

**JBC Staff Fiscal Analysis**  
**Senate Appropriations Committee**

Concerning modifying certain tax expenditures.

**Prime Sponsors:**

Representatives Woodrow; Boesenecker  
Senators Ball; Roberts

**Date Prepared:**

May 9, 2026

**JBC Analyst:**

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**Fiscal Impacts**

Appropriation Required, Amendments in Packet

General Fund Impact

Significant Appropriation Increase in Second Year

**Fiscal Note Status**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 05/08/26.

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

**Amendments in This Packet**

- J.001 Staff-prepared appropriation amendment
- L.021 Bill Sponsor amendment - does not change fiscal impact
- L.022 Bill Sponsor amendment - does not change fiscal impact
- L.023 Bill Sponsor amendment - does not change fiscal impact
- L.024 Bill Sponsor amendment - does not change fiscal impact

**Current Appropriations Clause in Bill**

The bill requires but does not contain an appropriation clause.

**Description of Amendments in This Packet**

**J.001**

Staff amendment J.001 (attached) appropriates a total of \$48,326 General Fund to the Department of Revenue for FY 2026-27.

**L.021**

Bill Sponsor amendment **L.021** (attached): clarifies that local sales tax base matches state sales tax base with respect to downloadable computer software.

**L.022**

Bill Sponsor amendment **L.022** (attached): preserves existing local sales tax authority on computer software for state-administered local governments beginning January 1, 2027, unless a local government adopts a voter-approved change to its tax treatment.

**L.023**

Bill Sponsor amendment **L.023** (attached): delays the bill’s effective implementation period from December 2026 to June 2027, postponing the affected provisions by approximately six months.

**L.024**

Bill Sponsor amendment **L.024** (attached): makes technical adjustments to the bill and exempts restaurants from paying sales tax on 100 percent of their utilities.

JBC Staff and Legislative Council Staff agree on the fiscal impact of these amendments.

The Committee should adopt **J.001** and may also adopt any combination of **L.021**, **L.022**, **L.023**, and **L.024**.

**Points to Consider**

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The Joint Budget Committee has proposed a budget package for FY 2026-27 based on the March 2026 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$42.3 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 13.0 percent reserve associated with the placeholders.

**General Fund Appropriation Placeholders for Other 2026 Legislation (\$ in millions)**

Item	FY 2026-27
SB 26-149 (Pathways for Individuals with Mental Health Disorders)	\$25.9
Potential prison capacity supplemental	5.9
Applied behavioral analysis licensing	5.0
County Administration shared services	3.1
SB 26-042 (Revenue Classification TABOR)	2.3
Medicaid working group	0.5
HB 26-1331 (Modify 2026 Interim Committees)	-0.4
<b>Total - Placeholders for other legislation</b>	<b>\$42.3</b>

**General Fund Impact**

This bill requires a General Fund appropriation of \$48,326 for FY 2026-27, reducing the \$42.3 million set aside by the same amount.