COLORADO Fiscal Institute

Jan. 30, 2026

To the members of the Colorado General Assembly:

As you begin the 2026 legislative session, Colorado faces a pivotal fiscal moment. You will be asked to make difficult budget decisions that will affect programs serving all Coloradans. The question before you is not just what to cut, but who continues to benefit from a tax code that shields the wealthy and well-connected while working families fall further behind.

Our tax code is already upside down, where the highest earners are paying a smaller share of their income in taxes than everyone else. Once again, we begin the legislative session facing a budget shortfall, made worse by recent federal decisions, just as families are feeling the impacts from looming cuts to food programs and child care funding, higher health insurance premiums, and rising energy bills. H.R. 1 delivered massive tax cuts to wealthy Coloradans and corporations, while middle-income families received little benefit. Because of Colorado's unique conformity with federal tax law, H.R. 1 had an immediate and devastating impact on Colorado's revenue and triggered off tax credits such as the Family Affordability Tax Credit for low- and middle-income working families that Colorado lawmakers have prioritized. The Colorado Legislature must act to prevent these changes from deepening inequities in our state.

Today, wealthy individuals and large corporations are able to reduce their tax bills through even more generous credits, exemptions, and deductions that are not available to everyday Coloradans. Meanwhile, important tax credits that put money directly into the hands of working families to help pay for groceries, child care, rent, and utilities, like the Family Affordability Tax Credit (FATC), have been eliminated for the 2026 tax year and reduced in 2027 and 2028. We know these credits work. They reduce poverty and hardship, create economic stability for children long into the future, and boost local economies.

We cannot continue down a path that leaves our low- and middle-income families behind. Lawmakers have the chance this session to change course. They can put Colorado families first by closing loopholes that benefit only a few and restore tax credits that put money directly into the hands of working families.

We urge you to meet this moment with a commitment to look at our tax code to ensure it's working for all Colorado families and small businesses, not just the wealthy and well-connected.

We are grateful for your service to our state.

Sincerely,

Colorado Fiscal Institute
Adams County Health Department
The Bell Policy Center
Boulder County Board of County Commissioners
Castlewood Partners Ltd.
Center for Health Progress
Clayton Early Learning
Colorado Center for Aging
Colorado Center on Law and Policy
Colorado Children's Campaign
Colorado Civic Engagement Roundtable
Colorado Coalition for the Homeless
Colorado Common Cause
Colorado Consumer Health Initiative
Colorado Education Association
Colorado Organization for Latina Opportunity and Reproductive Rights (COLOR)
Colorado PTA
Colorado Statewide Parent Coalition
Counties & Commissioners Acting Together (CCAT)
Elephant Circle
Feeding Colorado
Gary Advocacy
Grow Your Own Meal
Hunger Free Colorado
Immunize Colorado
La Plata County Commissioner
League of Women Voters of Colorado
MEAPTA Inc.
Metro Caring
Mountain Mamas
Mountain View Friends Meeting
Mutual Aid Monday
New Era Colorado Action Fund
Nourish Colorado
Provecho Collective
Reimagine Colorado
Rising Routes Alliance
Sierra Club Colorado
Signal Tech Coalition
Small Business Majority
Soul 2 Soul Sisters
Spring Institute for Intercultural Learning
Thistle Community Housing
United for a New Economy
Vivent Health
We Don't Waste
Western Colorado Alliance
The Women's Foundation of Colorado
Womxn From The Mountain
Young Invincibles