

**JBC Staff Fiscal Analysis**  
**House Appropriations Committee**

Concerning tax incentives for businesses that transition to employee-owned businesses in whole or in part.

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**Prime Sponsors:**

Representatives Lindstedt; Taggart  
Senator Bridges

**Date Prepared:**

April 23, 2025

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**Fiscal Impacts**

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Appropriation Not Required, No Amendment in Packet

General Fund/TABOR Impact

Significant Appropriation Increase in Second and Third Year

**Fiscal Note Status**

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The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 02/27/25.

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

The Finance Committee Report (03/03/25) contains amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the amendment does not change the fiscal impact of the bill.

**Amendments in This Packet**

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None.

**Current Appropriations Clause in Bill**

The bill neither requires nor contains an appropriation clause.

## Points to Consider

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### **TABOR/ Excess State Revenues Impact**

The March 2025 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$642.7 million for FY 2025-26 and \$775.8 million for FY 2026-27 to be refunded to taxpayers out of the General Fund. The Joint Budget Committee has proposed a budget package for FY 2025-26 based on the March 2025 OSPB revenue forecast.

This bill is estimated to reduce General Fund revenues by approximately \$1.5 million in FY 2026-27, which will result in a reduction in the TABOR surplus liability of equal amounts.

### **Future Fiscal Impact**

This bill will reduce General Fund revenues by an estimated \$1.5 million in FY 2026-27 and by \$3.0 million in FY 2027-28, reducing the amount of General Fund available for other purposes.