



**Fiscal Note**  
**H.B. 301 3rd Sub. (Cherry)**  
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     | \$(24,240,000) | \$(24,240,000) |
| Transportation Fund, One-time          | \$0     | \$(8,060,000)  | \$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     | \$(32,700,000) | \$(24,700,000) |

Enactment of 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 42.0 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 \$32.7 million in FY 2024 and \$24.7 million in FY 2025.

| Expenditures                  | FY 2023 | FY 2024       | FY 2025       |
|-------------------------------|---------|---------------|---------------|
| General Fund, One-time        | \$0     | \$573,100     | \$0           |
| Transportation Fund           | \$0     | \$(7,272,000) | \$(7,272,000) |
| Transportation Fund, One-time | \$0     | \$(2,418,000) | \$0           |
| Total Expenditures            | \$0     | \$(9,116,900) | \$(7,272,000) |

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 \$9.7 million in FY 2024 and \$7.3 million in FY 2025.

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|                      | <i>FY 2023</i> | <i>FY 2024</i>        | <i>FY 2025</i>        |
|----------------------|----------------|-----------------------|-----------------------|
| <b>Net All Funds</b> | <u>\$0</u>     | <u>\$(23,583,100)</u> | <u>\$(17,428,000)</u> |

**Local Government**

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

Enactment of this legislation could reduce the B and C road allocations by \$9.7 million in FY 2024 and by \$7.3 million in FY 2025.

**Individuals & Businesses**

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

Overall it is estimated that this bill would reduce tax liability for individuals and businesses by approximately \$32.7 million in FY 2024 and \$24.7 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.