

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
  - 3 its intended purpose since, as evidenced by the office of the state auditor's
  - 4 2020 and 2025 evaluations of the tax expenditure, the hiring and
  - 5 investment levels of the vast majority of all insurance companies claiming
  - 6 the tax expenditure have not been substantially affected by the presence
  - 7 of the tax expenditure; and
  - 8 (b) In its 2025 evaluation of the insurance premium tax rate tax
  - 9 expenditure, the office of the state auditor found that, from 2022 through
  - 10 2024, fifteen of the eighteen insurers that claimed the tax expenditure
  - 11 actually reduced their Colorado workforces by about four thousand three
  - 12 hundred employees, while the tax benefit that those insurers received
  - 13 from the tax expenditure increased by approximately seventeen million
  - 14 five hundred thousand dollars. Moreover, the reduction in the Colorado
  - 15 workforce of those Colorado insurers that claimed the tax expenditure
  - 16 occurred during a period when the number of insurance jobs increased
  - 17 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
- 21 insurance premium tax statutes by eliminating a tax expenditure that is
- 22 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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