

# FISCAL NOTE

H.B. 72

**SHORT TITLE:** Taxes and Related School Funding Provisions Amendments

**SPONSOR:** Noel, M.

2011 GENERAL SESSION, STATE OF UTAH

## STATE GOVERNMENT (UCA 36-12-13(2)(b))

By increasing the sales tax on food, enactment of this bill increases revenue to the newly created "School Equalization Fund" by \$147,420,800 in FY 2013. It also reduces property taxes by an equal amount. The Tax Commission would require a one-time General Fund appropriation to send the updated sales tax information to 80,000 businesses with sales tax accounts. The bill increases revenue to the Transportation Investment Fund of 2005 and the Centennial Highway Fund by \$1,070,600 each.

### STATE BUDGET DETAIL TABLE

	FY 2011	FY 2012	FY 2013
Revenue:			
Transportation Fund Restricted	\$0	\$0	\$2,142,200
Restricted Funds	\$0	\$0	\$147,420,800
Total Revenue	\$0	\$0	\$149,563,000
Expenditure:			
General Fund, One-Time	\$0	\$36,000	\$0
Total Expenditure	\$0	\$36,000	\$0
Net Impact, All Funds (Rev.-Exp.)	\$0	(\$36,000)	\$149,563,000
Net Impact, General/Education Funds	\$0	(\$36,000)	\$0

## LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Local governments can expect an increase in revenue of \$14,237,400.

## DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Individuals can expect a property tax decrease of \$147,420,800 in FY 2013 and a corresponding increase in State sales tax of \$147,420,800. Due to the changes in the food base for local sales tax, individuals can also expect a local sales tax increase of \$14,240,000.

The uniform fee provision alters the distribution from variable to a fixed percentage. The total shift is \$7,951,000.