HB08-1049

JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE

CONCERNING THE EXTENSION OF THE YEARS FOR WHICH A TAXPAYER MAY CLAIM THE INCOME TAX CREDIT FOR CHILD CARE FACILITIES.

Prime Sponsors:	Representative Benefield Senator Groff	JBC Analyst: Phone: Date Prepared:	David Meng 303-866-2061 April 7, 2008

Summary of Amendments Made to the Bill After the 02/25/2008 Legislative Council Staff Revised Fiscal Note Was Prepared

None

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

XXX	Concurs		Does Not Concur		Updated Analysis

Amendments/Appropriation Status

The bill neither requires nor contains an appropriation clause for FY 2008-09.

Bill Sponsor Amendments

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

Points to Consider

1. This bill reduces General Fund revenues by an estimated $9.4 million in FY 2009-10, and by $19.2 million in FY 2010-11. Based on the March 2008 Legislative Council Staff revenue forecast, there will be insufficient revenue for the annual H.B. 02-1310 transfers to the Capital Construction Fund and the Highway Users Tax Fund. The forecast projects that there will be sufficient revenue to partially fund the S.B. 97-1 diversion, which will be reduced by $9.4 million in FY 2009-10 and by $19.2 million in FY 2010-11 if this bill is adopted.

2. The bill was amended by the House Finance Committee to include a clause that if the revenue estimate prepared by Legislative Council in December projects revenues for the next fiscal year will not be sufficient to allow General Fund appropriations to

grow by 6 percent then the credit authorized by this bill shall not be allowed for the next income tax year.

3. The House Finance Committee Report (referenced in Point 2 above) allows for a taxpayer who is eligible to claim a credit in a year in which the credit is not allowed to claim that credit in the first year that revenue will be sufficient to maintain the 6 percent growth of General Fund appropriations. If the credit is disallowed because of insufficient revenue to fully fund the 6 percent growth limit for several years, eligible taxpayers could claim several years of credits in that first year of recovery. In that first year of recovery, taxpayers claiming this credit for past years and the current tax year could increase the loss of revenue by as much as three to four times the amount specified in the fiscal note.