



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 20-0237
Prime Sponsors:

Date: October 24, 2019
Bill Status: Bill Request
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Bill Topic: CROP & LIVESTOCK CONTRIBUTION TAX CREDIT

**Summary of
Fiscal Impact:**

- State Revenue (*minimal*)
- State Expenditure
- State Transfer
- TABOR Refund (*minimal*)
- Local Government
- Statutory Public Entity

This bill eliminates a corporate tax credit equal to 25 percent of the value of charitable livestock or crop contributions, up to \$1,000 per year. The bill will minimally increase state revenue starting in FY 2020-21.

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

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

**Table 1
State Fiscal Impacts Under Bill 14**

		FY 2020-21	FY 2021-22
Revenue	General Fund	less than \$3,000	less than \$3,000
Expenditures		-	-
Transfers		-	-
TABOR Refund	General Fund	less than \$3,000	less than \$3,000

Summary of Legislation

Under current law, agricultural corporations are allowed to claim a corporate income tax credit equal to 25 percent of the value of charitable crop or livestock contributions to a charitable organization. The credit is capped at \$1,000 per year. The bill eliminates the credit starting January 1, 2021.

Background

Pursuant to Senate Bill 16-203, the Office of the State Auditor published its evaluation of the expenditure in September 2018. The evaluation is available online here: https://leg.colorado.gov/sites/default/files/2018-te4_hunger_relief_and_crop_and_livestock_contribution.pdf

State Revenue

This bill will increase General Fund revenue by less than \$3,000 annually starting in FY 2020-21.

The Department of Revenue is unable to report how many taxpayers or the value of crop and livestock contribution tax credits claimed without revealing confidential taxpayer information for fiscal years 2012 through 2016. In general, the department does not report aggregated data when there are fewer than three taxpayers or when a single taxpayer is responsible for more than 80 percent of an item. If three taxpayers claim the full \$1,000 credit, eliminating the credit will increase General Fund revenue by \$3,000 per year starting in FY 2020-21.

TABOR Refund

The bill is expected to increase state General Fund obligations for TABOR refunds by less than \$3,000 in FY 2020-21 and FY 2021-22. Under current law and the September 2019 Legislative Council Staff forecast, the measure will correspondingly increase the amount refunded to taxpayers via sales tax refunds made available on income tax returns for tax years 2021 and 2022, respectively.

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. The bill impacts corporate taxes starting January 1, 2021.

State and Local Government Contacts

Information Technology

Personnel

Revenue

State Auditor