



Chair Julie Gonzales  
Vice Chair Pete Lee  
Senator Chris Hansen  
Senator Paul Lundeen  
Senator Jack Tate  
Senator Nancy Todd  
Senator Rob Woodward

Honorable Chair and members of the Senate Finance Committee, the Colorado Center on Law and Policy (CCLP) submits this comment in support of HB20-1420. CCLP is a nonprofit, nonpartisan organization that stands with diverse communities across Colorado in the fight against poverty through research, legislation, and legal advocacy. Our vision is a Colorado where everyone has what they need to be successful.

We appreciate the great pains the Joint Budget Committee took to craft a budget that minimizes the human impact of cutting \$3.3 billion from our state budget. Yet, there is no denying that there will be human impact from the final decisions that were made.

[CCLP recently released a report](#), developed in partnership with the Colorado Rural Health Center, that illustrates the type of harm we can expect. The report describes how the cuts to the Colorado Department of Health Care Policy and Financing (HCPF) will harm access to health care, especially in rural Colorado, and how reduced access to care will harm our economic recovery.

Reduced access to care is just one example of the harm. The budget also cuts critical disability support programs, education programs that help address education disparities, cash grants to seniors, programs that help prevent the criminalization of mental illness, programs that put people on a successful path to employment, child welfare programs, and more.

The impacts of these cuts will be the most devastating for our communities that face the greatest barriers to health and wellbeing - including people experiencing poverty, which disproportionately affects Coloradans of color, Coloradans living with disabilities, and Coloradans living in rural areas of the state. Coloradans experiencing poverty already struggle to afford groceries if they pay for an appointment at the primary care clinic, the tank of gas that will get them to work if they pay a copay for their insulin, or their rent if they pay a monthly health care premium.

Economic insecurity puts health out of reach for too many, and poor health, in turn, impacts the ability of our neighbors to be economically secure. COVID-19 has made these circumstances

more severe for Colorado families and deep cuts to government programs will constitute yet another blow. Our communities cannot afford this.

We support HB20-1420 because it will generate the revenue we need to avoid some of the worst cuts our state is facing, this year and in the years to come.

We also support the increase of the state's earned income tax credit (EITC). Tax credits for working families lift millions of people out of poverty every year. For Colorado kids in low income households, the EITC improves health at birth, improves educational outcomes, and increases lifetime earnings. Research by the Centers for Disease Control and Prevention (CDC) identified the EITC as one of 14 evidence-based interventions that can significantly improve health outcomes in five years or less.

In addition, we strongly support the provision of HB20-1420 that extends this earned credit to people that file taxes with an ITIN. Immigrants are essential workers and they work in industries that are critical to our economy and way of life in Colorado. Every day, we benefit from the investments they make in our community: they make our tourism industries run, they provide in-home care to our seniors, they nurture our children, and their hands bring food to our tables, whether that table is in a home or at a restaurant.

Like the rest of us, immigrants work hard to support their families and contribute to society. But the way society treats them in return belies the notion that we believe everyone who works hard should be able to get ahead. With HB20-1420 we have the opportunity to begin rewriting that story in Colorado. For the health and wellbeing of our neighbors, and the health and strength of our local economies, and our state, this is a necessity.

Our economy already advantages Coloradans who start out with more resources over those who start life in poverty. Our upside down tax code - a system in which the lowest income tax payers pay a higher percentage of their income than the richest - only reinforces that unfair advantage. Please vote yes on HB20-1420 so we can rebalance the advantages of our tax system in favor of the working families that will be critical to a full and equitable Colorado recovery.

Contact:

Allison Neswood

Deputy Director of Strategic Priorities

Colorado Center on Law and Policy

[aneswood@cclponline.org](mailto:aneswood@cclponline.org); 505-228-8390



## Black Hills Energy OPPOSES HB1420

Colorado is experiencing one of the worst economic crises in decades. Now is not the time to levy new taxes on the business community. While well intended to meet the state's revenue shortfall during this trying period, this bill would result in disincentivizing businesses from operating in or coming into the state. Ultimately, this will have the effect of job loss and further economic hardship, particularly in the areas of manufacturing.

### **Section 4: Capping the Net Operating Loss (NOL) Deduction Negatively Impacts Customers and will make Renewables More Expensive**

Black Hills Energy is particularly concerned about Section 4 of the bill, which would cap the Net Operating Loss (NOL) Deduction at \$400,000 annually beginning on January 1, 2021. By capping NOL deduction, Black Hills Energy will not be able to pass along lower tax liabilities from the Company to the customers, which over time will likely result in an increase in their monthly utility bills.

Coloradans are currently experiencing unprecedented financial strain and some utility customers have been put into a position where they will be unable to pay their bills. Struggling Colorado businesses simply can't afford to see their monthly costs increase during this time when they struggle to keep people employed.

In addition, the cost-effectiveness of renewables is in part, dependent on accelerated tax depreciation. Capping the NOL is likely to result in increased pricing for renewables. Black Hills Energy is currently seeking 200MW of renewables in Southern Colorado as part of its Renewable Advantage plan to help meet the State's greenhouse gas reduction goals. HB20-1420 could negatively impact pricing received via a recent RFP, which could limit the level of renewables approved.

