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M E M O R A N D U M

April 13, 2016

TO: Representative Pettersen and Representative Young
FROM: Kate Watkins, Senior Economist, 303-866-3446
SUBJECT: Fiscal Assessment of Proposed Amendment **HB1003_L.003**.

This memorandum is an assessment of the fiscal impact of the attached proposed amendment to **House Bill 16-1003**. 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 of the bill.

Summary of Proposed Amendment

As shown in Table 1, amendment L.003 increases the share of contributions to and interest earnings or withdrawals from qualifying college savings accounts that taxpayers with an adjusted gross income (AGI) of between \$250,000 and \$500,000 may claim as an income tax deduction from 15 percent to 40 percent.

Adjusted Gross Income	HB16-1003	HB16-1003 with L.003
Under \$150,000	200%	200%
\$150,000 to \$250,000	150%	150%
\$250,000 to \$500,000	15%	40%
Over \$500,000	0%	0%

Fiscal Impact of Amendment

The fiscal note dated April 12, 2016 reflects a net General Fund revenue **increase** resulting from HB16-1003. As summarized in Table 2, amendment L.003 results in a net General Fund revenue **reduction**. This amendment has no impact on state expenditure estimates.

Bill's Revised Fiscal Impact with Amendment

With Amendment L.003, HB16-1003 reduces income tax revenue to the General Fund by \$56,279 in FY 2016-17 (half-year impact), \$115,013 in FY 2017-18, \$120,030 in FY 2018-19. General Fund expenditures for this bill are \$17,200 for FY 2017-18. Table 2 shows the fiscal impact of HB16-1003 as amended by L.003.

Table 2. Fiscal Impact Summary of HB16-1003 with L.003			
Fiscal Impact Summary*	FY 2016-2017	FY 2017-2018	FY 2018-2019
State Revenue	(\$56,279)	(\$115,013)	(\$120,030)
General Fund	(56,279)	(115,013)	(120,030)
State Expenditures		\$17,200	
General Fund		17,200	
TABOR Impact	(\$56,279)	(\$115,013)	Not estimated.
Appropriation Required: None.			
Future Year Impacts: Ongoing state revenue decrease.			

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

HB1003_L.003

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.

HB16-1003 be amended as follows:

- 1 Amend printed bill, page 4, line 13, strike "FIFTEEN" and substitute
- 2 "FORTY".

- 3 Page 5, line 26, strike "FIFTEEN" and substitute "FORTY".

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