

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE REPLACEMENT OF THE INCOME TAX DEDUCTION FOR AMOUNTS SPENT BY AN EMPLOYER TO PROVIDE ALTERNATIVE TRANSPORTATION OPTIONS TO EMPLOYEES WITH AN INCOME TAX CREDIT FOR AMOUNTS SPENT BY AN EMPLOYER FOR THAT PURPOSE.

Prime Sponsors: Reps. Bird and Woog
Sens. Hansen and Liston

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Appropriation Items of Note

Appropriation Required, 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 01/17/22.

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 Finance Committee Report (02/03/22) includes two amendments that make technical adjustments to the bill, 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
J.001	Staff-prepared appropriation amendment
L.004	Bill Sponsor amendment - does not change fiscal impact

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$93,758 General Fund to the Department of Revenue for FY 2022-23, of which \$12,194 is reappropriated to the Department of Personnel. This provision also states that the appropriation is based on the assumption that the Department of Revenue will require an additional 0.2 FTE.

L.004 This Bill Sponsor amendment reduces the effective years of the tax credit from ten years to two years. The bill still takes effect beginning on or after 01/01/23, but this amendment changes the expiration of the credit from 01/01/33 to 01/01/25.

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 \$93,758 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 \$9.9 million in FY 2022-23 and by \$21.3 million in FY 2023-24, which will result in a decrease in the TABOR surplus liability of an equal amount.