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**Fiscal Note****Sales and Use Tax - Exemption for Semiconductor**

22-Feb-01

**Bill Number SB0174s1****Fabricating or Processing Materials**3:31 PM

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**State Impact**

Passage of this bill would result in a General Fund loss of \$46,800 in FY 2003. There is also a potential loss of local revenue annually of \$15,700. These losses would increase to \$234,000 and \$78,800 respectively in FY 2004. Full implementation would result in a loss to the General Fund of \$468,000 and a loss of local revenue of \$157,600 beginning in FY 2005. The potential for loss of State and local revenues could be much larger in future years if large enterprises increase their semiconductor operations in Utah.

	<u>FY 02 Approp.</u>	<u>FY 03 Approp.</u>	<u>FY 02 Revenue</u>	<u>FY 03 Revenue</u>
General Fund	\$0	\$0	\$0	(\$46,800)
Local Revenue	\$0	\$0	\$0	(\$15,700)
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$62,500)</b>

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**Individual and Business Impact**

Passage of this bill would provide a tax break to those corporations involved in the manufacturing of semiconductors.

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**Office of the Legislative Fiscal Analyst**