

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE SALES AND USE TAX TREATMENT OF EQUIPMENT USED TO MANUFACTURE NEW METAL STOCK FROM SCRAP OR END-OF-LIFE-CYCLE METALS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Representative Kraft-Tharp
Senator Priola

JBC Analyst: Alfredo Kemm
Phone: 303-866-2062
Date Prepared: May 2, 2018

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/09/18.

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

An appropriations clause was added in the House Appropriations Committee Report (04/27/18) and included in the reengrossed bill. Legislative Council Staff and JBC Staff agree that the amendment is consistent with the fiscal impact identified in the Fiscal Note.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None.	

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates a total of \$14,292 General Fund to the Department of Revenue for FY 2018-19. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.3 FTE.

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. Thus, the General Assembly could

HB18-1350

JBC Staff Analysis

appropriate up to \$38.3 million General Fund to fund 2018 legislation and maintain a 6.5 percent General Fund reserve. This bill will reduce the excess General Fund reserve for FY 2018-19 by a total of \$52,621 because:

- it requires a General Fund appropriation of \$14,292 for FY 2018-19, reducing the excess General Fund reserve by \$15,221; and
- it is anticipated to reduce General Fund revenues by \$37,400 in FY 2018-19, reducing the excess General Fund reserve by the same amount.

The bill is anticipated to reduce General Fund revenues by \$76,700 in FY 2019-20 and subsequent years. The Department of Revenue will require an appropriation of \$50,877 General Fund in FY 2019-20 and subsequent years.