

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF A CREDIT AGAINST THE STATE INCOME TAX TO PROMOTE EMPLOYER-ASSISTED HOUSING PROJECTS IN RURAL AREAS.

Prime Sponsors: Representative Wilson

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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 04/03/17.

<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>
L.004	Bill Sponsor amendment - changes the bill's fiscal impact

**Current Appropriations Clause in Bill**

The bill neither requires nor contains an appropriation clause for FY 2017-18.

**Description of Amendments in This Packet**

**L.004** Bill Sponsor amendment **L.004** (attached) includes the following provisions:

- Specifies that the maximum amount of a donation for which an individual taxpayer may claim a credit pursuant to the bill's provisions is \$400.
- Provides for a tax credit of 20 percent of the taxpayer's donation, rather than the 50 percent currently in the bill.
- Requires the Division of Housing to provide the Department of Revenue with seven digits (rather than four) of a taxpayer's social security number for any taxpayer receiving a credit under the bill's provisions and clarifies reporting requirements if the taxpayer is a pass-through entity.

Legislative Council Staff and JBC Staff agree that the amendment changes the bill's fiscal impact. If the amendment is adopted, the bill's revised fiscal impact is estimated to be a revenue reduction of \$250,000 General Fund in FY 2017-18 (half-year impact), and \$500,000 General Fund in FY 2018-19 and subsequent years.

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**Points to Consider**

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*TABOR/ Excess State Revenues Impact*

The Joint Budget Committee has proposed a budget package for FY 2017-18 based on the March 2017 Legislative Council Staff revenue forecast. The proposed budget package eliminates the projected \$286.7 million TABOR refund for FY 2017-18. This bill is projected to decrease General Fund revenues that are subject to TABOR by at least \$1.5 million in FY 2017-18. The attached Revised Fiscal Note indicates that since this bill reduces both General Fund revenue and the TABOR refund obligation by equal amounts, there is no net impact on the amount of money available in the General Fund for the budget in FY 2017-18 [see page 2]. However, if the budget package becomes law and this bill becomes law, General Fund revenues would decrease by \$1.5 million with no offset to General Fund expenditures. If amendment L.004 is adopted, General Fund revenues would instead decrease by \$250,000 in FY 2017-18.

*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2017-18 based on the March 2017 Legislative Council Staff revenue forecast. The budget package, as amended by General Assembly action, allocates a total of \$12.0 million General Fund for 2017 legislation that is not accounted for in the budget package, including \$11.3 million to be available for appropriations plus \$0.7 million for the associated 6.5 percent statutory reserve. If this amount is not used to fund legislation, it will remain in the General Fund reserve.