



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 23B-0019 Date: December 1, 2023
Prime Sponsors: Rep. Luck Bill Status: Postponed Indefinitely
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Bill Topic: CREATION OF TAX CODE TASK FORCE

- Summary of Fiscal Impact:
State Revenue (checkbox)
State Expenditure (checked)
State Transfer (checkbox)
TABOR Refund (checkbox)
Local Government (checked)
Statutory Public Entity (checkbox)

The bill would have created a task force to study eliminating all taxes except for sales and use taxes. The bill would have increased state expenditures through FY 2024-25.

Appropriation Summary: For the current FY 2023-24, the bill would have required an appropriation of \$1,588 to the Legislative Department. For FY 2024-25, the bill would have required an appropriation of \$110,259 to the Legislative Department.

Fiscal Note Status: The fiscal note reflects the introduced bill. This bill was postponed indefinitely by the House State, Civic, Military, and Veterans Affairs Committee on November 17, 2023; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under HB 23B-1006

Table with 4 columns: Category, Sub-category, Current Year FY 2023-24, Budget Year FY 2024-25, Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

## Summary of Legislation

The bill creates the Tax Code Legislative Task Force to design a new tax code for funding state and local government that eliminates all taxes except for sales and use taxes. The Legislative Council Staff and the Office of Legislative Legal Services must assist the task force.

The bill outlines the membership of the task force, which includes legislators, a representative of the Department of Revenue (DOR), various subject matter experts, and representatives of organizations for and against the Taxpayer’s Bill of Rights (TABOR). Legislative members receive compensation and reimbursement of expenses. Non-legislative members serve without compensation, but may be reimbursed for expenses.

The task force must convene by June 2024, meet every three months, report to the General Assembly within one year, and then disband.

## State Expenditures

The bill increases state General Fund expenditures in the Legislative Department by about \$1,600 in FY 2023-24 and \$131,400 in FY 2024-25. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 23B-1006**

	<b>FY 2023-24</b> <i>current year</i>	<b>FY 2024-25</b>	<b>FY 2025-26</b>
<b>Legislative Department</b>			
Personal Services	-	\$100,012	-
Operating Expenses	-	\$1,664	-
Legislator Per Diem	\$224	\$895	-
Legislator Travel Costs	\$248	\$992	-
Non-Legislator Travel Costs	\$1,116	\$6,696	-
Centrally Appropriated Costs <sup>1</sup>	-	\$21,180	-
<b>Total</b>	<b>\$1,588</b>	<b>\$131,439</b>	-
<b>Total FTE</b>	-	<b>1.3 FTE</b>	-

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Legislative Department.** The Legislative Council Staff (LCS) and the Office of Legislative Legal Services (OLLS) will require staff to support the task force and the General Assembly will incur additional costs for legislative member compensation.

- **Staff.** LCS requires temporary 1.2 FTE, including 1.0 FTE for a research analyst and 0.2 FTE for an economist to support the task force. Duties include logistical support, research, presentations, and analysis of property tax relief proposals. OLLS requires temporary 0.1 FTE for an attorney to support the committee. Standard operating expenses are included.
- **Legislator per diem and travel costs.** The two legislators on the task force are eligible for per diem and travel cost compensation for the four meetings that will occur outside of the legislative session. Costs are based on standard per diem and interim committee travel reimbursements.
- **Non-legislator reimbursement.** The nine non-legislative members are eligible for travel cost compensation for all nine meetings. Costs are based on standard travel reimbursements.

**Department of Revenue.** The Department of Revenue will have increased workload to serve on the task force. No change in appropriations is required.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

## Other Budget Impacts

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

## Local Government

The bill increase workload and costs for the local governments that have representatives serving on the task force, including representatives from municipalities, special districts, county assessors, and county commissioners.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

For the current FY 2023-24 the bill requires a General Fund appropriation of \$1,588 to the Legislative Department.

For FY 2024-25, the bill requires a General Fund appropriation of \$110,259 to the Legislative Department, and 1.3 FTE.

## State and Local Government Contacts

Counties  
Revenue

Legislative Council Staff

Legislative Legal Services