

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE REPEAL OF HOUSE BILL 10-1195 REGARDING A SUSPENSION OF THE EXEMPTION FROM THE STATE SALES AND USE TAXES FOR CERTAIN ITEMS USED IN AGRICULTURAL PRODUCTION, AND MAKING AN APPROPRIATION THEREFOR.

Prime Sponsors: Reps. Sonnenberg and Becker
Senator Brophy

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Summary of Amendments Made to the Bill After the 04/19/11 Legislative Council Staff Revised Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs

Does Not Concur

Updated Analysis

Amendments/Appropriation Status

The bill includes an appropriation clause that appropriates \$5,780 General Fund to the Department of Revenue for notification of retailers of agricultural products and call center expenses to answer questions from retailers. However, the Department of Revenue has revised its estimate of the *timing* of these expenses, while the overall appropriation remains the same. The Department needs \$363 in FY 2010-11 to notify retailers, while the increased call center expenses will remain in FY 2011-12. Staff has prepared amendment **J.003** (attached) to change the existing clause to appropriate \$363 General Fund in FY 2010-11 for the notification of retailers, and to reduce the appropriation in the reengrossed bill from \$5,780 General Fund to \$5,417 General Fund in FY 2011-12, which will be for increased call center expenses.

Bill Sponsor Amendments

Staff is not aware of any sponsor amendments to be offered.

Points to Consider

1. For FY 2010-11, this bill increases General Fund appropriations by \$363. Both the Office of State Planning and Budgeting and Legislative Council Staff March 2011 economic forecasts project surplus General Fund reserves in FY 2010-11. Pursuant to S.B. 11-156,

these surplus General Fund reserves will be deposited in the State Education Fund. Thus this bill *decreases* projected revenue to the State Education Fund.

2. The Joint Budget Committee (JBC) has introduced a balanced budget package for FY 2011-12 based on the March 2011 Office of State Planning and Budgeting revenue forecast. The JBC has included as part of its plan the General Fund revenue *decrease* that would result from the passage of this bill, as introduced.