



Fiscal Note
S.B. 203
 2023 General Session
 Corporate Tax Amendments
 by Bramble, C.



General, Income Tax, and Uniform School Funds

JR4-4-101

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

State Government

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

Revenues	FY 2023	FY 2024	FY 2025
Total Revenues	\$0	\$0	\$0

Enactment of this legislation could result in increased Income Tax Fund revenue beginning in FY 2024 due to limitation of net operating loss carryforwards to 80 percent of Utah taxable income. Enactment of this legislation could also result in decreased Income Tax Fund revenue beginning in FY 2025 due to indefinite carryforward of net operating losses occurring between tax years 2008 and 2017. The aggregate impact is unknown.

Expenditures	FY 2023	FY 2024	FY 2025
Total Expenditures	\$0	\$0	\$0

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

Net All Funds	FY 2023	FY 2024	FY 2025
	\$0	\$0	\$0

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)

Enactment of this legislation could result in more or less income tax liability for certain corporations with net operating losses (NOLs). Corporations that incurred NOLs in tax years 2008 to 2017 that aren't able to fully recover the NOLs during the 15-year carryforward period may see a reduction in tax liability beginning in the year after the 15-year carryforward period until the losses are fully exhausted. Additionally, limiting 2008 to 2017 NOL carryforwards to 80% of Utah taxable income would not change the overall amount of losses that a taxpayer is allowed to carry forward but could shift the timing of when the losses are utilized. This could result in an increase in tax liability in earlier years that would be offset by a reduction in tax liability in later years. The aggregate impact is unknown.

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.