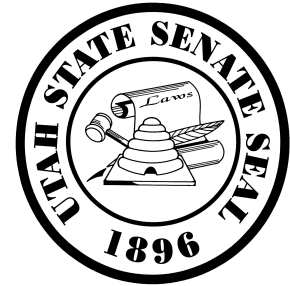




**Revised Fiscal Note**  
**S.B. 2001 4th Sub. (Pumpkin)**

2019 Second Special Session  
 Tax Restructuring Revisions  
 by Hillyard, L. (Cullimore, Kirk.)



**General, Education, and Uniform School Funds**

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(213,735,000)	\$(70,082,000)	\$(283,817,000)

**State Government**

UCA 36-12-13(2)(b)

Revenues	FY 2020	FY 2021	FY 2022
General Fund	\$0	\$525,150,000	\$525,150,000
General Fund, One-time	\$54,013,000	\$(26,930,000)	\$0
Education Fund	\$0	\$(680,535,000)	\$(680,535,000)
Education Fund, One-time	\$(138,200,000)	\$41,535,000	\$0
Transportation Investment Fund of 2005	\$23,600,000	\$34,130,000	\$35,700,000
Local Hwy & Transp Corridor Preservation Fund	\$700,000	\$4,500,000	\$4,800,000
<b>Total Revenues</b>	<b>\$(59,887,000)</b>	<b>\$(102,150,000)</b>	<b>\$(114,885,000)</b>

Enactment of this bill may reduce revenue to the Education Fund from the following components: (1) lowering the income and corporate income tax rate to 4.66% (-\$66.2/-348.0/-381.4 million in FY 2020/2021/2022), offering an expended dependent exemption and a new personal exemption for certain tax filers (-\$132.0/-136.9 million in FY 2021/2022), implementing a new grocery credit (-\$135.0/-137.3 million in FY 2021/2022), offering a social security credit (-\$18.0/-18.7 million in FY 2021/2022), offering an intergenerational poverty earned income tax credit (-\$6.0/-6.2 million in FY 2021/2022), and offering one-time payments for an increased dependent exemption and partial grocery credit (-\$72.0 million in FY 2020). By changing the earmark allocation and imposing a sales tax on gas and an increased diesel tax, the bill increases revenue to the Transportation Investment Fund of 2005 by \$34.1/\$35.7 million in FY 2021/2022. The bill also increases revenue to the other sales tax earmarks by \$1.2 million. By increasing the sales tax on food (\$40.7/\$250.0/\$261.0 million in FY 2020/2021/2022), eliminating certain sales tax exemptions (\$2.6/\$16.0/\$16.7 million in FY 2020/2021/2022), offering a menstrual products exemption (-\$1.5 million annually), offering a consumables exemption (-\$3.5 million annually), and imposing sales tax on select services (\$7.0/\$43.0/\$45.0 in FY 2020/2021/2022), this bill increases revenue to the General Fund by \$54.0/\$474.0/\$502.5 million in FY 2020/2021/2022 and \$23.6 million one-time to the Transportation Investment Fund. The bill also increases the motor vehicle rental tax by 1.5%, increasing revenue to the Marda Dillree Corridor Preservation Fund by \$0.7/\$4.5/\$4.8 million in FY 2020/2021/2022.

Expenditures	FY 2020	FY 2021	FY 2022
General Fund	\$0	\$391,026,700	\$391,026,700
General Fund, One-time	\$500,000	\$0	\$0

Education Fund	\$0	\$(332,676,700)	\$(332,676,700)
Transportation Investment Fund of 2005	\$0	\$5,000,000	\$5,000,000
Dedicated Credits Revenue	\$0	\$(39,275,700)	\$(39,275,700)
Restricted Accounts (FN Only)	\$0	\$(1,751,000)	\$(1,751,000)
<b>Total Expenditures</b>	<b>\$500,000</b>	<b>\$22,323,300</b>	<b>\$22,323,300</b>

Enactment of this legislation shifts funding for programs within Higher Education from the Education Fund to the General Fund in the amount of \$391,026,700. The bill also shifts Child Nutrition funding from Dedicated Credits (\$-39,275,700) to the Education Fund (\$55,500,000) and shifts the funding for the Underage Drinking Prevention Program Restricted Account from the Restricted Account (-\$1,751,000) to the Education Fund (\$2,850,000). The bill also appropriates \$500,000 one-time from the General Fund to the Department of Workforce Services in FY 2020. Lastly, the bill appropriates \$5,000,000 to rural roads.

	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>
<b>Net All Funds</b>	<b>\$(60,387,000)</b>	<b>\$(124,473,300)</b>	<b>\$(137,208,300)</b>

**Local Government**

UCA 36-12-13(2)(c)

By expanding the sales tax base to include certain services and eliminating some sales tax exemptions, this bill increases revenue to local governments by \$4.0 million in FY 2020, \$24.4 million in FY 2021, and \$25.4 million in FY 2022.

**Individuals & Businesses**

UCA 36-12-13(2)(d)

Enactment of this bill increases income and sales tax liability on businesses by \$28 million in FY 2021. It decreases state and local tax liability for individuals by \$164 million in FY 2021. The average net tax change for a household is a \$152 tax decrease in FY 2021.

**Regulatory Impact**

UCA 36-12-13(2)(e)

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

**Performance Note**

JR4-2-404

No performance note required for this bill

**Notes on Notes**

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.