

# Organ Donor Employer Credit

Tax Expenditure Evaluation • December 2023 • 2023-TE18

The Organ Donor Employer Credit is available to Colorado employers that provide an employee with a paid leave of absence for purposes of organ donation. The credit is equal to 35 percent of the employer’s expenses incurred for paying the employee for up to 10 working days during their leave of absence and for the cost of any temporary replacement help. Statute states that the purpose of the credit is “to support living donors and the companies that employ them” [Section 39-22-540(1)(b), C.R.S.].

**As of Tax Year 2020, the Organ Donor Employer Credit did not support living donors or their employers because the credit was not being used. If the current version of the credit is extended beyond Tax Year 2024, it may provide some support to a small number of living donors and employers, but it is unlikely to make a significant impact because they may not be aware of the credit, and donors and employers must meet a number of specific requirements in order for the employer to qualify for the credit.**

Specifically, we found:

- For those who are aware of the credit, statutory requirements likely significantly reduce the number of living donors and employers whose situations would qualify for the credit.
- The restriction on taking annual leave or sick days in order to donate may cause confusion for employers about whether they qualify for the credit.
- There may be other, more cost-effective options available to living donors and their employers.

## Policy Considerations

If the General Assembly decides to extend the Organ Donor Employer Credit beyond its current expiration date of December 31, 2024, the General Assembly could assess whether the credit is available to the intended population of donors and, if necessary, consider making changes to statute.

Tax Type:	<b>Income</b>	Year Enacted:	<b>2018</b>
Expenditure Type:	<b>Credit</b>	Repeal/Expiration date:	<b>December 31, 2024</b>
Statutory Citation:	<b>Section 39-22-540, C.R.S.</b>	Revenue Impact (2020):	<b>\$0</b>

**Purpose given in statute or enacting legislation? Yes**