

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING INCOME TAX CREDITS THAT PROMOTE INVESTMENT IN COLORADO ADVANCED INDUSTRIES, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING APPROPRIATIONS.

Prime Sponsors: Reps. Tyler and Gerou
Senator Kefalas

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/22/14.

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
None.	

Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides \$16,480 General Fund to the Department of Revenue for FY 2014-15 to implement the income tax credits for advanced industries. The appropriation clause also provides \$80,307 and 0.5 FTE from the Advanced Industry Investment Tax Credit Cash Fund to the Office of Economic Development and International Trade for FY 2014-15 to implement and administer the income tax credits for advanced industries. Additionally, the appropriation clause accesses \$625,855 General Fund of set-aside moneys for FY 2014-15 to cover the FY 2013-14 General Fund revenue reduction of \$46,875, the FY 2014-15 General Fund revenue reduction of \$562,500, and the FY 2014-15 General Fund appropriation of \$16,480.

Points to Consider

General Fund Impact

The Joint Budget Committee (JBC) has proposed a budget package for FY 2013-14 and FY 2014-15 based on the March 2014 Office of State Planning and Budgeting revenue forecast. The proposed budget package, as amended by General Assembly action on the Long Bill (H.B. 14-1336) and the

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capital construction transfer bill (H.B. 14-1342), anticipates a General Fund surplus of \$61.9 million at the end of FY 2013-14 which will be allocated as follows:

- \$30.0 million will be transferred to the Colorado Water Conservation Board Construction Fund;
- \$20.0 million will be transferred to the State Education Fund; and
- the remaining \$11.9 million will remain available for appropriation in FY 2014-15.

This bill has a General Fund revenue decrease of \$187,500 for FY 2013-14 and would thus reduce the excess General Fund reserve available for appropriation in FY 2014-15 by \$187,500. For FY 2014-15, this bill is expected to reduce General Fund revenues by \$562,500.