



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note Memorandum

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January 21, 2020

TO: Senator Tammy Story

FROM: Greg Sobetski, Principal Economist
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SUBJECT: Fiscal Assessment of Proposed Amendment L.001 to SB 20-073

This memorandum is an assessment of the fiscal impact of the attached proposed amendment to SB 20-073. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment L.001

The amendment changes the reporting requirements for CollegenInvest. Under the introduced bill, CollegenInvest is required to make quarterly reports to the Department of Revenue (DOR) including all 529 account contributions and withdrawals. With Amendment L.001, the bill requires CollegenInvest to make annual reports to the DOR including only 529 account contributions by Colorado taxpayers who are account holders or who intend to take the state income tax deduction, and 529 account withdrawals for purposes for which the state income tax deduction is not allowed.

Fiscal Impact of Amendment L.001

The amendment reduces the bill's impact on state expenditures from cash funds by \$500,000 in FY 2020-21. With the amendment, it is assumed that the reporting system required in the bill is functionally the same as the reporting system that CollegenInvest has already financed from its administrative funds. For this reason, CollegenInvest is not expected to require any expenditures to implement the amended bill. Because any expenditure would be made from continuously appropriated funds, the amendment has no impact on the bill's required appropriation.

The amendment also eliminates the potential fiscal contingencies identified in the Technical Note section of the initial fiscal note. Under the amended bill, the reporting requirements will be consistent with permissible reporting under federal regulations applicable to CollegenInvest.

Bill's Revised Fiscal Impact with Amendment L.001

Table 1 presents the bill's revised fiscal impact with Amendment L.001.

Table 1
State Fiscal Impacts Under SB 20-073 with Amendment L.001

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	General Fund	\$11,840	-
Transfers		-	-
TABOR Refund	General Fund	-	-

SB073_L.001

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Education.

SB20-073 be amended as follows:

1 Amend printed bill, page 3, strike lines 19 through 27.

2 Page 4, strike lines 1 through 10 and substitute:

3 "(V) BEGINNING JANUARY 1, 2021, AND ANNUALLY THEREAFTER,
4 COLLEGEINVEST SHALL PROVIDE THE DEPARTMENT WITH A SECURE
5 ELECTRONIC REPORT CONTAINING INFORMATION FOR THE 529 QUALIFIED
6 STATE TUITION PROGRAM'S ACCOUNT OWNERS AND THIRD-PARTY
7 CONTRIBUTORS NECESSARY FOR THE ADMINISTRATION OF THE DEDUCTION
8 ALLOWED IN THIS SECTION. THE REPORT MUST INCLUDE:

9 (A) THE NAME AND SOCIAL SECURITY NUMBER, AND THE
10 CONTRIBUTION AMOUNT, OF ALL COLORADO TAXPAYERS MAKING A
11 CONTRIBUTION TO THEIR COLLEGEINVEST ACCOUNT IN THE REPORTING
12 TAX YEAR;

13 (B) THE NAME AND SOCIAL SECURITY NUMBER, AND THE
14 CONTRIBUTION AMOUNT, OF ANY OTHER COLORADO TAXPAYER MAKING
15 A CONTRIBUTION TO A COLLEGEINVEST ACCOUNT IN THE REPORTING TAX
16 YEAR WHO INTENDS TO PARTICIPATE IN THE DEDUCTION ALLOWED IN THIS
17 SECTION; AND

18 (C) THE NAME AND SOCIAL SECURITY NUMBER, AND THE
19 UNQUALIFIED DISTRIBUTION AMOUNT, OF EACH ACCOUNT HOLDER OF A
20 COLLEGEINVEST ACCOUNT WHO IS ALSO A COLORADO TAXPAYER MAKING
21 AN UNQUALIFIED DISTRIBUTION IN THE REPORTING TAX YEAR, AND THE
22 REASON FOR THE UNQUALIFIED DISTRIBUTION."

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