

# FYI – For Your Information

## Colorado Works Program Credit

For income tax years beginning on or after Jan. 1, 1998, Colorado employers are allowed to claim a credit for not more than two years of 20 percent of their annual expenditures made to provide eligible services for their employees who receive public assistance pursuant to the “Colorado Works Program” [§39-22-521(1) C.R.S].

“Eligible services” means services that are incidental to the employer’s business and are included in the following categories:

**1) Child Care Services.** The provision of child care services or the payment of the costs associated with child care services for children of employees receiving public assistance.

**2) Health/Dental Services.** The provision of health or dental insurance for employees receiving public assistance. The health or dental insurance coverage, if less than the coverage provided through Medicaid, will be supplemented by Medicaid to provide full Medicaid benefits to the employee.

**3) Job Training.** The provision of job training or basic education for employee receiving public assistance.

**4) Transportation.** The provision of programs for the transportation of public assistance employees to and from work.

### QUALIFYING EXPENDITURES

The credit is limited to expenditures made on an eligible employee during the first two years of their employment. The expenditures must be specifically for the benefit of the eligible employee(s).

**Example:** Tuition for a job training class for an eligible employee would be a qualified expenditure. The cost of running a job training program for qualified and non-qualified employees would not be a qualified expenditure, even if the costs were prorated based on the percentage of qualified versus non-qualified employees trained.

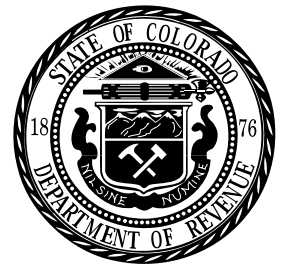
### COLORADO WORKS PROGRAM

The Colorado Works Program is the program of public assistance set forth in Part 7 of Article 2 of Title 26, Colorado Revised Statutes.

To obtain information on hiring potential employees through the Works Program or to obtain a letter of verification for your records that a new employee is eligible for the Colorado Works Program Credit, contact your county social services office.

The credit is in addition to any other credits for which the employer may be eligible under Article 30 of Title 39.

Excess credits may be carried forward for up to three years.



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Withholding Tax: (303) 232-2416  
Income Tax: (303) 232-2446  
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## ***FURTHER INFORMATION***

For more information on related topics, consult the following DOR publications:

- FYI Income 32, "School-to-Career Investment Credit";
- FYI General 1 "Department of Revenue Publications";
- FYI General 8 "The FYI Program - Index and General Information."

Single FYIs are free from the Taxpayer Service Division. They may be obtained at any statewide Taxpayer Service Center; or by writing to the Colorado Department of Revenue, 1375 Sherman St., Denver, CO 80261; or by calling the DOR Forms Hotline at (303) 232-2414. Please use the FYI number (General 1, Sales 9, etc.) when ordering FYI publications. FYIs and commonly used forms are available on the Web at [www.revenue.state.co.us](http://www.revenue.state.co.us)

For a complete set of FYIs (approximately 130 on sales, income, excise and withholding taxes), you may purchase ***The Complete Book of FYIs*** at low cost from the State Forms Center, Division of Correctional Industries, 4200 Garfield St., Denver, CO 80216. An order form is contained in FYI General 1, or call the State Forms Center, (303) 321-4164, for ordering information.