



**Colorado  
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**M E M O R A N D U M**

May 4, 2017

**TO:** Senator Gardner  
Senator Kefalas

**FROM:** Louis Pino, (303-866-3556)

**SUBJECT:** Fiscal Assessment of Proposed Amendment **HB1090\_L.002**.

This memorandum is an assessment of the fiscal impact of the attached proposed amendment to **HB17-1090**. 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.002 reduces the amount of state income tax credits the Office of Economic Development and International Trade (OEDIT) can authorize to \$750,000 in each tax year from 2019 to 2022. In the reengrossed bill, the OEDIT is authorized to issue \$1.5 million worth of state income taxes in each calendar year from 2019 to 2022.

**Fiscal Impact of Amendment**

Amendment L.002 reduces revenue to the General Fund by a lesser amount than the reengrossed version of HB17-1090. The fiscal note for the reengrossed bill, dated May 2, 2017, was based on the OEDIT authorizing \$1.5 million income tax credits in each tax year from 2019 to 2022. This amendment reduces the amount allowed to \$750,000 in each year. This amendment will result in a revenue reduction of \$262,500 in FY 2018-19 relative to that estimated in the May 2, 2017 fiscal note. Amendment L.002 does not change the fiscal impact for FY 2017-18. The total amount of income tax credits authorized by this bill will fall from \$6.75 million to \$3.75 million.

**Bill's Revised Fiscal Impact with Amendment**

With Amendment L.002, HB17-1090 will reduce income tax revenue by \$262,500 in FY 2018-19. Amendment L.002 does not change the fiscal impact for FY 2017-18. The total amount of income tax credits authorized by this bill is \$3.75 million. It is assumed the revenue impact will be phased in over the next seven years.

With Amendment L.002, General Fund expenditures will not change from the fiscal note for the reengrossed bill. The OEDIT will require 0.3 FTE Program Manager to administer the tax credit in FY 2017-18 and 0.5 FTE each year through FY 2022-23.

<b>Table 1. Fiscal Impact Summary of HB17-1090 with L.002</b>		
<b>Fiscal Impact Summary</b>	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>
<b>State Revenue</b>	<b>(\$262,500)</b>	<b>(\$637,500)</b>
General Fund	(\$262,500)	(\$637,500)
<b>State Expenditures</b>	<b>\$25,167</b>	<b>\$48,234</b>
General Fund	\$23,062	\$44,406
Centrally Appropriated Costs	\$2,105	\$3,828
<b>TABOR Impact</b>	<b>(\$262,500)</b>	<b>(\$637,500)</b>
<b>FTE Position Change</b>	<b>0.3 FTE</b>	<b>0.5 FTE</b>
<b>Appropriation Required: \$23,062 - Office of Economic Development (FY 2017-18).</b>		
<b>Future Year Impacts: Estimated state revenue decrease through FY 2023-24 and expenditures through FY 2022-23.</b>		

*This summary shows changes from current law under amendment L.002 for each fiscal year. Parentheses indicate a decrease in funds.*

HB1090\_L.002

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.

HB17-1090 be amended as follows:

- 1 Amend reengrossed bill, page 4, strike lines 24 through 27 and substitute
- 2 "~~each of the 2015, 2016, and 2017 calendar years; except that the amount~~
- 3 ~~of tax credits that were not authorized for 2014 may be allocated to 2015~~
- 4 CALENDAR YEAR FROM 2015".

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