



Fiscal Note

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HB25-1048: STATE TAX EXPENDITURE AND GRANT DATABASE

Prime Sponsors:

Rep. Marshall; Soper
Sen. Mullica

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Fiscal note status: This fiscal note reflects the introduced bill, which was recommended by the Legislative Oversight Committee Concerning Tax Policy.

Summary Information

Overview. The bill creates an online database for all qualifying state tax expenditures and state grant opportunities, managed by the Department of Revenue.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures

Appropriations. For FY 2025-26, the bill requires an appropriation of \$71,134 to the Department of Revenue.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$87,023	\$192,180
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.8 FTE	2.0 FTE

¹ Fund sources for these impacts are shown in the table below.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$71,134	\$153,775
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$15,889	\$38,405
Total Expenditures	\$87,023	\$192,180
Total FTE	0.8 FTE	2.0 FTE

Summary of Legislation

The bill requires the Department of Revenue (DOR) to create and maintain an online database that includes information on all qualifying state tax expenditures and state grant opportunities, including any grant funded by state money or administered by the state. A qualifying tax expenditure is any state tax expenditure that meets at least one of the following criteria:

- a limited amount of dollars or credits is available;
- a discretionary determination made by a state agency is necessary to qualify; or
- a person must submit an application to and receive a certificate or other designation of approval from a state agency to qualify.

The database must be created by December 31, 2026, and be reviewed and updated on an annual basis.

Assumptions

The creation of the online database may make taxpayers aware of tax expenditures or grant opportunities that they otherwise would not have utilized. To the extent that the online database increases claims of tax expenditures, state revenue will be reduced. The fiscal note assumes that the bill will not substantially impact state revenue and only estimates the direct expenditure impact of implementing the new database.

State Expenditures

The bill increases state expenditures in the Department of Revenue by about \$87,000 in FY 2025-26, \$192,000 in FY 2026-27, and \$186,00 in FY 2027-28 and future years. Expenditures are summarized in Table 2 and explained below.

Table 2
State Expenditures
Department of Revenue

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$63,440	\$144,545	\$144,545
Operating Expenses	\$1,024	\$2,560	\$2,560
Capital Outlay Costs	\$6,670	\$6,670	\$0
Centrally Appropriated Costs	\$15,889	\$38,405	\$38,405
Total Costs	\$87,023	\$192,180	\$185,510
Total FTE	0.8 FTE	2.0 FTE	2.0 FTE

Staff Costs

In total, DOR will require 2.0 FTE for the creation and ongoing maintenance of the database. Of this staff, 1.0 FTE will begin September 1, 2025, and oversee the creation and maintenance of the new database. This position will conduct outreach with all state agencies to inform them of the requirements of the bill, begin identifying and gathering information, create a process for data collection, and oversee the creation and output of the new database.

An additional 1.0 FTE will begin July 1, 2026, to support collection of information and maintenance of the new database, including data collection, cleansing and conversion, uploading information into the database, and user testing. On an ongoing basis, work will include updating information for new or ending tax expenditures and grant programs.

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.

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 FY 2025-26, the bill requires a General Fund appropriation of \$71,134 to the Department of Revenue, and 0.8 FTE.

State and Local Government Contacts

Information Technology

Revenue

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the General Assembly website.