



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1205

FINAL FISCAL NOTE

Drafting Number:	LLS 20-0566	Date:	August 7, 2020
Prime Sponsors:	Rep. McKean Sen. Moreno	Bill Status:	Signed into Law
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Bill Topic: PRE-1987 NET OPERATING LOSS DEDUCTION

Summary of Fiscal Impact: **No fiscal impact.** This bill repeals the pre-1987 net operating loss deduction. The bill does not affect the revenue, expenditures, or workload of any state agency.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Summary of Legislation

Current law allows individuals, estates, and trusts to deduct Colorado pre-1987 net operating losses carried forward from tax years beginning prior to January 1, 1987 from their taxable income. The deduction was only available for 15 years, or until 2002. This bill repeals the deduction.

Assessment of No Fiscal Impact

Taxpayers can no longer claim the deduction, so the deduction is obsolete. The Department of Revenue does not require any modifications to forms, staffing, or programming. The bill does not affect the revenue, expenditures, or workload of any state or local agency, and is assessed as having no fiscal impact.

Effective Date

The bill was signed into law by the Governor on March 20, 2020, and takes effect on January 1, 2021, assuming no referendum petition is filed.

State and Local Government Contacts

Information Technology

Personnel

Revenue

State Auditor

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.