Finally, the bill does not contemplate critical details regarding the calculation of interest and the period in which a taxpayer may use the carryforward NOL's and other critical matters creating confusion within the tax code.

### **Sections 6 and 7: TRIPLE Taxing Consumers- (1.) Fuel Use for Electricity- Taxed; (2.) Electricity Used for Manufacturing- Taxed; (3.) Consumer Price of Manufactured Goods- Taxed**

Black Hills Energy also has significant concerns about the repeal of the current tax exemption for the energy used in producing electricity, manufacturing, processing, or other industrial activities, which is replaced with a very small maximum tax credit of

\$1,000/filing period. This will result in a TRIPLE taxation as the state will tax fuel use for electricity, electricity used in manufacturing AND the consumer price of manufactured goods.

This provision will be especially punitive to those industries that are energy intensive, which have been hit hard during this unique economic recession, and will make Colorado less competitive. The elimination of this tax exemption will make it harder for companies to operate in Colorado and could have the unintended consequence of REDUCING tax revenue for the state if such businesses were to reduce their operations or shut down and leave Colorado. Finally, all consumers in Colorado will ultimately be paying more for goods manufactured within the state. This includes the costs of cement, glass and other foundational components of our basic state infrastructure-including housing and transportation.

### **Questions?**

As a provider of essential energy services, we are ready and are doing everything we can to continue to serve our customers with safe, reliable service in these uncertain times. If we can help to answer any questions, please contact Christina Rosendahl, Manager of Government Affairs at 303-378-1602 or at [christina.rosendahl@blackhillscorp.com](mailto:christina.rosendahl@blackhillscorp.com).

Hello, my name is Chandra and I am a single mom with two daughters, ages 12 and 13. Our apartment complex is saying pay rent or they will evict. They have a team of lawyers and are now trying to make up things about me breaking the lease for other things so they can try to evict. They are retaliating because I reported them for not repairing our apartment properly after the main water pipe broke in the floor of the apartment above us. So they really want to get me out anyway. I tried to negotiate reduced rent back to what I was paying before because they just raised it to \$1505.50 from \$1200 and forced me to sign another year lease. If I didn't sign the year lease month to month tenancy would have cost \$1791.50/mo. They said I can use an app called flex to pay it and then make weekly payments to flex, so I applied but wasn't approved because I don't receive direct deposit from a job. I had my own business managing the websites of a few local businesses, but of course none of them can pay me now. I have been applying for rent assistance to every organization I can find, but they all say they don't have funds anymore or that they are backed up for a month or two. I'm really scared because our car won't start right now so if we are evicted we won't even be able to get somewhere else. Everything is shutting down and food banks are even struggling to supply food. I don't know what to do. I have no money coming in, can't apply for unemployment until they open up the new applications for self-employed. I haven't gotten a response yet for food stamps, and we have only a week of food left in the house if I stretch everything. My bank account is negative \$55 and I tried posting my car for sale to just get money for food, but no one else wants a car that won't start.

Please fight for everyday people like me who are struggling to survive during this crisis by passing this bill. Extra money is going to be a lifeline for families like mine during this crisis.

Thank you so much for your time.

Chandra



Dear Senator Rankin and Representative Will,

On behalf of Natural Soda and our employees, I would like to thank you for your service in the General Assembly, especially during this difficult time.

I know that you are addressing many important issues at the legislature right now, and I would like to raise our concern about House Bill 1420. This legislation seeks to end the sales-tax exemption for manufacturing on energy. For Natural Soda, we estimate that removing this exemption would increase operating costs by more than \$300,000 per year moving forward. Adding that cost to our bottom line would negatively impact our competitiveness and our ability to hire more employees and invest in our operations.

We ask that you oppose HB1420 and express the negative impact of this bill on a primary employer in your legislative districts.

As you may know, Natural Soda produces pure sodium bicarbonate through solution mining on its BLM leases in Rio Blanco County. We are one of the largest North American producers of baking soda for the food and beverage, health care, agriculture, industrial and specialty markets. And for nearly 30 years, Natural Soda has been one of the most stable—and growing—employers in Rio Blanco County.

With current reductions in mining in nearby Moffat County and other economic challenges presented to our region by COVID-19 and decreases in oil and gas operations, Natural Soda remains a critical employer in the region. One of our goals at Natural Soda is to open new markets for our Colorado product and to increase exports of American-made products. Adding to our cost of operations this significantly will increase the cost of our product, potentially making Natural Soda less competitive in the domestic and international marketplaces.

Finally, Natural Soda has operated as an essential service through the COVID-19 pandemic and stay-at-home orders. During the pandemic, Natural Soda provided baking soda to the domestic baking industry for bread and food production; agricultural industry to support the U.S. dairy and egg-production industries; paper products industry as part of the manufacturing of toilet paper and other paper products; and cleaning and consumer products industry as a key ingredient in cleaning supplies, laundry detergents, soaps, tooth paste and other products.

We appreciate your support for Natural Soda and our employees. Please let me know if you have any questions or concerns.

