

First Extraordinary Session
Seventy-fifth General Assembly
STATE OF COLORADO

BILLPAPER

LLS NO. 25B-0006.01 Richard Sweetman x4333

HOUSE BILL

HOUSE SPONSORSHIP

Mabrey and Boesenecker,

SENATE SPONSORSHIP

Weissman and Gonzales J.,

House Committees

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING ADJUSTMENTS TO THE INSURANCE PREMIUM TAX RATE**
102 **TAX EXPENDITURE FOR A HOME OFFICE OR REGIONAL HOME**
103 **OFFICE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill, beginning in the 2026 calendar year, repeals the insurance premium tax rate tax expenditure for a home office or regional home office.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds that, based on the office of the state auditor's 2 evaluations of the
4 reduced insurance premium tax rate for a company with a home office or
5 regional home office in Colorado, the reduced insurance premium tax rate
6 was designed to create an incentive to maintain a substantial workforce
7 presence in the state. However, even with amended criteria enacted in
8 House Bill 21-1312:

9 (a) Insurance companies continue to qualify for the rate reduction
10 despite not maintaining or increasing their overall employment in
11 Colorado; and

12 (b) The benefit that insurance companies receive from the rate
13 reduction may increase even if companies do not increase employment in
14 Colorado because the tax benefit is based on premiums collected, and
15 premiums are rising nationwide.

16 (2) The general assembly further finds that:

17 (a) The primary purpose of repealing the reduced insurance
18 premium tax rate for a company with a home office or regional home
19 office in Colorado is to better align the state's insurance premium tax
20 code with the tax codes of other states, so that Colorado is less of an
21 outlier regarding how insurance taxpayers compute their taxes owed; and

22 (b) Any revenue gain that results from the improved alignment of
23 the state's insurance premium tax code with the tax codes of other states
24 is:

25 (I) Incidental to the primary purpose of better aligning the state's
26 insurance premium tax code with the tax codes of other states; and

27 (II) De minimis.

1 (3) Therefore, the general assembly declares, consistent with the
2 Colorado supreme court's holding in *TABOR Found. v. Reg'l Transp.*
3 *Dist.*, 2018 CO 29, that legislation causing only an incidental and de
4 minimis tax revenue increase does not amount to a new tax or a tax policy
5 change that requires advance voter approval under section 20 of article X
6 of the Colorado constitution, the removal of the reduced insurance
7 premium tax rate for a company with a home office or regional home
8 office in Colorado is neither a new tax nor a tax policy change that
9 requires voter approval.

10 **SECTION 2.** In Colorado Revised Statutes, 10-3-209, **amend**
11 (1)(b)(I) introductory portion and (1)(b)(I)(B); and **add** (1)(b)(IV) as
12 follows:

13 **10-3-209. Tax on premiums collected - exemptions - penalties**
14 **- filing system - division to contract with third parties - rules - repeal.**

15 (1) (b) (I) The rate of tax ~~shall be~~ IS as follows:

16 (B) For DIRECT WRITTEN PREMIUMS IN 2025, FOR companies
17 maintaining a home office or a regional home office in this state, the rate
18 of tax on the gross amount ~~shall be~~ IS one percent.

19 (IV) SUBSECTIONS (1)(b)(I)(B), (1)(b)(II), (1)(b)(II.5), (1)(b)(II.7),
20 AND (1)(b)(III) OF THIS SECTION AND THIS SUBSECTION (1)(b)(IV) ARE
21 REPEALED, EFFECTIVE DECEMBER 31, 2026.

22 **SECTION 3. Safety clause.** The general assembly finds,
23 determines, and declares that this act is necessary for the immediate
24 preservation of the public peace, health, or safety or for appropriations for
25 the support and maintenance of the departments of the state and state
26 institutions.