

Supporting Local Media Bill FAQ

What is the Supporting Local Media bill?

The Supporting Local Media bill, or HB 22-1121, would create a set of tax credits — one for small businesses to place advertisements in local news outlets and another for Colorado residents to buy subscriptions and memberships to local news outlets. Both provisions were originally introduced in the Local Journalism Sustainability Act, a national, bipartisan piece of legislation.

How big are the benefits?

Colorado residents could get a credit on their income taxes equal to 50% of the cost of a local news subscription or a donation to a local news nonprofit. The credit would total up to \$250. Local businesses could get a credit on their income taxes equal to 50% of the amount paid for advertisements in local media outlets, up to \$2,500.

How long would the bill last?

Five years.

Who introduced House Bill 22-1121?

Rep. Lisa Cutter introduced the bill in January.

Who supports the Supporting Local Media bill?

A group of local news media stakeholders including the Colorado Press Association, the Colorado Media Project, Colorado public broadcasters and others have been working together to support and improve the bill. Their efforts have been supported by the national organization, Rebuild Local News.

What defines a local news outlet?

According to the bill as it's written now "local newspaper" is defined as a print or digital publication that primarily serves the state of Colorado or a community in Colorado, employs at least one journalist who lives in Colorado, has media liability insurance, discloses their ownership and primarily has content derived from local sources relating to news and current events. Additionally, the bill disqualifies organizations that are either 501c4's or Political Action Committees. It also disqualifies outlets that

receive more than 50% of their revenues from either of those two sources. You can [read](#) the text here.

What defines “advertising”? Does public media underwriting count?

Colorado public broadcasters suggested language that would guarantee that advertisements placed in public media, called underwriting, would also count. In the newest draft of the bill “advertising” includes print, visual, audio and televised communications that encourage a person to purchase a good or service.

Is this the final draft of the bill?

Almost. The Colorado Press Association and its partner stakeholders have received an updated draft of the bill. Stakeholders are reviewing it now and it will be released shortly.

What about businesses? How do they qualify?

As it’s written now, an eligible small business is one with fewer than 50 employees.

I thought I saw a part of the bill about state agencies advertising in local news outlets. What was that about?

A portion of the bill was modeled after a New York City program that allocated a certain portion of municipal advertising to community publications that cover communities of color. Rep. Cutter is interested in creating a similar program in Colorado, as is the Colorado Media Project, but is dropped from this bill to focus on the two tax credits.

Does the bill have a Republican cosponsor?

The bill does not currently have a Republican cosponsor.

Isn’t it dangerous for news organizations to take money from the government?

It could be, which is why journalism stakeholders approach these policies carefully. In this case, the money is allocated via an independent body — the IRS, not via the decisions of a political body. Once the rules are set, if a publication qualifies, it benefits. Secondly, the bill is free-market friendly. It empowers small businesses and community members to participate in economic activities that contribute to the health of their local press, and, by extension, their local communities.

But what about hedge funds and newspaper chains? Do they get to benefit?

Great question. This bill does not exclude publications owned by hedge funds or large newspaper conglomerates. But it is not a direct benefit either. Publications have to earn advertising dollars and subscriptions from their communities.

Do people have to itemize their taxes to get the subscription credit?

Since the bill creates a credit and not a deduction, taxpayers do not have to itemize to claim this.

So, what's next?

The bill has a hearing on Mar. 10 in the House Business Affairs and Labor Committee. Feel free to get in touch with Tim Regan-Porter (ceo@colopress.net) at the Colorado Press Association with any questions.

*Answers reflect the bill as we are expecting it to be amended