This morning Legislative Council Staff and the Office of State Planning and Budgeting Staff presented the September Quarterly Revenue Forecast to the Joint Budget Committee. Please see the summary below from the Governor’s Office.

DENVER - Wednesday, September 20, 2017 - The Governor’s Office of State Planning and Budgeting (OSPB) and Colorado Legislative Council Staff today released their quarterly economic and revenue forecasts.

After modest increases in the prior two fiscal years, General Fund revenue is forecast to increase at stronger rates of 8.1 percent in FY 2017-18 and 4.9 percent in FY 2018-19. After slowing during the oil and gas downturn and more moderate economic growth of 2015 and 2016, sales taxes and individual income taxes are rebounding in 2017 as the economy strengthens. Corporate income tax revenue is expected to recover starting this fiscal year, albeit modestly, after declining since FY 2013-14.

"Our momentum remains strong thanks to the strength of state’s technology sector, new business start ups and the growth of our skilled workforce," said Governor John Hickenlooper. "Still, the tight labor and housing market conditions are raising costs for individuals and businesses and our rural communities continue to experience lower job and income growth than our urban areas. We are keeping on eye on these issues so they don’t curtail our success."

Based on preliminary information for FY 2016-17, the State’s General Fund reserve ended the year $28.7 million above the required statutory reserve amount. Under this forecast and current law, the General Fund reserve for FY 2017-18 is projected to be $5.9 million above the required reserve amount. Furthermore, General Fund appropriations subject to the limit can increase $635.9 million, or 6.1 percent, in FY 2018-19 over the FY 2017-18 current law budget.

Cash fund revenue is forecast to decrease 17.4 percent in FY 2017-18 as the Hospital Provider Fee is replaced with the Healthcare Affordability and Sustainability Fee, which is a TABOR-exempt enterprise in accordance with SB 17-267.

TABOR revenue was $435.9 million under the Referendum C cap in FY 2016-17, based on preliminary information. With this forecast and SB 17-267, TABOR revenue is expected to be below the cap by $507.8 million in FY 2017-18 and by $579.6 million in FY 2018-19.
Please see links to referenced forecasts:

Legislative Council Forecast
Office of State Planning and Budgeting Forecast

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