

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING IMPROVEMENTS TO THE ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM.

Prime Sponsors: Reps. Kipp and Bockenfeld
Sens. Bridges and Van Winkle

JBC Analyst: Jon Catlett
Phone: 303-866-4386
Date Prepared: April 17, 2023

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 01/31/23.

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
J.001	Staff-prepared appropriation amendment
L.002/J.002	Bill Sponsor amendment - changes fiscal impact and appropriation

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 \$6,685,375 General Fund to the Department of Revenue for FY 2023-24.

L.002 and J.002

Bill Sponsor amendment **L.003** (attached) removes some of the required sales and use tax

HB23-1017

JBC Staff Analysis

simplification system modifications from the introduced version of the bill, resulting in lower GenTax programming costs to the Department of Revenue. Legislative Council Staff and JBC Staff agree that amendment **L.003** reduces the necessary appropriation to the Department of Revenue by \$1,239,624 below the amount indicated in the fiscal note, from \$6,685,375 to \$5,445,651. **J.002** (attached) adds a provision appropriating \$5,445,751 General Fund to the Department of Revenue for FY 2023-24, consistent with the fiscal impact of the bill with amendment **L.003**.

If the Committee adopts L.002 it should also adopt J.002, and not J.001.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2023-24 based on the March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes two set-asides for legislation outside of the package: (1) \$30.0 million General Fund for bills that create ongoing obligations; and (2) \$469.0 million for bills that create one-time obligations for FY 2023-24 (see table below).

General Fund Appropriation Placeholders for Other 2023 Legislation	
Description	FY 2023-24
Legislation with Ongoing Fiscal Impacts	\$30,000,000
Legislation with One-time Fiscal Impacts	
Workforce-related legislation, including free credentials, math scholarships, adult education, and concurrent enrollment	103,000,000
Housing-related legislation, including property tax relief, land use, and public-private partnerships	221,000,000
Legislation related to topics other than workforce and housing, including rural opportunity, line of duty loss, and Proposition 122 implementation	145,000,000
Subtotal	\$469,000,000
TOTAL Placeholders for Other 2023 Legislation	\$499,000,000

The budget package accounts for the 15.0 percent reserve associated with the above placeholders (a total of \$74.9 million).

This bill creates an ongoing obligation and requires a General Fund appropriation of \$6,685,375 for FY 2023-24, reducing the \$30.0 million set aside by the same amount.

HB23-1017

JBC Staff Analysis

TABOR/ Excess State Revenues Impact

The March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$720.9 million for FY 2023-24 and \$1.2 billion for FY 2024-25. These sums must be refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by \$30,000 in FY 2023-24 and FY 2024-25, which will result in a decrease in the TABOR surplus liability of equal amounts.