

Tax Restructuring Revisions

Summary of Changes from SB2001 to 2nd Sub SB2001:

- **Motor Fuel Sales Tax Equivalent:**
 - Gas tax calculation changed to 1-year daily average for first year, which becomes floor. Second year is two-year lookback. Third and all subsequent years are three-year lookback.
 - More detailed UDOT reporting requirements establishing thresholds at which UDOT signals to the Legislature that user charges are growing proportionally to new motor sales tax equivalent.
- **Grocery Credit:**
 - New one-time payment to income tax filers below 100% of poverty in July.
 - \$500,000 appropriation to DWS for filing outreach efforts between Jan and April.
 - Costs roughly \$12M one-time (plus DWS appropriation)
- **Utah Dependent Exemption:**
 - New one-time payment for dependents only in early 2020.
 - One-time dependent value = 6% of \$1,285 in addition to \$565 included in filing. Subject to phase-out.
 - Cost roughly \$60M one-time.
 - Initial round based on 2018 filing. New 2019 filers added in April or May.
- **Earned Income Tax Credit:**
 - Removed from bill.
- **Rural Roads Program:**
 - Statutory program definition added to bill.
 - Available to counties below 14,000

County	2019
Daggett County	1,073
Piute County	1,711
Rich County	2,398
Wayne County	2,754
Garfield County	5,226
Beaver County	6,976
Kane County	7,716
Grand County	10,117
Emery County	10,666
Morgan County	12,189
Juab County	12,455
Millard County	13,743

- Equal amount distributed to each county.
- \$5M appropriation source switched from Transportation Fund to Transportation Investment Fund of 2005.
- **Budget Flexibility:**
 - Higher Ed Appropriations modified to re-balance ongoing available new revenue after passage of tax bill.
 - Current ongoing available new revenue: \$440M Education Fund/\$42M General Fund
 - Bill cost: \$108M GF/EF (\$154M cut - \$80M set-aside + \$34M earmark)
 - After passage of tax bill: \$240M Education Fund/\$134M General Fund/\$29M Transportation Investment Fund