

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING INCENTIVES FOR THE BENEFICIAL USE OF FOREST BIOMASS.

Prime Sponsors: Sens. Schwartz and Nicholson	JBC Analyst: Kevin Neimond
Reps. Hamner and Coram	Phone: 303-866-2061
	Date Prepared: April 23, 2013

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/23/13.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.006	Bill Sponsor amendment - changes fiscal impact

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2013-14.

Description of Amendments in This Packet

L.006 Bill Sponsor amendment **L.006** (attached) removes the economic development tax credits offered to businesses in the forest product industry and owners of biomass energy projects that are located within a designated red zone. In addition, the amendment removes the income tax deduction for businesses that harvest or process woody vegetation for the production of energy, fuel or forest products, and for companies that sell or install furnaces fueled by woody vegetation. The bill is estimated to decrease General Fund revenues by \$12,000 in FY 2013-14 and \$149,000 in FY 2014-15. The decrease to General Fund revenues is eliminated in FY 2013-14 and FY 2014-15 if amendment L.006 is adopted.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2013-14 based on the March 2013 Office of State Planning and Budgeting revenue forecast. The budget package allocates all but approximately \$9.0 million of General Fund revenues projected to be available. Pursuant to S.B. 13-

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236, this \$9.0 million General Fund will be transferred to the Colorado Water Conservation Board (CWCB) Construction Fund. This bill reduces General Fund revenues by \$12,000 for FY 2013-14 and thus will reduce the transfer to the CWCB Construction Fund by that amount.