



**Colorado  
Legislative  
Council  
Staff**

**HB17-1055**

**FINAL  
FISCAL NOTE**

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

**Drafting Number:** LLS 17-0678  
**Prime Sponsor(s):** Rep. Herod  
Sen. Gardner

**Date:** May 15, 2017  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Louis Pino (303-866-3556)

**BILL TOPIC:** CREATE NEW TAX CHECK-OFF FOR URBAN PEAK

| <b>Fiscal Impact Summary</b>                         | <b>FY 2017-2018</b>            | <b>FY 2018-2019</b> |
|--|--------------------------------|---------------------|
| <b>State Revenue</b><br>Cash Fund                    | Indeterminate Revenue Increase |                     |
| <b>State Expenditures</b><br>Cash Fund               | See State Expenditure Section  |                     |
| <b>Appropriation Required:</b> None.                 |                                |                     |
| <b>Future Year Impacts:</b> Ongoing revenue increase |                                |                     |

**Summary of Legislation**

This bill creates the voluntary contribution designation (income tax checkoff) benefitting the Urban Peak Housing and Support Services for Youth Experiencing Homelessness Fund. Money in the fund is used to provide supportive housing and comprehensive support services to youth age 15 to 24 who are experiencing homelessness in Colorado.

The income tax checkoff will be available for five consecutive tax years beginning the year it is first placed on the form.

**Background**

The Colorado Individual Income Tax Return Form 104 allows taxpayers to contribute to various organizations listed on the form by donating a portion of their income tax refund or increasing the amount owed on their tax return. Under current law, only 20 checkoff programs can appear on an individual income tax form each year. Any programs that exceed the limit are placed in a queue and are put on the income tax form once a line becomes available. The order of programs in the queue is determined by the date and time that the Governor signs each bill.

Tax checkoffs must meet a yearly minimum contribution of \$50,000 by the third year from when it first appeared on the form and subsequent tax years to remain on the tax form. Contributions are calculated from January 1st through September 30th of each tax year. In addition, a program must be continued or reestablished by the General Assembly prior to the date that the program is scheduled to sunset.

It should be noted that 20 voluntary contributions appear on the 2016 Colorado Individual Income Tax form. The order of programs in the queue is determined by the date and time that the Governor signs each bill.

### **State Revenue**

The amount of contributions to the Urban Peak Housing and Support Services for Youth Experiencing Homelessness Fund and the date by which the tax check-off will be available is uncertain. State revenue will increase in years the tax check-off is available on individual income tax returns. This bill will not affect General Fund revenue. Contributions are credited to the Urban Peak Housing and Support Services for Youth Experiencing Homelessness Fund. These voluntary donations are exempt from TABOR provisions.

### **State Expenditures**

Expenditures by the Department of Revenue for programming costs are expected to increase by \$2,200 when the department is ready to implement the bill. These costs are attributed to one-time Gentax programming and to program the optical charter recognition software to recognize the change to the state income tax form. Since programming costs are based on the FY 2017-18 contracted rate for changes to the Colorado Integrated Tax Architecture system, the \$2,200 figure will likely increase if the checkoff program in this bill does not appear on the 2017 income tax form.

The bill specifies that these costs are to be paid by an annual appropriation from the Urban Peak Housing and Support Services for Youth Experiencing Homelessness Fund. In the event that the moneys in the fund are insufficient to cover these costs, this fiscal note assumes that the General Fund will offset the amount of any deficiency, which will be reimbursed once sufficient donations arrive.

### **Effective Date**

The bill was signed into law by the Governor on March 16, 2017, and takes effect August 9, 2017, assuming no referendum petition is filed.

### **State Appropriations**

No appropriation is required in FY 2017-18.

### **State and Local Government Contacts**

Information Technology

Personnel

Revenue

Treasury