

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING A STATE INCOME TAX DEDUCTION FOR MILITARY RETIREMENT BENEFITS FOR AN INDIVIDUAL WHO IS UNDER FIFTY-FIVE YEARS OF AGE.

Prime Sponsors: Reps. Danielson and Landgraf  
Sens. Crowder and Williams A.

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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 04/03/18.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> 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 2018-19.

**Points to Consider**

*General Fund Impact*

The Joint Budget Committee has proposed a budget package for 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. This bill is anticipated to reduce General Fund revenues by up to \$1.3 million, reducing the excess General Fund reserve by the same amount.

The bill will reduce General Fund revenues by up to \$3.8 million in FY 2019-20, by up to \$7.7 million in FY 2020-21, and by up to \$10.3 million in subsequent fiscal years. The Department of Revenue will require an appropriation of \$35,038 General Fund in FY 2019-20 for GenTax system programming changes.