

FEDERAL TAX CHANGES IMPACTING THE STATE OF UTAH TAX SYSTEM

REPORT IS DESIGNED TO FULFILL THE REQUIREMENTS OF UTAH CODE (59-1-213)

(1) The Middle Class Tax Relief and Job Creation Act of 2012 (H.R. 3630)

The bill extended the reduction in the employee share of the OASDI portion of Social Security from 6.2 percent to 4.2 percent up to a wage base of \$110,000 and extended unemployment insurance benefits through 2012. For an individual earning \$50,000 in 2011 the payroll tax cut extension has an approximate tax savings of \$1,000. Has an indirect impact on multiple taxes through the increase in benefits and disposable income.