



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1112

FINAL FISCAL NOTE

Drafting Number: LLS 20-0475
Prime Sponsors: Rep. Hooton

Date: August 14, 2020
Bill Status: Deemed Lost
Fiscal Analyst: Greg Sobetski | 303-866-4105
Greg.Sobetski@state.co.us

Bill Topic: **EXPAND CHILD CARE CONTRIBUTION INCOME TAX CREDIT**

**Summary of
Fiscal Impact:**

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

This bill would have broadened the state income tax credit for child care contributions to include contributions to homeless youth shelters serving adolescents and to child advocacy centers. It would have decreased state revenue through FY 2024-25.

**Appropriation
Summary:** No appropriation is required.

**Fiscal Note
Status:** This final fiscal note reflects the introduced bill as amended by the House Finance Committee. The bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

**Table 1
State Fiscal Impacts Under HB 20-1112**

		FY 2019-20 <i>(current year)</i>	FY 2020-21	FY 2021-22
Revenue	General Fund	(\$500,000)	(\$1,000,000)	(\$1,000,000)
Expenditures		-	-	-
Transfers		-	-	-
TABOR Refund		-	-	-

Summary of Legislation

Under current law, taxpayers are able to claim a state income tax credit equal to 50 percent of their monetary or in-kind contributions to facilities providing child care to children who are 12 years of age or younger. The credit is available for contributions made through tax year 2024.

Beginning in tax year 2020, this bill allows contributions to homeless youth shelters providing child care to adolescents who are 18 years of age or younger to qualify for the credit. It also allows the credit for contributions to a child advocacy center, which is a center that responds to allegations of child abuse or neglect.

State Revenue

The bill decreases General Fund revenue by an estimated \$500,000 in the current FY 2019-20, by \$1,000,000 annually through FY 2023-24, and by \$500,000 in FY 2024-25. The estimates for the current FY 2019-20 and for FY 2024-25 represent half-year impacts for tax years 2020 and 2024 on an accrual accounting basis. The bill decreases income tax revenue, which is subject to TABOR.

Assumptions. Based on contribution information provided by homeless youth shelters and child advocacy centers, broadening the credit is expected to decrease state revenue by \$1.0 million annually beginning in 2020. The anticipated revenue impact is attributable in approximately equal parts to the provisions affecting contributions to child advocacy centers and homeless youth shelters. The estimate is based in part on the assumption that contributions to homeless youth shelters serving children 12 years of age or younger already qualify for the credit under current law.

TABOR refunds. The state is not expected to collect revenue above the TABOR limit in the current FY 2019-20, FY 2020-21, or FY 2021-22, and refund obligations are not anticipated for these years. This bill does not change these expectations concerning refunds to taxpayers. A forecast of state revenue subject to TABOR is not available beyond FY 2021-22.

Effective Date

The bill was deemed lost in the House Appropriations Committee on June 16, 2020.

State and Local Government Contacts

Human Services Revenue