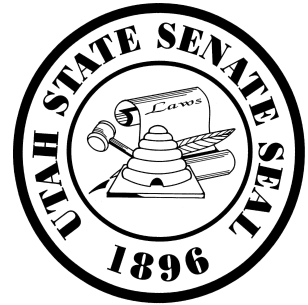




Fiscal Note
2nd Sub. H.B. 185 (Gray)
2026 General Session
Carbon Credit Amendments
by Shelley, Troy



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(142,900)	\$(590,600)	\$(733,500)

State Government

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

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

Enactment of this legislation may increase dedicated credit revenue to the Tax Commission by an unknown amount beginning in FY 2027 due to the \$200 fee on carbon credit broker licenses. Enactment may also increase revenue to the Carbon Credit Investment Fund by an unknown amount beginning in FY 2027 due to the assessment on carbon credit transactions. Enactment may also increase revenue by an unknown amount to the Carbon Credit Litigation Fund and qualifying degree granting institutions ongoing beginning in FY 2027 due to disbursements from the Carbon Credit Investment Fund.

Expenditures	FY 2026	FY 2027	FY 2028
State Tax Commission	\$0	\$98,300	\$98,300
Administrative Charge Account (GFR)			
State Tax Commission	\$27,600	\$0	\$0
Administrative Charge Account (GFR), One-time			
General Fund	\$0	\$142,900	\$142,900
General Fund, One-time	\$590,600	\$0	\$0
Total Expenditures	\$618,200	\$241,200	\$241,200

Enactment of this legislation may cost the Tax Commission from the Administrative Charge Account \$98,300 ongoing beginning in FY 2027 for 1 FTE to administer the provisions of the legislation and \$27,600 one-time in FY 2026 for computers, accessories and part-year personnel costs. Enactment of this legislation may also cost the Tax Commission \$588,000 one-time from the General Fund in FY 2026 for system modifications. Enactment of this legislation may also cost the Office of Energy Development \$137,300 from the General Fund ongoing beginning in FY 2027 for 1 FTE to administer the assessment on carbon credit transactions. Enactment of this legislation may also cost the Division of Finance \$5,600 ongoing beginning in FY 2027 and \$2,600 one-time in FY 2027 to create and maintain three new restricted accounts.

	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>
Net All Funds	<u>\$(618,200)</u>	<u>\$(241,200)</u>	<u>\$(241,200)</u>

Local Government

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

Enactment of this legislation may increase revenue to counties with a population of 50,000 or less by an unknown amount beginning in FY 2027 due to disbursements of investment earning from the Carbon Credit Investment Fund.

Individuals & Businesses

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

Enactment of this legislation may cost individuals and businesses up to \$200 in fees every two years to license as a carbon credit broker beginning in FY 2027. To the extent that individuals and business purchase carbon credits, enactment of this legislation may increase the cost for carbon credit transactions by an unknown amount due to the assessment on such transactions beginning in FY 2027.

Regulatory Impact

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

Enactment of this legislation could result in a small increase in the regulatory burden for Utah residents or businesses.

Performance Evaluation

JR1-4-601

This bill creates a new program or significantly expands an existing program.
For a list of questions lawmakers might ask to improve accountability for the proposed program, please see: <https://budget.utah.gov/newprogram>

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.