

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING A TEMPORARY INCOME TAX DEDUCTION FOR A PORTION OF LEASE PAYMENTS RECEIVED BY A QUALIFIED TAXPAYER FOR LEASING THE TAXPAYER'S AGRICULTURAL ASSET TO AN ELIGIBLE BEGINNING FARMER OR RANCHER.

Prime Sponsors: Reps. Mitsch Bush and Becker J.
Senator Sonnenberg

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Date Prepared: May 5, 2016

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 02/24/16.

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| 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 |
|-----------|-------------|
| None. | |

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2016-17.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2016-17 based on the March 2016 Legislative Council Staff revenue forecast. The budget package allocates a total of \$3.2 million General Fund for 2016 legislation that is not accounted for in the budget package, including \$3.0 million to be available for appropriations plus \$0.2 million for the associated 6.5 percent statutory reserve. If this amount is not used to fund legislation, it will remain in the General Fund reserve.

Future Fiscal Impact

In FY 2017-18, this bill will reduce General Fund revenue by \$66,300. Additionally, state expenditures will increase by \$33,077 General Fund in FY 2017-18 for changes to the Department of Revenue's GenTax software system and for document management related to the implementation of the tax deduction established by this bill.