



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Final Fiscal Note

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<b>Drafting Number:</b>	LLS 21-0683	<b>Date:</b>	September 7, 2021
<b>Prime Sponsors:</b>	Sen. Simpson Rep. Valdez D.	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:** EXTENDING EXPIRING TAX CHECK-OFFS

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**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill continues indefinitely six voluntary tax check-off funds as long as the funds receive at least \$50,000 each year. The bill minimally increases state revenue and expenditures.

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

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**Fiscal Note Status:** This fiscal note reflects the enacted bill.

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## Summary of Legislation

The bill reauthorizes six voluntary tax check-off funds that are scheduled to expire on January 1, 2022. The bill removes the sunset provision for each fund, allowing them to remain on the form as long as they receive at least \$50,000 in contributions each year. The funds that are reauthorized are:

- Colorado Healthy Rivers Fund
- Alzheimer's Association Fund
- Military Family Relief Fund
- Colorado Cancer Fund
- Make-A-Wish Foundation of Colorado Fund
- Unwanted Horse Fund

## Background

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. From January 1 to September 30, 2020, there were about \$1,546,000 in voluntary contributions received with amounts to funds ranging from \$19,961 to \$162,662.

## State Revenue

Beginning in FY 2021-22, ongoing contributions are estimated at \$559,700 each year, which represents the sum of average contributions to the six relevant funds from 2017 to 2020 as shown in Table 1. A portion of revenue goes to the Department of Revenue to cover the costs of administering the check off. The remaining contributions are transferred from the Treasury to each fund's organization and will not impact General Fund or other state revenue. The voluntary donations are exempt from TABOR.

**Table 1**  
**Individual Income Tax Return Voluntary Contributions**

<b>Jan. to Sep. Contributions</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Average 2017-2020</b>
Colorado Healthy Rivers	\$84,476	\$87,649	\$111,756	\$95,447	\$94,832
Military Family Relief	\$155,578	\$122,169	\$124,024	\$92,596	\$123,592
Alzheimer's Assoc.	\$97,184	\$94,990	\$105,383	\$82,791	\$95,087
Unwanted Horse	\$90,058	\$92,942	\$94,437	\$82,103	\$89,885
Make-A-Wish Fdn. of Co.	\$97,671	\$86,369	\$93,229	\$69,592	\$86,715
Colorado Cancer	\$70,711	\$67,431	\$77,650	\$62,670	\$69,616
<b>Total</b>	<b>\$595,678</b>	<b>\$551,550</b>	<b>\$606,479</b>	<b>\$485,199</b>	<b>\$559,726</b>

Source: Colorado Department of Revenue, Voluntary Contribution Reports.

Note: Total contributions for January to September each year, an amount that is one factor determining eligibility for inclusion on subsequent returns.

## State Expenditures

The bill will minimally increase expenditures for the Department of Revenue to maintain the checkoffs. This does not require a change in appropriations.

## Effective Date

The bill was signed into law by the Governor on April 22, 2021, and it took effect on September 7, 2021.

## State and Local Government Contacts

Information Technology  
Personnel  
Secretary of State

Local Affairs  
Regulatory Agencies

Natural Resources  
Revenue

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: [leg.colorado.gov/fiscalnotes](http://leg.colorado.gov/fiscalnotes).