



**Fiscal Note**

**H.B. 162**

2026 General Session  
 Local Sales Tax Modifications  
 by Watkins, Christine F.



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

JR4-4-101

|                            | Ongoing | One-time | Total |
|----------------------------|---------|----------|-------|
| Net GF/ITF/USF (rev.-exp.) | \$0     | \$0      | \$0   |

**State Government**

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

| Revenues       | FY 2026 | FY 2027 | FY 2028 |
|----------------|---------|---------|---------|
| Total Revenues | \$0     | \$0     | \$0     |

Enactment of this legislation likely will not materially impact state revenue.

| Expenditures                                  | FY 2026 | FY 2027 | FY 2028 |
|---|---------|---------|---------|
| State Tax Commission                          | \$0     | \$7,800 | \$0     |
| Administrative Charge Account (GFR), One-time |         |         |         |
| Total Expenditures                            | \$0     | \$7,800 | \$0     |

Enactment of this legislation could cost the Tax Commission \$7,800 one-time in FY 2027 from the Tax Commission Administrative Charge Account for system updates.

|                      | FY 2026    | FY 2027          | FY 2028    |
|----------------------|------------|------------------|------------|
| <b>Net All Funds</b> | <b>\$0</b> | <b>\$(7,800)</b> | <b>\$0</b> |

**Local Government**

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

Enactment of this bill could increase local sales tax revenues to municipalities that choose to impose this tax. Should the new tax be imposed at the full rate in all eligible municipalities, it could generate up to \$93.7 million annually.

**Individuals & Businesses**

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

Taxpayers in areas where the new tax is imposed would pay additional sales tax on taxable purchases (less grocery food) at a rate of up to 0.5%. Should the new tax be imposed at the full rate in all eligible municipalities, it could increase sales tax liability for taxpayers by up to \$93.7 million annually.

**Regulatory Impact**

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

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

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.