



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-001: WORKFORCE HOUSING AND HOUSING TAX CREDIT

Prime Sponsors:

Sen. Roberts
Rep. Boesenecker; Richardson

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Version: Initial Fiscal Note

Date: January 26, 2026

Fiscal note status: The initial fiscal note reflects the introduced bill.

Summary Information

Overview. The bill allows a county to spend property tax revenue in its general fund for housing authorities and workforce housing. The bill also permits a governmental entity to transfer the middle-income housing tax credit to any individual, person, firm, corporation, or other entity subject to income taxes.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- Local Government

Appropriations. No appropriation is required.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Under current law, money from property taxes in a county's general fund may not be appropriated for housing authorities. This bill removes the prohibition and authorizes a county to appropriate any money in its general fund for housing authorities and for workforce housing, or from any other specified funds established by the county commissioners.

Under current law, the Colorado Housing and Finance Authority (CHFA) may allocate the middle-income tax credit to any governmental or quasi-governmental entity, which in turn may transfer those credits to a qualified taxpayer who has an ownership interest in a qualified development. This bill permits the credit transfer to any individual, person, firm, corporation, or other entity subject to income taxes beginning in 2027. The taxpayer need not have an ownership interest in a qualified housing project to be eligible to receive a transferred tax credit.

State Revenue and Expenditures

Income taxes are administered by the Department of Revenue. Changes to taxpayer eligibility for transferred credits will not require any programming or other administrative effort to implement by the department.

Although allowing additional taxpayers to claim the credit may increase the total number of claims, the total value of tax credits allocated by CHFA remains unchanged, and any increase in the number of claims is expected to be minimal and accomplished within existing appropriations.

Local Government

This bill allows a Board of County Commissioners to appropriate ad valorem taxes (i.e., property taxes) from the county's general fund for workforce housing and for housing authorities. The bill provides discretionary authority and flexibility to counties that choose to use funds for this additional purpose. Any change in expenditures will depend on decisions made by individual counties.

With more taxpayers becoming eligible for transferred middle-income housing tax credits, local governments may see increased investment in qualified low-income housing projects.

Effective Date

Changes to the middle-income tax credit take effect January 1, 2027, and the remainder of the bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Law

Revenue

Local Affairs

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).