



**Fiscal Note**  
**H.B. 201 1st Sub. (Buff)**

2020 General Session  
 Adoption Tax Credit  
 by Shipp, R. (Shipp, Rex.)



**General, Education, and Uniform School Funds**

JR4-4-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$ (11,200,000)	\$ 5,165,000	\$ (6,035,000)

**State Government**

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

Revenues	FY 2020	FY 2021	FY 2022
Education Fund	\$ 0	\$ (11,200,000)	\$ (11,200,000)
Education Fund, One-time	\$ 0	\$ 5,200,000	\$ 3,900,000
<b>Total Revenues</b>	<b>\$ 0</b>	<b>\$ (6,000,000)</b>	<b>\$ (7,300,000)</b>

Enactment of this bill could decrease Education Fund revenues by \$6,000,000 in FY 2021; \$7,300,000 in FY 2022; and continuing to increase each year over the five-year carryforward period before leveling off at approximately \$11,200,000 as prior year credits begin to be used in full.

Expenditures	FY 2020	FY 2021	FY 2022
General Fund, One-time	\$ 0	\$ 35,000	\$ 0
<b>Total Expenditures</b>	<b>\$ 0</b>	<b>\$ 35,000</b>	<b>\$ 0</b>

Enactment of this bill could cost the Department of Workforce Services \$35,000 one-time from the General Fund in FY 2021 for database programming to certify potential tax credit applicants.

	FY 2020	FY 2021	FY 2022
<b>Net All Funds</b>	<b>\$ 0</b>	<b>\$ (6,035,000)</b>	<b>\$ (7,300,000)</b>

**Local Government**

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

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

**Individuals & Businesses**

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

Individuals who adopt a qualifying child may be eligible for either a refundable or nonrefundable tax credit equal to the amount of the claimant's adoption expenses for which a federal tax credit was not claimed. An estimated 437 individuals may claim the state credit in tax year 2020. The impact of the credit will depend on the claimant's adoption expenses and state tax liability. An estimated 215 taxpayers could lose a \$1,000 special needs adoptions tax credit.

**Regulatory Impact**

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

Enactment of this legislation likely will not change 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.