



Fiscal Note
S.B. 85 1st Sub. (Green)
 2025 General Session
 Income Tax Rate Amendments
 by Fillmore, Lincoln



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$ (80,600,000)	\$ 78,992,200	\$ (1,607,800)

State Government

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

Revenues	FY 2025	FY 2026	FY 2027
Income Tax Fund	\$ 0	\$ (80,600,000)	\$ (80,600,000)
Income Tax Fund, One-time	\$ 0	\$ 79,000,000	\$ 79,100,000
Total Revenues	\$ 0	\$ (1,600,000)	\$ (1,500,000)

Enactment of this legislation could reduce Income Tax Fund revenue by \$1,600,000 one-time in FY 2026 resulting from changes in the timing of net mineral production tax withholding collections. Additionally, to the extent that actual state revenue collections exceed the forecasted revenue amounts as defined, the associated reduction in the income tax rate could result in decreased income tax collections in subsequent fiscal years; this is estimated to reduce Income Tax Fund revenue by \$1,500,000 in FY 2027, \$98,000,000 in FY 2028, and \$80,600,000 in FY 2029. Actual revenue impacts will vary depending on the year and extent to which actual collections exceed thresholds for each year.

Expenditures	FY 2025	FY 2026	FY 2027
Income Tax Fund, One-time	\$ 0	\$ 7,800	\$ 0
Total Expenditures	\$ 0	\$ 7,800	\$ 0

Enactment of this legislation could result in changes to the State's tax systems, forms, instructions, training and processes costing \$7,800 one-time from the Income Tax Fund in FY 2026 which the Tax Commission has indicated can be absorbed.

	FY 2025	FY 2026	FY 2027
Net All Funds	\$ 0	\$ (1,607,800)	\$ (1,500,000)

Local Government

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

Enactment of this legislation likely will not result in direct, measurable costs for local governments.

Individuals & Businesses

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

To the extent that actual state revenue collections exceed the forecasted revenue amounts as defined, the associated reduction in the income tax rate could result in decreased income taxes paid in subsequent fiscal years; this is estimated to reduce income taxes for individuals and businesses by approximately \$1,500,000 in FY 2027, \$98,000,000 in FY 2028, and \$80,600,000 in FY 2029 in aggregate; individual impacts will vary. Actual impacts would vary depending on the year and extent to which actual collections exceed thresholds for each year.

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.