

SENATE SUBSTITUTE

State Impact

This bill authorizes a \$0.13 state fee on each conventional and wireless telephone line. The fee will generate \$3,320,200 in eleven months of collection during FY 2005. The fee is reduced to \$0.08 per line in FY 2007. The bill also raises a cap on local governments taxes for the same telephone lines from \$0.53 to \$0.65, and deposits \$0.04 of the local tax (\$1,021,600 in FY 2005), minus administrative costs, into a restricted account. If local governments increase taxes to the new cap, they will generate \$3,065,000 for 11 months in FY 2005 (collections lag one month).

Both the State Tax Commission and telecommunications providers are allowed to charge a fee of up to 1.5% of collections to cover administrative costs (approximately \$65,100 each in FY 2005).

This bill appropriates \$3,900,000 from the Statewide Unified E-911 Emergency Service Fund to the Utah 911 Committee. Funding is intended to be ongoing, but not necessarily in the same amount. The bill also appropriates \$250,000 from the Statewide Unified E-911 Emergency Service Fund to the Division of Information Technology Services Automated Geographic Reference Center.

	<u>FY 2005</u> <u>Approp.</u>	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2005</u> <u>Revenue</u>	<u>FY 2006</u> <u>Revenue</u>
Dedicated Credits Revenue	\$65,100	\$71,000	\$65,100	\$71,000
GF Restricted	\$4,150,000	\$4,594,200	\$4,211,500	\$4,594,100
TOTAL	\$4,215,100	\$4,665,200	\$4,276,600	\$4,665,100

Individual and Business Impact

Individuals and businesses would pay at least \$0.13 cents per telephone line per month more than they do currently. Telecommunications providers would collect approximately \$65,100 in FY 2005 and \$71,000 in FY 2006 to cover administrative costs.