Sincerely,

Kirk Daehling, President

Natural Soda

Phone: 970 456 1268

Mobile: 970 355 4668

Senate Finance Committee

Date: 6/12/20

Bill: **HB20-1420, Tax Fairness Act**

Position: **Support**

Organization: **Alzheimer's Association**

---

The Alzheimer's Association strongly supports HB20-1420. This bill protects Colorado's most vulnerable populations, including the 76,000 Coloradans living with Alzheimer's or other dementia, by raising additional revenue to help fill our state's historic budget shortfall. This is funding that would otherwise have to be cut from programs serving Colorado's most needy and vulnerable residents.

The Long Bill, as drafted, already includes cuts to programs and funds that are important to people living with dementia, including decreased funding for:

- The Older Coloradans Cash Fund
- Aid to the Needy and Disabled program
- Program of All-Inclusive Care for the Elderly (PACE)

By raising additional revenue, the Tax Fairness Act can help our state prevent further cuts to critical services like these. It does so by closing tax loopholes that overwhelmingly benefit the highest income Coloradans. We believe this is a better solution than reducing services to our state's most vulnerable residents.

While the COVID-19 pandemic has impacted everyone in some way, older Coloradans with chronic health conditions, such as people living with dementia, are at higher risk for negative outcomes from the virus. This makes it even more important that we protect the services and supports they rely on to stay healthy.

On behalf of the 332,000 Coloradans impacted by dementia today – this includes the 76,000 people living with the disease as well as their 256,000 family caregivers – please vote “yes” on HB20-1420.

**Coral Cosway**

Senior Director of Public Policy & Advocacy

Alzheimer's Association, Colorado Chapter

455 N. Sherman St., Ste. 500

Denver, CO 80203

[ccosway@alz.org](mailto:ccosway@alz.org) | 720-699-9276

Mister or Madam Chair and Members of the Committee,

My name is Jade Woodard, Executive Director of Illuminate Colorado. Illuminate is a statewide nonprofit working to strengthen families, organizations, and communities to prevent child maltreatment. I am writing this letter in support of HB20-1420, particularly section 12, on behalf of Illuminate, the Colorado Chapter of Prevent Child Abuse America.

The bill includes numerous mechanisms for increasing state revenue, which could fund the programs and services that directly benefit children and families across the state. My testimony will specifically address section 12 of the bill focused on expanding the state's earned income tax credit (EITC).

**EITC prevents child abuse and neglect:** Enacting and expanding state EITC is one of Prevent Child Abuse America's highest policy priorities. EITC is a strategy to increasing parental resilience and concrete support in times of need, which are two of the Protective Factors to reduce the likelihood of child abuse and neglect [1]. This is crucial because we know that child abuse and neglect costs the United States two trillion dollars a year in lifetime economic costs associated with investigated and substantiated cases of maltreatment [2].

Abusive head trauma, also known as shaken baby syndrome, is one of the leading causes of fatal physical child abuse in the U.S. A study reviewed nonfatal abusive head trauma hospital admission rates from 27 states across 18 years (1995-2013) and revealed that states with EITC had 13% fewer abusive head trauma admissions than states without EITC [3]. This reduction was likely due in large part to decreased parental stress.

**Financial security improves family wellbeing:** EITC is associated with reductions in infant mortality and low birth weight, reduced rates of maternal smoking during pregnancy, reduced maternal stress and mental health problems, increased health insurance coverage, improvements in the home environment, improved school performance and behavior, and reductions in accidents and unintentional injuries among children [3]. EITC helps low income families increase yearly income and offset the costs of child care. High-quality child care, or even adequate child care to ensure a child's health and safety, is not accessible or affordable for many working families. High-quality child care reduces parental stress and isolation [4]. Many parents cannot find or afford adequate child care thus may be forced to leave their children alone or with caregivers who do not have the capacity to provide safe and appropriate supervision, leaving them vulnerable to endangerment, neglect or abuse.

**EITC will provide long-term relief for families who have been most affected by the pandemic:** EITC puts money right into the pockets of people who are most likely to spend it in their communities. Families use their EITC dollars for everything from paying for car repairs to buying clothes for their kids. When families have access to meet their basic needs, we strengthen the foundations of families and communities. EITC is associated with a wide range of physical and mental health benefits, which is important now more than ever as the pandemic exasperates stress and risk factors. We need to build a Colorado where all parents are supported by communities, programs, and policies that make it possible to parent their children to the best of their ability.

**We must consider ITIN filers:** Despite being an integral part of our communities, undocumented immigrants have been left out of most of the COVID-19 relief efforts. Undocumented Coloradans pay



well over \$100 million in state and local taxes every year [5]. Including ITIN filers in the EITC immediately is just one way Colorado can make sure relief extends to people of all different races, geographies, and immigration statuses.

Please join Illuminate Colorado in our support of HB20-1420. EITC is a critical and effective investment in preventing child maltreatment and creating the conditions in which children and families thrive.

Thank you for your consideration. Please let me know if you have questions or comments, as I am available for any follow up.

