



Fiscal Note
2nd Sub. H.B. 337 (Gray)
 2026 General Session
 Nicotine Product Tax Amendments
 by Clancy, Tyler



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$39,196,000	\$2,726,700	\$41,922,700

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	\$11,300,000	\$11,300,000
Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account (GFR), One-time	\$0	\$(3,275,000)	\$0
General Fund	\$0	\$39,200,000	\$39,200,000
General Fund, One-time	\$0	\$2,750,000	\$0
Total Revenues	\$0	\$49,975,000	\$50,500,000

Enactment of this legislation is estimated to increase revenues to the General Fund by \$41,950,000 in FY 2027 and \$39,200,000 in FY 2028. It is also estimated to increase revenues to the Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account by \$8,025,000 in FY 2027 and \$11,300,000 in FY 2028.

Expenditures	FY 2026	FY 2027	FY 2028
Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account (GFR)	\$0	\$2,000,000	\$2,000,000
General Fund	\$0	\$4,000	\$4,000
General Fund, One-time	\$15,500	\$7,800	\$0
Total Expenditures	\$15,500	\$2,011,800	\$2,004,000

Enactment of this legislation could cost the Tax Commission \$15,500 one-time in FY 2026 and \$7,800 one-time in FY 2027 from the General Fund for system development and testing. Enactment of this legislation could also increase expenditures for the Department of Public Safety by \$2.0 million ongoing beginning in FY 2027 from the Electronic Cigarette Substance and Nicotine Proceeds Restricted Account to fund additional law enforcement positions and \$4,000 ongoing in FY 2027 from the General Fund for staff support to implement the provisions of the bill.

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	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>
Net All Funds	<u>\$(15,500)</u>	<u>\$47,963,200</u>	<u>\$48,496,000</u>

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

Enactment could result in \$2 million of ongoing revenue beginning in FY 2027 to the law enforcement agency of a city that is the seat of government for a county of the first class.

Individuals & Businesses UCA 36-12-13(2)(c)

Enactment of this legislation could increase taxes paid by individuals on certain tobacco products (cigarettes, little cigars, alternative nicotine products, and moist snuff) by \$49,975,000 in FY 2027 and \$50,500,000 in FY 2028.

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.