

INCOME TAX REVENUE AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Norman K. Thurston

Senate Sponsor: _____

LONG TITLE**General Description:**

This bill modifies provisions relating to income tax revenue.

Highlighted Provisions:

This bill:

- requires the State Tax Commission to report to the Revenue and Taxation Interim Committee and the Division of Finance if a federal tax law change is enacted that will likely cause an increase in state income tax revenue;
- requires the Revenue and Taxation Interim Committee to review the State Tax Commission's report and make recommendations to the Legislative Management Committee;
- creates the Income Tax Surplus Restricted Account;
- specifies purposes for which revenue deposited into the Income Tax Surplus Restricted Account may be used; and
- requires the Division of Finance to deposit a certain amount of income tax revenue into the Income Tax Surplus Restricted Account.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

59-1-103, Utah Code Annotated 1953

59-1-104, Utah Code Annotated 1953

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

Section 1. Section **59-1-103** is enacted to read:

59-1-103. Federal tax law changes that impact state income tax revenues -- Report.

(1) As used in this section, "federal tax law change impacting state income tax revenue" means a change to federal tax law that the following persons estimate will increase the revenue that the state receives from an income tax imposed under this title:

(a) the Legislative Fiscal Analyst;

(b) the commission; and

(c) the Governor's Office of Management and Budget.

(2) Following enactment of a federal tax law change impacting state income tax revenue, the commission shall submit a report by electronic means to the Revenue and Taxation Interim Committee and the Division of Finance that:

(a) describes the federal tax law change impacting state income tax revenue; and

(b) estimates the amount of the increase in state income tax revenue that will result from the federal tax law change impacting state income tax revenue, based on consensus between:

(i) the Legislative Fiscal Analyst;

(ii) the commission; and

(iii) the Governor's Office of Management and Budget.

(3) After the Revenue and Taxation Interim Committee receives a report described in this section, the Revenue and Taxation Interim Committee shall:

(a) review the federal tax law change impacting state income tax revenue; and

(b) no later than one year after the day on which the commission submits the report, recommend to the Legislative Management Committee any legislative action.

Section 2. Section **59-1-104** is enacted to read:

59-1-104. Income Tax Surplus Restricted Account.

59 (1) There is created within the Education Fund a restricted account known as the
60 "Income Tax Surplus Restricted Account."

61 (2) The account shall be funded by the revenue deposited into the account in
62 accordance with Subsection (4).

63 (3) (a) The account shall earn interest.

64 (b) The interest described in Subsection (3)(a) shall be deposited into the account.

65 (4) After the Division of Finance receives a report in accordance with Section
66 59-1-103, the Division of Finance shall deposit into the account an amount of income tax
67 revenue equal to the estimate stated in the report in accordance with Subsection
68 59-1-103(2)(b).

69 (5) The money in the account may be used to:

70 (a) lower state income tax revenue as provided by statute; or

71 (b) fund other changes to state tax law as provided by statute.