

Colorado Homeless Contribution Tax Credit (HCTC)

Reps. McCormick and Taggart, Sens. Jenet and Simpson

Please support HB 26-1015

Bill Concept:

This bill continues the Homeless Contribution Tax Credit indefinitely to support organizations that serve the homeless. The program contains statewide eligibility for the contribution tax credit and supports the full continuum of effective homeless interventions and services.

Purpose of the Bill:

Since 1994, Colorado has offered a tax credit for contributions to organizations that serve the homeless located within enterprise zones. HB 22-1083 expanded this program to a statewide tax credit, and established eligibility criteria for qualified organizations. These include the full continuum of effective homeless interventions:

- Outreach efforts to engage or provide services to homeless individuals or families.
- Prevention services targeting individuals or families facing imminent risk of homelessness.
- Emergency shelter and services for people experiencing homelessness and/or survivors of domestic violence.
- Supportive housing services for individuals and families experiencing homelessness.
- Services to assist the homeless with employment.

The current program is overseen by the Department of Local Affairs. DOLA is required to review, approve, and designate organizations as eligible for tax contributions, as well as monitor and report program outcomes.

The income tax credit is equal to 25% of the total contribution to the qualifying organization and is capped at \$100,000 per taxpayer annually. The credit is 30% for rural/distressed areas to further incentivize investment in areas that have traditionally lacked access to public and philanthropic funds.

HB 22-1083 authorized the tax credit on a statewide basis. In tax year 2023, the total number of donations leveraged was 8,320 with a total value of \$20,451,243. The amount of tax credit authorized by the state was \$5,104,670. In tax year 2024, the total number of donations leveraged was 10,231 with a total value of \$25,024,334. The amount of tax credit authorized by the state in 2024 was \$6,328,895. The 4-to-1 “leveraging” impact afforded through the tax credit is the key to this program’s success, and this bill serves programs statewide, with people donating to their local providers.

Other Points about the Program

- Small nonprofit and faith-based homeless service providers support this measure. But, many of them do not have the capacity to manage government grants. This initiative provides such organizations an opportunity to leverage support from local individuals and businesses.
- The types of eligible expenses include street outreach, homeless prevention, youth homeless and emergency shelter programs. Qualifying capital campaigns are supported
- DOLA works with qualified service providers to determine outcomes on a program-by-program basis. The reporting requirements dovetail with DOLA’s existing parameters and data gathering platform.
- Most donors get involved with the organizations they support and stay informed of the successes of the organization. This gives the HCTC initiative unique public accountability. If programs are not getting clear results, donors pull back support - a natural, self-adjusting feedback mechanism for both private and state resources.

For further information, please contact the lobbyists for the Colorado Homeless Contribution Tax Credit Coalition:
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Organizations in Support of HB XXXX

Statewide / Regional / Public Organizations:

- The Colorado Coalition for the Homeless, Denver
- Colorado Nonprofit Association, Denver
- The Salvation Army
- Volunteers Of America Colorado
- The Caring for Colorado Foundation
- Eagle Valley Community Foundation
- United Way of Weld County
- United Way of Larimer County
- Family Resource Center Association
- Brain Injury Association of Colorado
- Jewish Family Service of Colorado
- Mile High United Way

Service Providers:

- Springs Rescue Mission, Colorado Springs
- Manna, Durango
- Posada, Pueblo
- Denver Rescue Mission
- Catholic Charities of Central Colorado, C Springs
- Urban Peak, Denver
- Dream Centers of Colorado Springs
- Family Promise of Greater Denver
- Hilltop Health Services Corporation
- Homeward Pikes Peak, Colorado Springs
- La Puente, Alamosa / San Luis Valley
- Loaves and Fishes, Canon City
- Homeward Alliance, Fort Collins
- Open Doors Ministry, Denver
- Saint Francis Center, Denver
- A Woman's Place, Fort Collins
- Almost Home, Brighton
- TGTHR Youth Homeless Services, Boulder
- Capuchin Province of Mid-America, Inc., Denver
- Community Kitchen, Loveland
- Jesus on Colfax, Denver
- Julia Greeley Home, Denver
- Partners in Housing, Colorado Springs
- Housed, Working and Healthy, Denver
- Second Chance Center, Aurora
- STEP, Denver
- The Inn Between, Longmont
- Advocate Safehouse, Colorado Springs

