

# Summary of Legislation

## 2026



## Finance, State Budget, and Taxes

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During the 2026 legislative session, the Colorado General Assembly considered a variety of bills related to taxes, finance, and the state budget.

### Tax Expenditures

The General Assembly passed several bills related to tax expenditures during the 2026 legislative session, as shown in Table 1.

**Table 1**  
**2026 Tax Expenditure Bills**

Bill Number	Subject
<a href="#">HB26-1223</a>	Modifying Certain Tax Expenditures
<a href="#">HB26-1289</a>	Modification of Certain Tax Expenditures
<a href="#">HB26-1015</a>	CO Homeless Contribution Tax Credit Extension
<a href="#">HB26-1004</a>	Continuation of Child Care Contribution Tax Credit
<a href="#">HB26-1230</a>	Extend Conservation Easement Tax Credit
<a href="#">SB26-001</a>	Workforce Housing & Housing Tax Credit
<a href="#">HB26-1014</a>	Extend Colorado Job Growth Incentive Tax Credit

A couple of tax expenditure bills were introduced but did not become law, including [House Bill 26-1221](#) and [House Bill 26-1222](#). HB 26-1221 would have created a new corporate income tax addback and new income tax credit, while HB 26-1222 would have created new additions and subtractions to state taxable income for businesses and expanded the Family Affordability Tax Credit.

### Tax Issues

[House Bill 26-1430](#) establishes a working group within the Department of Transportation to identify options to increase local and state revenue to support roadway maintenance and repairs. The bill also establishes that if [Initiative 175](#) is passed by voters during the November 2026 election, the following taxes and fees will be reduced:

- gasoline excise tax from 22.0 to 14.0 cents per gallon;
- special fuel excise tax from 20.5 to 13.0 cents per gallon;
- late registration fee from \$25 per month (up to \$100) to \$15.50 per month (up to \$62);
- certain registration fee rates reduced by 38 percent;
- road safety surcharge rates reduced by 38 percent; and

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- road usage fee reduced from 6.0 to 4.0 cents from January 1, 2027, through June 30, 2027, and in amounts to be determined for FY 2027-28 through FY 2029-30.

The bill also creates a new cash fund and modifies spending on road transportation.

## Finance

[House Bill 26-1065](#) allows local governments to apply for and create transit and housing investment zones that utilize state sales tax increment financing and income tax credits to support eligible transit and housing projects. The bill also creates an income tax credit for taxpayers who invest in housing developments located within a transit and housing zone.

## State Budget

In addition to supplemental appropriation bills for various state departments, the General Assembly passed [House Bill 26-1410](#), the annual Long Bill, which funds the state government for FY 2026-27.

It also passed several important budget balancing bills. [House Bill 26-1363](#) decreases the General Fund reserve requirement from 15 percent to 13 percent of General Fund appropriations. If no Taxpayer Bill of Rights (TABOR) surplus is collected in FY 2025-26, [House Bill 26-1419](#) requires the State Controller to calculate any FY 2024-25 TABOR over-refund resulting from federal tax law changes and reduce future TABOR refunds beginning in FY 2026-27 to recover

up to half of the over-refunded amount each year. If a FY 2025-26 TABOR surplus is collected, the bill has no effect.

Lastly, [Senate Bill 26-042](#) specifies that the following sources of revenue be classified as collections for another government and therefore not subject to the TABOR revenue cap:

- sales, use, and excise tax revenue from aviation gas and jet fuel that is distributed from the aviation fund to an airport or to a government that is operating an airport; and
- fee revenue collected by the Department of Public Safety for criminal history record checks that is transmitted to the Federal Bureau of Investigation.