



**Legislative Council Staff**

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**Fiscal Note**

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**Drafting Number:** LLS 21-0683  
**Prime Sponsors:** Sen. Simpson  
Rep. Valdez D.

**Date:** March 04, 2021  
**Bill Status:** Senate Finance  
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**Bill Topic:** **EXTENDING EXPIRING TAX CHECK-OFFS**

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**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill continues indefinitely six voluntary tax check-off funds as long as the funds receive at least \$50,000 each year. The bill minimally increases state revenue and expenditures.

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**Appropriation Summary:** No appropriation is required.

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**Fiscal Note Status:** This fiscal note reflects the introduced bill.

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**Summary of Legislation**

The bill reauthorizes six voluntary tax check-off funds that are scheduled to expire on January 1, 2022. The bill removes the sunset provision for each fund, allowing them to remain on the form as long as they receive at least \$50,000 in contributions each year. The funds that are reauthorized are:

- Colorado Healthy Rivers Fund
- Alzheimer’s Association Fund
- Military Family Relief Fund
- Colorado Cancer Fund
- Make-A-Wish Foundation of Colorado Fund
- Unwanted Horse Fund

**Background**

The Colorado individual income tax return form 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 voluntary contribution fund. Only 20 voluntary contribution funds are permitted on the Colorado income tax return. If more than 20 funds are passed into law, funds are placed in a queue until a prior fund is removed or becomes

ineligible to appear on the tax return. From January 1 to September 30, 2020, there were about \$1,546,000 in voluntary contributions received with amounts to funds ranging from \$19,961 to \$162,662.

## State Revenue

Beginning in FY 2021-22, ongoing contributions are estimated at \$559,700 each year, which represents the sum of average contributions to the six relevant funds from 2017 to 2020 as shown in Table 1. A portion of revenue goes to the Department of Revenue to cover the costs of administering the check off. The remaining contributions are transferred from the Treasury to each fund’s organization and will not impact General Fund or other state revenue. The voluntary donations are exempt from TABOR.

**Table 1**  
**Individual Income Tax Return Voluntary Contributions**

<b>Jan. to Sep. Contributions</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Average 2017-2020</b>
Colorado Healthy Rivers	\$84,476	\$87,649	\$111,756	\$95,447	\$94,832
Military Family Relief	\$155,578	\$122,169	\$124,024	\$92,596	\$123,592
Alzheimer's Assoc.	\$97,184	\$94,990	\$105,383	\$82,791	\$95,087
Unwanted Horse	\$90,058	\$92,942	\$94,437	\$82,103	\$89,885
Make-A-Wish Fdn. of Co.	\$97,671	\$86,369	\$93,229	\$69,592	\$86,715
Colorado Cancer	\$70,711	\$67,431	\$77,650	\$62,670	\$69,616
<b>Total</b>	<b>\$595,678</b>	<b>\$551,550</b>	<b>\$606,479</b>	<b>\$485,199</b>	<b>\$559,726</b>

Source: Colorado Department of Revenue, Voluntary Contribution Reports.

Note: Total contributions for January to September each year, an amount that is one factor determining eligibility for inclusion on subsequent returns.

## State Expenditures

The bill will minimally increase expenditures for the Department of Revenue to maintain the checkoffs. This does not require a change in appropriations.

## Effective Date

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

Information Technology	Local Affairs	Natural Resources	Personnel
Regulatory Agencies	Revenue	Secretary of State	

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: [leg.colorado.gov/fiscalnotes](http://leg.colorado.gov/fiscalnotes).