



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note Memorandum

TO: Senate Finance Committee

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Fiscal Assessment of L.002 to HB26-1115

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.002 to House Bill 26-1115. 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

The reengrossed bill exempts federally supported lifeline services from the 988 charges on prepaid wireless telecommunications services, which increases costs for the Department of Revenue (DOR) for GenTax software updates and changes to tax forms and return processing. Amendment L.002 removes the exemption, and clarifies that providers using federally supported services are deemed to have collected the charge and must remit the charge to the Department of Revenue for each retail transaction.

Fiscal Impact of Amendment

By removing the exemption for 988 charges on federally supported lifeline services, Amendment L.002 removes the \$11,537 General Fund impact in the DOR for software updates and tax form changes.

Bill's Revised Fiscal Impact with Amendment

With Amendment L.002, the bill requires no appropriation. The bill will minimally increase workload in the DOR and the Public Utilities Commission to adjust information, guidance, and reporting on telecommunication fees. The bill also maintains previously expected revenue and spending levels by the 988 Crisis Hotline Enterprise and the Communication Services for People with Disabilities Enterprise. Table 1 shows the impact of the bill with the adoption of Amendment L.002.



Table 1
State Fiscal Impacts with Amendment L.002

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

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.

HB26-1115 be amended as follows:

1 Amend reengrossed bill, page 8, line 15, strike "**add**" and substitute
2 "**amend** (10); and **add** (9.7), (9.9), and".

3 Page 8, after line 19 insert:

4 "(9.7) "PROVIDER" MEANS A PERSON THAT PROVIDES PREPAID
5 WIRELESS TELECOMMUNICATIONS SERVICE.

6 (9.9) "PURCHASE" MEANS EXCHANGES OF MONEY AND EXCHANGES
7 OF NONMONETARY CONSIDERATION, SUCH AS CONSUMER INFORMATION
8 REQUIRED FOR REIMBURSEMENT CLAIMS UNDER FEDERALLY SUPPORTED
9 SERVICES OR PROGRAMS.

10 (10) "Retail transaction" means the purchase of prepaid wireless
11 telecommunications service from a seller OR PROVIDER for any purpose
12 other than resale."

13 Page 8, strike line 23 and substitute "**amend** (1)(a), (2)(a), and (2)(b); and
14 **add** (4) as follows:".

15 Page 9, strike lines 11 through 13 and substitute "seller provides to the
16 consumer. A PROVIDER THAT USES FEDERALLY SUPPORTED SERVICES OR
17 PROGRAMS TO OFFER CUSTOMERS FREE PREPAID WIRELESS
18 TELECOMMUNICATIONS SERVICE IS DEEMED TO HAVE COLLECTED THE
19 CHARGE AND SHALL REMIT THE CHARGE FOR EACH RETAIL TRANSACTION
20 THAT OCCURS IN COLORADO.

21 (2) (a) The seller OR PROVIDER THAT USES FEDERALLY SUPPORTED
22 SERVICES OR PROGRAMS shall remit any collected prepaid wireless 988
23 charges to the department at the times and in the manner provided in part
24 1 of article 26 of title 39. The department shall establish, by rule,
25 registration and payment procedures that substantially coincide with the
26 registration and payment procedures that apply under part 1 of article 26
27 of title 39. A seller OR PROVIDER is subject to the penalties under part 1
28 of article 26 of title 39 for failure to collect or remit a prepaid wireless
29 988 charge in accordance with this section.

30 (b) A seller OR PROVIDER THAT USES FEDERALLY SUPPORTED
31 SERVICES OR PROGRAMS may deduct and retain three and three-tenths
32 percent of the prepaid wireless 988 charges that are collected by the seller
33 OR PROVIDER from the consumers."

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