

## Failure to Restore UI Funds will cost Biz \$5.3B

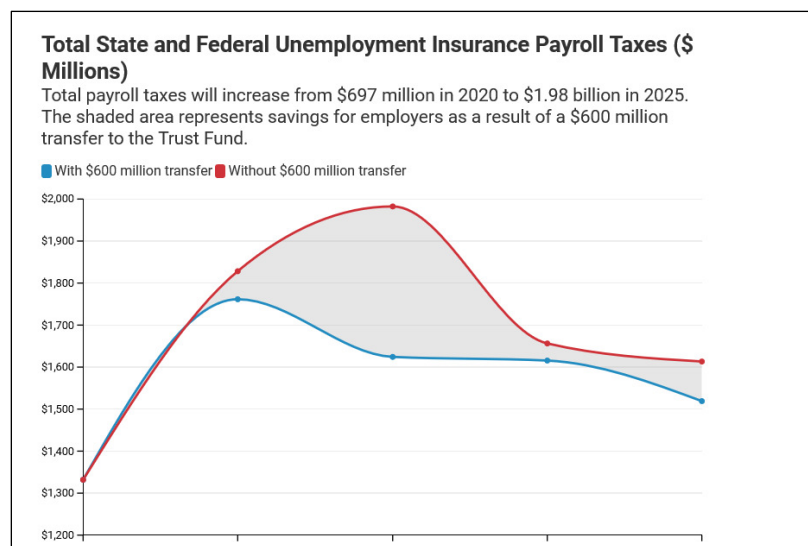
*UI Fund Replenishment Highest Priority for NCLA and Business*

Due to the COVID-19 pandemic and the state government's policy responses, Colorado's unemployment levels spiked in early 2020 and caused the state's Unemployment Insurance Trust Fund to become deeply insolvent and necessitated a federal loan to cover the unprecented unemployment claims over the course of the last two years. As of July 2021, the UI Trust Fund is in hole by \$2 Billion that will trigger a UI Premium Surcharge tax on every employer across Colorado in the coming year and beyond until the fund is restored. The UI fund is not projected to become solvent until the 2024 fiscal year.

The Common Sense Institute, with whom the NCLA is a partner, released a [new report](#) on the challenge of the situation facing businesses and the economic impacts of the state failing to intervene with funding to restore the fund. The report explores the beneficial impact of Governor Jared Polis' budget proposal to replenish the overdrawn Unemployment Insurance Trust Fund with \$600M federal COVID relief funds.

The key findings of the study:

- Compared to a 2020 baseline, Colorado employers face \$5.3 billion in additional state and federal unemployment insurance payroll taxes between 2023 and 2027.
  - State taxes = \$4.1 billion to replenish the unemployment insurance trust fund.
  - Federal taxes = \$1.2 billion to repay Colorado's federal loan plus interest
- The proposed \$600 million allocations to the Unemployment Insurance Trust Fund included in the Governor's FY23 budget request would save employers \$560 million by 2027.
- The allocation will move the base premium rate to a lower rate schedule beginning in 2024 and remove the solvency surcharge in 2025 instead of 2026. This will produce a \$358 million tax reduction and preserve 4,700 jobs in 2025.



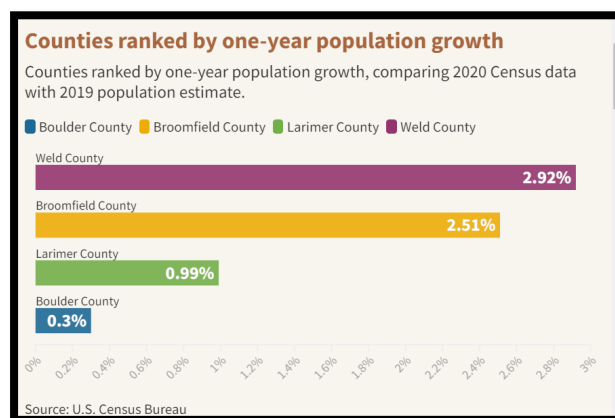
The NCLA joined the Colorado Chamber in leading 75 business organizations across Colorado in urging Colorado's legislature and Joint Budget Committee to provide no less than \$600M in funding this year to forestall significant impact to Colorado's employers and employees.

