



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number:	LLS 24-0892	Date:	January 10, 2024
Prime Sponsors:	Rep. Willford; Young Sen. Fields; Kolker	Bill Status:	House Finance
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Bill Topic: **REPEAL AND REENACT EARNED INCOME TAX CREDIT INCREASE**

Summary of Fiscal Impact: **No fiscal impact.** The bill repeals and reenacts House Bill 23B-1002. The bill re-codifies current law and is assessed as having no fiscal impact on state and local governments.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

The bill repeals and reenacts House Bill 23B-1002, which expanded the state earned income tax credit for tax year 2023 and modified TABOR refund mechanisms in FY 2023-24 only.

Background

The Colorado earned income tax credit (EITC) is available to taxpayers who claim the federal EITC, and to taxpayers who would otherwise be able to claim the federal EITC but who are ineligible because they do not have a valid social security number. The Colorado EITC is a refundable credit calculated as a percentage of the federal EITC. For tax year 2023 only, HB 23B-1002 expands the Colorado EITC from 25 percent to 50 percent of the federal EITC. That bill classifies this expansion to the EITC as a TABOR refund mechanism for the FY 2022-23 TABOR surplus, refunded in FY 2023-24, after the property tax exemption refund mechanisms.

Assessment of No Fiscal Impact

The bill repeals and reenacts current law with no changes. It reenacts an appropriation of \$51,483 to the Department of Revenue, of which \$516 is reappropriated to the Department of Personnel and Administration. The appropriation is the same as the amount under current law. The bill results in no change to state or local government revenue or expenditures. For this reason, the bill is assessed as having no fiscal impact.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

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