

FISCAL NOTE

S.B. 60 1st Sub. (Green)

SHORT TITLE: Fuel Excise Tax Amendments

SPONSOR: Valentine, J. (Nielson, J. Sub.)

2014 GENERAL SESSION

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

By increasing the tax rate per gallon incrementally and creating a new price-indexed tax rate, enactment of this bill may increase revenue to the Transportation Fund by \$7,423,000 in FY 2016. When the tax rate is maxed at \$0.19 per gallon in FY 2020 and assuming a rack price per gallon of \$3.60 for unleaded gasoline, the bill increases revenue to the Transportation Fund by \$117 million.

STATE BUDGET DETAIL TABLE

	FY 2014	FY 2015	FY 2016
Revenue:			
Transportation Fund	\$0	\$0	\$7,423,000
Total Revenue	\$0	\$0	\$7,423,000
Expenditure	\$0	\$0	\$0
Net Impact, All Funds (Rev.-Exp.)	\$0	\$0	\$7,423,000
Net Impact, General/Education Funds	\$0	\$0	\$0

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

Because local B&C road funding is connected to motor and special fuel tax revenue, enactment of this bill may increase revenue allocated to local entities by \$2,227,000 in FY 2016. In FY 2020, presuming the same assumptions mentioned in the state impact, enactment of this bill may increase revenue allocated for local B&C roads by 30% of the \$117 million, or about \$35 million.

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

Individuals and businesses will see a tax increase of \$0.005 per gallon in FY 2016. For an individual driving 12,000 miles per year on a car getting 20 miles to the gallon, the initial tax increase is \$3 per year. In FY 2020 when the tax rate is maxed at \$0.19 per gallon and assuming a rack price per gallon of \$3.60 for unleaded gasoline, the bill increases the tax liability for an individual driving 12,000 miles per year with a car getting 20 miles to the gallon by \$107 per year, or \$117 million for all businesses and individuals.

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