



Fiscal Note
H.B. 302
 2017 General Session
 Modifications to Tax
 by Briscoe, J.



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(13,287,300)	\$26,605,100	\$13,317,800

State Government

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

Enactment of this bill may increase sales tax revenue by \$17,700,000 in FY 2018 and \$49,500,000 annually thereafter. Of this amount, the sales tax revenue to the General Fund could increase by \$13,452,000 in FY 2018 and then annually by \$37,620,000. The bill also offers an earned income tax credit, which reduces annual revenue to the Education Fund by \$49,500,000 beginning in FY 2019. This amount would be transferred from the General Fund to the Education Fund, resulting in no net change in Education Fund revenue.

Revenues	FY 2017	FY 2018	FY 2019
General Fund	\$0	\$(11,880,000)	\$(11,880,000)
Education Fund	\$0	\$0	\$0
General Fund, One-Time	\$0	\$25,332,000	\$0
Education Fund, One-Time	\$0	\$0	\$0
Designated Sales Tax	\$0	\$4,248,000	\$11,880,000
Total Revenues	\$0	\$17,700,000	\$0

Enactment of this bill may cost the Tax Commission \$134,200 in FY 2018 and \$1,407,300 annually beginning in FY 2019 for additional auditing staff and updates to systems, forms, instructions, and training.

Expenditures	FY 2017	FY 2018	FY 2019
General Fund	\$0	\$1,407,300	\$1,407,300
General Fund, One-Time	\$0	\$(1,273,100)	\$0
Total Expenditures	\$0	\$134,200	\$1,407,300

Net All Funds	\$0	\$17,565,800	\$(1,407,300)
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Local Government

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

Enactment of this bill does not affect local government sales tax revenue because it exempts the newly taxed services from local sales tax.

Enactment of this bill would result in individuals eligible for the earned income tax credit seeing an average decrease in their income tax burden of \$230 in FY 2019, with a statewide total of about \$49.5 million. The bill imposes a new sales tax on services, increases the sales tax rate on food to the overall state rate, and reduces the overall sales tax rate. For a family of 5 with income of \$30,000, the combination of a 10% EITC, higher sales tax rate on food, a lower overall sales tax rate, and no purchases from the newly classified services, the tax burden reduction is about \$590 per year. For a family of 5 with income of \$200,000, the combination of a 10% EITC, higher sales tax rate on food, a lower overall sales tax rate, and assuming 10% of their income is spent on the newly taxed services, this bill increases the overall tax burden by \$294 per year.

Performance Note

JR4-2-404

No performance note required for this bill

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.