

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING A REDUCTION OF THE STATE INCOME TAX RATE.

Prime Sponsors: Sens. Sonnenberg and Grantham

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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 04/05/18.

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

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 \$10,890 General Fund to the Department of Revenue and reappropriating \$1,200 to the Department of Personnel for FY 2017-18.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2017-18 and 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 appropriate up to \$38.3 million General Fund to fund 2018 legislation and maintain a 6.5 percent General Fund reserve.

SB18-061

JBC Staff Analysis

1. This bill is anticipated to reduce General Fund revenues by \$190.0 million in FY 2017-18 and by \$374.8 million in 2018-19, and would thus: (a) eliminate the excess General Fund reserve; and (b) require other General Fund appropriations for existing programs to be reduced by \$492.0 million in order to maintain a 6.5 percent statutory General Fund reserve.
2. This bill is anticipated to reduce General Fund revenues by \$395.3 million in FY 2019-20 and by similar amounts in subsequent years.
3. This bill requires a General Fund appropriation of \$10,890 for FY 2017-18, reducing the excess General Fund reserve for FY 2018-19 by \$11,598.