

REVENUE ESTIMATING CONFERENCE

Revenue Source: *The full name of the revenue source(s) should be indicated here using upper and lower case letters. Place each referenced source on a separate line, using a TAB to indent. For example:*

*Sales and Use Tax
Corporate Income Tax
Insurance Premium Tax*

This section is a header to be reproduced on all pages of the document.

Issue: *The description should succinctly indicate what the bill does. If a similar issue has been considered previously during the cycle, use a description which distinguishes this analysis from the prior version.*

Bill Number(s): *Include all relevant bill numbers with correct specification of CS (CS/CS/...), Engrossed, Enrolled, Amendment Bar Code #, or Proposed Amendment. The reference should match the version(s) you analyzed.*

☐ **Entire Bill:** *Check this box if the analysis covers the revenue impact of the entire bill.*

☐ **Partial Bill:** *Check this box if the analysis addresses only certain sections of the bill. List the relevant sections of the bill after checking this box.*

Sponsor(s): *This should be the original member sponsor of the bill, even if it is a committee substitute. For example if the full listing was: "GENERAL BILL by Infrastructure Strategies Committee; Transportation & Modals Highway Safety Subcommittee; McFarland; (CO-INTRODUCERS) Basabe; Esposito; Melo", the sponsor would be shown as "Representative McFarland.."*

Month/Year Impact Begins: *Put the actual date (month and year) that you assumed in your analysis rather than "upon becoming law" or some other generic label. This should be the date when the taxpayer's liability (actual or future) would first be affected by the bill (positively or negatively), not the effective date of the bill. If receipts by the state or local government are further lagged and affect the cash impact, include the lagged timeframe as well. For example:*

*July 2023
July 2023 (with a one-month collection lag)
January 2024 Tax Roll (affecting the 2024-25 school year)
January 2024 Tax Roll (affecting the 2024-25 local fiscal year)*

For all bills that are "upon becoming law" after a typical regular session, assume an effective date of June 1.

Date(s) Conference Reviewed: *The analyst is to use this line to record the date of the Conference the issue is presented at (not necessarily adopted). If the same language is heard more than once, the analyst will be asked to record each date. This will only apply to the same session and should not include changes to the bill language.*

Section 1: Narrative

- a. Current Law:** *This section should describe any aspects of current law which are changed by the legislation. The description should be detailed enough that someone not familiar with the issue can understand what the current situation is.*
- b. Proposed Change:** *This section should outline the changes made by the bill which could affect the current revenue stream. This should be detailed enough that someone not familiar with the issue can understand what the legislation actually does. This should not be a copy and paste of the language unless specific wording in the proposed statutory change is problematic to the Methodology or Proposed Fiscal Impact and discussed further in one or both of those sections.*

Section 2: Description of Data and Sources

This section should list the sources for all data used in the analysis. It should include both publications and entities that provide relevant information. If referencing an adopted forecast, include the month and year the forecast was adopted (for example, Ad Valorem forecast adopted August 2022). If referencing data provided by someone else or produced through a special run, list the period covered by the data. If referencing a website, include the website address.

Section 3: Methodology (Include Assumptions and Attach Details)

This section should describe the methodology used to develop the estimate, including the qualitative differences between the High, Middle and Low estimates. It should provide sufficient detail that someone who doesn't look at the attached spreadsheet will have an understanding of how the estimate was derived. Do not direct the reader to the attachment as your entire explanation.

If the proposed impact is Indeterminate, explain why it cannot be feasibly estimated. The Conference can adopt "at least as" or "minimum" estimates which reflect the known portion of estimates that could be much larger. In these cases, footnotes will be used to explain the potential magnitude of any amounts that could not be estimated.

Section 4: Proposed Revenue Impact

The Middle estimate should be the analyst's view of the most likely or probable outcome. The High and Low estimates should also be outcomes which could be reasonably expected to occur under normal circumstances; however, it is not necessary to provide them if only the Middle estimate is probable.

