



**Fiscal Note**  
**H.B. 282**

2023 General Session  
Child Care Center Sales Tax Exemption  
by Watkins, C.



**General, Income Tax, and Uniform School Funds**

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(390,000)	\$0	\$(390,000)

**State Government**

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

Revenues	FY 2023	FY 2024	FY 2025
General Fund	\$0	\$(390,000)	\$(390,000)
Restricted Accounts (FN Only)	\$0	\$(130,000)	\$(130,000)
<b>Total Revenues</b>	<b>\$0</b>	<b>\$(520,000)</b>	<b>\$(520,000)</b>

Enactment of this legislation could reduce state sales tax revenue by approximately \$520,000 ongoing starting in FY 2024 through FY 2028, of which approximately \$390,000 would impact the General Fund and \$130,000 would impact sales tax earmarks.

Expenditures	FY 2023	FY 2024	FY 2025
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

	FY 2023	FY 2024	FY 2025
<b>Net All Funds</b>	<b>\$0</b>	<b>\$(520,000)</b>	<b>\$(520,000)</b>

**Local Government**

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

Enactment of this legislation could reduce local government sales tax revenues by approximately \$24,000 for every \$1,000,000 in child care program construction materials exempted by this bill. Based on a hypothetical scenario assuming 5% annual growth in the number of child care facilities in the state, this bill could reduce local government sales tax revenue by \$260,000 in FY 2024, in aggregate. Actual impacts will depend on the number and size of child care program construction projects each year.

**Individuals & Businesses**

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

Enactment of this legislation could reduce sales tax liability for taxpayers involved in constructing a child care program by approximately \$72,500 for every \$1,000,000 in child care program construction materials exempted by this bill. Based on a hypothetical scenario assuming 5% annual growth in the number of child care facilities in the state, this bill could reduce taxpayer sales tax liability by \$780,000 in FY 2024, in aggregate. Actual impacts will depend on the number and size of child care program construction projects each year.

**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.