Sincerely,

Jade Woodard, MPA  
Executive Director  
[jwoodard@illuminatecolorado.org](mailto:jwoodard@illuminatecolorado.org)  
(303) 845-0193 cell



**Written Testimony as prepared for delivery in support of HB20-1420 – Adjust Tax Expenditures for State Education Fund to the Senate Finance Committee on June 12, 2020 by Sarah Barnes, Manager of Special Policy Initiatives at the Colorado Children’s Campaign**

- Madam Chair and members of the committee, my name is Sarah Barnes and I’m the Manager of Special Policy Initiatives at the Colorado Children’s Campaign. Thank you for the opportunity to testify today in support of HB 1420. We are grateful to Senators Moreno and Hansen for their leadership on this policy.
- Colorado is in the midst of an unprecedented crisis. As the legislature makes difficult choices about the state budget and how to support Colorado’s recovery now and into the future, HB 1420 provides solutions that would bring in revenue to help our state budget and help families who, now more than ever, need support to weather the economic crisis and get back on their feet.
- HB 1420 would generate an estimated \$340 million for Colorado’s budget by closing or means-testing a set of new and existing tax deductions that overwhelmingly benefit wealthy businesses and wealthy business owners. This will help lessen the need for cuts to important programs that benefit families and communities across Colorado. It will also make Colorado’s tax code more fair and equitable for everyone.
- HB 1420 would also expand our state Earned Income Tax Credit (EITC) and make the EITC available to families who file taxes using an ITIN number. This will place more money back into the pockets of working families in Colorado, providing support that families need now more than ever as they work to make ends meet.
- The EITC is one of the most effective anti-poverty tools available. In 2018, the EITC lifted about three million children out of poverty in the United States. Last year, the EITC along with the Child Tax Credit lifted 148,800 Colorado families out of poverty.
- We urge your support of HB 1420, which would make our state tax code fairer and more equitable and would place more money back into the hands of working families in Colorado, lifting children and families out of poverty. HB 1420 will help Colorado and Colorado families weather the current economic crisis. Thank you.

*Contact: Sarah Barnes at the Colorado Children’s Campaign, [sarahb@coloradokids.org](mailto:sarahb@coloradokids.org) or 303-520-9978*

My name is Rachael May. I joined the Colorado Rent Strike and Eviction group through my sisters invitation after she received assistance from the Front Range Mutual Aid Network. After joining and reading story after story about tenants state wide dealing with the harassment, financial burden, and stress I could no longer sit in my self secluded unpolitical view of life. I've always felt the power to stand up for those less fortunate or in need of help.

I'm a stay at home mother, and my fiancé is a Hazmat Technician. We have three beautiful children aging 6, almost 2, and a 7 month old. My youngest child became very ill at 2 months old when our home was hit with Respiratory Syncytial Virus. He was hospitalized for 3 days and relied on oxygen to breath during this time. He shows signs of seasonal allergies that we would've addressed had the pandemic not made going to the Doctor frightening. Unfortunately, he did break out in hives this past week and we still have not determined the cause. We speculate it might be laundry detergent. So, as you can see we are very cautious when it comes to him and his immune system doesn't have a great track record. My fiancé is constantly pressured at work (will not publicly voice this in fear of losing his job) to attend COVID-19 cleanups. He continues to decline attending due to our youngest being more inclined to upper respiratory issues later in life because he was exposed to RSV so young the doctor told me he is far more likely to have asthma, and other respiratory issues.

I first received notices to the community from my leasing office basically saying what they are closing, what's being offered to assist us (a link to the Comcast/Xfinity essentials package lol), and at the bottom that they are still expecting rent as scheduled with a link to pay online. They will only take online payments with a \$50 processing fee online. I originally messaged them on 4/4 that I would try to make rent by 4/10, never got a reply. It came and went, by 4/17 I hadn't heard anything else. I sent another email, this time explaining we'd lost hours and weren't able to pay at this time. At this point I was in contact with a tenant at another community under GreyStar. GreyStar is our management company. She was also reaching out to see what type of assistance would be provided and they stated what they could do was a 6 month payment plan. Rent for April would be broken down into 6 payments and added to rent. I hadn't heard from my apartment complex until yesterday 4/27, a month and 2 days later. They left a letter on my door stating they'd attempted to reach me multiple times via phone or email and I needed to respond within 24 hours. I have no missed calls or emails. I email and ask that correspondence be done via email. I receive a missed call. Again, I email with the request. Receive an email back asking how I intend to make arrangements for April's rent.

My fiancé is going to work everyday putting himself, and my family at risk. Essential workers and the unemployed should all receive fair treatment. And if that's not acceptable unemployed should definitely receive rental forgiveness and essential workers should receive a huge discount at 50% off of rent. I will attach some of my "proof" and correspondence. I've also reached out to the regional manager and waiting for a response. Although there are some capable of a 6 month payment commitment we are not one of them. We are on affordable housing, and they pressured us into resigning our lease at the end of March with a \$40 raise on our monthly rent. For a family that added another child, and was already struggling monthly (late every month) to make this "affordable" housing rent discount, adding more to it for the next 6 months is damn near impossible.



renewal



**Andrea Luna** Property Staff  
To: Me

3/25/20

Hello

Your current lease is set to expire in 6 days and I have yet to receive a signed renewal. This needs to be signed no later than today. Please call if you have any questions.

