

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING INCOME TAX, AND, IN CONNECTION THEREWITH, REQUIRING ADDITIONS TO COLORADO TAXABLE INCOME IN AMOUNTS RELATED TO LIMITING CERTAIN FEDERAL ITEMIZED DEDUCTIONS, EXTENDING THE LIMIT ON THE FEDERAL DEDUCTION ALLOWED UNDER SECTION 199A OF THE INTERNAL REVENUE CODE, LIMITING THE DEDUCTION FOR CONTRIBUTIONS MADE TO 529 PLANS, DISALLOWING AN ENHANCED FEDERAL DEDUCTION FOR FOOD AND BEVERAGE EXPENSES AT RESTAURANTS, AND LIMITING THE CAPITAL GAINS SUBTRACTION; ALLOWING A SUBTRACTION FROM COLORADO TAXABLE INCOME IN AMOUNTS RELATED TO REPEALING THE CAP ON THE DEDUCTION FOR CERTAIN SOCIAL SECURITY INCOME; REDUCING STATE INCOME TAX REVENUE BY INCREASING THE EARNED INCOME TAX CREDIT, FUNDING THE CHILD TAX CREDIT, AND ALLOWING A TEMPORARY INCOME TAX CREDIT FOR A BUSINESS EQUAL TO A PERCENTAGE OF THE CONVERSION COSTS TO CONVERT THE BUSINESS TO A WORKER-OWNED COOP, AN EMPLOYEE STOCK OWNERSHIP PLAN, OR AN EMPLOYEE OWNERSHIP TRUST; INCREASING STATE INCOME TAX REVENUE BY MODIFYING THE COMPUTATION OF THE CORPORATE INCOME TAX RECEIPTS FACTOR TO MAKE IT MORE CONGRUENT WITH COMBINED REPORTING; PREVENTING CORPORATIONS FROM USING TAX SHELTERS IN FOREIGN JURISDICTIONS FOR THE PURPOSE OF TAX AVOIDANCE; CLARIFYING THAT CERTAIN CAPTIVE INSURANCE COMPANIES ARE NOT EXEMPT FROM INCOME TAX; AND MAKING AN APPROPRIATION.

Prime Sponsors: Reps. Sirota and Weissman
Sens. Hansen and Moreno

JBC Analyst: Alfredo Kemm
Phone: 303-866-4549
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Appropriation Items of Note

Appropriation Already Added to Bill, No Amendment in Packet

General Fund 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 05/25/21.

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
	None.

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates a total of \$68,041 General Fund to the Office of the Governor for FY 2021-22. This provision also states that the appropriation is based on the assumption that the Office will require an additional 0.5 FTE.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2021-22 based on the March 2021 Legislative Council Staff revenue forecast. The budget package includes a set aside of \$48.0 million General Fund for bills that require General Fund appropriations for FY 2021-22. This bill is anticipated to increase General Fund by a net \$6.5 million for FY 2021-22, including a General Fund revenue increase of \$13.0 million, a General Fund transfer of \$6.7 million, and a General Fund appropriation of \$68,041.