

JBC Staff Fiscal Analysis
House Appropriations Committee

Concerning the elimination of the sales tax vendor fee that retailers are authorized to retain in connection with collecting and remitting state sales tax.

Prime Sponsors:

Representative Woodrow; McCormick
Senator Kipp; Winter F.

Date Prepared:

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Fiscal Impacts

Appropriation Required, Amendment in Packet

General Fund/TABOR Impact

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 08/21/25.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

Amendments in This Packet

J.001 Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause for FY 2025-26.

Description of Amendments in This Packet

J.001

Staff amendment **J.001** (attached) appropriates a total of \$156,219 General Fund to the Department of Revenue for FY 2025-26. The appropriation reflects 1.2 FTE. Of this amount, \$36,383 is further reappropriated to the Department of Personnel for document management.

Points to Consider

The July 2025 revenue forecast updates from the Office of State Planning and Budgeting (OSPB) and Legislative Council Staff (LCS) anticipate that state revenues will fall short of the TABOR limit in FY 2025-26. The update from OSPB projects that revenues will fall \$742.2 million below the TABOR limit in FY 2025-26 and then be \$411.4 million above the TABOR limit in FY 2026-27. Legislative Council Staff projects a shortfall of \$661.8 million below the TABOR limit in FY 2025-26 and a surplus of \$758.8 million above the TABOR limit in FY 2026-27. TABOR surpluses must be refunded to taxpayers out of the General Fund.

The required General Fund reserve for the fiscal year ending June 30, 2026 is 15.0 percent of FY 2025-26 General Fund appropriations. Based on the July 2025 revenue forecast updates, both the OSPB and LCS anticipate the General Fund reserve will end the current fiscal year below the reserve requirement. OSPB anticipates a deficit of \$783.1 million and LCS anticipates a deficit of \$691.9 million below the statutory reserve requirement.

General Fund Impact

This bill requires a General Fund appropriation of \$156,219 for FY 2025-26, reducing the amount of General Fund available for other purposes in FY 2025-26 and FY 2026-27.

This bill is estimated to increase General Fund revenues by \$26.3 million in FY 2025-26 and \$54.6 million in FY 2026-27. Based on the July 2025 forecast updates, the bill would increase the TABOR refund liability by \$56.8 million in FY 2026-27.

Future Fiscal Impact

The Legislative Council Staff Fiscal Note (08/21/25) lists the required FY 2026-27 appropriation as \$67,499; this amount excludes centrally appropriated costs. Pursuant to Joint Budget Committee policy, centrally appropriated costs will be appropriated in the second year. The required FY 2026-27 appropriation is therefore \$85,291, as shown in Table 6 of the Note. The appropriations requirement will be addressed during the annual budgeting process.