

HOUSE COMMITTEE OF REFERENCE REPORT

August 21, 2025

Chair of Committee

Date

Committee on Appropriations.

After consideration on the merits, the Committee recommends the following:

HB25B-1003 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend printed bill, page 2, strike lines 9 through 15 and substitute:
 - 2 "(a) The insurance premium tax rate tax expenditure has not met its intended purpose since, as evidenced by the office of the state auditor's 2020 and 2025 evaluations of the tax expenditure, the hiring and investment levels of the vast majority of all insurance companies claiming the tax expenditure have not been substantially affected by the presence of the tax expenditure; and
 - 8 (b) In its 2025 evaluation of the insurance premium tax rate tax expenditure, the office of the state auditor found that, from 2022 through 2024, fifteen of the eighteen insurers that claimed the tax expenditure actually reduced their Colorado workforces by about four thousand three hundred employees, while the tax benefit that those insurers received from the tax expenditure increased by approximately seventeen million five hundred thousand dollars. Moreover, the reduction in the Colorado workforce of those Colorado insurers that claimed the tax expenditure occurred during a period when the number of insurance jobs increased nationally.".
- 18 Page 2, line 17, strike "purpose" and substitute "purposes".
- 19 Page 2, line 19, strike "is" and substitute "are".
- 20 Page 2, line 21, strike "owed;" and substitute "owed, and to streamline insurance premium tax statutes by eliminating a tax expenditure that is not meeting its intended purpose; and".
- 23 Page 2, strike line 24 and substitute "and the streamlining of the insurance

1 premium tax statutes is:".

2 Page 3, line 18, after "percent." insert "ON AND AFTER JANUARY 1, 2026,
3 THE TAX RATE IS TWO PERCENT."

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