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Fiscal Note

Drafting Number: LLS 22-0420 **Date:** February 10, 2022
Prime Sponsors: Rep. Carver; McLachlan **Bill Status:** House Agriculture
 Sen. Hisey; Fields **Fiscal Analyst:** Louis Pino | 303-866-3556
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Bill Topic: VOLUNTARY CONTRIBUTION CHECK-OFF FEEDING COLORADO

- Summary of Fiscal Impact:**
- State Revenue
 - State Expenditure
 - State Transfer
 - TABOR Refund
 - Local Government
 - Statutory Public Entity

This bill creates the voluntary contribution designation (income tax checkoff) benefiting the Feeding Colorado Fund. The bill increases state revenue and expenditures for five consecutive tax years beginning the year it is first placed on the form.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 22-1016

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue	Cash Funds	Not estimated	Not estimated
Expenditures	Cash Funds	\$10,513	\$1,600
Transfers		-	-
Other Budget Impacts		-	-

Summary of Legislation

This bill creates the voluntary contribution designation (income tax checkoff) benefitting the Feeding Colorado Fund. Money in the fund is used to support Feeding Colorado, an association of the Five Feeding America food banks serving all of Colorado. By the third income tax year and each subsequent year thereafter the checkoff is available, the fund must achieve a \$50,000 minimum annual total contribution to remain on the form. The fund is repealed after five consecutive years on the form.

Background

Voluntary contributions. 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. It should be noted that under current law 16 voluntary contributions appear on the 2021 Colorado individual income tax form.

Feeding Colorado. Feeding Colorado is an association of the five Feeding America food banks in Colorado. Member food banks include Care and Share Food Bank for Southern Colorado, Community Food Share, Food Bank for Larimer County, Food Bank of the Rockies, and Weld Food Bank.

State Revenue

The amount of contributions to the Feeding Colorado Fund is uncertain and depends on the contributions made by taxpayers on income tax forms. State revenue will 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 Feeding Colorado Fund, and transferred to Feeding Colorado. These voluntary donations are exempt from TABOR. The income tax checkoff under the bill is assumed to first appear on the 2022 income tax form.

State Expenditures

The bill will increase expenditures for the Department of Revenue to update GenTax and tax forms, as well as to maintain the checkoffs. Costs are estimated at \$10,513 in FY 2022-23 and \$1,600 in subsequent years. The bill specifies that these costs are to be paid by an annual appropriation from Feeding Colorado 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 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

Revenue

Treasury