## NCLA Leaders recognized as Most Influential

*BizWest's Book of Lists - Most Influential Business Leaders of Northern Colorado*



Congratulations Upstate President/CEO Rich Werner, Fort Collins Chamber President/CEO Ann Hutchison, and Capitol Solutions CEO (and NCLA Chief) Sandra Hagen Solin, for being selected as BizWest's Most Influential Business Leaders of Northern Colorado. BizWest also unveiled [EconoWatch](#), a new website that provides a smorgasbord of economic data for the area and the state. Check out all the various information you can find out about our area.



## NCLA Board Takes Positions on Bills as Legislative Session Gets Underway

Bi-weekly, the NCLA Board of Directors meets to discuss, debate and take positions on bills that impact – positively and negatively – the interests of Northern Colorado businesses. While we await some of the more egregious measures of the session, the NCLA considered the following bills. Bills in which we have taken a monitor position will be revisited upon the availability of additional information. See the [NCLA 2022 Legislative Tracking Report](#) list the measures thus far introduced that the NCLA is monitoring and upon which the NCLA will or has taken a position.

**SB22-006. Sales Tax Assistance For Small Business**

Position: SUPPORT

Supporting small businesses, the bill allows small retailers to retain 5.3% of collected tax revenues to offset administration expense, versus 4% currently.

**HB22-1051. Mod Affordable Housing Tax Credit-**

Position: SUPPORT

Extends the current state housing tax credit program due to expire in 2024 to 2034.

**HB22-1026. Alternative Transportation Options Tax Credit**

Position: SUPPORT

Bipartisan bill that is the carrot instead of the stick from the outgrowth of Employer Trip Reduction Program (ETRiP). The bill would replace an existing income tax deduction for expenses incurred by employers when providing alternative transportation options to employees with a refundable income tax credit of 50% of such expenses for such employers. The credit is allowed for income tax years beginning on or after January 1, 2023, but before January 1, 2033.

**SB22-056. UNC Osteopathic Medicine Degrees –**

Position: NO POSITION

Permits the University of Northern Colorado (UNC) to offer specialized degree programs in osteopathic medicine and creates an exception to the University of Colorado health sciences center campus' exclusive authority in medicine for UNC's osteopathic medicine. Degree program. NCLA will move to a SUPPORT position once pending discussions are complete.

**SB22-016. Modifying Department Of Transportation Governance**

Position: NO POSITION

Sen. Scott's bill would modify the Transportation Commission from appointed to elected positions on the Commission in the 2024 general election. It modifies terms, clarifies redistricting changes, and other Transportation Commission functions.

**HB22-1001. Reduce Fees For Business Filings**

Position: MONITOR

The intent is to reduce fees to businesses with the expectation that new startup small businesses will benefit and need assistance (due to the pandemic). Funds would originate from the general fund and be transferred to a cash fund to reduce fees. \$16M+ is proposed to be transferred.

**HB22-1020. Customer Right To Use Energy**

Position: MONITOR

Prohibits a state agency, local government, and common interest community from limiting the use of natural gas, propane, solar photovoltaics, micro wind turbines, or small hydroelectric power.

**SB22-026. Oil And Gas Operator Property Tax Procedures**

Position: MONITOR

This bill involves the property tax assessor's valuation notices for fractional interest owners of oil and gas property to be designated to the operator.

**SB22-029. Investment Water Speculation**

Position: MONITOR

Prohibits a purchaser of agricultural water rights that are represented by shares in a mutual ditch company from engaging in investment water speculation. There is a concern of the Board of an inherent constitutional infringement with this bill.

**HB22-1025. Repeal Of Infrequently Used Tax Expenditures**

Position: MONITOR

Eliminates certain income tax deductions that are infrequently or never, utilized including an investment credit for childcare facilities.

