



**Colorado
Legislative
Council
Staff**

HB16-1026

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0278
Prime Sponsor(s): Rep. Thurlow; Kraft-Tharp
 Sen. Holbert

Date: January 14, 2016
Bill Status: House Finance
Fiscal Analyst: Kate Watkins (303-866-3446)

BILL TOPIC: REPEAL DOR REVENUE IMPACT ACCOUNTING REQUIREMENTS

Fiscal Impact Summary	FY 2015-2016	FY 2016-2017	FY 2017-2018
State Revenue General Fund			
State Expenditures General Fund Centrally Appropriated Costs	<u>Minimal workload reduction.</u>		
TABOR Impact			
FTE Position Change			
Appropriation Required: None.			
Future Year Impacts: Minimal workload reduction.			

Summary of Legislation

This bill repeals the requirement that, to the extent information is available, the Department of Revenue provide quarterly reports on the revenue impact of certain bills passed during the 2010 legislative session.

Background

During the 2010 legislative session, ten bills (listed below with a brief description) were passed that increased revenue to the state for budget balancing purposes:

- House Bill 10-1189: eliminates the state sales and use tax exemption for direct mail advertising materials;
- House Bill 10-1190 (repealed): suspends the sales and use tax exemption for energy sources used for industrial purposes from March 1, 2010 to June 30, 2012;
- House Bill 10-1191: excludes certain candy and soft drink purchases from the state sales tax exemption for food for off-premise consumption;
- House Bill 10-1192 (repealed): subjects most software to the sales and use tax;

- House Bill 10-1193 (a temporary injunction prohibits enforcement): requires online retailers to collect sales tax from Colorado residents;
- House Bill 10-1194: eliminates the sales and use tax exemption for nonessential articles, containers, and bags provided without a separate charge to consumers of food or beverages;
- House Bill 10-1195 (repealed): temporarily suspends the sales and use tax exemption for the sale or storage, use, or consumption of agricultural compounds used in caring for livestock, semen for agricultural and ranching purposes, and pesticides for use in the production of agricultural and livestock products until July 1, 2013;
- House Bill 10-1196: limits the alternative fuel vehicle income tax credit to the 2010 tax year;
- House Bill 10-1197: temporarily reduces the cap on Gross Conservation Easement Tax Credits to \$26 million per year for tax years 2011, 2012 and 2013; and
- House Bill 10-1199: temporarily limits the state corporate income tax deduction for net operating losses that may be carried forward to \$250,000 per year for tax years 2011, 2012 and 2013.

Each of the above bills included provisions requiring quarterly reports on the bill's revenue impacts. House Bill 09-1195 and House Bill 09-1192 were repealed in 2011, and 2012, respectively, leaving eight bills that still require reporting. House Bill 09-1190 was repealed in 2012. However, the reporting requirement remains. Data is not sufficient to accurately estimate the revenue attributable to these bills. In the spirit of the reporting requirements, the department still publishes quarterly reports detailing the bills and the limited information available on sales tax revenue from certain industries that may be impacted by these bills.

State Expenditures

Repealing the reporting requirements will minimally reduce workload within the Department of Revenue. Reports require minimal workload and were published using existing department resources. As no appropriations or FTEs were provided for the quarterly reporting requirements, no reductions in appropriations are required by this bill.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Revenue