

**STATE
FISCAL IMPACT**

Note: This fiscal note is provided pursuant under Joint Rule 22 (b) (2) and reflects strike-below Amendment L.002.

Drafting Number: LLS 13-0451
Prime Sponsor(s): Rep. DelGrosso

Date: February 13, 2013
Bill Status: House Finance
Fiscal Analyst: Ron Kirk (303-866-4785)

TITLE: CONCERNING ADOPTION OF THE MODEL MOBILE WORKFORCE STATUTE THAT THE MULTISTATE TAX COMMISSION APPROVED IN 2011, AND, IN CONNECTION THEREWITH, ESTABLISHING CRITERIA FOR EXEMPTING FROM STATE INCOME TAX AND RELATED INCOME TAX WITHHOLDING REQUIREMENTS CERTAIN WAGE OR SALARY INCOME EARNED WITHIN THE STATE BY NONRESIDENT INDIVIDUALS.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue General Fund	Indeterminate	Indeterminate
State Expenditures		
FTE Position Change		
Effective Date: This legislation affects tax returns for tax year 2014.		
Appropriation Summary for FY 2013-2014: None.		
Local Government Impact: None.		

Summary of Legislation

Under current law, **nonresident** individuals are required to file a Colorado income tax return if they receive income from sources within Colorado, have a Colorado income tax liability for the year, and are required to file a federal income tax return. Employers of nonresident individuals, whether in-state or based in another state, are required to withhold Colorado state income taxes on this income.

This bill, **as amended by amendment L.002**, exempts a nonresident individual who works in Colorado for up to 30 days from filing Colorado state income taxes and exempts the employer from withholding and remitting state income taxes to the Department of Revenue on any Colorado source income earned as long as the nonresident individual:

- does not receive any other income attributable to the state of Colorado;
- is required to file a federal tax return; and

- is not a professional athlete or entertainer, or an individual of prominence who performs services for compensation on a per-event basis, or other individual who provide services in the nature of a speech, public appearance, or similar event.

State Revenue

This bill would reduce the amount of state income taxes paid by nonresident individuals by an indeterminate amount. Conversely, the Colorado state income taxes collected from Colorado residents who work in other states would increase by an indeterminate amount. Given that this net revenue change is unknown, the revenue impact of this bill is indeterminate.

State Expenditures

Workload changes in the Department of Revenue can be absorbed within existing resources.

Departments Contacted

Revenue