

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING AN INCOME TAX CREDIT FOR CHILD CARE EXPENSES PAID BY A RESIDENT INDIVIDUAL WITH A FEDERAL ADJUSTED GROSS INCOME OF TWENTY-FIVE THOUSAND DOLLARS OR LESS, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING APPROPRIATIONS.

Prime Sponsors: Reps. Pettersen and Exum
Senator Kefalas

JBC Analyst: Viktor Bojilov
Phone: 303-866-2061
Date Prepared: April 17, 2014

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 03/31/14.

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

The House Appropriations Committee report (04/04/14) and the Senate Finance Committee Report (04/15/14) include amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.003	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill includes a provision that appropriates \$61,381 General Fund and 0.6 FTE to the Department of Revenue, Taxation Business Group for FY 2014-15 to implement an income tax credit for child care expenses. For FY 2014-15, this provision also accesses \$5,886,381 of set-aside moneys. However, the Joint Budget Committee (JBC) has included as part of its FY 2014-15 budget package a total \$5,369,352 General Fund to cover the FY 2014-15 expenditures and revenue impacts of this bill. Thus, the appropriation clause only needs to access \$2,100,000 of set-aside moneys to offset the revenue impact of this bill in FY 2013-14.

Description of Amendments in This Packet

J.003 Staff has prepared amendment **J.003** (attached) to reduce the amount of set-aside moneys that are accessed to \$2,100,000.

Points to Consider*General Fund Impact*

The 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. For FY 2013-14, the proposed budget package allocates all but approximately \$61.9 million of General Fund revenues projected to be available. Under current law:

- \$30.0 million of this amount 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 reduces General Fund revenues by \$2,100,000 for FY 2013-14, and would thus reduce the excess General Fund reserve by \$2,100,000.

The Joint Budget Committee (JBC) has included as part of its FY 2014-15 budget package a total \$5,369,352 General Fund to cover the FY 2014-15 expenditures and revenue impacts of this bill.