

# Income Tax Topics: Income-Qualified Senior Housing Tax Credit



Income-qualified seniors may claim a refundable housing tax credit on their 2022 Colorado income tax return. Anyone who claims the Senior Property Tax Exemption for 2022 does not qualify for the credit. The credit is allowed only for tax year 2022 and is not allowed for any other tax year.

This publication is designed to provide general guidance regarding the income-qualified senior housing tax credit and to supplement the guidance provided in the *Colorado Individual Income Tax Guide*. Nothing in this publication modifies or is intended to modify Colorado's statutes or regulations. Taxpayers are encouraged to consult their tax advisors for guidance regarding specific situations.

## Income-qualified seniors

The credit is allowed to qualifying seniors who meet age and income requirements and who have not claimed a property tax exemption. To qualify, a taxpayer must satisfy all of the following requirements:

- They must be either a full-year or part-year Colorado resident for tax year 2022;
- They must be 65 years or older at the end of 2022;
- Their federal adjusted gross income for tax year 2022 must be \$75,000 or less; and
- They must not have claimed a property tax exemption for tax year 2022 under section 39-3-203, C.R.S., discussed later in this publication.

Income-qualified seniors who satisfy all of the preceding requirements qualify for the credit regardless of whether they own their homes, rent their homes, or have other living arrangements.

## Property tax exemption under section 39-3-203

Section 39-3-203, C.R.S., authorizes a partial property tax exemption, commonly known as the Senior Property Tax Exemption or the Senior Homestead Exemption. The partial exemption is allowed to qualifying seniors, their surviving spouses, and qualifying disabled veterans. Any senior, surviving spouse, or disabled veteran who claims the partial property tax exemption authorized by section 39-3-203, C.R.S., may not claim the income-qualified senior housing tax credit. Information about the Senior Property Tax Exemption can be found online at [agingstrategy.colorado.gov/sites/agingstrategy/files/Application%20Form%20Senior%20Property%20Tax%20Exemption.pdf](https://agingstrategy.colorado.gov/sites/agingstrategy/files/Application%20Form%20Senior%20Property%20Tax%20Exemption.pdf).

## Credit calculation

The allowable credit depends on the qualifying senior's filing status and federal adjusted gross income for the tax year. Specific credit amounts can be found in the 2022 Individual Income Tax Booklet (DR 0104 Book) available online at [Tax.Colorado.gov/2022-individual-income-tax-forms](https://tax.colorado.gov/2022-individual-income-tax-forms).

## Single and joint filers

The allowable credit is the same whether it is claimed by one taxpayer filing a single return or two taxpayers filing a joint return. The credit is \$1,000 for qualifying seniors whose federal adjusted gross income for the tax year is less than \$25,500. The amount of the allowable credit decreases proportionally ("phases out") for qualifying seniors whose federal adjusted gross income is \$25,500 or more, but not more than \$75,000. Taxpayers whose federal adjusted gross income exceeds \$75,000 do not qualify for the credit.



## Married filing separately

In the case of two taxpayers who share the same primary residence and who may legally file a joint return but actually file separate returns, both taxpayers may claim the credit, provided they satisfy all of the requirements for income-qualified seniors discussed earlier in this publication. The allowable credit is \$500 if their federal adjusted gross income is less than \$25,500. The amount of the allowable credit decreases proportionally (“phases out”) for qualifying seniors whose federal adjusted gross income is \$25,500 or more, but not more than \$75,000. Taxpayers whose federal adjusted gross income exceeds \$75,000 do not qualify for the credit.

## Claiming the credit

Qualifying seniors may claim the credit on their *Colorado Individual Income Tax Return* (DR 0104). A completed and *Individual Credit Schedule* (DR 0104CR) must be submitted with the return to claim the credit. If the allowable credit exceeds the qualifying senior’s tax liability, the excess credit will be refunded to them.

Additionally, the Department will evaluate any filed *Colorado Property Tax/Rent/Heat Rebate Application* (DR 0104PTC) to determine if the applicant qualifies for the credit. If the Department can verify the applicant’s eligibility for both the tax/rent/heat rebate and the income-qualified senior housing tax credit, the Department will issue the applicant a refund for the credit. If the applicant is a qualifying senior, but the Department cannot verify their eligibility for the credit based on the rebate application (DR 0104PTC), the qualifying senior may file a *Colorado Individual Income Tax Return* (DR 0104) along with an *Individual Credit Schedule* (DR 0104CR) to claim the credit.

## Additional resources

The following is a list of statutes, regulations, forms, and guidance pertaining to the income-qualified senior housing tax credit. This list is not, and is not intended to be, an exhaustive list of authorities that govern the tax treatment of every situation. Individuals and businesses with specific questions should consult their tax advisors.

### Statutes and regulations

- § 39-22-544, C.R.S. Credit against tax - qualifying seniors.

### Forms and guidance

- [Colorado.gov/Tax](https://colorado.gov/Tax)
- [Tax.Colorado.gov/2022-individual-income-tax-forms](https://tax.colorado.gov/2022-individual-income-tax-forms)
- *Colorado Individual Income Tax Return* (DR 0104)
- *Individual Credit Schedule* (DR 0104CR)