



Fiscal Note
H.B. 265

2026 General Session
Non-nicotine Inhalation Product
Amendments
by Thompson, Jason E.



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
Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account (GFR)	\$0	\$(7,000)	\$(7,000)
Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account (GFR), One-time	\$2,000	\$0	\$0
Total Revenues	\$2,000	\$(7,000)	\$(7,000)

Enactment of this legislation may impact revenues to the Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account beginning in FY 2027 by a one-time increase in FY 2026 of \$2,000 and an ongoing decrease of \$(7,000). Violators may pay up to \$6,000 per infraction to the Department of Health and Human Services; however, the exact quantity is unknown.

Expenditures	FY 2026	FY 2027	FY 2028
State Tax Commission Administrative Charge Account (GFR), One-time	\$11,700	\$0	\$0
Total Expenditures	\$11,700	\$0	\$0

Enactment of this legislation may cost the Tax Commission \$11,700 one-time in FY 2026 from the Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account for system programming.

	FY 2026	FY 2027	FY 2028
Net All Funds	\$(9,700)	\$(7,000)	\$(7,000)

Local Government

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

Violators may pay up to \$6,000 per infraction to a local health department; however, the exact quantity is unknown.

Individuals & Businesses

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

Violators may pay up to \$6,000 per infraction to a local health department; however, the exact quantity is unknown. Manufacturers of non-nicotine inhalation products may pay \$2,000 in FY 2026 and \$500 ongoing in FY 2027 to register two products. Non-nicotine inhalation product businesses and/or user will pay (\$7,500) annually less in taxes.

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 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.