



## MEMORANDUM

**To:** Nonprofit partners assisting HCTC-participating donors

**From:** Office of Homeless Initiatives, Division of Housing, Department of Local Affairs

**CC:** Approved Active HCTC Nonprofit Organizations

**Date:** July 30, 2024

**Re:** **SB24-016 Legislative Changes: Intermediary Organization Contribution Eligibility & Social Security Number Requirements**

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[Senate Bill 24-016](#) has been passed and signed, impacting eligible contribution and certificate criteria for the Colorado Homeless Contribution Income Tax Credit (HCTC) program. HCTC provides a state income tax credit to Colorado taxpayers who contribute to eligible homelessness-related projects within Colorado.

### What's New?

1. Contributions through intermediary organizations were not previously eligible for the HCTC. This new legislation now explicitly states that gifts given through qualified intermediary organizations as of January 1, 2024 are eligible for the HCTC.
2. Previously, Colorado statute (C.R.S. 39-22-548) required that an individual taxpayer's full Social Security Number and other personal identifying information be included on the tax credit certificate. This section has been amended to allow for the last four digits of the taxpayer's Social Security Number (SSN) to be included on the HCTC certificate. For businesses, the taxpayer's full Federal Employer Identification Number (FEIN) is still required. A Colorado Tax ID is not an acceptable replacement for the Social Security Number on the certificate.

### Tell me more about the legislation, and what it does.

In May 2024, [Senate Bill 24-016](#) was passed to include the following changes:

- C.R.S. 39-22-630: Gifts through qualified intermediary organizations are eligible for the tax credit.
- C.R.S. 39-22-548: The HCTC certificate must include the last four digits of the taxpayer's Social Security Number.

### C.R.S. 39-22-630: Gifts through qualified intermediary organizations

Only the intended contribution amount is eligible to earn a tax credit. If taxpayers elect to cover processing fees to the intermediary organization for their contribution, this additional fee amount is not eligible to earn a tax

credit. Likewise, fees paid by the recipient nonprofit organization are not deducted from the taxpayer's contribution amount eligible for HCTC.

A transition period will be in place to ensure that all systems and materials are equipped with the updates needed to adopt this new legislation. **2024 contributions to qualified agencies through intermediary organizations may be submitted through the DOLA's HCTC Salesforce database beginning August 6, 2024.**

Per C.R.S. 39-22-360: “‘Qualified Intermediary’ means an organization that has attained tax exempt status under section 501 (c)(3) of the internal revenue code if the organization is obligated, except when exercising variance power as required or authorized by law or federal regulations, to disburse contributions received from a taxpayer to a recipient organization as directed by the taxpayer.”

For more information on eligible contributions through intermediary organizations, please review the “Eligible Contributions” section of the [HCTC Taxpayer Handbook](#) or contact the participating organization you donate to.

#### **C.R.S. 39-22-548: Last four digits of the taxpayer's Social Security Number requirement**

The Department of Local Affairs (DOLA) will continue to take measures to ensure all data privacy laws and best practices are followed using the Salesforce database. **Nonprofits and donors will begin submitting the last four digits of the SSN rather than the full nine digits beginning on August 6, 2024. Contributions may be submitted using the last four digits of the SSN for donations made on or after January 1, 2024.**

#### **Where can I get more information on HCTC?**

For more information regarding the Homeless Contribution Tax Credit, please visit the [HCTC website](#). This webpage includes the most recent materials and information regarding the HCTC program that are available.

If you have any questions or concerns, please reach out to the main point of contact at the participating nonprofit organization that received your donation. If any questions or concerns need to be brought to DOLA staff, the nonprofit will do so and provide you with feedback.