Thank you  
Management



me 3:45 PM



to c.schnellmann@greystar.com

Hello,

I understand you are the regional property manager for my residence. I'm reaching out in regards to my community and lack of structured assistance during this pandemic. I'm a tenant with Tuscan Heights Apartments, Federal Heights, CO. We are federally backed and are still being pursued for rent. I completely disagree with the need to profit while thousands are homeless, unemployed, and constantly at risk as essential providers for their family. The government is providing assistance with the CARES ACT, yet we are pressured to pay for the safety of our home with our own stimulus. Those unemployed in the community should definitely receive rental forgiveness during this time, and those constantly putting themselves and family at risk as "essential" should at least be offered a generous discount on rent. In my lease it says "Our community contains amenities/facilities that are intended to enhance the living experience for you and your occupants." This alone should be reason for discounted rent. The ONLY facility open available to us at this time is the laundry facility. And these should be implemented across the board. We are humans, not cattle to profit from. In summary I'm seeking rent forgiveness for tenants unemployed, and at least half off discounts for those essential. I look forward to your response.

Thanks,  
Rachael M.

Hi Rachael-



Thank you for reaching out. I unfortunately am not the regional property manager for Tuscan Heights. I have forwarded your email to the current regional manager and onsite team. I would anticipate you receive a response soon.

Best Regards,

**Christina Schnellmann** | Regional Property Manager

o 303.386.8408

...



me 4:22 PM  
to Christina ▾



Hi Christina,

Although I do appreciate you forwarding my information, I'd like the email address to whoever deals with this region. My emails and messages to the on-site team have not had correspondence within 4 weeks, and after waiting I receive a letter on my door stating they've tried multiple times to reach me and need to hear from me within 24 hours wondering what arrangements I'd like to make for April's rent.



June 11, 2020

**RE: Joint Trade Request to Remove Section 11 of HB20-1420**

Members,

We write today to respectfully but **strongly encourage you to remove Section 11 of HB20-1420** related to annuity taxation. The Pandemic is further harming retirement account values but adding a tax in addition is further detrimental to Coloradans who are already struggling to save for retirement. Section 11 would expand the scope of the state’s existing premium tax to include a broader range of annuity products, which would have the effect of reducing the payments received by annuity owners under their annuity contracts.

**Taxing Annuities Would Harm Injured Coloradans-** In addition to retirement security, another way in which individual annuities are used is for “structured settlements.” Structured settlements are used in some civil lawsuits where a claimant can opt to receive a monetary settlement over time, instead of as a lump sum. In these lawsuits, the defendants (or their insurers) often purchase annuities to fund the settlements. Under this legislation those who have suffered an injury or the death of a loved one will remain entitled to income tax-free payments, but those structured payments would be reduced due to this newly assessed premium tax. Removing Section 11 would fix this problem and ensure help will continue to flow to those who have suffered serious physical injuries or who have lost a loved one.

**Farmers, ranchers and small business owners** are the most likely to lack an employer-provided pension and, for retirement, often rely on the funds they receive when they sell their farms, ranches and business. This proposal subjects their life savings to a second round of taxation on already taxed savings. These Colorado citizens will no longer be able to add as much to their retirement nest egg due to the discriminatory tax.

**Harm to Main Street Investors-** This premium tax increase, combined with low interest rates, will be devastating to insurance providers. They will simply be unable to provide guaranteed investments to main street investors that are in dire need of these products with today’s uncertain markets.

**Taxing annuities will punish the domestic industry-** Every state except Hawaii has a retaliatory tax statute. These statutes ensure that if a state increases the tax burden on foreign insurers, the domestic insurers may be forced to pay additional taxes in all other states. Colorado domestic insurers will be punished in 49 other jurisdictions by this bill and may be forced to pay additional taxes to other states on all premiums written in those 49 jurisdictions. ACLI estimates that every \$1000 of tax collected under this proposal will cost Colorado domestic insurers \$250 in taxes that these domestics will need to pay in other states.

**TCJA premise is flawed-** The presentation in the House Finance Committee was based, in large part, on the tax advantages gained by the business community in the Federal Tax Cuts and Jobs Act of 2017. A close reading of that law would show that while corporations received a reduced corporate tax rate, several deductions were also removed for the life insurance industry. Quite simply, this premium tax proposal seeks redress on a flawed premise.

In short, unlike other industries, the life insurance industry received no net rate reduction. Furthermore, any future corporate rate increase with no adjustment to the life insurer base broadeners specified in TCJA means life insurers will end up paying more tax than intended and will disproportionately target the life insurance industry and its consumers. (This is because the TCJA base broadeners were designed around a specific corporate tax rate of 21% and were not indexed to the corporate tax rate). In fact, any increase in corporate tax rates will increase life insurer taxes to more than what life insurers paid when the rate was 35%.

**Premium Tax conversion to income tax is substantial-** Colorado's current 2% premium tax life insurance rate converts to an effective state income tax rate of 10.5%. Keep in mind, this increase would be *in addition to* the tax increases associated with the net operating loss carryover cap.

**Colorado Premium Tax is high compared to national average-** Colorado's current 2% premium tax life insurance rate is already higher than the national premium tax rate weighted average. (Based on an Ernst & Young study the national weighted average was 1.98%).

