

INCOME TAX REVENUE AMENDMENTS

2019 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 make a report to the Revenue and Taxation Interim Committee of the Legislature and the Division of Finance if Congress enacts a federal tax law change that is estimated to increase the revenues that the state will receive from an income tax imposed without any legislative action by the Legislature;

- requires the Revenue and Taxation Interim Committee of the Legislature to review the State Tax Commission's report and make recommendations to the Legislative Management Committee of the Legislature;

- 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:



28 None

29 **Utah Code Sections Affected:**

30 ENACTS:

31 [59-1-103](#), Utah Code Annotated 1953

32 [59-1-104](#), Utah Code Annotated 1953

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

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

36 **59-1-103. Federal tax law changes that impact state income tax revenues --**

37 **Report.**

38 (1) If Congress enacts a federal tax law change that is estimated to increase the
39 revenues that the state will receive from an income tax imposed under this title without any
40 legislative action by the Legislature, the commission shall make a report to the Revenue and
41 Taxation Interim Committee of the Legislature and the Division of Finance by electronic
42 means:

- 43 (a) regarding the actions taken by Congress; and
- 44 (b) estimating the increase in the amount of state income tax revenue estimated to be
45 collected based on the federal tax law change.

46 (2) The Revenue and Taxation Interim Committee shall, after receiving the
47 commission report under Subsection (1):

- 48 (a) review the actions taken by Congress; and
- 49 (b) make recommendations to the Legislative Management Committee of the
50 Legislature:

51 (i) regarding whether as a result of the actions of Congress any provisions of this title
52 should be amended or repealed; and

53 (ii) within a one-year period after the day on which the commission makes a report
54 under Subsection (1).

55 (3) The Division of Finance shall deposit a portion of the income tax revenue collected
56 under this title into the Income Tax Surplus Restricted Account as required by Section
57 [59-1-104](#).

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

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

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

62 (2) The account shall be funded by the revenue deposited into the fund under
63 Subsection (4).

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

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

66 (4) The Division of Finance shall deposit an amount of income tax revenue equal to the
67 increase in the amount of state income tax revenue estimated by the commission to be collected
68 based on the federal tax law change reported to the Division of Finance in accordance with
69 Section [59-1-103](#) into the account.

70 (5) The revenue and interest described in this section may be used to:

71 (a) lower income tax rates as the Legislature may provide by statute; or

72 (b) fund income tax credits or make other income tax changes as the Legislature may
73 provide by statute.