



Fiscal Note

H.B. 481

2024 General Session
 Railroad Upgrade Incentives Amendments
 by Cutler, P.



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(2,678,800)	\$(21,000)	\$(2,699,800)

State Government

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

Revenues	FY 2024	FY 2025	FY 2026
Income Tax Fund	\$0	\$(2,613,000)	\$(2,613,000)
Income Tax Fund, One-time	\$0	\$35,000	\$0
Total Revenues	\$0	\$(2,578,000)	\$(2,613,000)

Enactment of this legislation could result in reduced revenue to the Income Tax Fund by approximately \$240,000 in FY 2025 and approximately \$275,000 in FY 2026 resulting from new nonrefundable income tax credits for the purchase of locomotive idling reduction devices. Enactment of this legislation could also result in reduced revenue to the Income Tax Fund by approximately \$2,338,000 ongoing beginning in FY 2025 resulting from additional high cost infrastructure development tax credits for locomotive engine replacement projects.

Expenditures	FY 2024	FY 2025	FY 2026
General Fund	\$0	\$65,800	\$65,800
General Fund, One-time	\$7,000	\$49,000	\$0
Total Expenditures	\$7,000	\$114,800	\$65,800

Enactment of this legislation could cost the Department of Environmental Quality \$7,000 one-time from the General Fund in FY 2024 and \$49,000 one-time from the General Fund in FY 2025 for staff time for initial program implementation and \$65,800 ongoing from the General Fund beginning in FY 2025 for staff time for program maintenance.

	FY 2024	FY 2025	FY 2026
Net All Funds	\$(7,000)	\$(2,692,800)	\$(2,678,800)

Local Government

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

Enactment of this legislation could result in additional costs to the Utah Inland Port Authority resulting from the issuance of financial grants related to locomotive engine replacement projects; the aggregate impact is unknown.

Individuals & Businesses

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

Enactment of this legislation could result in businesses and individuals which purchase locomotive idling reduction devices receiving additional nonrefundable income tax credits equal to up to \$12,000 per qualifying purchase made in calendar year 2024; the aggregate income tax reductions are estimated at \$240,000 in FY 2025 and \$275,000 in FY 2026. Credits received may be lower depending on the actual costs of devices purchased and the year in which devices are purchased. Enactment of this legislation could also result in businesses and individuals newly qualifying for additional high cost infrastructure development tax credits for locomotive engine replacement projects at an estimated \$7,014,000 in additional credit in aggregate; credits received may vary depending on the actual costs of such replacement projects. Enactment of this legislation could also result in businesses and individuals being awarded financial grants for locomotive engine replacement projects; 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.