

JBC Staff Fiscal Analysis House Appropriations Committee

Concerning the modification of tax expenditures, and, in connection therewith, making additions to the definition of federal taxable income for tax years commencing on or after January 1, 2027, and creating the family affordability credit.

Prime Sponsors:

Representatives Garcia; McCormick
Senator Kipp

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Fiscal Impacts

Appropriation Not Required, No Amendment in Packet

General Fund Impact (Out-Years)

Significant Appropriation Increases in Out Years

Fiscal Note Status

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/05/26.

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

The House Finance Committee Report (03/09/26) includes amendments to the bill. These adjustments modify the tax credit in the bill to align with the existing Family Affordability Tax Credit and also include other technical adjustments to the bill. JBC and LCS Staff agree that these changes do not alter the fiscal impact of the bill.

Amendments in This Packet

None.

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2026-27.

Points to Consider

Future Fiscal Impact

Although this bill would not require a General Fund appropriation for FY 2026-27, it is projected to require General Fund appropriations of \$299,683 and 2.1 FTE in FY 2027-28, \$258,697 and 1.4 FTE in FY 2028-29, and \$724,813 and 6.4 FTE in FY 2029-30.