

# FISCAL NOTE

H.B. 403

SHORT TITLE: Amendments Related to Education Funding

SPONSOR: Briscoe, J.

2014 GENERAL SESSION

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

By fixing the personal exemption at \$2,962.50, enactment of this bill could increase income tax revenue by \$9,700,000 in FY 2015 and \$10,100,000 in FY 2016. Also, presuming a constant WPU value, by freezing the basic rate at the higher of 0.001477 or the certified revenue levy, enactment of this bill frees-up \$30,000,000 in FY 2016 in Education Fund appropriations to the WPU value.

### STATE BUDGET DETAIL TABLE

	FY 2014	FY 2015	FY 2016
Revenue:			
Education Fund	\$0	\$10,100,000	\$10,100,000
Education Fund, One-Time	\$0	(\$400,000)	\$0
Total Revenue	\$0	\$9,700,000	\$10,100,000
Expenditure:			
Education Fund	\$0	(\$30,000,000)	(\$30,000,000)
Education Fund, One-Time	\$0	\$30,000,000	\$0
Total Expenditure	\$0	\$0	(\$30,000,000)
Net Impact, All Funds (Rev.-Exp.)	\$0	\$9,700,000	\$40,100,000
Net Impact, General/Education Funds	\$0	\$9,700,000	\$40,100,000

## 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 fixing the personal exemption component on the income tax return, enactment of this bill could increase the income tax liability of individuals by \$9,700,000 in FY 2015 and \$10,100,000 in FY 2016; for a family of 4, the tax change is about \$30. The bill also imposes a minimum basic tax rate at the greater of 0.001477 or the certified revenue levy. By doing so, individuals and businesses will see an increase in property tax liability by an estimated \$30,000,000 in FY 2016; for an owner of a \$250,000 home, the tax increase is about \$15 and for an owner of a \$1 million business property, the tax increase is about \$108.

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