- Advocates for Victims of Assault, Frisco
- Toilet Equity, Grand Junction
- We Fortify, Colorado Springs
- The Bridge Emergency Shelter, Cortez
- STEP Springs, CS
- Safehouse Boulder
- Reclaiming Hope, Colorado Springs
- Movement 5280, Denver
- Mental Health of Denver (Wellpower)
- Mile High Ministries, Denver
- Grand Valley Catholic Outreach, GJ
- Haven House, Montrose
- Denver Basic Income Project
- Catholic Charities, Denver
- Bridge House, Boulder
- Boulder Shelter for the Homeless
- Better Tomorrow, Steamboat Springs
- All Roads, Boulder
- Tri-Lakes Cares, Monument
- Westside CARES, Colorado Springs
- Family Tree, Denver
- Family Promise, Colorado Springs
- Colorado Village Cooperative, Denver
- The Delores Project, Denver
- Crisis Center, Littleton
- Crossfire Ministries, Colorado Springs
- Providence Network, Denver
- Comitis Crisis Center, Denver
- Family Housing Network, Ft Collins
- SafeHouse, Denver
- Sacred Heart House, Denver
- Pueblo Cooperative Care Center, Pueblo
- Earthlinks-Shelter & Employment Denver
- Bright Future Foundation, Avon
- The Place, Colorado Springs
- The Gathering Place, Denver
- Senior Support Services, Denver
- Rhonda's Place, Denver
- Denver Inner City Parish, Denver
- Beyond Home, Arvada
- Aurora/Arapahoe Battered Women's Shelter

What Advocates are saying about the Colorado Homeless Contribution Tax Credit:

Organizations report greater donor engagement through offering the HCTC to donors, with more committed returning donors who contribute larger gifts. Organizations also have more first-time donors interested in the HCTC. The tax credit can be an incentive for donors to give a higher amount since they will receive a personal benefit from the gift. In addition to the financial investment, donors often demonstrate a greater personal connection to the organization's mission. Below are quotes from organizations with their feedback regarding fundraising impact.

"The HCTC has helped sustain our programs and services by incentivizing giving to our mission. While some may approach us because of the tax credit, they learn about who we are and become more invested in our work, resulting in deeper mission partnership. Not only does the HCTC improve funding, but helps us discover more meaningful connections".
Providence Network, Dale Talley

"By leveraging the HCTC program, TGTHR has been able to grow our donor base and sustain our mission, ensuring that more young people have access to the resources they need to break cycles of homelessness and build brighter futures."
TGTHR Services for Youth Experiencing Homelessness, Kara Thomas Boulder

"The HCTC program has not only supported The Inn Between's ability to provide stable, affordable housing but has also played a key role in donor cultivation and enthusiasm. The added incentive of tax credits encouraged more donors to contribute, particularly to our Giving Circle match fund. Because of this increased support, we were able to secure two matching gift funds, one for \$50,000 and another for \$25,000, totaling \$75,000. The momentum generated by these matches inspired even more giving, and we ultimately exceeded our goal, making this our most successful year-end campaign to date."
The Inn Between, Aly Fisher Longmont

"The low amount for HCTC qualification encourages our donors to give at a higher level than they would otherwise. Our average donation amount hovers around \$25 so the \$100 threshold elevates that average by encouraging greater donations so as to qualify for the credit. It also encourages people to want to give more than once, since they are also benefiting from the gift via the tax credit." Urban Peak Homeless Services, Carter Beck von Peccoz

"Promotion initiatives and an online appeal highlighting the benefit of HCTC has given us greater outreach within the community. We saw an increase in donations for our Food Truck Ministry program, which will hopefully allow us to expand the program in the coming year and serve more people in need. We also saw an uptick in volunteer inquiries from individuals, schools, and local groups, which will allow us more partnership opportunities and result in growing our donor base for our overall mission." Capuchin Food Truck Ministry, Carolyne Hendrickson

"We have found donors to be very receptive to the program and excited to learn that their gift qualifies for the tax credit. Beyond raising significant funding, which was enhanced by the HCTC offer, [Springs Rescue Mission] received and processed seven significant stock donations which were processed for HCTC. This was a big deal for us, considering that we had just 1-2 stock donations the year prior. Thank you for making this program available to our donors! We are grateful!"
Springs Rescue Mission, Brenda Lucero

"Donors are very appreciative of the added benefit of the tax credit when making donations to qualified programs. Having strong support from individual donors strengthens our services by bringing stability to areas in which grant funding may change year-to-year. We are able to continue our strong programming in the community that so many individuals and families in need know they can turn to when they need it most." Catholic Charities of Central Colorado, Lindsey Craft

"We share the benefits of the HCTC with every current and potential donor throughout the year and in our end-of-year giving campaign. We reference how to submit for an HCTC in every donor thank you letter/receipt. Several donors have told us that whatever they get as a tax credit is returned to our organization the following year, thereby generating more funds for our organization (for example, if they give \$100 and get \$25 in tax credit, they give us \$125 the next year). The HCTC also helps persuade other charitable donors who consider tax credits before donating (like the CO Child Care Tax Credit) to consider our organization, too." Crossroads Safehouse, Lori Kempter
