HB18-1060

JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE

CONCERNING A STATE INCOME TAX DEDUCTION FOR MILITARY RETIREMENT BENEFITS FOR AN INDIVIDUAL WHO IS UNDER FIFTY-FIVE YEARS OF AGE.

Prime Sponsors: Reps. Danielson and Landgraf
Sens. Crowder and Williams A.

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Date Prepared: April 4, 2018

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 04/03/18.

| XXX | No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill |
| Update: Fiscal impact has changed due to new information or technical issues |
| Update: Fiscal impact has changed due to amendment adopted 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 |
| None. |

Current Appropriations Clause in Bill
The bill neither requires nor contains an appropriation clause for FY 2018-19.

Points to Consider

General Fund Impact
The Joint Budget Committee has proposed a budget package for FY 2018-19 based on the March 2018 Office of State Planning and Budgeting revenue forecast. The budget package leaves approximately $40.8 million General Fund unallocated. This bill is anticipated to reduce General Fund revenues by up to $1.3 million, reducing the excess General Fund reserve by the same amount.

The bill will reduce General Fund revenues by up to $3.8 million in FY 2019-20, by up to $7.7 million in FY 2020-21, and by up to $10.3 million in subsequent fiscal years. The Department of Revenue will require an appropriation of $35,038 General Fund in FY 2019-20 for GenTax system programming changes.

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