

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING A STATE SALES AND USE TAX EXEMPTION FOR USED MOTOR VEHICLES.

Prime Sponsors: Senator Crowder

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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 02/15/18.

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
L.004	Bill Sponsor amendment - changes fiscal impact

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2018-19.

Description of Amendments in This Packet

L.004 Bill Sponsor amendment **L.004** (attached) modifies the bill to limit the sales tax exemption on used motor vehicles with a taxable value of \$20,000 or less. As identified in the Legislative Council Staff Fiscal Note Memorandum dated 02/26/18 concerning the fiscal assessment of proposed amendment **L.004**, amendment **L.004** reduces the General Fund revenue reduction relative to the fiscal note of February 15, 2018, by \$24.0 million in FY 2018-19 and by \$25.0 million in FY 2019-20.

Points to Consider

General Fund Impact

1. The Joint Budget Committee has proposed a budget package for FY 2018-19 based on the March 2018 Office of State Planning and Budgeting revenue forecast. The budget package leaves approximately \$40.8 million General Fund unallocated. This bill is anticipated to reduce General

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Fund revenues by \$74.0 million in FY 2018-19, and would thus: (a) eliminate the excess General Fund reserve; and (b) require other General Fund appropriations for existing programs to be reduced by \$31.2 million in order to maintain a 6.5 percent statutory General Fund reserve.

2. If amendment **L.004** is adopted, the bill is anticipated to reduce General Fund Revenues by \$50.0 million in FY 2018-19, and would thus: (a) eliminate the excess General Fund reserve; and (b) require other General Fund appropriations for existing programs to be reduced by \$8.6 million in order to maintain a 6.5 percent statutory reserve.

3. This bill is anticipated to reduce General Fund revenues by \$77.0 million in FY 2019-20 and by similar amounts in subsequent years. If **L.004** is adopted, the bill is anticipated to reduce General Fund revenues by \$52.0 million in FY 2019-20 and by similar amounts in subsequent years.