

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF A CREDIT AGAINST THE STATE INCOME TAX TO PROMOTE CONTRIBUTIONS TO NONPROFIT ORGANIZATIONS ENGAGED IN THE DEVELOPMENT OF AFFORDABLE HOUSING FOR HOME OWNERSHIP.

Prime Sponsors: Representative Pabon
Senator Tate

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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 02/23/18.

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 Finance Committee Report (02/26/18) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.004	Bill Sponsor amendment - changes fiscal impact

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2018-19.

Description of Amendments in This Packet

L.004 Bill Sponsor amendment **L.004** (attached) would reduce the credit to a period of four years, including 2019 through 2022, and would reduce the annual, aggregate tax credit cap from \$20.0 million to \$1.5 million. Legislative Council Staff and JBC Staff agree that sponsor amendment **L.004** includes General Fund revenue reductions as follow:

**General Fund Revenue Reduction
Bill Sponsor amendment L.004 to HB 18-1195**

Fiscal Year	General Fund Revenue Impact
FY 2019-20 (half-year)	(\$600,000)
FY 2020-21	(\$1.2 million)
FY 2021-22	(\$1.3 million)
FY 2022-23	(\$1.4 million)
FY 2023-24	(\$810,000)
FY 2024-25	(\$240,000)
FY 2025-26	(\$210,000)
FY 2026-27	(\$150,000)
FY 2027-28	(\$90,000)
FY 2028-29	(\$30,000)
Total	(\$6.0 million)

Points to Consider

Future Fiscal Impact

1. The bill requires an appropriation to the Department of Revenue of \$25,935 General Fund in FY 2019-20 and ongoing appropriations of \$22,608 General Fund until at least FY 2029-30.
2. The bill is anticipated to reduce General Fund revenues by \$200.0 million from FY 2019-20 through FY 2034-35. If bill sponsor amendment L.004 is adopted, the bill is anticipated to reduce General Fund revenues by \$6.0 million for FY 2019-20 through FY 2028-29.