

FISCAL NOTE

November 19, 2019

Bill No:	HB 1603	Printer's No:	2078	Sponsor:	Grove (R)
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COST / (SAVINGS)

Fund (s)	2019-20	2020-21
General Fund	\$16 million	\$103 million

SUMMARY: HB 1603 amends the Tax Reform Code (TRC) to allow business to deduct net operating losses against other classes of taxable income.

ANALYSIS: HB 1603 amends TRC to allow business to deduct net operating losses against other classes of taxable income. The deduction must equal the net loss for the tax year.

HB 1603 takes effect immediately.

FISCAL IMPACT: Allowing businesses to deduct net operating losses against other classes of taxable income will lead to the following revenue loss to the General Fund:

Year	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Loss	\$16.0 million	\$103.0 million	\$107.4 million	\$113.0 million	\$119.2 million	\$123.9 million