

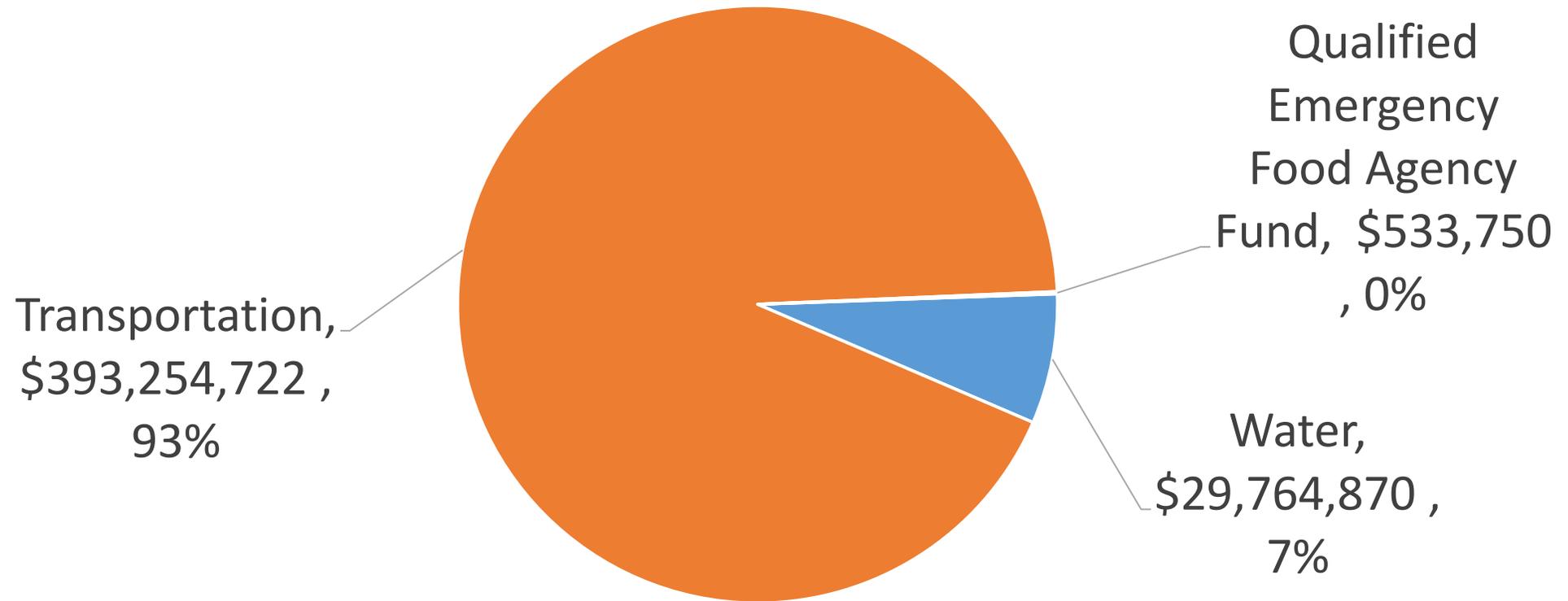
State Sales and Use Tax Earmarks and General Fund Set Asides and Transfers

