



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 20-0235
Prime Sponsors:

Date: October 24, 2019
Bill Status: Bill Request
Fiscal Analyst: Katie Ruedebusch | 303-866-3001
Katie.Ruedebusch@state.co.us

Bill Topic: **REPEAL PRE-1987 NET OPERATING LOSS DEDUCTION**

Summary of Fiscal Impact: **No fiscal impact.** This bill repeals the pre-1987 net operating loss deduction. The bill does not affect the revenue, expenditures, or workload of any state agency.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the bill draft as requested by the Tax Expenditure Evaluation Interim Study Committee.

Summary of Legislation

Current law allows individuals, estates, and trusts to deduct Colorado pre-1987 net operating losses carried forward from tax years beginning prior to January 1, 1987, from their taxable income. The deduction was only available for 15 years, or until 2002. This bill repeals the deduction.

Assessment of No Fiscal Impact

This bill is assessed as having no fiscal impact. Taxpayers can no longer claim the deduction, so the deduction is obsolete. The Department of Revenue does not require any modifications to forms, staffing, or programming. The bill does not affect the revenue, expenditures, or workload of any state or local government entity.

Further information from the Office of the State Auditor can be found here: https://leg.colorado.gov/sites/default/files/2019-te10_individual_nol_deduction.pdf

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Information Technology

Personnel

Revenue

State Auditor

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.