HB23-1260

JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE

CONCERNING TAX INCENTIVES TO MAXIMIZE INVESTMENTS IN SEMICONDUCTOR AND ADVANCED MANUFACTURING IN COLORADO, AND, IN CONNECTION THEREWITH, AUTHORIZING THE ECONOMIC DEVELOPMENT COMMISSION TO APPROVE REFUND CERTIFICATES FOR CERTAIN INCOME TAX CREDITS, CREATING A SEMICONDUCTOR MANUFACTURING ZONE PROGRAM, MODIFYING THE COLORADO JOB GROWTH INCENTIVE TAX CREDIT FOR SEMICONDUCTOR AND ADVANCED MANUFACTURING, AND CREATING AN ADVANCED INDUSTRIES TASK FORCE.

Prime Sponsors: Reps. Soper and Valdez
Sens. Baisley and Priola

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Date Prepared: April 14, 2023

Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund/TABOR Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/31/23.

XXX	**No Change:** Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to *new information or technical issues*
	Update: Fiscal impact has changed due to *amendment adopted* 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
J.001	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of $315,099 General Fund for FY 2023-24, including $117,583 to the Office of the Governor for Economic Development Programs and $197,426 to the Department of Revenue, and of that amount reappropriates $32,642 to the Department of Personnel. The amendment also states that the appropriation is based on the assumption that Economic Development Programs in the Office of the Governor will require an additional 1.3 FTE.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2023-24 based on the March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes two set-asides for legislation outside of the package: (1) $30.0 million General Fund for bills that create ongoing obligations; and (2) $469.0 million for bills that create one-time obligations for FY 2023-24 (see table below). The budget package accounts for the 15.0 percent reserve associated with the above placeholders (a total of $74.9 million).

General Fund Appropriation Placeholders for Other 2023 Legislation	
Description	FY 2023-24
Legislation with Ongoing Fiscal Impacts	$30,000,000
Legislation with One-time Fiscal Impacts	
Workforce-related legislation, including free credentials, math scholarships, adult education, and concurrent enrollment	103,000,000
Housing-related legislation, including property tax relief, land use, and public-private partnerships	221,000,000
Legislation related to topics other than workforce and housing, including rural opportunity, line of duty loss, and Proposition 122 implementation	145,000,000
Subtotal	$469,000,000
TOTAL Placeholders for Other 2023 Legislation	**$499,000,000**

This bill creates an ongoing obligation and requires a General Fund appropriation of $105,697 for FY 2023-24, reducing the $30.0 million set aside by the same amount. This bill creates a one-time obligation and requires a General Fund appropriation of $209,312 for FY 2023-24, reducing the $469.0 million set aside by that amount.

TABOR/ Excess State Revenues Impact

The March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of $720.9 million for FY 2023-24 and $1.2 billion for FY 2024-25. These sums must be refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by $1.5 million in FY 2024-25, by $3.0 million in FY 2025-26, by $10.0 million in FY 2026-27, and by larger amounts in later years, which will result in a decrease in the TABOR surplus liability of equal amounts.