Regulation 39-22-127. Foster Care Credit.

1) A refundable Colorado income tax credit of $500 for operating a qualified foster care home is effective for the 2001 income tax year. The credit is available only to full and part-year Colorado residents. The credit is available only in tax years in which state revenues exceed limitations on state fiscal year spending by amounts established in 39-22-127(5), C.R.S. In October or November of each year, the State will certify whether there are sufficient excess revenues to make this credit available. See Regulation 39-22-120 for years in which the credit is available.

2) Part-Year Residents of Colorado. The Colorado income tax credit for operating a qualified foster care home is available to individuals who operate a foster care home during the period they are Colorado residents that meets all the requirements of the credit statute.

3) Qualifications:

a. The taxpayer must operate the foster care home as defined in Section 26-6-102(4.5), C.R.S. for a child under the age of 18. The taxpayer may not be related to the individual with the exception of relative care.
b. The taxpayer must have provided 24-hour family care in the foster home in Colorado for at least 180 days during the taxable year.
c. The taxpayer must be a resident of Colorado during the same 180 day period.
d. The taxpayer must have incurred nonreimbursed expenses in connection with the operation of the foster care home during the taxable year.
e. The taxpayer must be identified by the Colorado Department of Human Services as the individual responsible for the operation of the foster care home.