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	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2026-27						
2027-28						
2028-29						
2029-30						
2030-31						

Revenue Distribution: *This information is used to determine the impacted distributions, whether the General Revenue Service Charge will be assessed, and inform of any special formulas that will be used for the calculations.*

Five years of estimates are to be included for each impact. For any impact that is expected to have smooth growth after reaching its first full year of implementation, the recurring and cash impacts should be the same for that year and each year thereafter—with the recurring impacts for prior years developed by assuming that the bill had been in place for that year. See TABLE A below for an example; each set of columns represents a different year of implementation.

		YEAR OF IMPLEMENTATION --- Smooth Growth Pattern Aftern Implementation									
TABLE A	FULL	YR 1		YR 2		YR 3		YR 4		YR 5	
	IMPACT	Cash	Rec	Cash	Rec	Cash	Rec	Cash	Rec	Cash	Rec
2023-24	100	100	100	0	100	0	100	0	100	0	100
2024-25	110	110	110	110	110	0	110	0	100	0	110
2025-26	120	120	120	120	120	120	120	0	120	0	120
2026-27	130	130	130	130	130	130	130	130	130	0	130
2027-28	140	140	140	140	140	140	140	140	140	140	140

For any impact that is expected to have smooth growth after reaching its first full year of implementation, but has a first year with only a partial impact: (1) the cash impact should be appropriately reduced for the first year; (2) the recurring impact for the first year should assume that the bill had been place for the full year; and (3) subsequent years should have cash equal to recurring. In addition, the recurring impacts for prior years will be developed by assuming that the bill had been in place for that year. See TABLE A1 below for an example; each set of columns represents a different year of implementation.

		YEAR OF IMPLEMENTATION --- Smooth Growth Pattern Aftern Implementation									
TABLE A1	FULL	YR 1		YR 2		YR 3		YR 4		YR 5	
	IMPACT	Cash	Rec	Cash	Rec	Cash	Rec	Cash	Rec	Cash	Rec
2023-24	100	91.7	100	0	100	0	100	0	100	0	100
2024-25	110	110	110	100.8	110	0	110	0	110	0	110
2025-26	120	120	120	120	120	110	120	0	120	0	120
2026-27	130	130	130	130	130	130	130	119.2	130	0	130
2027-28	140	140	140	140	140	140	140	140	140	128.3	140

For any impact that has a ramp-up period lasting five or more years or uneven growth for some other reason, the value for the fifth year of the pattern should establish the base—with the recurring impact for each of the prior years developed by producing an

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estimate equivalent to the base value for that year. This will require a method for discounting back from the fifth year of the pattern. See TABLE A2 below for an example; each set of columns represents a different year of implementation.

		YEAR OF IMPLEMENTATION --- Ramp-Up Period Lasting 5 or more Years									
TABLE A2		YR 1		YR 2		YR 3		YR 4		Yr 5	
	PATTERN	Cash	Rec	Cash	Rec	Cash	Rec	Cash	Rec	Cash	Rec
Year 1	30	30	296	0	296	0	296	0	296	0	296
Year 2	60	60	297	30	297	0	297	0	297	0	297
Year 3	120	120	298	60	298	30	298	0	298	0	298
Year 4	240	240	299	120	299	60	299	30	299	0	299
Year 5	300	300	300	240	300	120	300	60	300	30	300

An exception to these rules would be made for revenue sources that have greater than a one-year collection cycle (for example, fees collected every other year). The cash impact would not be affected (the actual collection level projected for each year would be displayed), but the recurring amount to be used for each year would be calculated by dividing the first non-zero cash impact under full implementation by the number of years in the cycle. If the collection cycle and/or bill timing places all non-zero cash impacts outside the five-year window, the window would be extended until this year was reached and then the analysis would be performed.

In addition, capped or otherwise specified amounts in the proposed legislation do not have to be discounted or further adjusted.

Section 5: Consensus Estimate (Adopted:) *Do not complete this section. EDR is responsible for filling it in after the Impact Conference has taken place.*

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2026-27								
2027-28								
2028-29								
2029-30								
2030-31								

“Local/Other” includes non-state trust funds. The Conference also deems the following entities to be “Local/Other”:

- *Water Management Districts = Local*
- *State University System = Other*
- *State College System = Other*