



**Colorado
Legislative
Council
Staff**

Room 029 State Capitol, Denver, CO 80203-1784
 (303) 866-3521 • FAX: 866-3855 • TDD: 866-3472
www.colorado.gov/lcs
 E-mail: lcs.ga@state.co.us

MEMORANDUM

February 25, 2015

TO: Senator Merrifield
FROM: Larson Silbaugh, Economist, (303-866-4720)
SUBJECT: Fiscal Assessment of Proposed Amendment **SB118_L.002**.

This memorandum is an assessment of the fiscal impact of the attached proposed amendment to **SB15-118**. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

This amendment allows the income tax deduction for contributions to qualifying college savings programs showing in Table 1.

Table 1: Deduction Allowed Under Current Law and Amendment L.002			
Adjusted Gross Income	Current Law	SB 118 as Introduced	L.002
Under \$75,000	100%	200%	200%
\$75,000 to \$150,000	100%	150%	
\$150,00 to \$200,000	100%		100%
\$200,000 to \$250,000	100%	0%	50%
\$250,000 to \$500,000	100%		0%
Over \$500,000	100%		0%

Fiscal Impact of Amendment

Compared to the introduced version of the bill, this amendment reduces individual income tax revenue by \$2,219,890 in FY 2015-16, \$4,542,991 in FY 2016-17, and \$4,754,211 in FY 2017-18.

Bill's Revised Fiscal Impact with Amendment

If L.002 is adopted, SB 15-118 will reduce individual income tax revenue by \$630,142 in FY 2015-16, \$1,289,582 in FY 2016-17 and \$1,349,539 in FY 2017-18. Because the amendment reduces individual income tax revenue it will eliminate the technical note. The summary box will be replaced with the following:

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017	FY 2017-18
State Revenue	(\$630,142)	(\$1,289,582)	(\$1,349,539)
Revenue Change General Fund	(\$630,142)	(\$1,289,582)	(\$1,349,539)
State Expenditures		\$83,590	\$86,406
General Fund		\$70,888	\$67,665
Centrally Appropriated Costs**		\$12,702	\$18,741
TABOR Set Aside	(\$630,142)	(\$1,289,582)	(\$1,349,539)
FTE Position Change		1.1	1.6
Appropriation Required: None.			

* This summary shows changes from current law under the bill for each fiscal year. Parentheses indicate a decrease in funds.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.