ORGANIZATION NOR AN
20 ORGANIZATION THAT RECEIVED MORE THAN FIFTY PERCENT OF ITS GROSS
21 RECEIPTS IN THE PREVIOUS TAX YEAR FROM DISQUALIFIED
22 ORGANIZATIONS.
23 (f) "NONPROFIT LOCAL BROADCASTER OR NEWSPAPER" MEANS ANY
24 LOCAL BROADCASTER OR NEWSPAPER THAT IS EXEMPT FROM THE INCOME
25 TAX IMPOSED UNDER THIS ARTICLE 22.
26 (3) FOR INCOME TAX YEARS BEGINNING ON OR AFTER JANUARY 1,
27 2023, BUT BEFORE JANUARY 1, 2028:
28 (a) A TAXPAYER IS ALLOWED A CREDIT AGAINST THE INCOME
29 TAXES IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT EQUAL TO FIFTY
30 PERCENT, NOT TO EXCEED TWO HUNDRED FIFTY DOLLARS, OF THE TOTAL
31 COMBINED AMOUNT:
32 (I) PAID BY THE TAXPAYER FOR LOCAL BROADCASTER OR
33 NEWSPAPER SUBSCRIPTIONS OR MEMBERSHIPS FOR THE PERSONAL USE OF
34 THE TAXPAYER; AND
35 (II) OF THE CONTRIBUTIONS MADE BY THE TAXPAYER TO
36 NONPROFIT LOCAL BROADCASTERS OR NEWSPAPERS.
37 (b) AN ELIGIBLE SMALL BUSINESS IS ALLOWED A CREDIT AGAINST
38 THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT EQUAL TO
39 FIFTY PERCENT, NOT TO EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS,
40 OF THE TOTAL AMOUNT PAID BY THE ELIGIBLE SMALL BUSINESS TO A
41 LOCAL BROADCASTER OR NEWSPAPER FOR ADVERTISING IN COLORADO
42 AND IN CONNECTION WITH A NEWS-RELATED PORTION OF A BROADCAST OR
43 A NEWS-RELATED PUBLICATION.

1 (4) TO QUALIFY FOR THE CREDIT PROVIDED BY THIS SECTION, A
2 TAXPAYER SHALL SUBMIT A CERTIFICATION FORM, WHICH MAY BE
3 PROVIDED BY EACH LOCAL BROADCASTER OR NEWSPAPER THAT THE
4 TAXPAYER PURCHASED A SUBSCRIPTION OR MEMBERSHIP FROM, MADE A
5 CONTRIBUTION TO, OR PURCHASED ADVERTISING FROM, WITH THE
6 TAXPAYER'S INCOME TAX RETURN FORM. A LOCAL BROADCASTER OR
7 NEWSPAPER THAT PROVIDES A CERTIFICATION FORM MUST CERTIFY THAT
8 THE TAXPAYER HAS SATISFIED THE REQUIREMENTS FOR ALLOWANCE OF A
9 TAX CREDIT AS SPECIFIED IN THIS SECTION AND IDENTIFY THE LOCAL
10 BROADCASTER OR NEWSPAPER THAT THE TAXPAYER PURCHASED A
11 SUBSCRIPTION OR MEMBERSHIP FROM, MADE A CONTRIBUTION TO, OR
12 PURCHASED ADVERTISING FROM.

13 (5) IF THE AMOUNT OF A CREDIT UNDER THIS SECTION EXCEEDS A
14 TAXPAYER'S ACTUAL TAX LIABILITY FOR AN INCOME TAX YEAR, THE
15 AMOUNT OF THE CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES
16 IN THE INCOME TAX YEAR MAY BE CARRIED FORWARD AS A CREDIT
17 AGAINST SUBSEQUENT YEARS' INCOME TAX LIABILITY FOR A PERIOD NOT
18 TO EXCEED TEN YEARS AND SHALL BE APPLIED FIRST TO THE EARLIEST
19 INCOME TAX YEARS POSSIBLE. ANY AMOUNT OF THE CREDIT THAT IS NOT
20 USED AFTER SUCH PERIOD SHALL NOT BE REFUNDED TO THE TAXPAYER.

21 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2037.

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

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