

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING AN INCOME TAX CREDIT FOR CHILD CARE EXPENSES PAID BY A RESIDENT INDIVIDUAL WITH A FEDERAL ADJUSTED GROSS INCOME OF TWENTY-FIVE THOUSAND DOLLARS OR LESS.

Prime Sponsors: Reps. Pettersen and Exum
Senator Kefalas

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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 03/31/14.

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
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 \$61,381 General Fund and 0.6 FTE to the Department of Revenue, Taxation Business Group for FY 2014-15 to implement an income tax credit for child care expenses. 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 \$525,000 to the excess General Fund reserve, the FY 2014-15 revenue reduction of \$5,300,000, and the FY 2014-15 General Fund appropriation of \$61,381, a total of \$5,886,381.

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 \$2,100,000 for FY 2013-14, and would thus: (a) reduce the transfer to the State Education Fund by \$1,575,000 [75% of GF appropriation in bill]; and (b) reduce the excess General Fund reserve by \$525,000 [25% of GF appropriation in bill]. For FY 2014-15, this bill requires an appropriation of \$61,381.