



Fiscal Note
S.B. 238 1st Sub. (Green)
 2024 General Session
 Independent Contractor Benefits Tax
 Credit Amendments
 by Johnson, J. (Johnson, John.)



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$ (10,400,000)	\$ 10,400,000	\$ 0

State Government

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

Revenues	FY 2024	FY 2025	FY 2026
Income Tax Fund	\$ 0	\$ (10,400,000)	\$ (10,400,000)
Income Tax Fund, One-time	\$ 0	\$ 10,400,000	\$ 0
Total Revenues	\$ 0	\$ 0	\$ (10,400,000)

Enactment of this legislation could reduce Income Tax Fund revenues by an estimated \$10.4 million annually beginning in FY 2026.

Expenditures	FY 2024	FY 2025	FY 2026
Total Expenditures	\$ 0	\$ 0	\$ 0

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

	FY 2024	FY 2025	FY 2026
Net All Funds	\$ 0	\$ 0	\$ (10,400,000)

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 provide that a hiring party contributing to the purchase of a portable benefit plan or other insurance benefits on behalf of an independent contractor may be eligible for a \$93 nonrefundable income tax credit. An independent contractor that pays for a portable benefit plan or other insurance benefits out of pocket may be eligible for a \$93 income tax credit. Taxpayers could realize tax savings of \$10.4 million annually beginning in FY 2026.

Regulatory Impact

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

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

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.