



Fiscal Note

H.B. 165

2022 General Session
Food Sales Tax Amendments
by Lesser, R.



General, Education, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(114,552,000)	\$18,792,000	\$(95,760,000)

State Government

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

Revenues	FY 2022	FY 2023	FY 2024
General Fund	\$0	\$(114,552,000)	\$(114,552,000)
General Fund, One-time	\$0	\$18,792,000	\$0
Restricted Accounts (FN Only)	\$0	\$(37,240,000)	\$(44,548,000)
Total Revenues	\$0	\$(133,000,000)	\$(159,100,000)

Enactment of this legislation could reduce state sales tax revenue by approximately \$133.0 million one-time in FY 2023 and \$159.1 million ongoing beginning in FY 2024. The impact is split between the General Fund, with a decrease of \$95.8 million one-time in FY 2023 and \$114.6 million ongoing beginning in FY 2024, and sales tax earmarks, with an aggregate decrease of \$37.2 million one-time in FY 2023 and \$44.5 million ongoing beginning in FY 2024.

Expenditures	FY 2022	FY 2023	FY 2024
Total Expenditures	\$0	\$0	\$0

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

Net All Funds	FY 2022	FY 2023	FY 2024
	\$0	\$(133,000,000)	\$(159,100,000)

Local Government

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

Enactment of this legislation could increase local sales tax revenue by approximately \$2.2 million in FY 2023 and \$2.6 million in FY 2024 due to the increased sales tax rate on candy.

Individuals & Businesses

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

Enactment of this legislation would impact taxpayers' sales tax liability on candy and food and food ingredients purchases. Under this bill, a household that spends \$5,000 annually on food/food ingredients would see tax savings of approximately \$87.50 per year. Households would also see a tax increase equal to \$4.25 per \$100 spent on candy due to this bill. In total, it is estimated that changes in this bill would decrease overall sales tax liability for taxpayers by approximately \$130.8 million in FY 2023 and \$156.5 million in FY 2024.

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 Evaluation

JR1-4-601

This bill does not create a new program or significantly expand an existing program.

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.