
H.B. 403 - Sales and Use Tax and Income Tax Amendments

Fiscal Note

2009 General Session

State of Utah

State Impact

Enactment of this bill restores the sales tax on food to the state rate. This increases revenue to the General Fund by \$145,358,600 in FY 2010 and by \$150,402,500 in FY 2011. Restricted revenues will also increase by \$16,478,400 in FY 2010 and by \$17,048,300 in FY 2011. Total funding increases resulting from the food tax provisions will be \$161,837,000 in FY 2010 and \$167,450,800 in FY 2011. The bill also provides for a refundable income tax credit equal to 6 percent of the federal earned income tax credit. This will result in a revenue loss of \$19,400,000 in FY 2010 and by \$20,176,000 in FY 2011. An appropriation from the General Fund will be made to the Education Fund to hold education harmless.

	<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	\$19,400,000	\$20,176,000	\$0	\$145,358,600	\$150,402,500
Education Fund	\$0	\$0	\$0	\$0	(\$19,400,000)	(\$20,176,000)
Restricted Funds	\$0	\$0	\$0	\$0	\$16,478,400	\$17,048,300
Total	\$0	\$19,400,000	\$20,176,000	\$0	\$142,437,000	\$147,274,800

Individual, Business and/or Local Impact

Enactment of this bill could increase costs to individuals and businesses for food purchases. Low income individuals could receive a benefit from the income tax credit authorized in the bill. Local governments could see increases in restricted revenues of \$48,643,500 in FY 2010 and by \$50,331,000 in FY 2011.