



**Colorado  
Legislative  
Council  
Staff**

**HB17-1222**

**FINAL  
FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 17-1001  
**Prime Sponsor(s):** Rep. Landgraf  
Sen. Gardner

**Date:** September 5, 2017  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Louis Pino (303-866-3556)

**BILL TOPIC:** CREATE FAMILY CAREGIVER SUPPORT FUND TAX CHECK-OFF

<b>Fiscal Impact Summary</b>	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>
<b>State Revenue</b> Cash Fund	Indeterminate Revenue Increase	
<b>State Expenditures</b> Cash Fund	See State Expenditure Section	
<b>Appropriation Required:</b> None.		
<b>Future Year Impacts:</b> Ongoing revenue increase.		

**Summary of Legislation**

This bill creates the voluntary contribution designation (income tax checkoff) benefitting the Family Caregiver Support Fund. Money in the fund is used to provide support to the efforts of Easter Seals Colorado, a registered nonprofit organization.

The income tax checkoff will be available for five consecutive tax years beginning the year it is first placed on the form.

**Background**

The Colorado individual income tax return allows taxpayers to contribute to various listed organizations by donating a portion of their income tax refund or increasing the amount owed on their tax return. Legislation is required to create a new income tax checkoff.

Only 20 checkoff programs can appear on an individual income tax form each year. To ensure that the 20 checkoff cap is not exceeded, the priority order system specifies that continued or renewed programs take precedence over newly created programs. Tax checkoffs must contain a sunset date and meet a yearly minimum contribution of \$50,000 by the third year from when it first appeared on the form and subsequent tax years to remain on the tax form. Contributions are calculated from January 1st through September 30th of each tax year. Thus, if a program that has appeared on the form is renewed or continued and has donations of at least \$50,000, the program remains on the form in the following tax year.

Newly created programs can only appear on the tax form when an existing program is removed. The order of programs in the queue is determined by the date and time that the Governor signs each bill. As of the date of this note, there are no tax checkoff programs in the queue.

### **State Revenue**

The amount of contributions to the Family Caregiver Support Fund and the date by which the tax check-off will be available is uncertain. State revenue may increase in years the tax check-off is available on individual income tax returns. This bill will not affect General Fund revenue. Contributions are credited to the Family Caregiver Support Fund and transferred to Easter Seals Colorado. These voluntary donations are exempt from TABOR provisions.

### **State Expenditures**

Expenditures by the Department of Revenue for programming costs are expected to increase by \$2,200 when the department is ready to implement the bill. These costs are attributed to one-time Gentax programming and to program the optical charter recognition software to recognize the change to the state income tax form. Since programming costs are based on the FY 2017-18 contracted rate for changes to the Colorado Integrated Tax Architecture system, the \$2,200 figure will likely increase if the checkoff program in this bill does not appear on the 2017 income tax form.

The bill specifies that these costs are to be paid by an annual appropriation from the Family Caregiver Support Fund. In the event that the moneys in the fund are insufficient to cover these costs, this fiscal note assumes that the General Fund will offset the amount of any deficiency, which will be reimbursed once sufficient donations arrive.

### **Effective Date**

The bill was signed into law by the Governor on June 5, 2017, and became effective on August 9, 2017.

### **State Appropriations**

No appropriation is required in FY 2017-18.

### **State and Local Government Contacts**

Information Technology      Revenue      Treasury