



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1299: ANIMAL PROTECTION FUND VOLUNTARY CONTRIBUTION

Prime Sponsors:

Rep. Duran
Sen. Roberts

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Fiscal note status: This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill creates a voluntary contribution designation (income tax checkoff) benefitting the Animal Protection Fund. The bill increases state revenue and expenditures beginning the year it is first placed on the form.

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

- State Expenditures
- State Revenue

Appropriations. For FY 2025-26, the bill requires an appropriation of \$11,606 to the Department of Revenue. No appropriation is required to the Department of Agriculture (CDA) because, under the bill, the Animal Protection Fund is continuously appropriated to the CDA.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$155,000	\$155,000
State Expenditures	\$155,000	\$155,000
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

¹ Expenditures are estimated based on the amount of estimated voluntary contributions. The timing and amount of expenditures may differ from this estimate.

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds (Animal Protection Fund)	\$155,000	\$155,000
Total Revenue	\$155,000	\$155,000

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds (Animal Protection Fund)	\$155,000	\$155,000
Federal Funds	\$0	\$0
Centrally Appropriated	\$0	\$0
Total Expenditures	\$155,000	\$155,000
Total FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill creates a voluntary contribution designation (income tax checkoff) benefitting the Animal Protection Fund. The Animal Protection Fund is currently used to support the care of pet animals and livestock during emergencies and crises, subject to annual appropriations. Under the bill, money in the fund is continuously appropriated to the Department of Agriculture for the same purpose.

Background

Voluntary Contributions

The Colorado individual income tax return form allows taxpayers to contribute to various listed organizations by donating a portion of their income tax refund or increasing the amount owed on their tax return. Legislation is required to create a new voluntary contribution fund. Only 20 voluntary contribution funds are permitted on the Colorado income tax return. If more than 20 funds are passed into law, funds are placed in a queue until a prior fund is removed or becomes ineligible to appear on the tax return. Sixteen voluntary contributions appear on the 2024 Colorado individual income tax return form. Most but not all voluntary contributions require a sunset review date and minimum amount of annual contributions to remain on the tax return form; this process is not required for the Animal Protection Fund under this bill.

In 2024, a total of \$2.86 million in voluntary contributions were made, averaging \$178,000 per contribution fund. Total donations per contribution fund ranged from \$47,000 in donations towards the Western Slope Military Veterans Cemetery Fund to \$312,000 in donations towards the Homeless Prevention Activities Program Fund.

State Revenue

The bill is estimated to increase state revenue by \$155,000 in FY 2025-26 and future years based on average annual voluntary contributions to the Pet Overpopulation Fund. However, the actual amount of contributions to the Animal Protection Fund is uncertain and depends on the contributions made by taxpayers on income tax forms. State revenue will increase in years the tax check-off is available on individual income tax returns. This bill will not affect General Fund revenue. Contributions are credited to the Animal Protection Fund and are exempt from TABOR as gifts. The income tax checkoff under the bill is assumed to first appear on the 2025 income tax form.

State Expenditures

This bill increases expenditures by an estimated \$155,000 in FY 2025-26 and future years within the Department of Revenue (DOR) and the Department of Agriculture (CDA), as shown in Table 2 below.

Table 2
State Expenditures
All Departments

Department	Budget Year FY 2025-26	Out Year FY 2026-27
Department of Revenue (DOR)	\$11,606	\$8,702
Department of Agriculture (CDA)	\$143,394	\$146,298
Total Costs	\$155,000	\$155,000

Department of Revenue

The bill increases expenditures in the Department of Revenue by \$11,606 in FY 2025-26 and \$8,702 in FY 2026-27 and future years, as shown in Table 3 below. Expenditures will be paid from the Animal Protection Fund.

Table 3
State Expenditures
Department of Revenue

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
GenTax Programming and Testing	\$2,828	\$0
Office of Research and Analysis	\$8,778	\$8,702
Total Costs	\$11,606	\$8,702

The Department of Revenue will have expenditures of \$2,828 to program, test, and update database fields in the department’s GenTax software system. Programming costs are estimated at \$2,318, representing 10 hours of contract programming at a rate of \$231.75 per hour. Costs for testing at the department include \$350 for 10 hours of innovation, strategy, and delivery programming support at a rate of \$35 per hour, and \$160 for 5 hours of user acceptance testing at a rate of \$32 per hour.

Expenditures in the Office of Research and Analysis are required for changes in the related GenTax reports so that the department can access and document tax statistics related to the new tax policy. These costs are estimated at \$8,778, representing 231 hours for data management and reporting at \$38 per hour in FY 2025-26; and \$8,702, representing 229 hours for data management and reporting in FY 2026-27 and future years.

Department of Agriculture

The bill is estimated to increase expenditures within the Department of Agriculture (CDA) by about \$150,000 per year beginning FY 2025-26. The bill continuously appropriates funds in the Animal Protection Fund to CDA, less the amount that is annually appropriated to the DOR for administrative expenses. Actual CDA expenditures will depend on the amount of voluntary contributions made to the Animal Protection Fund, and the actual timing will depend on when donations are received and future decisions by the CDA.

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 an appropriation of \$11,606 from the Animal Protection Fund to the Department of Revenue.

State and Local Government Contacts

Agriculture

Revenue

Legislative Legal Services

Treasury

Personnel