



Legislative Council Staff

Research Note

Version: Final

Date: 4/12/2016

Bill Number

House Bill 16-1075

Sponsors

***Representatives Primavera &
Landgraf
Senators Johnston & Martinez
Humenik***

Short Title

***Reestablish Alzheimer's
Association Tax Check-off***

Research Analyst

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Status

This research note reflects the final version of the bill. The bill was postponed indefinitely by the House Finance Committee on April 7, 2016.

Summary

This bill reestablishes the voluntary contribution designation (or income tax checkoff) benefitting the Alzheimer's Association Fund. Money in the fund is used to support programs offered by the Alzheimer's Association Colorado Chapter, a nonprofit agency providing support to individuals and families caring for persons with Alzheimer's disease and other related disorders.

The income tax checkoff will be available for income tax year 2016 if it becomes law before any other income tax contribution other than the 14 currently listed on the 2015 state tax return. Otherwise, the income tax checkoff will be placed in the tax checkoff queue. The income tax checkoff will be available for five years beginning the year it first returns on the individual income tax form.

Background

In 1977, Colorado was the first state to create a voluntary contribution program, commonly referred to as the tax checkoff program, allowing taxpayers to voluntarily contribute to an organization on their income tax form. The Colorado Individual Income Tax Return Form 104 allows taxpayers to contribute to various organizations listed on the form by donating a portion

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of their income tax refund or increasing the amount owed on their tax return. Under current law, tax checkoffs must be renewed and meet a yearly minimum contribution of \$75,000 for three years to remain on the tax form. Contributions are calculated from January 1 through September 30 of each tax year.

In 2011, the legislature made changes to the income tax checkoff program that established a priority order for newly created checkoffs. The number of checkoffs made available each year on the Colorado income tax form is limited to 15. To ensure that the 15 checkoff cap is not exceeded, the priority order system specifies that continued or renewed programs take precedence over newly created programs. Thus, if a program that has appeared on the form is renewed or continued and has donations of at least \$75,000, the program remains on the form in the subsequent tax year. Newly created programs can only appear on the tax form when an existing program is removed. The order of programs in the queue is determined by the date and time that the Governor signs the bill creating the new program. It should be noted that 14 voluntary contributions appear on the 2015 state tax return, so there are no tax checkoff programs in the queue.

The Alzheimer's Association Colorado Chapter provides information and support to people living with Alzheimer's in Colorado, their families, and their caregivers. The group also promotes and advocates for further research for Alzheimer's disease and other related disorders. House Bill 05-1056 created the fund and a line on the income tax form, which was renewed in 2008 and 2011. In 2015, the fund was removed from the income tax form for failing to receive the requisite minimum contribution amount within the statutorily designed time.

House Action

House Finance Committee (February 3, 2016). At the hearing, the Alzheimer's Association Colorado Chapter, the Colorado Senior Lobby, and persons representing themselves testified in support of the bill. The bill was laid over to a future date for action only.

House Finance Committee (April 7, 2016). At the hearing, the sponsors explained that the General Assembly passed another bill, House Bill 16-1297, that reestablishes the voluntary contribution designation (or income tax checkoff) benefitting the Alzheimer's Association Fund on the Colorado Individual Income Tax Form. At the request of the sponsors, the committee postponed the bill indefinitely.

Relevant Research

Legislative Council Staff, *Income Tax Checkoffs, Colorado Online Tax Handbook*: <https://www.colorado.gov/pacific/cga-legislativecouncil/income-tax-checkoffs>