



Fiscal Note
H.B. 182 1st Sub. (Buff)
 2018 General Session
 Local Option Sand and Gravel Tax
 by Nelson, M. (Nelson, Merrill.)



General, Education, and Uniform School Funds

JR4-5-101

| | Ongoing | One-time | Total |
|---------------------------|---------|----------|-------|
| Net GF/EF/USF (rev.-exp.) | \$0 | \$0 | \$0 |

State Government

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

Enactment of this legislation likely will not materially impact state revenue.

| Revenues | FY 2018 | FY 2019 | FY 2020 |
|----------------|---------|---------|---------|
| Total Revenues | \$0 | \$0 | \$0 |

Enactment of this legislation could cost the Tax Commission \$240,000 one-time from the State Tax Commission Administrative Charge Account, in FY 2019, to implement required changes to the database system, processes and forms.

| Expenditures | FY 2018 | FY 2019 | FY 2020 |
|------------------------------------|------------|--------------------|------------|
| GFR - Sales and Use Tax Admin Fees | \$0 | \$240,000 | \$0 |
| Total Expenditures | \$0 | \$240,000 | \$0 |
| Net All Funds | \$0 | \$(240,000) | \$0 |

Local Government

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

Enactment of this bill could increase tax revenues for local governments that impose the tax. Tax revenues from the sand and gravel tax can be used for the maintenance of class B, C and D roads. Should all eligible counties impose this tax, approximately \$1.74 million in additional local tax revenues would be generated annually.

Individuals & Businesses

UCA 36-12-13(2)(d)

Owners of sand and gravel pits in localities that choose to impose this tax would be subject to an increased tax liability equal to 15 cents per ton of sand and gravel extracted. The bill provides for a nonrefundable tax credit of \$200 per month or \$600 per quarter. Sand and gravel owners would only pay tax if their liability is greater than the nonrefundable credit. It is estimated that Sand and Gravel owners on average would pay approximately \$13,800 in tax for each pit that is subject to the full 15 cent per ton tax. Actual impacts would vary by pit and by year and would depend on if and at what rate the locality imposes the tax.

Regulatory Impact

Enactment of this legislation could result in a small increase in the regulatory burden for Utah residents or businesses.

Performance Note

JR4-2-404

No performance note required for this bill

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.