

S.B. 23 1st Sub. (Green) - Income Taxation of Pass-through Entities and Pass-through Entity Taxpayers - As Amended

Fiscal Note

2009 General Session
State of Utah

State Impact

Enactment of this bill could increase revenue to the Education Fund by \$678,300 in FY 2010 and \$710,000 in FY 2011. Beginning in FY 2012, there will be a loss in revenue to the Education Fund of \$2,200,000 annually. The Tax Commission will require an appropriation of \$80,000 to enforce the provisions of the bill. This would be one auditor.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
General Fund	\$0	\$45,500	\$45,500	\$0	\$0	\$0
Education Fund	\$0	\$34,500	\$34,500	\$0	\$710,000	\$710,000
Education Fund, One-Time	\$0	\$0	\$0	\$0	(\$31,700)	\$0
Total	\$0	\$80,000	\$80,000	\$0	\$678,300	\$710,000

Individual, Business and/or Local Impact

Individuals with built in and other gains could experience a decrease in taxes owed of \$3,000,000 beginning in FY 2012. Non-resident individuals will be subject to withholding. If the non-resident taxpayers decide not to file for the withholding that has taken place during the year, there could be an increase in taxes on these individuals of \$678,300 in FY 2010 and \$710,000 in FY 2011. S-Corporation businesses with non-resident shareholders will be required to withhold. Businesses structured as s-corporations with built in and other gains could experience a decrease of the amount mentioned above. Locals are unaffected.