

Senate Finance

05/07/2026

HB26-1222 Modify Tax Expenditures

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Aditya Sawhney Against themselves	<p>To: Colorado House/Senate Committee Members</p> <p>Re: Opposition to HB26-1222 “ Modify Tax Expenditures</p> <p>Dear Chair and Members of the Committee,</p> <p>I respectfully urge you to oppose HB26-1222.</p> <p>As a Colorado business owner and real estate investor, I am deeply concerned about the long term impact this legislation could have on Colorado’s economy, housing investment, and competitiveness.</p> <p>Many businesses rely on accelerated depreciation and interest deductibility to justify major investments such as construction, renovations, equipment purchases, and expansion projects. These are not loopholes. They are legitimate tools that improve cash flow and encourage reinvestment into local economies.</p> <p>HB26-1222 would reduce those incentives by increasing state taxable income and delaying cost recovery over time.</p> <p>For capital intensive industries including real estate, hospitality, construction, and small businesses, this creates several serious concerns:</p> <ul style="list-style-type: none">• Reduced investment in Colorado projects• Delayed renovations and development activity

	<ul style="list-style-type: none"> â€¢ Lower business expansion and hiring â€¢ Increased financing pressure during high interest rate environments â€¢ Higher costs ultimately passed to consumers, renters, and families â€¢ Reduced competitiveness compared to neighboring states <p>Colorado already faces affordability challenges, rising insurance costs, labor shortages, and higher operating expenses. This bill risks making Colorado a less attractive place to invest capital and create jobs.</p> <p>I am also concerned about the broader policy direction of creating additional complexity and uncertainty for taxpayers by decoupling from federal tax treatment. Businesses value predictability. Constant changes to tax policy discourage long term planning and investment.</p> <p>The state should focus on growing the economy through business growth, housing supply expansion, entrepreneurship, and investment attraction rather than increasing tax burdens on productive sectors of the economy.</p> <p>Even if deductions can technically be recovered over time, timing matters tremendously for businesses. Cash flow is critical, especially for small and medium sized operators navigating inflation, elevated interest rates, and economic uncertainty.</p> <p>Colorado families benefit most from a strong economy, healthy investment climate, and thriving businesses that create jobs and opportunities.</p> <p>I respectfully ask the committee to reject HB26-1222.</p> <p>Sincerely, Aditya Sawhney Erie, CO</p>
<p>Kyle James</p>	<p>Hello, & Thank you for taking the time to read my written testimony. I am reaching out as a small business owner (two Airbnb rentals) here in Colorado. Although you can call the two homes a small business, I am</p>

<p>Against themselves</p>	<p>really reaching out as an individual who is trying to better himself and his family through homeownership.</p> <p>These tax deferral plans that HB26-1222 would de-couple from are precisely what have allowed me to utilize what would have been that year's tax payment and turn it into a down payment. From my understanding, the whole point of these programs are to help someone like myself. Without these programs I am not sure how I would ever be able to build up the money to purchase a home none the less an investment to try and give myself some stability.</p> <p>All that being said, I do hope you understand this bill won't just hurt big corporations ability to skip out on taxes, but it will make it extremely hard for the local individual who is trying to be a little savvy and better themselves as well. Thank you again for your time.</p>
<p>Sabrina Calnan Against themselves</p>	<p>My name is Sabrina Calnan and I own property in Colorado, a primary residence, short-term rental and long-term rental. My business services the short-term rental industry and my clients are Colorado residents that own 1 or 2 rentals. I myself, have never taken advantage of the Federal benefits addressed in HB-1222. I've spoken to many of my clients and they are opposed to this bill and I am also opposed to this bill. It will eliminate the Colorado tax benefit for cost segregation. The startup costs and profits on a real estate investment can be very slim and for many cost segregation makes it possible to invest. Eliminating this benefit puts Colorado at a disadvantage to other states and this disincentives Colorado residents to invest in their home state. The investment dollars will simply flow to surrounding states; hurting Colorado's economy as a whole.</p>
<p>Sarah Cardenas Against themselves</p>	<p>Good afternoon Chair and members of the Senate Finance Committee,</p> <p>Please include the following written testimony in the official record for HB26-1222.</p> <p>My name is Sarah Cardenas, and I'm a Colorado small business owner who works with homeowners to help them generate supplemental income, maintain their properties, and stay financially afloat in an increasingly unaffordable housing market. I also serve on the board of the Colorado Short Term Rental Alliance, where I hear regularly from local operators and housing providers facing these same challenges.</p>

	<p>I appreciate the goal of improving family affordability, but I'm concerned this bill may unintentionally work against the very families it is intended to help including my own.</p> <p>My husband and I recently bought a fixer-upper in Lakewood with the intention of renovating it, doing home sharing, and using bonus depreciation to help make homeownership financially possible while we build our small businesses and prepare to start a family. We are not large investors with huge portfolios. We are ordinary Coloradans trying to create some stability in an increasingly expensive state.</p> <p>Many smaller operators and local housing providers rely on early-year deductions like bonus depreciation to absorb the upfront costs of renovations, furnishing, financing, and improvements. While those deductions may still exist over time, the timing is what determines whether many projects move forward at all.</p> <p>When those deductions are spread out over time instead of available upfront, projects that would have been financially feasible often no longer are. That means fewer homes renovated, fewer properties improved, fewer units brought to market, and less reinvestment in existing housing stock across Colorado.</p> <p>Large institutional investors may have the capital reserves to absorb those delays. Smaller local operators and families like ours often do not. If this bill moves forward as written, we may have no choice but to sell the home we are actively investing in and go back to renting.</p> <p>I respectfully ask the committee to consider the downstream impacts this policy may have on housing reinvestment, housing availability, and affordability in Colorado.</p> <p>Thank you for your time and consideration.</p> <p>Sarah Cardenas</p>
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<p>Taylor Fink Against themselves</p>	<p>Hello, and thank you for taking some time out of your day to read my written testimony for HB26-1222.</p> <p>My name is Taylor Fink and I have been a Colorado resident for 11 years now. When I arrived in 2015 I had less than \$400 in my bank account and could only afford \$800 per month to rent out the basement from a nice landlord in the Bonnie Brae neighborhood of Wash Park. I looked up to the man that gave me a place to live and now I am proud to say I am doing the same for our community.</p> <p>The tax deferral programs that HB26-1222 would decouple are a massive part of what has allowed me to scale my portfolio and provide housing for the local community. I would consider myself a "mom and pop" style ordinary investor that is just trying to find a way to preserve my wealth and be able to pass something along to my family someday. I am not some large corporation or major investor buying up neighborhoods.</p> <p>In a world where everything is getting more expensive, it's incredibly hard for the average American to keep up and preserve wealth. I truly believe that hard workers that stimulate the economy through buying property should be rewarded and not punished, and I think pulling back HB26-1222 discourages the hard work that led me to get to where I am now.</p> <p>Thank you so much for your time and consideration.</p> <p>Sincerely,</p> <p>Taylor Fink</p>
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05/11/2026

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Bennett Rutledge Against themselves	Vice Chair Marchman and members of the committee, good morning, Bill HB26-1222 - Modify Tax Expenditures offsets the federal tax deductions newly provided by Congress, taking the money intended to restore our economy and diverting them into the Colorado fund. This is spiteful and may well destroy any benefit that Congress may have intended. Vote NO on HB26-1222 - Modify Tax Expenditures