



**Fiscal Note**  
**1st Sub. H.B. 293 (Buff)**  
 2025 General Session  
 Vehicle Sales Tax Amendments  
 by Teuscher, Jordan D.



**General, Income Tax, and Uniform School Funds**

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$ (26,288,000)	\$ 25,443,800	\$ (844,200)

**State Government**

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

Revenues	FY 2025	FY 2026	FY 2027
General Fund	\$0	\$(25,500,000)	\$(25,500,000)
General Fund, One-time	\$0	\$25,500,000	\$2,100,000
Transportation Investment Fund of 2005	\$0	\$(7,050,000)	\$(7,050,000)
Transportation Investment Fund of 2005, One-time	\$0	\$7,050,000	\$600,000
Other Financing Sources	\$0	\$(2,350,000)	\$(2,350,000)
Other Financing Sources, One-time	\$0	\$0	\$200,000
<b>Total Revenues</b>	<b>\$0</b>	<b>\$(2,350,000)</b>	<b>\$(32,000,000)</b>

Enactment of this bill exempts the purchase price of the lower priced motor vehicle when a person buys and sells two motor vehicles in separate transactions. The creation of this sales tax exemption is estimated to reduce state sales tax revenues to the general fund and earmarks by approximately \$32.0 million in FY 2027 and \$34.9 million annually thereafter.

Expenditures	FY 2025	FY 2026	FY 2027
General Fund	\$0	\$788,000	\$788,000
General Fund, One-time	\$0	\$56,200	\$0
State Tax Commission Administrative Charge Account (GFR)	\$0	\$337,800	\$337,800
State Tax Commission Administrative Charge Account (GFR), One-time	\$0	\$24,100	\$0
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$1,206,100</b>	<b>\$1,125,800</b>

Enactment of this legislation could cost the Tax Commission \$788,000 ongoing from the General Fund in FY 2026 and \$337,800 ongoing from Sales and Use Tax Administration Fees to implement the bill's provisions. Enactment of this legislation could also cost the Tax Commission \$56,200 one-time from the General Fund and \$24,100 one-time from the Sales and Use Tax Administration Fee to update tax systems.

	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>
<b>Net All Funds</b>	<u>\$0</u>	<u>\$(3,556,100)</u>	<u>\$(33,125,800)</u>

**Local Government**

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

Enactment of this bill would exempt the purchase price of the lower priced motor vehicle when a person buys and sells two motor vehicles in separate transactions. The creation of this sales tax exemption is estimated to reduce local sales tax revenues by approximately \$15.8 million in FY 2027 and \$17.3 million annually thereafter.

**Individuals & Businesses**

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

Enactment of this bill exempts the purchase price of the lower priced motor vehicle when a person buys and sells two motor vehicles in separate transactions. The creation of this sales tax exemption is estimated to reduce sales tax liability for purchasers of these products by approximately \$47.8 million in FY 2027 and \$52.2 million annually thereafter.

**Regulatory Impact**

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

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

**Performance Evaluation**

JR1-4-601

This bill does not create a new program or significantly expand an existing program.

**Notes on Notes**

Fiscal explanations 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 explanation is not an appropriation. The Legislature decides appropriations separately.