Prepared for the Revenue and Taxation Interim Committee

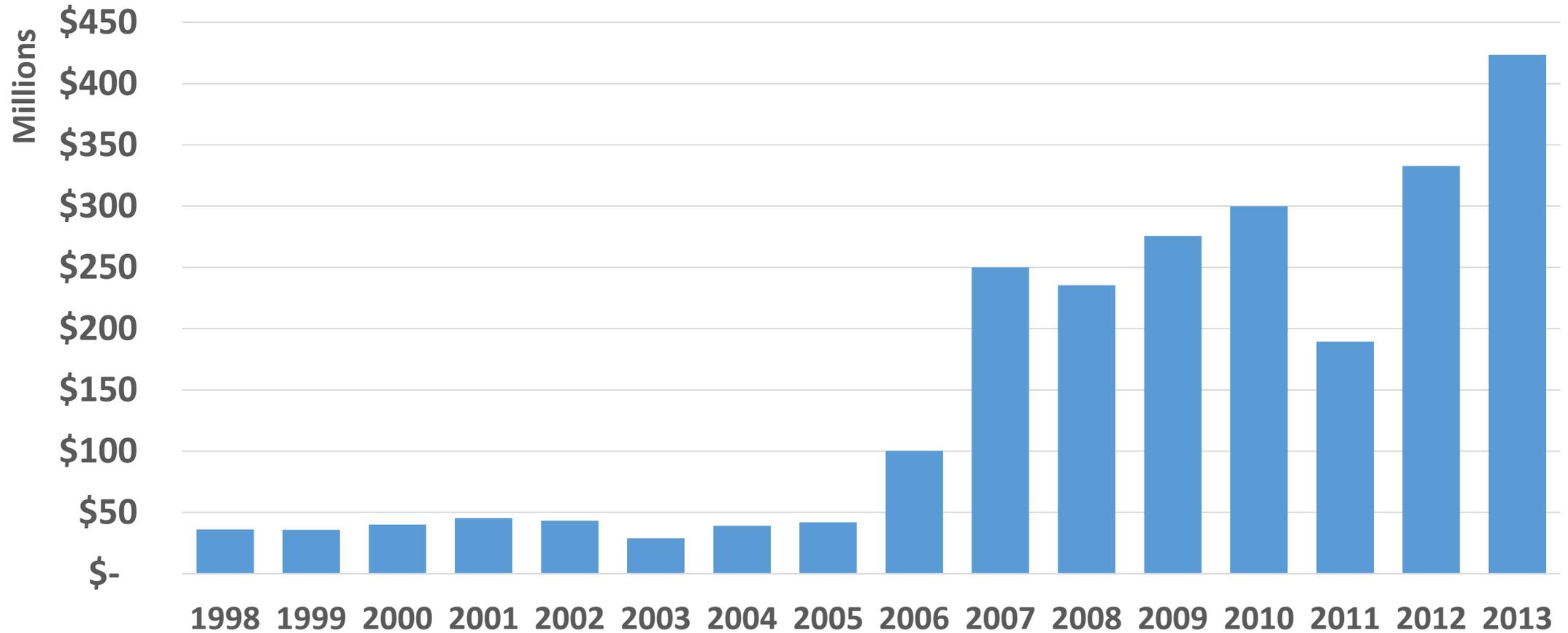
July 16, 2014



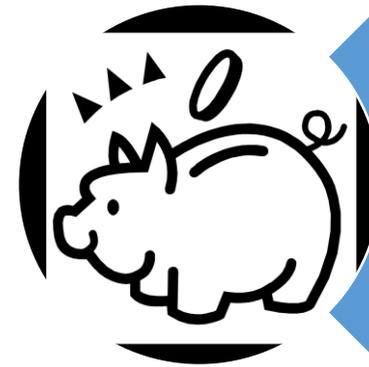
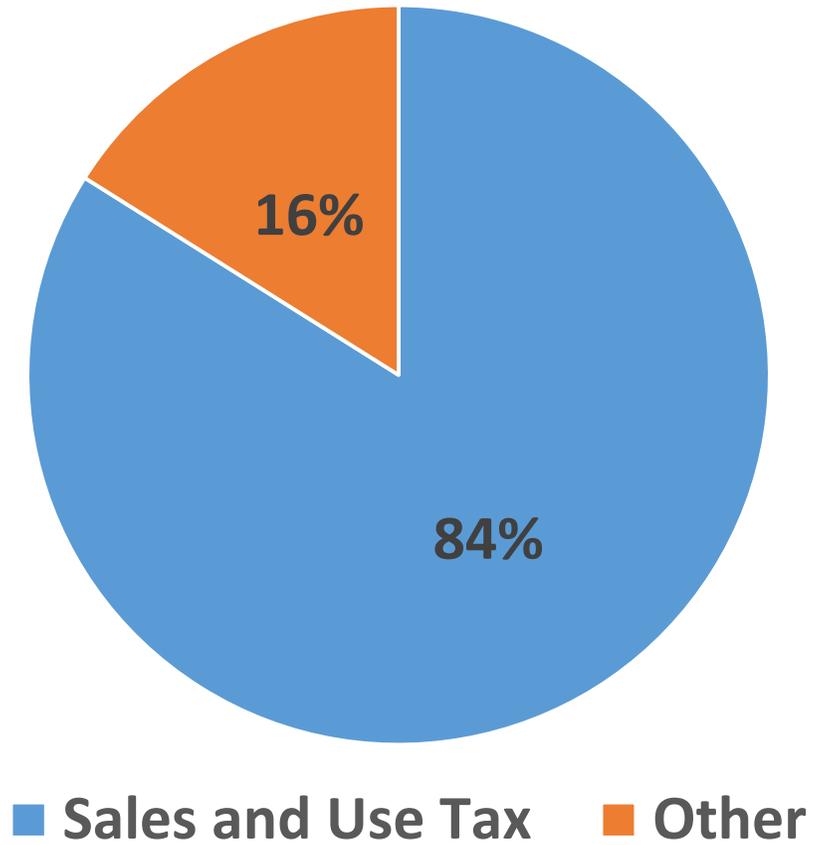
State Sales and Use Tax Earmarks



