

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING A TEMPORARY DEDUCTION FROM STATE NET TAXABLE SALES FOR CERTAIN RETAILERS IN THE STATE, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Reps. Herod and Roberts
Sens. Coleman and Hinrichsen

JBC Analyst: Jon Catlett
Phone: 303-866-4386
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Appropriation Items of Note

Appropriation Already Added to Bill, No Amendment in Packet

General Fund/TABOR Impact

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 04/27/22.

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

The House Appropriations Committee Report (04/29/22) includes amendments adopted on second reading in the House, however Legislative Council Staff and JBC Staff agree that the amendments do not change 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 includes an appropriation clause that appropriates \$106,400 General Fund to the Department of Revenue for FY 2022-23.

Points to Consider*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

This bill creates an ongoing obligation and requires a General Fund appropriation of \$106,400 for FY 2022-23, reducing the \$40.0 million set aside by the same amount.

TABOR/ Excess State Revenues Impact

The March 2022 Legislative Council Staff (LCS) revenue forecast projects a TABOR surplus liability of \$1.6 billion for FY 2022-23 and \$622.6 million for FY 2023-24. These sums must be refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by \$39.3 million in FY 2022-23 which will result in a decrease in the TABOR surplus liability of an equal amount.