

FISCAL NOTE

H.B. 356 1st Sub. (Buff)

SHORT TITLE: New Convention Facility Development Incentive Provisions

SPONSOR: Wilson, B. (Wilson, B. Sub.)

2014 GENERAL SESSION

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

Enactment of this bill may forgo about \$2.9 million in FY 2016 sales tax revenue and around \$75 million over the life of the tax credit (construction and occupancy). Credits will be claimed through the Education Fund as refundable tax credits but a transfer from the General Fund will occur to offset the impact to the Education Fund. Up to \$1.9 million of the forgone revenue for the first two years could be deposited into the Hotel Impact Mitigation Fund to assist local hotels adversely impacted by conference hotel.

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

Enactment of this bill could result in a host county transferring an equivalent of 5 percent of the state sales tax increment into a restricted account to be used for advertising, marketing, and branding the state. Any transfers would be reimbursed to the host county by the developer and result in revenue neutrality for the county.

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

Enactment of this bill may reduce, for eligible businesses, what would have potentially been a sales tax liability of \$2.9 million in FY 2016 and \$75 million over the life of the credit.

PERFORMANCE NOTE (JR 4-2-404): Not Required