

State Impact

The estimated net fiscal impact of this bill for FY 2004 is a cost to the state of \$909,100. For FY 2005 the estimated net balance is a positive \$494,700.

Passage of the bill would require an appropriation of \$148,400 in FY 2004, and \$172,400 in FY 2005 from the Commerce Service Fund to the Department of Commerce, Division of Consumer Protection for administrative costs required by the bill. An appropriation of \$12,400 from the Uniform School Fund to the Utah State Tax Commission would be required for additional computer programming costs associated with implementation of the bill in FY 2004. The bill also appropriates for FY 2004 only, \$1,000,000 from the General Fund to the State Board of Education to be used as a hold harmless account to help school districts that may be adversely affected by implementation of the bill.

The issuance of tuition tax credits would reduce income tax revenue to the State by an estimated \$12,343,200 in FY 2004, and \$19,329,600 in FY 2005. This loss in revenue would be offset by reduced appropriations to the Minimum School Program for students leaving the Public Education System to go to private school. The offset amount for FY 2004 is estimated at \$12,594,900, and for FY 2005 the amount is estimated at \$19,996,700. The bill provides that Scholarship Granting Organizations may use up to two percent of tax credit donations for administrative costs. Two percent in FY 2004 could be as much as \$151,600; and in FY 2005 the estimate is \$229,600.

Local School Districts could potentially benefit by savings in school construction costs over time depending on how many students choose private schooling over Public Education. Appropriations from (or revenue generated by) the Commerce Service Fund affect(s) the amount available for transfer to the General Fund.

	<u>FY 04 Approp.</u>	<u>FY 05 Approp.</u>	<u>FY 04 Revenue</u>	<u>FY 05 Revenue</u>
General Fund	\$1,000,000	\$0	\$0	\$0
Uniform School Fund	(\$12,594,900)	(\$19,996,700)	(\$12,343,200)	(\$19,329,600)
Uniform School Fund	\$12,400	\$0	\$0	\$0
Commerce Service Fund	\$148,400	\$172,400	\$0	\$0

Fiscal Note**Tuition Tax Credits***31-Jan-03***Bill Number SB0034s2***2:24 PM*

TOTAL	(\$11,434,100)	(\$19,824,300)	(\$12,343,200)	(\$19,329,600)
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Individual and Business Impact

The bill provides a tax credit for qualifying individuals and Scholarship Granting Organizations. The average credit ranges from \$1,015 to \$2,132.

Savings in state construction costs assumes that there would be comparable costs to private entities.

Office of the Legislative Fiscal Analyst