

# FISCAL NOTE

May 13, 2024

<b>Bill No:</b>	SB 654	<b>Printer's No:</b>	1433	<b>Sponsor:</b>	Bartolotta
-----------------	--------	----------------------	------	-----------------	------------

## COST / (SAVINGS)

Fund (s)	2023-24	2024-25
General Fund	\$0	\$288.8 million
Public Transportation Trust Fund	\$0	(\$282.8 million)

**SUMMARY:** This bill amends the Tax Reform Code, in personal income tax, further providing for classes of income; and establishing the Public Transportation Trust Fund.

**ANALYSIS:** SB 654 creates a personal income tax (PIT) deduction for depletion of a mine, oil and gas well and other natural deposits until the original basis in the property is recovered.

The bill also increases the annual sales and use tax (SUT) transfer to the Public Transportation Trust Fund to 6.15 percent; establishes the total financial assistance provided to each local transportation organization may exceed 20 percent of the prior year; and creates a local match hold harmless provision for five fiscal years beginning in 2024-2025.

Public Transportation Trust Fund (PTTF) changes shall take effect July 1, 2024. The remainder of the act shall take effect immediately.

**FISCAL IMPACT:** SB 654 carries a fiscal impact of \$288.8 million in 2024-2025 and \$296.8 million in 2025-2026, increasing in out years, to create a PIT deduction for the depletion of oil and gas wells and implement an increase in the PTTF SUT transfer.

Fiscal Year	SUT Impact	PIT Impact	Total Impact
2024-2025	\$282.8 million	\$6.0 million	\$288.8 million
2025-2026	\$290.2 million	\$6.6 million	\$296.8 million
2026-2027	\$297.7 million	\$7.1 million	\$304.8 million
2027-2028	\$304.4 million	\$7.5 million	\$311.9 million
2028-2029	\$312.9 million	\$7.9 million	\$320.8 million