



Colorado
Legislative
Council
Staff

HB16-1123

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0145

Date: January 27, 2016

Prime Sponsor(s): Rep. Klingenschmitt
Sen. Lundberg

Bill Status: House SVMA

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BILL TOPIC: RELIGIOUS FREEDOM OF CERTAIN RELIGIOUS PERSONS

Summary of Legislation

This bill specifies that religious organizations that refuse to violate a sincerely held belief by providing services, accommodations, or goods is not subject to civil penalties for discrimination. The penalties do not apply to individuals and organizations controlled or connected with a religious organization that provide goods, services, or accommodations for the solemnization of any marriage or religious ceremony. The bill also prevents state or local governments from revoking the tax exempt status of these religious organizations and requires that religious organizations be exempt from local sales taxes.

Background

Under current law, the Department of Revenue determines tax exempt status based on the information provided by the taxpayer, including the federal determination of federal tax exempt status by the Internal Revenue Service. The department does not have a formal method to determine if a taxpayer's federal tax exempt status has been revoked. If a taxpayer receives tax exempt status for Colorado taxes, this status is maintained under current law or under this bill. This bill is not expected to change these procedures for the Department of Revenue and will not have any revenue or expenditure impact on the department.

The Division of Civil Rights in the Department of Regulatory Agencies is charged with enforcing Colorado's anti-discrimination laws in the areas of employment, housing, and public accommodations. The existing anti-discrimination laws exempt religious organizations. Assuming that the change in definitions of religious organizations do not impact the jurisdiction of the division, this bill is not expected to impact its workload or costs.

Local Government Impact

This bill may reduce sales tax revenue collected by local governments. This bill requires cities and counties to adopt the state exemption for charitable organizations for their sales tax. The actual reduction in revenue will depend on how many of the state's local governments currently exempt charitable organizations from their taxes at the local level and how much revenue is generated from these sales.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties
Office of Information Technology
Revenue

Municipalities
Regulatory Agencies