

Estimated Tax credit payments, with impacts of FY17 budget and HB247, \$millions

Title:

Preparer:

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Date:

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History:

Initial version included FY2017 appropriation as passed Legislature; this version updated to reflect veto of most credit funding for FY2017. Initial version included HB247 impacts based on fiscal note midpoint estimate; this version updates for modeled impacts using final version of bill incorporated into Spring 2016 forecast model.

Purpose:

To provide an estimate of appropriations that would be needed to fully fund refundable tax credits for FY18 and beyond, with the final FY17 budget after vetoes and final version of HB247.

Data Source:

Spring 2016 forecast; FY2017 budget after vetoes and HB 247 as enacted.

Key Assumptions:

Price, production, and company investment are assumed to be as forecast in the Spring 2016 forecast.

Disclaimer:

The Department of Revenue is in the process of reviewing and updating the data on which this analysis is based. As a result, future analysis could have different results.

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Revised 7/12/16 by Dan Stickel

	Spring 2016 forecast	HB 247 adjustment ¹	Spring 2016 FC w/ HB 247	Impact of FY 17 appropriation ²	Credit payments after HB 247 and FY 17 budget
FY 2017	\$ 775.0	\$ (15.0)	\$ 760.0	\$ (730.0)	\$ 30.0
FY 2018	\$ 500.0	\$ (55.0)	\$ 445.0	\$ 730.0	\$ 1,175.0
FY 2019	\$ 375.0	\$ (90.0)	\$ 285.0		\$ 285.0
FY 2020	\$ 270.0	\$ (80.0)	\$ 190.0		\$ 190.0
FY 2021	\$ 250.0	\$ (100.0)	\$ 150.0		\$ 150.0
FY 2022	\$ 250.0	\$ (100.0)	\$ 150.0		\$ 150.0
FY 2023	\$ 250.0	\$ (100.0)	\$ 150.0		\$ 150.0
FY 2024	\$ 250.0	\$ (100.0)	\$ 150.0		\$ 150.0
FY 2025	\$ 250.0	\$ (100.0)	\$ 150.0		\$ 150.0

¹ Based on comprehensive modeling of final version of HB247 per Spring 2016 forecast. Amount shown is only the impact on credits paid through appropriation; HB 247 impacts also include additional revenues which are not shown here.

² For FY 2017, appropriations in the FY 2017 budget after vetoes total \$300 million, which is less than total credits estimated to be eligible for refund. Assumes that FY 2017 credits are paid up to the appropriation, and excess credits roll forward into FY 2018.

Data source: Spring 2016 forecast; FY2017 budget after vetoes and HB 247 as passed Legislature. Price, production, and company investment are assumed to be as forecast in the Spring 2016 forecast.