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MEMORANDUM

April 10, 2017

TO: Senator Priola
FROM: Kate Watkins, Senior Economist, 303-866-3446
SUBJECT: Fiscal Assessment of Proposed Amendment **SB287_L.001**.

This memorandum is an assessment of the fiscal impact of the attached proposed amendment to **SB17-287**. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

Amendment L.001 modifies the introduced bill to start the availability of the tax credit in tax year 2019 instead of tax year 2017.

Fiscal Impact of Amendment

This amendment delays the revenue and expenditure impacts of the introduced bill by two years. Due to inflation and population growth, revenue and expenditure impact estimates under HB17-289 with Amendment L.001 are expected to be slightly higher than those for the bill as introduced. This increase equates to \$0.2 million in the first year, \$0.9 million in the second year, \$1.0 million in the third year, and \$0.6 million in the fourth year.

Bill's Revised Fiscal Impact with Amendment

With Amendment L.001, SB17-287 will reduce General Fund revenue by \$5.7 million in FY 2018-19 (half-year impact), \$12.1 million in FY 2019-20, \$12.6 million in FY 2020-21, and \$6.5 million in FY 2021-22. With Amendment L.001, SB17-287 is expected to increase General Fund expenditures by \$8,572 in FY 2019-20, and \$1,863 in FY 2020-21 and FY 2021-22 for the Department of Revenue. Table 1 shows the fiscal impact of SB17-287, as amended by L.001.

Table 1. Fiscal Impact Summary of SB17-287 with L.001

Fiscal Impact Summary*	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-22
State Revenue	(\$5.7 million)	(\$12.1 million)	(\$12.6 million)	(\$6.5 million)
General Fund	(5.7 million)	(12.1 million)	(12.6 million)	(6.5 million)
State Expenditures		\$8,572	\$1,863	\$1,863
General Fund		8,572	1,863	1,863
TABOR Impact	(\$5.7 million)	Not estimated	Not estimated	Not estimated

Appropriation Required: None.

Future Year Impacts: Decreasing revenue and expenditure impacts through FY 2026-27.

** This summary shows changes from current law under amendment L.001 for each fiscal year. Parentheses indicate a decrease in funds.*

SB287_L.001

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.

SB17-287 be amended as follows:

- 1 Amend printed bill, page 2, line 5, strike "**definitions.**" and substitute
- 2 "**definitions - repeal.**".

- 3 Page 3, line 5, strike "JANUARY 1, 2017, BUT PRIOR TO JANUARY 1, 2020,"
- 4 and substitute "JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2022,".

- 5 Page 4, after line 14 insert:

- 6 "(6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2025.".

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