



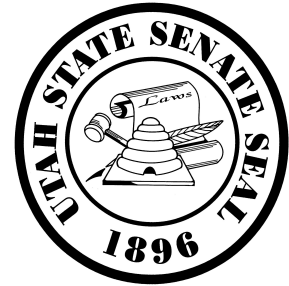
## Fiscal Note

### H.B. 221

2022 General Session

Tax Credit for Alternative Fuel Vehicles

by Harrison, S.



#### General, Education, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(93,898,600)	\$93,642,700	\$(255,900)

#### State Government

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

Revenues	FY 2022	FY 2023	FY 2024
Education Fund	\$0	\$(93,800,000)	\$(93,800,000)
Education Fund, One-time	\$0	\$93,800,000	\$66,000,000
Total Revenues	\$0	\$0	\$(27,800,000)

Enactment of the new tax credit for the purchase or lease of an alternative fuel vehicle provided in the bill could reduce state tax revenues to the Education Fund by approximately \$27.8 million in FY 2024, \$41.7 million in FY 2025, \$62.5 million in FY 2026, and \$93.8 million in FY 2027.

Expenditures	FY 2022	FY 2023	FY 2024
General Fund	\$0	\$98,600	\$98,600
General Fund, One-time	\$0	\$83,000	\$0
Education Fund, One-time	\$0	\$74,300	\$0
Total Expenditures	\$0	\$255,900	\$98,600

Enactment of this legislation could cost the Tax Commission \$74,300 one-time in FY 2023 from the Education Fund for upgrades to the tax database. Enactment of this legislation could also cost the Department of Environmental Quality \$98,600 ongoing and \$83,000 one-time in FY 2023 from the General Fund to set up and administer the tax credit program.

	FY 2022	FY 2023	FY 2024
Net All Funds	\$0	\$(255,900)	\$(27,898,600)

#### 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)

Enactment of this legislation creates a nonrefundable corporate and individual income tax credit for the purchase or lease of an alternative fuel vehicle for tax years 2023 to 2026. Credit amounts range from \$1,000 to \$3,000 per qualifying vehicle. In total, it is estimated that enactment of this bill would reduce tax liability for owners of qualifying vehicles by approximately \$27.8 million in FY 2024, \$41.7 million in FY 2025, \$62.5 million in FY 2026, and \$93.8 million in FY 2027.

**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.