



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note Memorandum

TO: Members of the House Finance Committee

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Fiscal Assessment of L.005 to HB 25-1080

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.005 to HB 25-1080. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

The amendment does the following:

- makes clarifying revisions to the local property tax relief allowed under the bill and includes underserved areas in the list of areas where local property tax relief may be offered to communication service providers;
- removes the sales tax refund created in the current version of the bill; and
- amends the legislative declaration of the current law sales tax refund for rural broadband service providers.

Fiscal Impact of Amendment L.005

The amendment eliminates the state expenditure and revenue impacts of the bill by removing the sales tax refund in the current version of the bill. These impacts include the General Fund revenue reduction of \$1,000,000 in FY 2025-26 and future years, the corresponding reduction to TABOR refunds, and Department of Revenue expenditures of \$296,302 in FY 2025-26, including 2.5 FTE, and \$294,579 in FY 2026-27 and later years, including 3.0 FTE, to administer the sales tax refund created by the bill.



Bill's Revised Fiscal Impact with Amendment L.005

With the adoption of L.005, the bill will have a minimal workload impact on the Department of Local Affairs to support county implementation of the payment incentives or credits, and on the Department of Revenue to provide the State Auditor's Office with data on refunds regarding the new tax preference performance statement in the amended legislative declaration. No appropriation is required.

Counties, special districts, and school districts that opt to provide incentive payments or credits to qualified businesses and do not increase their mill levies will have decreased property tax revenue equal to the amount of incentive payments or credits made.

Table 1
State Fiscal Impacts with Amendment L.005

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
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