**Life insurers are a growing and stable source of tax revenue to Colorado-** Premium taxes paid by life insurers are independent of whether a life insurer earned a profit and the natural increase in premium volume ensures that Colorado is guaranteed a stable flow of tax receipts that almost always grow – since 2008 an average of 1.3% per year regardless of the profitability of life insurers. This is because the premium tax is a gross receipts tax. During economic downturns like the current COVID-19 recession, life insurers continue to pay tax while other industries, subject to a profit tax, often pay nothing or generate losses that are off-set against either past or future taxes. For example, in 2009, if life insurers were subject to the income tax, the industry's aggregate tax burden would have been -\$2.1 million but, because the industry pays a premium tax, Colorado collected, in aggregate, an estimated \$79 million. During this economic and health crisis, it is manifestly unfair to increase the taxes paid by one of the few industries that will owe 2020 taxes to Colorado.

HB20-1420 is unfair to Colorado retirees and particularly those without employer-provided retirement plans. As Colorado retirees struggle to overcome the financial impact on their retirement savings, this second tax on funds that already have been taxed will make it far more difficult. Moreover, the premium tax ensures that the tax obligation of life insurers occurs regardless of their profitability and this ensures a stable and dependable revenue stream to Colorado.

Again, we urge you to **remove Section 11 of HB20-1420** and protect those who are trying to secure their financial future.

Respectfully,

Tyler Laughlin  
*Regional Vice President – State Relations*  
**American Council of Life Insurers**

Eric Vaughn  
*Executive Director*  
**National Structured Settlements Trade Association**

Carl Larson  
*Colorado Executive Director*  
**National Association of Insurance and Financial  
Advisors**

Jason Berkowitz  
*Chief Legal & Regulatory Affairs Officer*  
**Insured Retirement Institute**

Maria Town  
*President and CEO*  
**American Association of People with Disabilities**

The Associated Governments of Northwest Colorado oppose HB20-1420. The fiscal impacts of shutdowns due to Covid-19 have been felt from the smallest level of government to the state. The health of local governments depends upon the health of businesses and the citizens that run those businesses. Without sales tax, without property tax, local governments cannot support the essential services that the state mandates and the people need.

Businesses in rural Colorado of all stripes, whether tourism, recreation, agriculture, service or light and heavy industry have all suffered. Businesses are hanging on by a thread, and many have not been able to hold on at all.

Fundamentally, AGNC feels that HB1420 will result in delaying the economic recovery of the state, and in parts of rural Colorado and prevent the recovery entirely. This bill will discourage investment in rural communities. Rural Colorado never fully recovered from the last major recession, and any legislation that does not incentivize commercial activity will prevent the local governments from raising the tax revenue they need to provide critical services such as fire, law enforcement and social services.

We understand the more than \$3 billion impact to the state General Fund budget, and yet that impact cascades down to every local government in Colorado, especially rural Colorado. If our businesses cannot recover, we cannot recover.

Name: Cristina Lopez  
Organization: Colorado People's Alliance  
Email: cristina.al\_19@yahoo.com

Mi nombre es Cristina Lopez, soy madre de familia y ama de casa, quiero agradecerles por considerar este tema tan importante para nuestra comunidad y también pedirles que apoyen la propuesta HB20-1420.

Mi familia y yo al igual que la mayoría de la gente estamos sufriendo los estragos de la pandemia que nos ha tocado vivir. Nosotros hemos sido impactados directamente ya que mi esposo y yo nos contagiamos con el virus. Mi esposo trabaja en construcción y debido al contagio tuvo que dejar de trabajar. Por si fuera poco, tenemos ITIN y por lo tanto no cualificamos para recibir el cheque de alivio por parte de el Gobierno que sería de gran ayuda para cubrir nuestras necesidades básicas. El recibir dinero en forma de crédito de impuestos por el hecho que mi esposo ha estado trabajando sin importar si tiene ITIN o SSN sería una buena solución de parte del estado. Quiero de nuevo pedirles que consideren apoyar ésta propuesta que nos ayudaría no solo a nosotros sino a muchas familias Coloradenses que trabajan y aportan a nuestra economía y nuestros impuestos

\*\*

My name is Cristina Lopez, I am a family mother and a housewife, I want to thank you for considering this important issue for our community and also ask you to support the proposal HB20-1420.

My family and I, like most of the people, are suffering the ravages of the pandemic that we have had to experience. We have been directly impacted since my husband and I caught the virus. My husband works in construction and due to the contagion he had to stop working. As if that were not enough, we have ITIN and therefore we do not qualify to receive the relief check from the Government that would be of great help to cover our basic needs. Receiving money in the form of a tax credit for the fact that my husband has been working regardless of whether he has an ITIN or SSN would be a good solution from the state. I want again to ask you to consider supporting this proposal that would help not only us but also many Colombian families who work and contribute to our economy and our taxes.

June 12

Dear Committee,

Thank you for your time today. My name is Eduardo Gomez and I live in Englewood. I am supporting HB20-1420 because my family, and others like us, need more money in our pockets to be able to make it.

I am currently studying to obtain my anthropology degree while I work full time. Most of my time outside of those commitments is spent with my family, especially after one of my brothers was in a devastating car accident last year. We are lucky to be very close and to be able to lean on and support each other. However, being a DACA recipient/dreamer comes with uncertainty, and now adding the Covid-19 crisis brings a whole different challenge to our lives.

During this COVID19 crisis, members of my family have had to make the difficult decision to continue to work, since the industry in which they work is considered essential. For my loved ones who have higher risk because of chronic illness, going out to work just increases that risk each and every day.

