

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING QUALIFICATION FOR STATE INCOME TAX CREDITS FOR CHARITABLE CONTRIBUTIONS TO NONPROFIT ORGANIZATIONS, AND, IN CONNECTION THEREWITH, AUTHORIZING A TAXPAYER TO MAKE A CHARITABLE CONTRIBUTION FOR WHICH THE TAXPAYER MAY CLAIM A STATE INCOME TAX CREDIT TO A CHARITABLE RECIPIENT ORGANIZATION THROUGH A QUALIFIED INTERMEDIARY THAT FORWARDS THE CONTRIBUTION TO THE CHARITABLE RECIPIENT ORGANIZATION, ALLOWING A TAX CREDIT CERTIFICATE FOR THE COLORADO HOMELESS CONTRIBUTION TAX CREDIT TO INCLUDE ONLY THE LAST FOUR DIGITS, RATHER THAN ALL DIGITS, OF A TAXPAYER'S SOCIAL SECURITY NUMBER, AND MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Zenzinger and Smallwood
Representative Snyder

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Appropriation Items of Note

Appropriation Already Added to Bill, Amendments in Packet

General Fund/TABOR Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/16/24.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.002	Staff-prepared appropriation amendment
L.005	Bill Sponsor amendment - does not change fiscal impact or appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates a total of \$113,937 General Fund for FY 2024-25, including \$108,937 to the Department of Revenue and \$5,000 to the Department of Local

Affairs. This provision also states that the appropriation is based on the assumption that the Department of Revenue will require an additional 1.6 FTE.

Description of Amendments in This Packet

J.002 Staff has prepared amendment **J.002** (attached) to add a provision reducing the appropriation to the Department of Revenue to \$41,769 General Fund for FY 2024-25. Of this amount, \$2,552 is further appropriated to the Department of Personnel. This provision also reduces the assumed FTE required to 0.4 FTE. This appropriation is consistent with the most recent Revised Fiscal Note (04/16/24).

L.005 Bill Sponsor amendment **L.005** adds clarifying language to the bill and does not change the fiscal impact stated in the most recent Revised Fiscal Note (04/16/24).

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2024-25 based on the March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$63.1 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders (a total of \$9.5 million).

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130
Legislation for Shared Housing Priorities	12,043,478
Legislation for Shared Workforce and Education Priorities	16,152,110
Legislation for Other Shared Priorities	10,519,130
Legislation for Distributions to Rural Hospitals	2,608,689
TOTAL Placeholders for Other 2024 Legislation	\$63,062,537

This bill currently includes a General Fund appropriation of \$113,937 for FY 2024-25, reducing the \$63.1 million set aside by the same amount. If **J.002** is adopted, the bill will require a General Fund appropriation of \$46,769 for FY 2024-25, reducing the \$63.1 million set aside by the same amount.

TABOR/ Excess State Revenues Impact

The March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$2.0 billion for FY 2023-24, \$1.3 billion for FY 2024-25, and \$1.8 billion for FY 2025-26 to be refunded to taxpayers out of the General Fund. These sums must be

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refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by \$239,000 in FY 2023-24, \$478,000 in FY 2024-25, and by \$478,000 in FY 2025-26, which will result in a decrease in the TABOR surplus liability of equal amounts.