

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE EXTENSION OF THE STATE SALES AND USE TAX EXEMPTION FOR FARM EQUIPMENT TO EAR TAGS AND EAR TAG SCANNERS USED BY A FARM OPERATION TO IDENTIFY OR TRACK FOOD ANIMALS.

Prime Sponsors: Reps. Pelton and Valdez D.
Senator Sonnenberg

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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 03/06/19.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	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

Page two of the attached Fiscal Note indicates that this bill will decrease General Fund obligations for TABOR refunds by \$64,200 in FY 2019-20, based on the Legislative Council Staff (LCS) December 2018 revenue forecast. However, the LCS March 2019 forecast projects that revenue earned in FY 2019-20 that is subject to the Taxpayer's Bill of Rights (TABOR) spending limit will fall short of the excess state revenues ("Referendum C") cap by \$69.5 million. The budget package, as amended by General Assembly action on the Long Bill, includes a transfer of \$30.0 million from the Unclaimed Property Trust Fund to the General Fund, reducing the projected revenue available under the TABOR spending limit to \$39.5 million. Thus, based on the most recent LCS forecast, this bill will not affect a TABOR refund obligation in FY 2019-20.

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 2019-20.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2019-20 based on the March 2019 Legislative Council Staff revenue forecast. The budget package leaves approximately \$47.9 million General Fund unallocated. This bill is anticipated to reduce General Fund revenues by \$64,200, reducing the excess General Fund reserve by the same amount. Additionally, it is projected to reduce General Fund revenues by an estimated \$77,000 in FY 2020-21 and future years, reducing the amount of General Fund available for other purposes.