While my family is facing the COVID19 crisis like everyone else, we have the added challenge of not being eligible for a lot of support or resources. My brother, who has been working extremely hard his whole life, cannot access any resources due to his immigration status. There are many other family members that have to hide in the shadows, not knowing if they can request the most minimal assistance out of fear of facing immigration authorities. They and their partners and children weren't able to get a federal stimulus check. While they work just as hard as anyone else and pay taxes like anyone else, they are not getting any support, and my mixed status family is being left behind.

The other challenge is that they are not eligible for certain state tax credits just because they are filing taxes with ITINs. While we may not be able to change this barrier at the national level, it's important that workers like myself and my family are able to benefit from the programs created from our tax dollars. Especially during this pandemic, we need money in our pockets to be able to make it. And that is why I urge you to vote yes on HB20-1420

Thank you.

Eduardo Gomez  
Member of Colorado People's Alliance  
[eddgomez27@gmail.com](mailto:eddgomez27@gmail.com)

Hello and thank you for your time today. My name is Gayle Tenner. I am a 62-year-old who works through the Lyft app, driving people in and around Denver. I am testifying in support of this bill.

Usually, I drive 6 days a week, sometimes pulling one shift in the morning followed by another in the evening after a negligible break between. Unfortunately, I recently suffered a fall which has put my pain into an even higher gear than before and prevents me from working for a while.

Even when I am working for Lyft though, I don't get paid much. Once, for a period of about 4 hours I made a little over \$44, for example, and that's including tips. On top of that, I pay for my own car maintenance. I tried renting a vehicle through Lyft's program, but a singular chip in the windshield was something I was liable for. That was a costly situation I found out about once the glass was cracked and I brought it into the Lyft headquarters. I was not informed of this policy before the fact - they told me about it only after I brought the vehicle in.

That car was further damaged by an accident I was in on the I-70, where I was hit by a van with passengers in her car. That event left me with long term spine damage that I am still dealing with - hence, the increased pain I am in today.

At one point after the accident, Lyft's attorney was actively ignoring my lawyer's calls for a period of many months. To add insult to literal injury, the company only covers up to a certain amount of my medical costs, even though my treatment is ongoing and, as I mentioned before, is affecting my ability to apply for other (better paying) jobs.

Suffice it to say, it is becoming increasingly unbearable to keep up with the costs of driving for an app.

In the last few months, I have had to cover the costs of replacing all four of my tires for a total of \$485 - which equates to a little less than fourth of my rent as a single person living in a house. This is after I had already replaced the front tires multiple times in the previous four months.

I am a fighter who believes that every person deserves to live, to be cared for adequately, to be treated with dignity and respect no matter their circumstances. We need to fight for a system that centers the needs of humans over the whims of markets and wealthy corporations. This bill is a solid step towards building a fair Colorado for all. A little extra cash would mean more money for me to get by in these trying times. It could mean the difference between my family having to support me and me being self-sufficient. Please take a stand for me and workers like me by voting yes on this bill.

Thank you so much for your time.

- Gayle Mildred Tenner, [mildredgayletenner@yahoo.com](mailto:mildredgayletenner@yahoo.com)

Dear Chair, members of the committee, thank you for the opportunity to submit my testimony. My name is Kristina Feste-Hanson, and I am writing to support this bill.

I am a mother of a young child. We live in Littleton, CO. I've taught figure skating for the past fourteen years in the suburbs of Denver. When the coronavirus crisis began, the ice arena facility where I work had to close: this meant that they placed all of their hourly employees who teach group lessons in their Learn to Skate program, including me, on temporary furlough. We also are independent contractors, so we pay a daily commission to the ice arena to teach our private figure skating lessons.

For the first six to eight weeks of the ice arena being completely shut down, I had adequate resources on which to survive through donations and the \$1200 federal stimulus check. As of May 18, the ice arena has carefully re-opened its doors in accordance with the State's and County's (Jefferson) COVID-19 mandates. In order for figure skating and hockey coaches to continue teaching and coaching their sports, we have the option of renting the ice rink surface itself for \$150, a rate that is very reasonable but still tough to manage with little prior income.

This bill would mean that I would have extra money to pay that fee with, or extra money to be able to put food on the table for my daughter and I. Please pass this bill to support families like mine who are struggling to adjust to this new normal.

Thank you again,

- Kristina Feste-Hanson, [NordicIceDancer@gmail.com](mailto:NordicIceDancer@gmail.com)

June 11, 2020

Dear Committee,

Thank you for your time today. My name is Kubu'Lea Till and I am an Aurora resident. I am a member of Colorado People's Alliance, a grassroots nonprofit that has been fighting for justice for five years now. We believe in making corporations pay their fair share in taxes to forge a more equitable economy for us all.

I am expressing my support for HB20-1420 because it gives families a much needed leg up. If this bill passes, I would receive roughly \$650 more on my state tax return next year - a helpful amount. I grew up and currently reside in southeast Aurora. I am a mother, a spouse, and a professional patient. I am disabled - I live with chronic pain. I can take the procedures, and I accept the shorter life span; however, it is the endless grind of dire poverty and having to pay for the privilege of being able to continue to live that I feel is most unfair.

