



Colorado
Legislative
Council
Staff

Room 029 State Capitol, Denver, CO 80203-1784
(303) 866-3521 FAX: 866-3855 TDD: 866-3472

MEMORANDUM

UPDATED
February 5, 2010

TO: Interested Persons

FROM: Legislative Council Staff, (303) 866-3521

SUBJECT: Revenue Impact of House Bills 10-1189 through 10-1200
Senate Committee of the Whole¹

Table 1 summarizes the combined revenue impact of House Bills 10-1189 through 10-1200 based on Legislative Council Staff (LCS) estimates. Estimated revenue impacts total \$15.6 million in FY 2009-10, \$132.6 million in FY 2010-11, and \$175.1 million in FY 2011-12. The table also indicates whether each bill has an expenditure impact on the Department of Revenue and whether the legislative change is permanent or temporary. For more information, please see each bill's individual fiscal note. This information is subject to change should staff receive additional pertinent information.

Table 2 summarizes the difference between LCS and Governor's Office of State Planning and Budget (OSPB) revenue impact estimates for FY 2010-11 and FY 2011-12. In total, LCS estimates are \$8.0 million and \$7.1 million higher than OSPB estimates for FY 2010-11 and FY 2011-12, respectively.

¹As of the writing of this memorandum, House Bills 10-1197 and 10-1200 had not yet been introduced in the Senate.

**Table 2. Comparison of FY 2010-11 and FY 2011-12
Revenue Impact Estimates of House Bills 10-1189 through 10-1200 /A**
Millions of Dollars

House Bill	Description	FY 2010-11 Revenue Estimate			FY 2011-12 Revenue Estimate		
		LCS	OSPB*	Difference: LCS minus OSPB*	LCS	OSPB*	Difference: LCS minus OSPB*
Sales and Use Tax Legislation							
10-1189	Direct Mail	\$0.8	\$1.5	(\$0.7)	\$0.8	\$1.5	(\$0.7)
10-1190	Energy Used for Industrial Purposes	\$37.6	NA	NA	\$40.2	NA	NA
10-1191	Candy and Soda	\$18.0	\$17.9	\$0.1	\$18.0	\$17.9	\$0.1
10-1192	Repeal Software Regulation	\$23.7	\$15.0	\$8.7	\$24.1	\$15.0	\$9.1
10-1193	Out-of-State Retailers (Online Sales)	Up to \$4.7	\$5.0	(\$0.3) or more	Up to \$4.6	\$5.0	(\$0.4) or more
10-1194	Nonessential Food Containers	\$2.0	\$2.1	(\$0.1)	\$2.0	\$2.1	(\$0.1)
10-1195	Agricultural Products	\$4.6	\$4.4	\$0.2	\$4.6	\$4.4	\$0.2
Income Tax Legislation							
10-1196	Eliminate Type 7 Cars from Alt. Fuel Tax Credit	\$2.7	\$1.3	\$1.4	\$2.7	\$2.5	\$0.2
10-1197 /B	Conservation Easement Cap	\$18.5	NA	NA	\$37.0	NA	NA
10-1199	Net Operating Loss	Up to \$8.2	\$16.8	(\$8.6) or more	Up to \$16.5	\$33.5	(\$17.0) or more
10-1200 /B	Defer Enterprise Zone Investment Tax Credit	Up to \$11.8	\$4.5	Up to \$7.3	Up to \$24.6	\$8.9	Up to \$15.7
Total Revenue Impact Excluding HBs 10-1190 & 10-1197**		\$76.5	\$68.5	\$8.0	\$97.9	\$90.8	\$7.1

Totals may not sum due to rounding.

NA = Not Available.

*LCS = Legislative Council Staff. OSPB = Governor's Office of State Planning and Budget.

** Excludes the impact of House Bills 10-1190 and 10-1197 because OSPB estimates for the current versions of these bills are not available.

/A Excludes House Bill 10-1198, which was postponed indefinitely.

/B As of the writing of this memorandum, House Bills 10-1197 and 10-1200 had not yet been introduced in the Senate.

Table 1. LCS Revenue Impact Estimates of House Bill's 10-1189 through 10-1200 /A
Millions of Dollars

House Bill	Description	Revenue Impact			Is There An Expenditure Impact?	Duration
		FY 2009-10	FY 2010-11	FY 2011-12		
Sales and Use Tax Legislation						
10-1189	Direct Mail	\$0.2	\$0.8	\$0.8	Yes*	Permanent
10-1190	Energy Used for Industrial Purposes	\$7.2	\$37.6	\$40.2	Yes*	March 1, 2010 - June 30, 2013
10-1191	Candy and Soda	\$1.4	\$18.0	\$18.0	Yes*	May 1, 2010 - June 30, 2013
10-1192	Repeal Software Regulation	\$4.6	\$23.7	\$24.1	Yes*	Permanent
10-1193	Out-of-State Retailers (Online Sales)	Up to \$0.9	Up to \$4.7	Up to \$4.6	Yes	Permanent
10-1194	Nonessential Food Containers	\$0.4	\$2.0	\$2.0	Yes*	March 1, 2010 - June 30, 2013
10-1195	Agricultural Products	\$0.9	\$4.6	\$4.6	Yes*	March 1, 2010 - June 30, 2013
Income Tax Legislation						
10-1196	Eliminate Type 7 Cars from Alt. Fuel Tax Credit		\$2.7	\$2.7	No	Tax Year 2011 /C
10-1197 /B	Conservation Easement Cap		\$18.5	\$37.0	Yes	Tax Years 2011 - 2013
10-1199	Net Operating Loss		Up to \$8.2	Up to \$16.5	No	Tax Years 2011 - 2013
10-1200 /B	Defer Enterprise Zone Investment Tax Credit		Up to \$11.8	Up to \$24.6	No	Tax Years 2011 - 2013
Total Revenue Impact		\$15.6	\$132.6	\$175.1		

* Economies of scale exist that will allow savings should multiple bills affecting sales and use tax account holders be enacted.

/A Excludes House Bill 10-1198, which was postponed indefinitely.

/B As of the writing of this memorandum, House Bills 10-1197 and 10-1200 had not yet been introduced in the Senate.

/C Under law current, the credit for type 7 cars is repealed in tax year 2012. HB 10-1196 moves the repeal date up by a year.