

INCOME TAX - EDUCATION FUNDING

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: LaWanna Lou Shurtliff

Senate Sponsor: _____

LONG TITLE

General Description:

This bill provides a cap on the annual appropriation of certain tax revenues to higher education.

Highlighted Provisions:

This bill:

- ▶ provides definitions;
- ▶ provides a minimum percentage of education revenues that shall be appropriated to the state system of public education; and
- ▶ provides a maximum percentage of education revenues that may be appropriated to the state's higher education system.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

53A-16-113, Utah Code Annotated 1953

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

Section 1. Section **53A-16-113** is enacted to read:



53A-16-113. Education revenue -- Cap on appropriations to higher education.

(1) As used in this section, "education revenue" means all revenue received under Utah Constitution, Article XIII, Section 5, from taxes on intangible property or from a tax on income.

(2) A minimum of 90% of education revenue shall annually be appropriated to support the state system of public education.

(3) A maximum of 10% of education revenue may annually be appropriated to the state's higher education system.

Legislative Review Note
as of 1-3-06 9:41 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note**Income Tax - Education Funding***19-Jan-06***Bill Number: HB0084***12:48 PM*

State Impact

The provisions of this bill will require a minimum of 90 percent of all education revenue go to the state's public education system. Allocation of education revenue to higher education will be limited to a maximum of 10 percent of education revenue. Implementation of this bill may require a reallocation of revenue sources appropriated for education purposes.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst