



Fiscal Note
H.B. 116 3rd Sub. (Cherry)
2023 General Session
Intergenerational Poverty Solution
by Thurston, N. (Anderegg, Jacob.)



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(949,800)	\$(6,900)	\$(956,700)

State Government

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

Revenues	FY 2023	FY 2024	FY 2025
Income Tax Fund	\$0	\$(39,500)	\$(39,500)
New Account Created By Bill (FN Only)	\$0	\$917,200	\$910,300
Total Revenues	\$0	\$877,700	\$870,800

Enactment of this legislation could reduce state tax revenue to the Income Tax Fund by \$39,500 ongoing, beginning in Fiscal Year 2024, due to increased eligibility for the state Utah Educational Savings Plan tax credit. The bill transfers \$910,300 ongoing and \$6,900 one-time beginning in FY 2024 from the Income Tax Fund to the Education Fund Restricted -- Education Savings Incentive Restricted Account created in this bill.

Expenditures	FY 2023	FY 2024	FY 2025
Income Tax Fund	\$0	\$910,300	\$910,300
Income Tax Fund, One-time	\$0	\$6,900	\$0
New Account Created By Bill (FN Only)	\$0	\$918,500	\$910,300
Total Expenditures	\$0	\$1,835,700	\$1,820,600

Enactment of this legislation could cost the Department of Workforce Services \$8,200, one time, for system development expenses. This bill appropriates \$6,900 one-time in Fiscal Year 2024 and \$910,300 ongoing beginning in Fiscal Year 2024 from the Income Tax Fund to the Education Fund Restricted -- Education Savings Incentive Restricted Account. It appropriates like amounts from the new restricted account to the Department of Workforce Services for education savings incentives, associated program administration costs, and one-time system development expenses.

	FY 2023	FY 2024	FY 2025
Net All Funds	\$0	\$(958,000)	\$(949,800)

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)

Qualifying individuals who contribute to a 529 savings program may be eligible for a state match, up to a maximum of \$300 per family. Individuals who qualify for a state match may be eligible for an additional tax credit amount for the state match portion of the contribution. The additional credit amount could be up to \$15 (.05 x \$300) per family. Since the credit is non-refundable, the fiscal impact of the credit depends on the taxpayer's tax liability.

Regulatory Impact

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

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

Performance Evaluation

JR1-4-601

This bill creates a new program or significantly expands an existing program. For a list of questions lawmakers might ask to improve accountability for the proposed program, please see:
<https://budget.utah.gov/newprogram>

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.