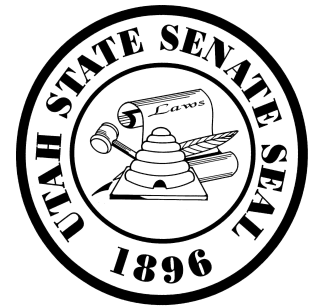




Fiscal Note
1st Sub. S.B. 287 (Green)

2026 General Session
 Targeted Advertising Tax
 by McKell, Michael K.
 (Teuscher, Jordan D.)



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(1,900)	\$(900)	\$(2,800)

State Government

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

Revenues	FY 2026	FY 2027	FY 2028
Dedicated Credits Revenue	\$0	\$156,800	\$156,800
New Account Created By Bill (FN Only)	\$0	\$21,300,000	\$21,300,000
New Account Created By Bill (FN Only), One-time	\$0	\$(21,300,000)	\$(6,100,000)
Total Revenues	\$0	\$156,800	\$15,356,800

Enactment of this legislation may increase state tax revenues deposited into the Targeted Advertising Tax Restricted Account by an estimated \$15.2 million in FY 2028 and \$21.3 million in FY 2029. Enactment of this legislation could also increase ongoing dedicated credits to the Attorney General's office by \$156,800 beginning in FY 2027 for services provided to the Tax Commission.

Expenditures	FY 2026	FY 2027	FY 2028
State Tax Commission Administrative Charge Account (GFR)	\$0	\$490,700	\$490,700
State Tax Commission Administrative Charge Account (GFR), One-time	\$0	\$(258,000)	\$534,700
Dedicated Credits Revenue	\$0	\$156,800	\$156,800
General Fund	\$0	\$1,900	\$1,900
General Fund, One-time	\$900	\$0	\$0
Total Expenditures	\$900	\$391,400	\$1,184,100

Enactment of this legislation could cost the Tax Commission \$490,700 ongoing beginning in FY 2027 from the State Tax Commission Administrative Charge Account for staff support to implement and operate the program and for Attorney General services. Staffing will be phased in resulting in a one-time back out of \$258,000 in expenditures. Enactment of this legislation could also cost the Tax Commission \$534,700 one-time in FY 2028 from the State Tax Commission Administrative Charge Account for system updates and testing. Enactment of this legislation could also cost the Attorney General \$156,800 in dedicated credits beginning in FY 2027 to support the Tax Commission, and the

Department of Government Operations \$900 one-time in FY 2026 and \$1,900 ongoing beginning in FY 2027, from the General Fund, to set up maintain the new account.

	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>
Net All Funds	<u>\$ (900)</u>	<u>\$ (234,600)</u>	<u>\$14,172,700</u>

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)

Enactment of the new tax in this bill is estimated to increase tax liability for certain entities that deliver targeted advertising in Utah by \$15.2 million in FY 2028 and \$21.3 million in FY 2029.

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.