



NEWS RELEASE

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Legislature and Governor's Office release updated budget estimates

SALT LAKE CITY (Feb. 21, 2023) – Today, the Governor's Office and Utah State Legislature released revised revenue numbers for state fiscal year (FY) 2023-24. Utah's economy is in a strong position, ranking as the best state for economic outlook for 15 years in a row. However, the country is experiencing increased risks and volatility, with predictions of economic slowdowns.

Utah continues to manage its affairs well. While the new revenue growth reflects the ongoing momentum of the state's economy, Utah has a history of prudent, smart planning for future downturns. Fiscally conservative policies and forward-thinking rainy-day funds enable the state to navigate economic uncertainties successfully, provide hundreds of millions of dollars in tax relief to Utahns, and continue to fund education at historic levels.

However, state leaders cannot ignore the federal government's out-of-control spending, climbing interest rates, soaring inflation and company layoffs. The state budget will reflect prudent policies and meet current and future needs by making strategic investments, including funding education, investing in statewide infrastructure and water needs, allocating money for rainy day reserves and reducing taxes for Utahns.

During the 2023 General Session, policymakers are tasked with deliberating on the estimated \$817 million in one-time and \$410 million in ongoing money combined in the General and Income Tax Funds, after accounting for base budget adjustments and set-asides.

"Thanks to our strong economy, these numbers show Utah can safely cut taxes and make major investments in water, education, housing and infrastructure," Gov. Cox said. "Still, high inflation and increasing interest rates signal we should proceed cautiously. We're grateful the Legislature shares our commitment to fiscal responsibility."

"Utah is and has been recognized as a safe harbor in global economic uncertainties," said President J. Stuart Adams. "Our strong economy allows us, for the third year in a row, to cut taxes and fund education at record levels, even during a pandemic and with a slowing economy, while making generational investments. Additionally, ongoing tax revenue is being spent on one-

time projects, resulting in a significant working rainy day fund that no other state has, positioning Utah to best navigate economic downturns."

"Utah continues to have one of the strongest economies in the nation," said Speaker Brad Wilson. "However, we can never be too cautious and prudent as we plan for the upcoming fiscal year. We remain optimistic and will make significant, generational investments in perennial areas such as water, housing, transportation, and education."

Utah is the best-prepared state in the nation for economic uncertainties and downturns. Lawmakers are committed to ensuring Utah continues to be well-prepared for current and future needs by making strategic investments and wise budget decisions.

Budget Highlights for FY 2023-24

General Fund revenue changes

- Ongoing funds increased \$103 million from November consensus numbers
- One-time funds increased \$127 million from November consensus numbers

Income Tax Fund revenue changes

- Ongoing funds decreased \$115 million from November consensus numbers
- One-time funds decreased \$115 million from November consensus numbers

Transportation Fund revenue changes

- Ongoing funds increased \$6.5 million from November consensus numbers
- One-time funds increased \$6 million from November consensus numbers

The Legislature will finalize the state's budget before the legislative session adjourns on March 3. FY 2023-24 begins July 1, 2023.

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