



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

# FINAL FISCAL NOTE

**Drafting Number:** LLS 20-0997      **Date:** July 20, 2020  
**Prime Sponsors:** Rep. Benavidez; Snyder      **Bill Status:** Deemed Lost  
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**Bill Topic:**                      **CROP AND LIVESTOCK CONTRIBUTION TAX CREDIT**

**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
<input type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill would have eliminated a corporate tax credit equal to 25 percent of the value of charitable livestock or crop contributions, up to \$1,000 per year. The bill would have minimally increased state revenue starting in FY 2020-21.

**Appropriation Summary:**                      No appropriation would have been required.

**Fiscal Note Status:**                      The fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

**Table 1  
State Fiscal Impacts Under HB 20-1305**

		FY 2020-21	FY 2021-22
<b>Revenue</b>	General Fund	less than \$1,500	less than \$3,000
<b>Expenditures</b>		-	-
<b>Transfers</b>		-	-
<b>TABOR Refund</b>	General Fund	less than \$1,500	less than \$3,000

## **Summary of Legislation**

Under current law, agricultural corporations are allowed to claim a corporate income tax credit equal to 25 percent of the value of crop or livestock contributions to a charitable organization. The credit is capped at \$1,000 per year. The bill eliminates the credit starting January 1, 2021.

## **Background**

Pursuant to Senate Bill 16-203, the Office of the State Auditor published its evaluation of the tax expenditure in September 2018. The evaluation is available online here: [https://leg.colorado.gov/sites/default/files/2018-te4\\_hunger\\_relief\\_and\\_crop\\_and\\_livestock\\_contribution.pdf](https://leg.colorado.gov/sites/default/files/2018-te4_hunger_relief_and_crop_and_livestock_contribution.pdf)

## **State Revenue**

This bill will increase General Fund revenue by less than \$1,500 in FY 2020-21 and less than \$3,000 starting in FY 2021-22.

The Department of Revenue is unable to report how many taxpayers or the value of crop and livestock contribution tax credits claimed without revealing confidential taxpayer information for fiscal years 2012 through 2016. In general, the department does not report aggregated data when there are fewer than three taxpayers or when a single taxpayer is responsible for more than 80 percent of an item. If three taxpayers claim the full \$1,000 credit, eliminating the credit will increase General Fund revenue by \$3,000 per year. The FY 2020-21 revenue impact reflects a partial-year revenue change to account for accrual accounting.

## **State Expenditures**

**TABOR refund.** The bill is expected to increase state General Fund obligations for TABOR refunds by less than \$1,500 in FY 2020-21 and less than \$3,000 in FY 2021-22. Under current law and the December 2019 Legislative Council Staff forecast, the measure will correspondingly increase the amount refunded to taxpayers via sales tax refunds made available on income tax returns for tax years 2021 and 2022, respectively. A forecast is not available beyond FY 2021-22.

## **Effective Date**

The bill was deemed lost on June 16, 2020.

## **State and Local Government Contacts**

Information Technology

Personnel

Revenue