

Representative David Clark proposes the following substitute bill:

TAX EXPENDITURE REPORT AMENDMENTS

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: David Clark

This act modifies provisions relating to Revenue and Taxation to require the State Tax Commission to prepare a biennial report on the impact on state revenues of certain income tax credits and deductions and to submit the report to the Legislature.

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

59-1-213, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-1-213** is enacted to read:

59-1-213. Biennial report on impact of income tax exemptions.

(1) By December 1 of each even-numbered year, beginning in 2004, the commission shall prepare a report on the impact of statutory credits and deductions on income tax revenues under Chapter 7, Corporate Franchise and Income Taxes, and Chapter 10, Individual Income Tax Act, as provided in Subsection (3).

(2) The commission shall submit each report required under this section to the Executive Appropriations Committee of the Legislature at the time during an even-numbered year that the governor submits the governor's budget to the Legislature.

(3) Each report required under this section shall:

(a) identify each:

(i) corporate tax credit allowed under Chapter 7, Part 6, Credits;

(ii) tax credit allowed in Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information; and



26 (iii) deduction from federal taxable income under Section 59-10-114;
27 (b) state the amount of income tax revenue that the state would have received during
28 the preceding two fiscal years except for the statutory credits and deductions identified under
29 Subsection (3)(a); and
30 (c) state the amount of income tax revenue the state is projected to forego during the
31 next two fiscal years due to the same statutory credits and deductions.