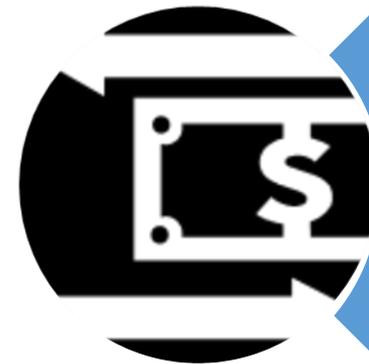
Sales and Use Tax Earmarks (1998 – 2013)



General Fund Revenue



Surplus
Set Asides



Transfers

General Fund Revenue Surplus Set Asides

- Medicaid Growth Reduction and Budget Stabilization Account
 - Portion of general fund revenue surplus
 - Amount equal to Medicaid growth savings from risk-based delivery models
 - Account balance: \$0 (no activity in fund since creation in 2011)
- General Fund Budget Reserve Account (rainy day fund)
 - 25% of general fund revenue surplus; but
 - Total balance may not exceed amount equal to 8% of appropriations of General Fund in fiscal year in which the surplus occurred
 - Account balance: \$ 132,121,693

General Fund Revenue Surplus Set Asides

- Disaster Recovery Fund
 - Portion of general fund revenue surplus
 - Account balance: \$ 15,966,479
- Industrial Assistance Account
 - Portion of general fund revenue surplus
 - Amount equal to any credit that has accrued to support grant payments or in lieu of cash repayment of a restricted account loan obligation
 - Capped at \$50,000,000
 - Account balance: \$ 28,379,331

General Fund Transfers

- Income Tax Credits
 - At-home parent (FY 2012, \$463K)
 - Tools used in farming operations (FY 2012 \$12K)
 - Qualifying electric or hybrid vehicle (in excess of \$500K, FY 2012 \$1.2M)
 - New convention facility development tax credit (effective 2015)
- Property Tax Relief (Circuit Breaker)
- Economic Incentive Restricted Account
 - Economic development tool
 - Amount equal to total of partial tax rebates given to entities
 - Account balance: \$8.6M
- Tourism Marketing Performance Account
 - statewide advertising, marketing, and branding campaign for promotion of the state
 - FY 2014 appropriation: \$12M

Questions?

Industrial Assistance Account

- Fostering and development of industry in Utah is a state public purpose necessary to assure:
 - welfare of citizens
 - growth of economy
 - adequate employment for citizens
- Uses
 - up to 50% in economically disadvantaged rural areas;
 - up to 25% to take timely advantage of economic opportunities as they arise;
 - up to 4% to promote business and economic development in rural areas; and
 - up to \$3,000,000 one-time used for the purpose of incubating technology solutions related to economic and workforce development;
- Other
 - Certain companies and entities may receive loans, grants, or other financial assistance from the account
 - Earned credits may be used to support grant payments or in lieu of cash repayment of a restricted account loan obligation