

SENATE REVENUE COMMITTEE

June 29, 2001 — 1:30 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Ted Ferrioli, Chair

Senator Lee Beyer, Vice Chair

Senator Tony Corcoran

Senator John Minnis

Senator Charles Starr

Members Excused: Senator Susan Castillo

Senator Gary George

Staff: Paul Warner, Legislative Revenue Officer

Ed Waters, Economist, Legislative Revenue Office

Carol Phillips, Committee Assistant

Witnesses: Dexter Johnson, Legislative Counsel

TAPE 160 SIDE A

005 Chair Ferrioli Meeting called to order at 1: 35 p.m.

012 Ed Waters Explained that HB 2716-A makes the working family child care tax credit a refundable credit, meaning that taxpayers can receive the full amount of their credit eligibility over and above what their tax liability would allow. Under current law taxpayers unable to apply their credit against current year tax liability effectively lose the remainder of their credit eligibility. Explained that the (-A4) amendments prevent

HB 2716-A from becoming law until or unless HB 2281 becomes law prior to January 1, 2003.

Questions and answers followed.

- 049 Chair Ferrioli Pointed out that the Department of Revenue estimates approximately 22,000 taxpayers may be eligible for the working family child care tax credit.
- 059 Dexter Johnson Stated that both HB 2716 and HB 2281 take effect January 1, 2002. Regarding HB 2281, contemplated changes in the apportionment formula do not start to apply until May 1, 2003. That is not, however, the same thing as the effective date. Both HB 2716 and HB 2281 will take effect January 1, 2002, with one possible exception. If HB 2281 is referred to the ballot, it will not take effect until 30 days after the 2002 general election.
- 078 Sen. Corcoran Asked if there was a similar provision in HB 2281.
- 081 Chair Ferrioli Responded that HB 2281 was in the possession of Conference Committee, with amendments contemplated that would separate the working family child care tax credit from the capital gains aspects. Other contemplated amendments will connect the concepts together.
- 090 Johnson Added that with this linkage approach where two bills are dependent on the other's passing, and where one bill may leave the second house before the other one, there is a risk that after the first bill has passed, something may happen to the second bill to make it not "link" with the first one. In other words, if HB 2281 is replaced with something completely different, this approach will not work.
- 100 Chair Ferrioli Stated that it is contemplated these bills will not

only be linked in language but also be in close temporal proximity as they move through the process.

OPENED WORK SESSION ON HB 2716-A

- 107 Vice Chair L. Beyer MOTION:
MOVES THE (-A4) AMENDMENTS TO HB 2716-A BE ADOPTED.
- 109 Chair Ferrioli ORDER:
ROLL CALL VOTE: MOTION PASSES: 4 — 1 — 2
SENATOR VOTING NO: CORCORAN
SENATORS EXCUSED: CASTILLO, GEORGE
- 112 Vice Chair L. Beyer MOTION:
MOVES HB 2716-A AS AMENDED TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.
- 115 Chair Ferrioli ORDER:
HEARING NO OBJECTION, THE CHAIR SO ORDERED.
SENATORS EXCUSED: CASTILLO, GEORGE
Sen. Ferrioli will carry the bill on the Senate Floor.
- 118 Chair Ferrioli Adjourned meeting at 1:45 p.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HB 2716-A, Sen. Ferrioli, (-A4) amendments (DJ/ps) 6/29/01, 1 pp.
2. HB 2716, Waters, Working Family Child Care Tax Credit summary, 1 pp.
3. HB 2716-A, Waters, Staff Measure Summary, 1 pp.
4. HB 2716-A, Waters, Revenue Impact Statement, 1 pp.
5. HB 2716, Waters, Fiscal Impact Statement, 1 pp.