

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING STATE SALES TAX REVENUES RETAINED BY A VENDOR AS COMPENSATION FOR EXPENSES INCURRED BY THE VENDOR IN THE COLLECTION AND REMITTANCE OF SUCH TAX REVENUES TO THE STATE, AND MAKING AN APPROPRIATION THEREFOR.

Prime Sponsors: Senator Hodge
Representative Gerou

JBC Analyst: David Meng
Phone: 303-866-2061
Date Prepared: April 11, 2011

Summary of Amendments Made to the Bill After the 04/05/11 Legislative Council Staff Fiscal Note Was Prepared (Amended by the Senate Appropriations Committee 04/07/11)

The Senate Appropriations Committee Report dated April 7, 2011 added an appropriation clause (see the "Amendments/Appropriation Status" section below for details).

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 provides an appropriation of \$128,696 General Fund to the Department of Revenue in FY 2010-11 for printing and mailing notifications and coupon books to vendors.

Bill Sponsor Amendments

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

Points to Consider

1. 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 that would result from the passage of this bill, as introduced. Thus, if this bill does not become law with at least \$22.8 million in General Fund revenues for FY 2011-12, General Fund expenditures will need to be reduced elsewhere in the FY 2011-12 budget by \$22.8 million.
2. The bill increases General Fund appropriations in FY 2010-11 by \$128,696. Both the Office of State Planning and Budgeting and Legislative Council Staff March 2011 revenue forecasts

project surplus General Fund reserves in FY 2010-11. Pursuant to S.B. 11-156, these surplus General Fund revenues would be deposited in the State Education Fund. Thus, this bill reduces projected revenue to the State Education Fund.

3. There are several bills currently proposed that would affect sales and use tax account holders. Each will require its own appropriation clause, however, in the event that all proposed bills pass, only one appropriation will be necessary. The Department will modify coupon books and notify sales and use tax account holders of all changes in one mailing, rather than notify the account holders of the individual changes.