



Joint Budget Committee Staff

# Memorandum

To: Joint Budget Committee Members  
From: Michelle Curry, JBC Staff (303-866-2062)  
Date: Friday, April 25, 2025  
Subject: [Bill Request to Adjust the Bridge and Tunnel Impact Fee Schedule](#)

The Statewide Bridge and Tunnel Enterprise created in 43-4-805, C.R.S., uses fee revenue to finance, repair, reconstruct, replace, and maintain bridges and tunnels across the state. One of the primary revenue streams to this enterprise is the Bridge and Tunnel Impact Fee, which is a fee on special fuels including diesel. The fee is set at \$0.05 per gallon for FY 2025-26 with a statutory increase of \$0.01 occurring in each fiscal year through 2028-29. In light of JBC decisions regarding transportation funding, the Department of Transportation proposes adjusting the fee schedule to increase revenue to the Enterprise in FY 2025-26 through FY 2027-28. The table below shows the proposed change:

| Bridge and Tunnel Impact Fee Proposed Changes |            |         |         |         |         |         |
|---|------------|---------|---------|---------|---------|---------|
|   | Current FY | FY25-26 | FY26-27 | FY27-28 | FY28-29 | FY29-30 |
| Current Law                                   | \$0.04     | \$0.05  | \$0.06  | \$0.07  | \$0.08  | \$0.08  |
| Proposed Change                               |            | \$0.02  | \$0.01  | \$0.01  | \$0.00  | \$0.00  |
| Fee Under Proposal                            | \$0.04     | \$0.07  | \$0.07  | \$0.08  | \$0.08  | \$0.08  |

The proposal would result in an estimated revenue increase of \$28.4 million over the next three fiscal years. The Department's revenue forecast is shown in the table below:

| Bridge and Tunnel Impact Fee Revenue Forecast |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
|   | Current FY   | FY25-26      | FY26-27      | FY27-28      | FY28-29      | FY29-30      |
| Current Law                                   | \$27,490,802 | \$34,929,224 | \$42,745,574 | \$50,965,518 | \$59,591,369 | \$60,994,697 |
| Proposed Change                               | \$27,490,802 | \$48,900,913 | \$49,869,836 | \$58,246,306 | \$59,591,369 | \$60,994,697 |
| Revenue Increase                              | \$0          | \$13,971,689 | \$7,124,262  | \$7,280,788  | \$0          | \$0          |

According to the Department, the Colorado Motor Carriers Association (CMCA) supports the bill as a measure to ensure the safety of Colorado roads. The Department also says that CMCA is requesting reinstatement of the tax exemption for interstate commerce trucking equipment, which expired January 1, 2025. The executive branch proposes reinstating the credit through calendar year 2029. Extension of the tax exemption would result in an estimated annual reduction of \$2.5 million in revenue subject to TABOR. This revenue would otherwise be credited to the General Fund. The Department of Revenue has indicated that the tax adjustment could be implemented effective August 1, 2025.