



**Fiscal Note**  
**H.B. 268 2nd Sub. (Gray)**  
 2022 General Session  
 Sales and Income Tax Amendments  
 by Brammer, B. (Brammer, Brady.)



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

JR4-4-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(2,704,500)	\$(820,500)	\$(3,525,000)

**State Government**

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

Revenues	FY 2022	FY 2023	FY 2024
General Fund	\$0	\$(187,500)	\$(187,500)
General Fund, One-time	\$0	\$22,500	\$0
Education Fund	\$0	\$(2,517,000)	\$(2,517,000)
Education Fund, One-time	\$(455,000)	\$(388,000)	\$0
Restricted Accounts (FN Only)	\$0	\$(55,000)	\$(62,500)
<b>Total Revenues</b>	<b>\$(455,000)</b>	<b>\$(3,125,000)</b>	<b>\$(2,767,000)</b>

The election to treat income from the sales of intangible property as business income may reduce revenues to the Education Fund by an estimated \$455,000 in FY 2022, \$2.9 million in FY 2023, and \$2.5 million in FY 2024. The new sales tax exemption in this bill for amounts paid or charged for admission to an indoor skydiving, rock climbing or surfing facility, provided a trained instructor actively instructs the participant, may reduce state sales tax revenues by approximately \$220,000 in FY 2023 and \$250,000 in FY 2024. The sales tax reductions are split 75 percent General Fund and 25 percent restricted revenue.

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

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

	FY 2022	FY 2023	FY 2024
<b>Net All Funds</b>	<b>\$(455,000)</b>	<b>\$(3,125,000)</b>	<b>\$(2,767,000)</b>

**Local Government**

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

Enactment of this legislation could reduce local sales tax revenue by \$110,000 in FY 2023 and \$130,000 in FY 2024 as a result of the exemptions in the bill.

**Individuals & Businesses**

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

Taxpayers could see an aggregate corporate tax reduction of \$2.9 million in FY 2023 and \$2.5 million in FY 2024. as a result of the non-business income provisions of the bill. The proposed sales tax exemption for amounts paid or charged for admission to an indoor skydiving, rock climbing, or surfing facility, provided a trained instructor actively instructs the participant may reduce sales tax liability for certain taxpayers by approximately \$330,000 in FY 2023 and \$380,000 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.