

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 67  
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This bill limits general fund spending both in the governor's proposed budget and in the enacted budget for the FY 2012-2013 biennium to the amount of general fund revenues forecast for FY 2012-2013 by the Department of Management and Budget in the November 2010 revenue forecast. In addition, the bill requires that the biennium over biennium growth in general fund revenues (FY 2012-2013 over FY 2010-2011) must be allocated as follows:

1. Up to 60 percent of the growth may be used for general fund expenditures; and
2. The remaining 40 percent of the growth is limited to the following purposes:
  - a. 10 percent may be used to increase the angel investment credit
  - b. 45 percent may be used to reduce the corporate franchise tax rate
  - c. 45 percent may be used for an individual income tax subtraction for active business income from S corporations, partnerships, and limited liability companies taxed on a pass-through basis.

The bill does not preclude using more than 40 percent of the growth in revenues for the three purposes listed.