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MEMORANDUM

April 12, 2016

TO: Representative Roupe
FROM: Kate Watkins, Senior Economist, 303-866-3446
SUBJECT: Fiscal Assessment of Proposed Amendment **HB1212_L.001**.

This memorandum is an assessment of the fiscal impact of the attached proposed amendment to **House Bill 16-1212**. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact of the bill.

Summary of Proposed Amendment

Amendment L.001 changes the income tax credit calculation from 50 percent to 10 percent of the difference between Medicaid and Medicare reimbursement rates.

Fiscal Impact of Amendment

Amendment L.001 lowers the General Fund revenue reduction shown in the March 28, 2016 fiscal note by 80 percent. This amendment has no impact on state expenditure estimates. The technical considerations in the March 28, 2016 fiscal note still apply.

Bill's Revised Fiscal Impact with Amendment

With Amendment L.001, HB16-1212 will reduce income tax revenue to the General Fund by \$8.0 million in FY 2015-16 (half-year impact), \$16.9 million in FY 2016-17, \$17.6 million in FY 2017-18, and \$8.8 million in FY 2018-19 (half-year impact). General Fund expenditures for this bill will total \$35,038 for FY 2016-17. Table 1 shows the fiscal impact of HB16-1212 as amended by L.001.

Table 1. Fiscal Impact Summary of HB16-1212 with L.001

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017	FY 2017-2018
State Revenue	<u>(\$8.0 million)</u>	<u>(\$16.9 million)</u>	<u>(\$17.6 million)</u>
General Fund	(8.0 million)	(16.9 million)	(17.6 million)
State Expenditures		\$35,038	
General Fund		35,038	
TABOR Impact		(\$16.9 million)	(\$17.6 million)
Appropriation Required: \$35,038 - Department of Revenue (FY 2016-17).			
Future Year Impacts: Ongoing state revenue decrease through FY 2018-19.			

* This summary shows changes from current law under the bill for each fiscal year. Parentheses indicate a decrease in funds.

HB1212_L.001

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on State, Veterans, & Military Affairs.

HB16-1212 be amended as follows:

- 1 Amend printed bill, page 4, line 11, strike "FIFTY" and substitute "TEN".

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