

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF A STATE INCOME TAX CREDIT TO REIMBURSE A BUSINESS FOR PERSONAL PROPERTY TAXES PAID IN THE STATE.

Prime Sponsors: Reps. Primavera and Young  
Sens. Heath and Scheffel

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**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 03/26/19.

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

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
J.001	Staff-prepared appropriation amendment

**Current Appropriations Clause in Bill**

The bill requires but does not contain an appropriation clause.

**Description of Amendments in This Packet**

**J.001** Staff has prepared amendment **J.001** (attached) to add a provision appropriating \$203,580 General Fund and 3.6 FTE to the Department of Revenue in FY 2014-15 to implement a business personal property tax credit. Pursuant to direction from the Chairmen of the Appropriations Committees, this amendment includes a provision to access the \$20.0 million General Fund that has been set aside in the Joint Budget Committee’s FY 2014-15 budget package to fund 2014 legislation. For FY 2014-15, this amendment accesses set-aside moneys to offset the FY 2013-14 reduction of \$1,625,000 to the excess General Fund reserve, the FY 2014-15 General Fund revenue reduction of \$13,600,000, and the FY 2014-15 General Fund appropriation of \$203,580 (a total of \$15,428,580).

**Points to Consider***General Fund Impact*

The Joint Budget Committee (JBC) has proposed a budget package for FY 2013-14 and FY 2014-15 based on the March 2014 Office of State Planning and Budgeting revenue forecast. For FY 2013-14, the proposed budget package allocates all but approximately \$71.4 million of General Fund revenues projected to be available. Under current law:

- \$30.0 million of this amount will be transferred to the Colorado Water Conservation Board Construction Fund;
- \$31.1 million will be transferred to the State Education Fund; and
- the remaining \$10.3 million will remain available for appropriation in FY 2014-15.

This bill reduces General Fund revenues by \$6,500,000 for FY 2013-14, and would thus: (a) reduce the transfer to the State Education Fund by \$4,875,000 [75% of GF appropriation in bill]; and (b) reduce the excess General Fund reserve by \$1,625,000 [25% of GF appropriation in bill].

For FY 2014-15, the budget package allocates \$20.0 million General Fund to be available to fund 2014 legislation; if the full \$20.0 million is not used to fund legislation, it will be credited to the Controlled Maintenance Trust Fund.

*Future Fiscal Impact*

This bill is projected to reduce General Fund revenues by \$13.9 million in FY 2015-16 and by \$14.3 million in FY 2016-17. The Department of Revenue is estimated to require ongoing funding of \$134,938 annually to administer the tax credit.