



SB21-145

SHORT TITLE: Extending Expiring Tax Check-offs

LONG TITLE: Concerning the extension of the period that voluntary contributions that are set to expire in 2021 will appear on the state individual tax return form.

COMMITTEES: Senate Finance Committee

SPONSORS: Sen. Simpson / Rep. D. Valdez

PURPOSE OF THE BILL: To extend multiple voluntary tax check-offs, including one for Healthy Rivers fund, that are set to expire in 2021.

PROPONENTS OF THE BILL: Organizations that benefit from the various contributions including • 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

POTENTIAL STAKEHOLDERS: Organizations that benefit from the various contributions. In the case of the Healthy Rivers fund, the water community may benefit.

BACKGROUND: Colorado has instituted a voluntary check off program for individual taxpayers to contribute to various programs having a benefit to the public. Each program is authorized by statute with a specific repeal date. 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.

Is this bill necessary this year? Yes. These voluntary contributions would not be possible under a tax check-off if they expire and no longer appear on the individual tax return.

How does the bill change current law? For the enumerated programs, the repeal date is

Does the bill affect the prior appropriations system? No.

How is the bill implemented? If SB 21-145 is enacted, the named check-offs will remain on the individual taxpayer form if they receive at least \$50,000 in contributions each year.

Practical considerations: Over the past five years, the Healthy Rivers fund has received more than the minimum \$50,000 each year.

Fiscal Impact: According to the Fiscal Impact Statement, 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.

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