



GENERAL REVENUE SET-ASIDES

EXECUTIVE APPROPRIATIONS COMMITTEE
STAFF: THOMAS E. YOUNG, PH.D.

ISSUE BRIEF

REVENUE SET-ASIDE FROM THE GENERAL FUND

Utah law establishes 21 revenue set-asides that would otherwise flow into the General Fund. In fiscal year 2017, those set-asides garnered almost \$628 million, \$5.5 million more than anticipated. The State’s current consensus revenue forecast assumes \$670.3 million in set-asides for fiscal year 2018. Table 1 displays a summary of the budgeted and actual general revenue set-asides for fiscal year 2017, and the budgeted General Fund revenue set-asides for fiscal year 2018. Table 2 on the next page details all 21 general revenue set-asides.

Most of these set-asides are from the sales tax. In fiscal year 2017, actual sales tax set-asides came in at \$585.4 million, \$3.9 million above the budgeted figure of \$581.5 million. The majority of sales tax set asides are for transportation. Actual sales tax revenue set-aside for transportation in fiscal year 2017 totaled \$523.2 million, \$3.8 million above the budgeted amount of \$519.4 million. Sales tax set-asides for water, agriculture, and natural resources collected \$61.7 million in fiscal year 2017, close to the budgeted \$61.6 million.

Table 1 - Breakdown of General Fund Revenue Set-Asides (in Thousands of Dollars)

FY 2017			
	<u>Budgeted</u>	<u>Actual</u>	<u>Difference</u>
General Fund Set-Asides	\$622,457	\$627,977	\$5,520
Sales Tax Set-Asides	\$581,508	\$585,363	\$3,855
Sales Tax Set-Asides for Transportation	\$519,385	\$523,170	\$3,785
Sales Tax Set-Asides for Water, Agriculture, & Infrastructure	\$61,589	\$61,660	\$71
FY 2018			
General Fund Set-Asides	\$670,302		
Sales Tax Set-Asides	\$624,501		
Sales Tax Set-Asides for Transportation	\$551,885		
Sales Tax Set-Asides for Water, Agriculture, & Infrastructure	\$64,568		

**Table 2 - Revenue Set-Asides, FY 2017 Estimated vs. Actual
(in Thousands of Dollars)**

Revenue Set-Aside/Earmark Item	FY 2017 Estimated	FY 2017 Actual
Alcohol Law Enforcement (from Beer Tax) (UCA 59-15-109)	5,406	5,406
Economic Development Zone Tax Increment Financing ¹ (UCA 63N-2-107)	3,100	2,877
Emergency Food Agencies (UCA 59-12-103(10))	534	534
Health Related (from Cigarette Tax) ² (UCA 59-14-204)	7,950	7,950
Permanent State Endowment (from Severance Tax) ³ (UCA 51-9-305)	3,493	5,380
Tourism Marketing Performance Account (UCA 63N-7-202)	21,000	21,000
Performance Funding Restricted Account (from Education Fund) ⁴ (UCA 53B-7-703)		
Transportation Related:		
TIF of 2005 (8.3%) (previously the CHF) ^{5,6} (UCA 59-12-103(8))	201,911	202,696
TIF of 2005, Fixed (previously the CHNF) ^{5,6} (UCA 59-12-103(9))	64,000	64,000
TIF of 2005 (0.05% non-food) (previously the CHNF) ^{5,6,7} (UCA 59-12-103(11))	25,139	25,235
TIF of 2005 (30% new growth) ^{5,8} (UCA 59-12-103(8))	192,745	195,580
TIF of 2005 (1/16%) ^{5,9} (UCA 59-12-103(6))	35,589	35,660
Throughput Infrastructure Fund ¹⁰ (UCA 35A-8-308)	26,000	26,000
Subtotal, Transportation & Infrastructure Related	\$545,385	\$549,170
Water, Agriculture, and Natural Resource Related (1/16%)		
Agriculture Resource Development - DAF (UCA 59-12-103(4)(c))	525	525
Cloud Seeding - DNR Water Resources (UCA 59-12-103(5)(e))	150	150
Drinking Water Loan Fund - DNR Drinking Water (UCA 59-12-103(4)(g))	3,588	3,588
Endangered Species - DNR Species Protection (UCA 59-12-103(4)(b))	2,450	2,450
Wastewater Loan Fund - DNR Water Resources (UCA 59-12-103(4)(e))	7,175	7,175
Water Resource Cons and Dev't - DNR Water Resources (UCA 59-12-103(5)(d))	16,393	16,459
Water Quality Loan Fund - DEQ Water Quality (UCA 59-12-103(4)(f))	3,588	3,588
Water Rights - DNR Water Rights (UCA 59-12-103(4)(d) & (5)(e))	1,221	1,226
Watershed Rehabilitation - DNR Watershed (UCA 59-12-103(5)(b))	500	500
Subtotal, Water, Agriculture, and Natural Resource Related (1/16%)	\$35,589	\$35,660
Water Infrastructure Restricted Account ¹¹ - DNR Water Resources (UCA 73-10g-103)		
Total, General Fund Revenue Earmarks	\$622,457	\$627,977
Percent of Potential General Fund Revenue	21.2%	20.5%
<p>1. Included in free revenue estimates shown on Table 7.</p> <p>2. Dept of Health (\$3.15 million), UU Huntsman Cancer Ctr (\$2.0 million), UU Medical School (\$2.8 million).</p> <p>3. HB 405, 2017 GS offers a severance tax credit for hydrogen fuel production, decreasing the deposit by \$1.7 m in FY 2019.</p> <p>4. SB 117, 2017 GS sets-aside up to \$11.5 m in FY19 and \$16.5 m in FY20 from the Education Fund for Higher Education performance funding.</p> <p>5. SB 276, 2017 GS shifts 35% of the fuel tax increase imposed by the bill from the TIF to the General Fund (\$5.1 m in FY 2020).</p> <p>6. SB 225, 2012 GS shifts certain earmark deposits to the TIF of 2005.</p> <p>7. SB 80, 2016 GS increases this from 0.025% to 0.05% beginning in FY 2017.</p> <p>8. SB 229, 2011 Veto Override Session shifts 30% of sales tax growth from the General Fund to the TIF of 2005.</p> <p>9. SB 80, 2016 GS shifts the 1/16% earmark from the Transportation Fund to the TIF of 2005 in FY 2017 and begins phase-out.</p> <p>10. SB 246, 2016 GS shifts a portion the \$90 m fixed earmark to a new account (\$26 m in FY 17 and \$27 m in FY 2018).</p> <p>11. SB 80, '16 GS shifts 20% of the 1/16% earmark from TIF to Water Infra Rest Acct (\$7.5 m) in FY18, increasing by 20% per year to 100% in FY22.</p>		