I have found that being disabled has side effects - one is that your world shrinks. There's less you can do, less you can afford to do, and fewer people who show up consistently in your life. It may become a 24-hour, on-call job of handling medical symptoms and treatments. I also am not able to attend school anymore, nor can I remain employed, and I have been denied disability benefits.

We lost our apartment last June. The first day of summer should be a fun time - however, for our family it was fraught with distress and runaway debt. But, we are not the only ones struggling, which is why I urge you to vote yes on HB20-1420 a step in the right direction for Colorado.

Thank you.

Kubu'Lea Till  
Member of Colorado People's Alliance  
kubu.lea.till@gmail.com



June 12, 2020

Senate Finance Committee  
Colorado General Assembly  
200 E. Colfax Avenue  
Denver, CO 80203

Re: HB20-1420 Adjust Tax Expenditures for State Education Fund

Dear Members of the Senate Finance Committee:

The League of Women Voters of Colorado is a nonpartisan political organization that encourages informed and active participation in government and influences public policy through education and advocacy. Our membership spans the state of Colorado with 19 local leagues operating in several regions of the state. I am submitting testimony in support of House Bill 1420 – Adjust Tax Expenditures for State Education Fund.

LWVCO asks you to please fight for HB 1420, which will close tax loopholes and recover much-needed revenue so we can avoid the worst of the state budget cuts being proposed. The changes brought forth by this legislation will result in a net increase in General Fund revenue of an estimated \$278.76 million. Colorado is facing cuts that will undo much of the progress of the last few years and may set Colorado's recovery back for years to come. With the additional money generated by this bill, communities throughout our state may be spared some of the worst impacts of the budget cuts necessitated by our current health and economic crisis.

[More than 130 organizations](#) throughout Colorado have called for revenue solutions to our budget shortfall. We support HB 1420 as an answer to that call. We urge you to do the right thing for Colorado communities already shouldering the worst of this crisis and work to advance HB 1420.

Sincerely,

Andrea Wilkins, Legislative Liaison  
League of Women Voters of Colorado  
1410 Grant Street, Suite B-204  
Denver, CO 80203



Dear Madame Chair and Members of the Colorado Senate Finance Committee,

I am Dan Jablan, Legislative Director of the Rocky Mountain Insurance Association (RMIA), and our state insurance trade association represents approximately 70% of the Colorado Property and Casualty insurance marketplace.

RMIA is respectfully submitting written testimony in opposition of HB20-1420, Adjusting Tax Expenditure for a State Education Fund, due to the repeal of Colorado's Regional Home Office Insurance Premium Tax Credit, which will have significant consequences to thousands of current and future Colorado jobs, community investments and charitable contributions. Colorado insurance consumers will also pay for it in higher insurance premiums at a time when we can least afford it.

As our state is trying to find a way to bring business back, this move will have long-term implications in driving business and well-paying jobs out of Colorado to neighboring states—who are competing with Colorado to attract business and workforce opportunities by providing a positive, stable workforce environment and incentives.

This bill demands one of Colorado's largest employers—the insurance industry, and our policyholders to shoulder additional taxes at a time when we need to invest in business—not push jobs out of state. This is an expensive band-aid to cover an overall budget shortfall with no stakeholder process, deeper financial analysis and consideration of the potential cost to employment and investment in the state provided by the long-standing RHO insurance tax credit.

**Here is the financial bottom line:**

The regional home office tax credit is tied to jobs in Colorado which also leads to greater investment in commercial real estate, residential real estate, and community investments including municipal bonds and charitable giving.

- Nearly 14,000 people are employed by 87 companies in 34 locations that are designated regional home offices. [Here is a link to a map of all the regional home offices and the number of employees.](#)
- Health plans employ over 7,000 people and the average wage is \$70,569 totaling over \$493 million in wages. Additional information about health insurance employment is attached for your reference.
- Insurers apply for this tax credit annually and are subjected a rigorous inspection and audit process. This tax credit is not automatically given to any insurer.
- In order to qualify for this tax credit an insurance company must have a variety of levels of employees (ie executive-level, technical functions, customer service representatives, etc) and provide support for multi-state operations.
- This tax credit is a "significant factor" for several property and casualty companies that choose to make Colorado a home for their business.

Please be aware the State Auditor's office completed an [audit](#) of the regional home office tax credit earlier this year. This report indicates the regional home office tax credit serves its purpose (of creating jobs and economic growth), but "only to a limited extent." As an industry, we believe this is inaccurate. As noted in the report, few companies responded to the survey. Lack of response by insurance companies was due to how the questions in the survey were presented and concerns about the ability to keep strategic business information confidential. It does not reflect a lack of importance of the tax credit. **A property and casualty insurance industry survey indicates the regional home office tax credit was a "significant" factor in companies choosing to locate their businesses in Colorado.**

The potential economic impact of eliminating the regional home office tax credit may be much more than just the increased tax bill for companies. Jobs and a variety of community investments will also be impacted which could have a higher price tag for the state.

Thank you for your consideration of RMIA's strong concerns over the elimination of this long-established tax incentive to attract and keep regional insurance home offices in Colorado. We urge a "NO" vote on HB20-1420.

Respectfully,

Dan Jablan, RMIA Legislative Director

CC: Carole Walker, RMIA Executive Director