



HB 362 SALES TAX INCREASE

EXECUTIVE APPROPRIATIONS COMMITTEE
STAFF: THOMAS YOUNG, LFA

ISSUE BRIEF

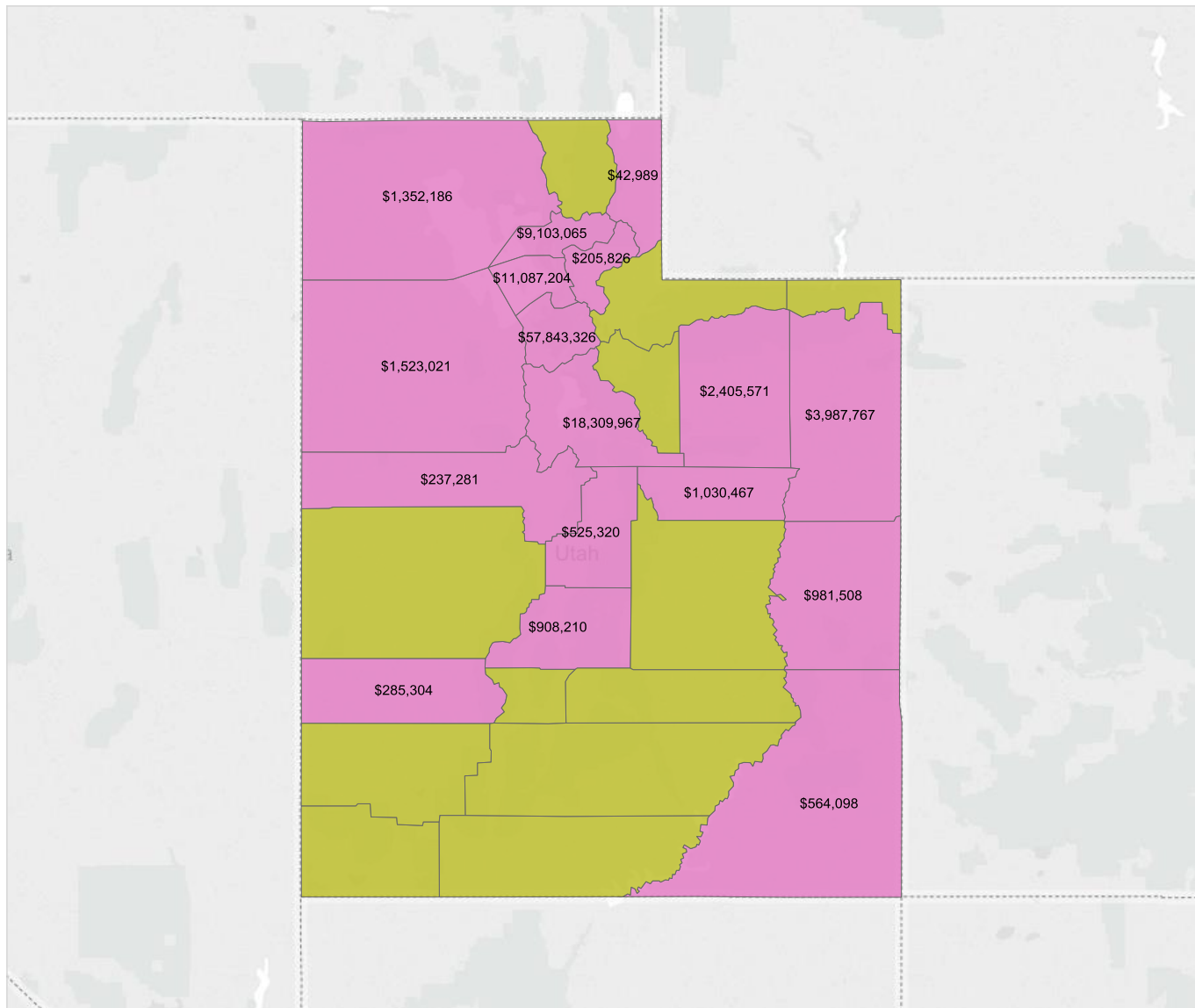
SUMMARY

HB 362 of the 2015 General Session allows counties, if approved by majority vote, to impose a 0.25% sales tax increase. Of the 29 counties, 17 have placed the issue on the ballot, representing a potential sales tax increase of about \$108 million if approved in all 17 counties. The 17 counties and the potential sales tax increase are given in figures 1 and 2.

