

FISCAL NOTE

S.B. 189

SHORT TITLE: Tax Code Modifications

SPONSOR: McAdams, B.

2011 GENERAL SESSION, STATE OF UTAH

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

By increasing the general sales tax rate and authorizing a 5% refundable Earned Income Tax Credit (EITC), enactment of this bill increases revenue to the General Fund by \$16,800,500 in FY 2012 and \$17,942,900 in FY 2013, decreases revenue to the Education Fund by \$18,000,000 in FY 2012 and \$19,026,000 in FY 2013, and increases revenue to the Centennial Highway Fund by \$1,520,700 in FY 2012 and \$1,624,000 in FY 2013. The bill authorizes a transfer from the General Fund to the Education Fund to cover the costs of the EITC.

STATE BUDGET DETAIL TABLE

	FY 2011	FY 2012	FY 2013
Revenue:			
General Fund	\$0	\$17,942,900	\$17,942,900
General Fund, One-Time	\$0	(\$1,142,400)	\$0
Education Fund	\$0	(\$19,026,000)	(\$19,026,000)
Education Fund, One-Time	\$0	\$1,026,000	\$0
Transportation Fund Restricted	\$0	\$1,520,700	\$1,624,000
Total Revenue	\$0	\$321,200	\$540,900
Expenditure:			
General Fund	\$0	(\$19,026,000)	(\$19,026,000)
General Fund, One-Time	\$0	\$1,026,000	\$0
Education Fund	\$0	\$19,026,000	\$19,026,000
Education Fund, One-Time	\$0	(\$1,026,000)	\$0
Total Expenditure	\$0	\$0	\$0
Net Impact, All Funds (Rev.-Exp.)	\$0	\$321,200	\$540,900
Net Impact, General/Education Funds	\$0	(\$1,199,500)	(\$1,083,100)

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

Enactment of this bill likely will not result in direct, measurable costs for local governments.

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

By increasing the general sales tax rate and enacting a 5% refundable EITC, this bill shifts tax liability from about 180,000 individuals receiving the EITC to all sales tax payers.