



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number:	LLS 20-0231	Date:	January 24, 2020
Prime Sponsors:	Sen. Court; Tate Rep. Snyder; Benavidez	Bill Status:	Senate Finance
		Fiscal Analyst:	Louis Pino 303-866-3556 louis.pino@state.co.us

Bill Topic: TAX EXPENDITURE BILL REQUIREMENTS

Summary of Fiscal Impact: **No fiscal impact.** This bill expands certain requirements that must be included in new state tax expenditure bills or legislation extending an expiring tax expenditure. It will have no fiscal impact on state or local government revenue or expenditures.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill, as recommended by the Tax Expenditure Interim Study Committee.

Summary of Legislation

Beginning on January 1, 2021, the bill requires all state legislation creating a new tax expenditure or extending an expiring tax expenditure to include a statutory legislative declaration which must contain a tax preference performance statement. Under current law, only a legislative declaration stating the intended purpose is required.

The bill requires that the tax preference statement identify one or more of the following tax expenditure categories for a new or extended tax expenditure:

- intended to induce certain designated behavior by taxpayers;
- intended to create or retain jobs;
- intended to reduce structural inefficiencies in the tax structure; or
- intended to provide tax relief for certain businesses or individuals.

In addition, the bill requires that the statement include detailed information regarding the purpose of the new or extended tax expenditure. The detailed information must include adequate information to allow the General Assembly and state auditor to measure the effectiveness of the tax expenditure.

Finally, the bill requires all state legislation creating a new tax expenditure or extending an expiring tax expenditure to include a repeal date.

Assessment of No Fiscal Impact

The bill makes technical changes to legislation creating new tax expenditures or extending an expiring tax expenditure that do not impact the state revenue, expenditures, or workload of any state agency or local government. For this reason, the bill is assessed as having no fiscal impact.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Information Technology
Revenue

Legislative Legal Services
State Auditor

Personnel