



Tax credit and exemption bills would threaten Colorado's recovery

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Colorado is facing a debilitating fiscal crisis, largely as a result of a rising budget deficit. This crisis has resulted in cuts in many of the public services on which Coloradans depend. However, Colorado cannot cut its way back to prosperity, and in these difficult economic times, we must *all* do everything we can to preserve state revenues and provide the maximum amount of flexibility for state legislators to prioritize needs and allocate funds.

A balanced solution to the crisis includes legislation that is efficient and transparent. Tax expenditures should be targeted at achieving narrow, accessible goals and should be evaluated and modernized frequently as the objectives evolve. Tax spending should be carefully scrutinized, as should tax increases, including analysis of the positive and negative impacts of each on the economy. Current legislations should allow for the careful prioritization of the existing needs of Colorado families while remaining cognizant of the future impact of today's decisions.

The Colorado Fiscal Policy Institute strongly supports striking a better balance between making cuts in core services and closing corporate tax loopholes. For these reasons, the institute does not support the following bills:

- **HB 10-1087**, – Concerning the Elimination of the Requirement that an Employer Withhold Colorado Income Tax. *Sponsors: Swalm/Cadman*
- **HB 10-1180** – Concerning the Criteria to Qualify for a Performance-Based Incentive for Film Production Activities in Colorado. *Sponsor: Massey*
- **HB 10-1280** – Concerning an Incentive to Create Colorado Nonprofit Jobs by Establishing an Income Tax Credit. *Sponsors: Summers/Romer*
- **HB 10-1289** – Concerning an Exemption for Machinery Used to Provide Telecommunications Service from the State Sales and Use Tax. *Sponsors: Liston/Scheffel*
- **HB 10-1295** – Concerning the Creation of Income Tax Credits for Nonpublic Education. *Sponsors: Lambert/Lundberg*
- **HB 10-1296** – Concerning an Incentive for Enrollment of Qualified Children in Private Schools. *Sponsors: Swalm/Perry*
- **SB 10-029** – Concerning the Creation of Efficiencies in Governmental Entities that Provide Services to the People of the State. *Sponsor: Perry*
- **SB 10-085** – Concerning the Creation of a Business Personal Property Tax Exemption Reimbursement Pilot Program. *Sponsors: Scheffel/Priola*
- **SB 10-086** – Concerning a Phased-in Exemption for Fully Depreciated Business Personal Property. *Sponsors: Scheffel/Priola*
- **SB 10-133** – Concerning the Creation of an Income Tax Credit to Incentivize Businesses to Rehire Laid-off Workers Sooner. *Sponsor: Heath*

The Colorado Fiscal Policy Institute is a nonprofit, nonpartisan project of the Colorado Center on Law and Policy. We promote justice and economic security for *all* Coloradans, and are leading an effort to help resolve some of Colorado's biggest fiscal challenges.

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