

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING A STATE INCOME TAX DEDUCTION FOR A TAXPAYER WHO IS PROHIBITED FROM CLAIMING A FEDERAL INCOME TAX DEDUCTION BY SECTION 280E OF THE INTERNAL REVENUE CODE BECAUSE MARIJUANA IS A CONTROLLED SUBSTANCE UNDER FEDERAL LAW.

Prime Sponsors: Representative Kagan  
Senator Guzman

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Date Prepared: March 25, 2013

**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 02/01/13.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> 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

**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 \$280,000 General Fund to the Department of Revenue, Taxation Business Group for FY 2013-14 for programming the Department GenTax tax software program to accept and process the deductions identified in the bill.

**Points to Consider**

1. *General Fund Impact*

The Joint Budget Committee introduced a budget package for FY 2013-14 based on the March 2013 Office of State Planning and Budgeting revenue forecast. The budget package appropriates all but approximately \$8.0 million of General Fund revenues projected to be available, less a statutorily required five percent General Fund reserve. This bill requires a

## **HB13-1042**

## **JBC Staff Analysis**

General Fund appropriation of \$280,000 for FY 2013-14 and reduces General Fund revenues by \$829,0000 in FY 2013-14.

2. *Future Fiscal Impact*

In addition to the General Fund appropriation of \$280,000 for FY 2013-14, this bill is projected to require General Fund appropriations of \$57,333 and 1.2 FTE starting in FY 2015-16 to audit the accuracy of tax returns making claims for this deduction.