



Fiscal Note
S.B. 263 1st Sub. (Green)
 2023 General Session
 Electronic Cigarette and Other Nicotine
 Product Tax Amendments
 by Bramble, C. (Bramble, Curtis.)



General, Income Tax, and Uniform School Funds

JR4-4-101

| | Ongoing | One-time | Total |
|----------------------------|---------|------------|------------|
| Net GF/ITF/USF (rev.-exp.) | \$0 | \$(89,700) | \$(89,700) |

State Government

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

| Revenues | FY 2023 | FY 2024 | FY 2025 |
|--|------------|------------------|--------------------|
| Electronic Cigarette Substance and Nicotine Product Tax Restricted Account (GFR) | \$0 | \$500,000 | \$1,500,000 |
| Total Revenues | \$0 | \$500,000 | \$1,500,000 |

Enactment of this legislation could increase state tax revenue to the Electronic Cigarette Substance and Nicotine Product Tax Restricted Account by approximately \$500,000 one-time in FY2024 and \$1.5 million ongoing beginning in FY2025 due to increased enforcement of electronic cigarette taxes.

| Expenditures | FY 2023 | FY 2024 | FY 2025 |
|--|------------|-----------------|-----------------|
| General Fund, One-time | \$0 | \$89,700 | \$0 |
| Electronic Cigarette Substance and Nicotine Product Tax Restricted Account (GFR) | \$0 | \$0 | \$89,700 |
| Total Expenditures | \$0 | \$89,700 | \$89,700 |

Enactment of this legislation could increase costs for the Tax Commission from the General Fund in the amount of approximately \$89,700 one-time in FY 2024 and from the Electronic Cigarette Substance and Nicotine Product Tax Restricted Account in the amount of approximately \$89,700 ongoing beginning in FY 2025 for costs associated with increased enforcement of taxes on electronic cigarettes.

| | FY 2023 | FY 2024 | FY 2025 |
|----------------------|------------|------------------|--------------------|
| Net All Funds | \$0 | \$410,300 | \$1,410,300 |

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 improve enforcement of state tax on electronic cigarettes and related products, resulting in an increase in tax burden on taxpayers of approximately \$500,000 in FY 2024 and \$1.5 million ongoing beginning in FY 2025.

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.