

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF A FAMILY AFFORDABILITY TAX CREDIT, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Reps. DeGruy Kennedy and Willford	JBC Analyst: Jon Catlett
Sens. Winter F. And Coleman	Phone: 303-866-4386
	Date Prepared: May 4, 2024

Appropriation Items of Note

Appropriation Already Added to Bill, No Amendment in Packet

General Fund/TABOR Impact

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 05/01/24.

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 Senate Finance Committee Report (05/03/24) includes an amendment to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendment does not change 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 appropriates \$178,494 General Fund to the Department of Revenue for FY 2024-25. Of this amount, \$25,995 is reappropriated to the Department of Personnel. This provision also states that the appropriation is based on the assumption that the Department of Revenue will require an additional 1.2 FTE.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2024-25 based on the March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$63.1 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders (a total of \$9.5 million).

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130
Legislation for Shared Housing Priorities	12,043,478
Legislation for Shared Workforce and Education Priorities	16,152,110
Legislation for Other Shared Priorities	10,519,130
Legislation for Distributions to Rural Hospitals	2,608,689
TOTAL Placeholders for Other 2024 Legislation	\$63,062,537

This bill requires a General Fund appropriation of \$178,494 for FY 2024-25, reducing the \$63.1 million set aside by the same amount.

TABOR/ Excess State Revenues Impact

The March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$2.0 billion in FY 2023-24, \$1.3 billion in FY 2024-25, and \$1.8 billion in FY 2025-26. These sums must be refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by \$327.0 million in FY 2023-24, \$684.0 million in FY 2024-25, and by \$739.0 million in FY 2025-26, which will result in a decrease in the TABOR surplus liability of equal amounts.