



Revised Fiscal Note H.B. 301

2023 General Session
Transportation Tax Amendments
by Schultz, M.



General, Income Tax, and Uniform School Funds

JR4-4-101

| | Ongoing | One-time | Total |
|----------------------------|---------|-------------|-------------|
| Net GF/ITF/USF (rev.-exp.) | \$0 | \$(573,100) | \$(573,100) |

State Government

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

| Revenues | FY 2023 | FY 2024 | FY 2025 |
|----------------------------------------|---------|----------------|----------------|
| Transportation Fund | \$0 | \$(21,130,000) | \$(21,130,000) |
| Transportation Fund, One-time | \$0 | \$12,480,000 | \$0 |
| Transportation Investment Fund of 2005 | \$0 | \$5,600,000 | \$13,700,000 |
| Boating (GFR) | \$0 | \$(90,000) | \$(230,000) |
| Off-highway Vehicle (GFR) | \$0 | \$(60,000) | \$(140,000) |
| Transit Transportation Investment Fund | \$0 | \$(5,600,000) | \$(13,700,000) |
| Total Revenues | \$0 | \$(8,800,000) | \$(21,500,000) |

Enactment of this bill reduces the tax on motor fuel, increases vehicle registration fees, and imposes a tax on the sale of electricity at charging stations for electric vehicle charging. These changes will impact the Transportation Fund, the Transportation Investment Fund, the Transit Transportation Investment Fund, the General Fund Restricted Off-Highway Vehicle Account, and the General Fund Restricted Boating Account. Overall, enactment of this bill is estimated to reduce state tax revenues by approximately \$8.8 million in FY 2024 and \$21.5 million in FY 2025.

| Expenditures | FY 2023 | FY 2024 | FY 2025 |
|-------------------------------|---------|---------------|---------------|
| General Fund, One-time | \$0 | \$573,100 | \$0 |
| Transportation Fund | \$0 | \$(6,300,000) | \$(6,300,000) |
| Transportation Fund, One-time | \$0 | \$3,700,000 | \$0 |
| Total Expenditures | \$0 | \$(2,026,900) | \$(6,300,000) |

Enactment of this legislation could cost the Tax Commission \$573,100 one-time from the General Fund in FY 2024 to update tax and motor vehicle systems, forms, instructions, and processes.

Enactment of this legislation could reduce expenditures from the Transportation Fund on B and C roads by approximately \$2.6 million in FY 2024 and by \$6.3 million in FY 2025.

| | <i>FY 2023</i> | <i>FY 2024</i> | <i>FY 2025</i> |
|----------------------|----------------|----------------------|-----------------------|
| Net All Funds | <u>\$0</u> | <u>\$(6,773,100)</u> | <u>\$(15,200,000)</u> |

Local Government

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

Enactment of this legislation could reduce the B and C road allocations by \$2.6 million in FY 2024 and by \$6.3 million in FY 2025.

Individuals & Businesses

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

Enactment of this legislation in aggregate could reduce tax liability for individuals and businesses by approximately \$8.8 million in FY 2024 and \$21.5 million in FY 2025. Impacts will vary by taxpayer.

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.