



Revised Fiscal Note
H.B. 301 2nd Sub. (Gray)
 2023 General Session
 Transportation Tax Amendments
 by Schultz, M. (Schultz, Mike.)



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	\$(30,840,000)	\$(30,840,000)
Transportation Fund, One-time	\$0	\$(4,160,000)	\$0
Transportation Investment Fund of 2005	\$0	\$14,900,000	\$17,200,000
Boating (GFR)	\$0	\$(250,000)	\$(290,000)
Off-highway Vehicle (GFR)	\$0	\$(150,000)	\$(170,000)
Transit Transportation Investment Fund	\$0	\$(14,900,000)	\$(17,200,000)
Total Revenues	\$0	\$(35,400,000)	\$(31,300,000)

This bill changes the calculation of the fuel tax, increases vehicle registration fees, and imposes a tax on the sale of electricity for electric vehicle charging. Changes to the fuel tax rate will decrease the rate to 34.5 cents per gallon on July 1, 2023 and increase the rate up to as much as 42 cents in 2028 or after. These changes will impact the Transportation Fund, the Transportation Investment Fund, the Transit Transportation Investment Fund, the 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 \$35.4 million in FY 2024 and \$31.3 million in FY 2025.

Expenditures	FY 2023	FY 2024	FY 2025
General Fund, One-time	\$0	\$573,100	\$0
Transportation Fund	\$0	\$(9,250,000)	\$(9,250,000)
Transportation Fund, One-time	\$0	\$(1,150,000)	\$0
Total Expenditures	\$0	\$(9,826,900)	\$(9,250,000)

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 \$10.4 million in FY 2024 and \$9.25 million in FY 2025.

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	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>
Net All Funds	<u>\$0</u>	<u>\$(25,573,100)</u>	<u>\$(22,050,000)</u>

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

Enactment of this legislation could reduce the B and C road allocations by \$10.4 million in FY 2024 and by \$9.25 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 \$35.4 million in FY 2024 and \$31.3 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.