



**Legislative Council Staff**  
*Nonpartisan Services for Colorado's Legislature*

**Fiscal Note  
Memorandum**

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April 11, 2018

**TO:** Representative Adrienne Benavidez

**FROM:** Greg Sobetski, Senior Economist  
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**SUBJECT:** Fiscal Assessment of Proposed Amendment **HB1359\_L.001**.

This memorandum is an assessment of the fiscal impact of the attached proposed amendment to **HB18-1359**. 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

Amendment L.001 allows the state income tax deduction for charitable contributions to taxpayers who donate at least \$500 to charity. The deduction is equal to the total amount of these taxpayers' qualifying contributions. Relative to the introduced bill, the amendment narrows the population of taxpayers eligible to claim the state deduction by imposing a \$500 contribution threshold. Relative to current law, the amendment allows an additional \$500 income tax deduction for all taxpayers who qualify.

### Fiscal Impact of Amendment

The amendment reduces the bill's fiscal impact on state revenue and expenditures.

**State revenue.** The amendment eliminates the upper bound revenue impact in the initial fiscal note and reduces the lower bound revenue impact by \$0.9 million in FY 2018-19 and by \$1.9 million in FY 2019-20 and subsequent fiscal years. The revenue impact is assumed to be reduced because the bill as amended will not allow the deduction to any taxpayers beyond those who are eligible to claim it under current law.

**State expenditures.** The amendment eliminates the upper bound expenditure impact in FY 2019-20, reduces the lower bound expenditure impact by \$25,133 in FY 2019-20, and eliminates the bill's expenditure impact in FY 2020-21 and subsequent years. State expenditures for document management and taxpayer correspondence will not be required as a result of the amendment.

## Bill's Revised Fiscal Impact with Amendment

With Amendment L.001, the bill reduces General Fund revenue by \$5.5 million in FY 2018-19 (half-year impact) and by \$11.1 million in FY 2019-20 and subsequent years, and requires one-time General Fund expenditures of \$5,540 in FY 2019-20, as shown in Table 1.

**Table 1**  
**State Fiscal Impacts Under HB 18-1359 with L.001**

		<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Revenue</b>	General Fund	(\$5.5 million)	(\$11.1 million)
<b>Expenditures</b>	General Fund	-	\$5,540
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		(\$5.5 million)	(\$11.1 million)

HB1359\_L.001

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.

HB18-1359 be amended as follows:

- 1 Amend printed bill, page 3, line 8, strike "DEDUCTION." and substitute
- 2 "DEDUCTION; EXCEPT THAT THE AGGREGATE AMOUNT OF CHARITABLE
- 3 CONTRIBUTIONS THAT THE INDIVIDUAL COULD HAVE CLAIMED MUST
- 4 TOTAL MORE THAN FIVE HUNDRED DOLLARS."

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