

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning modification of certain tax expenditures, and, in connection therewith, making and reducing an appropriation.

Prime Sponsors:

Representatives Garcia; Brown
Senator Weissman

Date Prepared:

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Fiscal Impacts

Appropriation Already Added to Bill, Amendments in Packet

General Fund/TABOR Impact

Significant Appropriation Increase in Second Year

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 05/08/26.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

Amendments in This Packet

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| J.003 | Staff-prepared appropriation amendment |
| L.073 | Bill Sponsor amendment – changes fiscal impact |
| L.074 | Bill Sponsor amendment – changes fiscal impact and appropriation |

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates \$1.1 million total funds to the following Departments:

- \$48,482 General Fund to the Department of Revenue;
- \$25,000 General Fund to the Governor’s Office;
- \$996,276 from the Preschool Programs Cash Fund to the Department of Early Childhood;
- \$41,734 total funds to the Department of Health Care Policy and Financing, including:
 - a decrease of \$52,892 General Fund;
 - \$50,900 from the Health Care Expansion Fund;

- \$21,024 from the Primary Care Fund;
- \$1,660 from the Tobacco Tax Cash Fund; and
- \$332 from the Children's Basic Health Plan Trust.
- \$36,074 total funds to the Department of Public Health and Environment, including:
 - \$17,704 from the Tobacco Education Program Fund;
 - \$17,704 from the Prevention, Early Detection and Treatment Fund;
 - \$333 from the Tobacco Tax Cash Fund; and
 - \$333 General Fund.

The appropriation anticipates the receipt of \$20,710 federal funds by the Department of Health Care Policy and Financing.

Description of Amendments in This Packet

J.003

Staff amendment **J.003** (attached) reduces the Department of Revenue’s FY 2026–27 General Fund appropriation by \$10,050, reflecting reduced GenTax and development costs.

L.073

Bill Sponsor amendment **L.073** (attached) reduces previously authorized General Fund transfers to the State Highway Fund.

L.074

Bill Sponsor amendment **L.074** (attached) authorizes the Department of Revenue to share confidential taxpayer information with the Colorado Energy Office for the purpose of administering and verifying claims for the state heat pump installation income tax credit, while maintaining existing confidentiality and penalty protections. It also delays the expansion of the wildfire mitigation tax credit from 2026 to 2027.

JBC Staff and Legislative Council Staff agree on the fiscal impact of these amendments.

If the Committee adopts **L.074**, it should adopt **J.003**. It may also adopt **L.073**.

Points to Consider

The Joint Budget Committee has proposed a budget package for FY 2026-27 based on the March 2026 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$57.3 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 13.0 percent reserve associated with the placeholders.

General Fund Appropriation Placeholders for Other 2026 Legislation

Item	FY 2026-27
SB 26-149 (Pathways for Individuals with Mental Health Disorders)	\$23,222,868
Competency services	20,000,000
Potential prison capacity supplemental	5,900,000
Applied Behavioral Analysis Licensing	5,000,000
County Administration shared services	3,100,000
Medicaid Working Group	500,000
HB 26-1331 (Modify 2026 Interim Committees)	-396,469

Item	FY 2026-27
Total - Placeholders for other legislation	\$57,326,399

The forecast does not anticipate a TABOR surplus liability for FY 2025-26, but does anticipate a surplus liability of \$711.1 million for FY 2026-27 and \$515.6 million in FY 2027-28 to be refunded to taxpayers out of the General Fund. Legislation that increases non-exempt revenue (such as cash funds) will increase the TABOR refund from the General Fund.

General Fund Impact

This bill requires a General Fund appropriation of \$20,590 for FY 2026-27, reducing the \$57.3 million set aside by the same amount. This bill is projected to require General Fund appropriations of \$200,355 and 0.7 FTE in FY 2027-28.

TABOR/ Excess State Revenues Impact

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by \$5.8 million in FY 2026-27 and \$4.9 million in FY 2027-28.