

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE ELIMINATION OF A STATE INCOME TAX BENEFIT FOR A BUSINESS THAT PAYS AN UNAUTHORIZED ALIEN TO PERFORM LABOR SERVICES, AND, IN CONNECTION THEREWITH, PROHIBITING CERTAIN WAGES OR REMUNERATION PAID TO AN UNAUTHORIZED ALIEN FOR LABOR SERVICES FROM BEING CLAIMED AS A DEDUCTIBLE BUSINESS EXPENSE FOR STATE INCOME TAX PURPOSES UNLESS SPECIFIED EXCEPTIONS APPLY AND, TO THE EXTENT SUCH A PAYMENT WAS CLAIMED AS A DEDUCTION IN DETERMINING THE BUSINESS' FEDERAL INCOME TAX LIABILITY, REQUIRING AN AMOUNT EQUAL TO THE PROHIBITED DEDUCTION TO BE ADDED TO THE BUSINESS' FEDERAL TAXABLE INCOME FOR THE PURPOSE OF DETERMINING STATE INCOME TAX LIABILITY.

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Summary of Amendments Made to the Bill After the 07/06/06 Legislative Council Staff Fiscal Note was Prepared (Amended by the House Business Affairs and Labor Committee 07/06/06)

The House Business Affairs and Labor Committee adopted an amendment, which clarifies language in the printed bill pertaining to a referendum to the voters of Colorado concerning specific business exemptions. This amendment adds language relating to whether employers knew or should have reasonably known if unauthorized aliens were employed in the course of business. *These changes do not affect the fiscal impact of the proposed legislation.*

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concur Does Not Concur Updated Analysis

Amendments/Appropriation Status

The bill does not contain, nor does it require, an appropriations clause in FY 2006-07. If adopted by the voters of Colorado, the proposed legislation will not take effect until FY 2007-08.

Sponsor Amendments

Staff is not aware of any sponsor amendments.

Points to Consider

None.