If approved, the local sales tax increase may diminish the state's taxing capacity. The 0.25% potential tax increase places the average Utah sales tax burden at about 7%, just behind Georgia and higher than North Carolina. A comparison among states is given in Figure 3.

Figure 1 - Geographic View of Potential Sales Tax Increase by County

Sales Tax Increase by County Should All Sales Tax Increases Pass

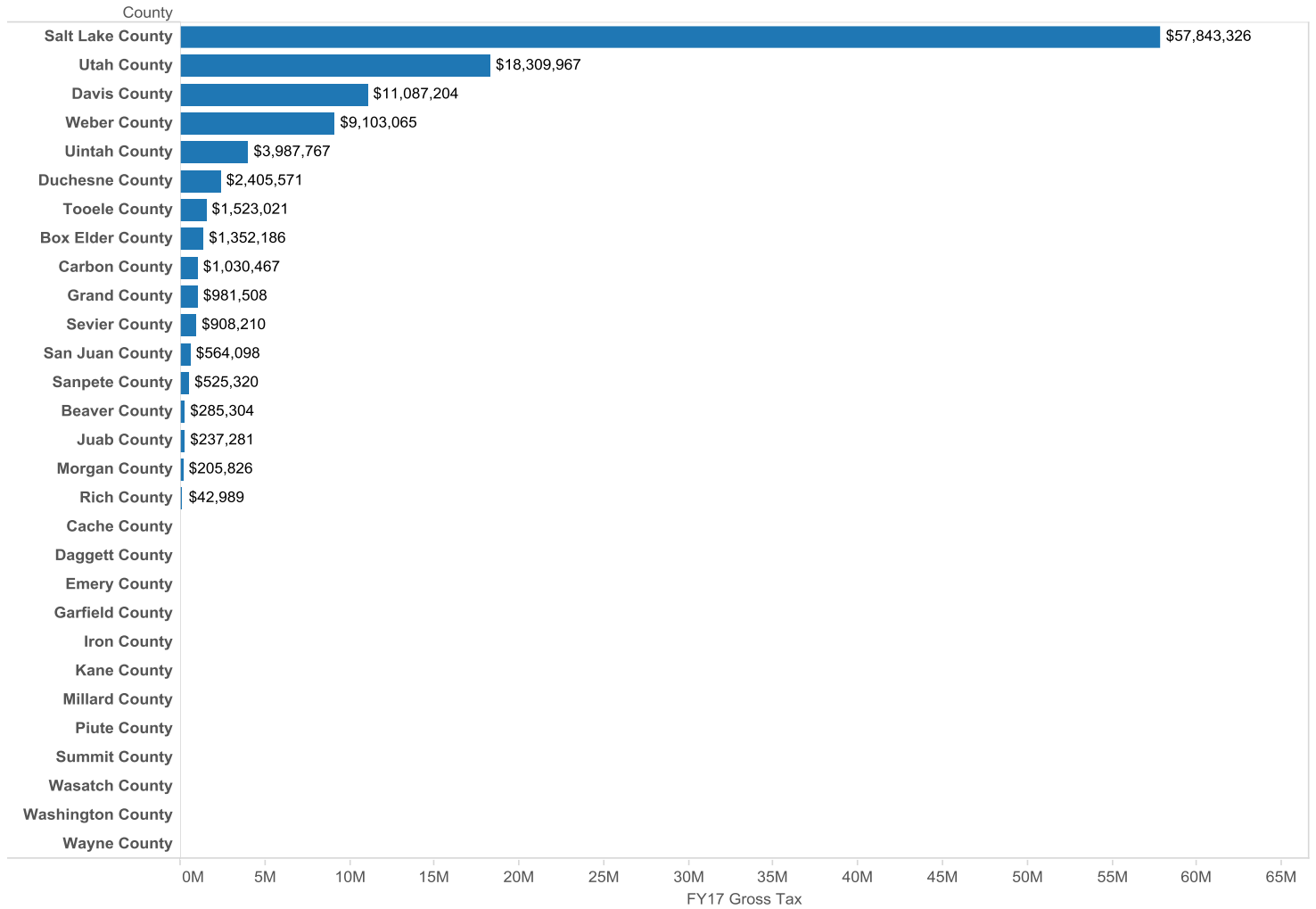


Sources: LFA, Tax Commission

Tax Increase on Ballot
█ NO
█ YES

Figure 2 - Bar Chart View of Potential Sales Tax Increase by County

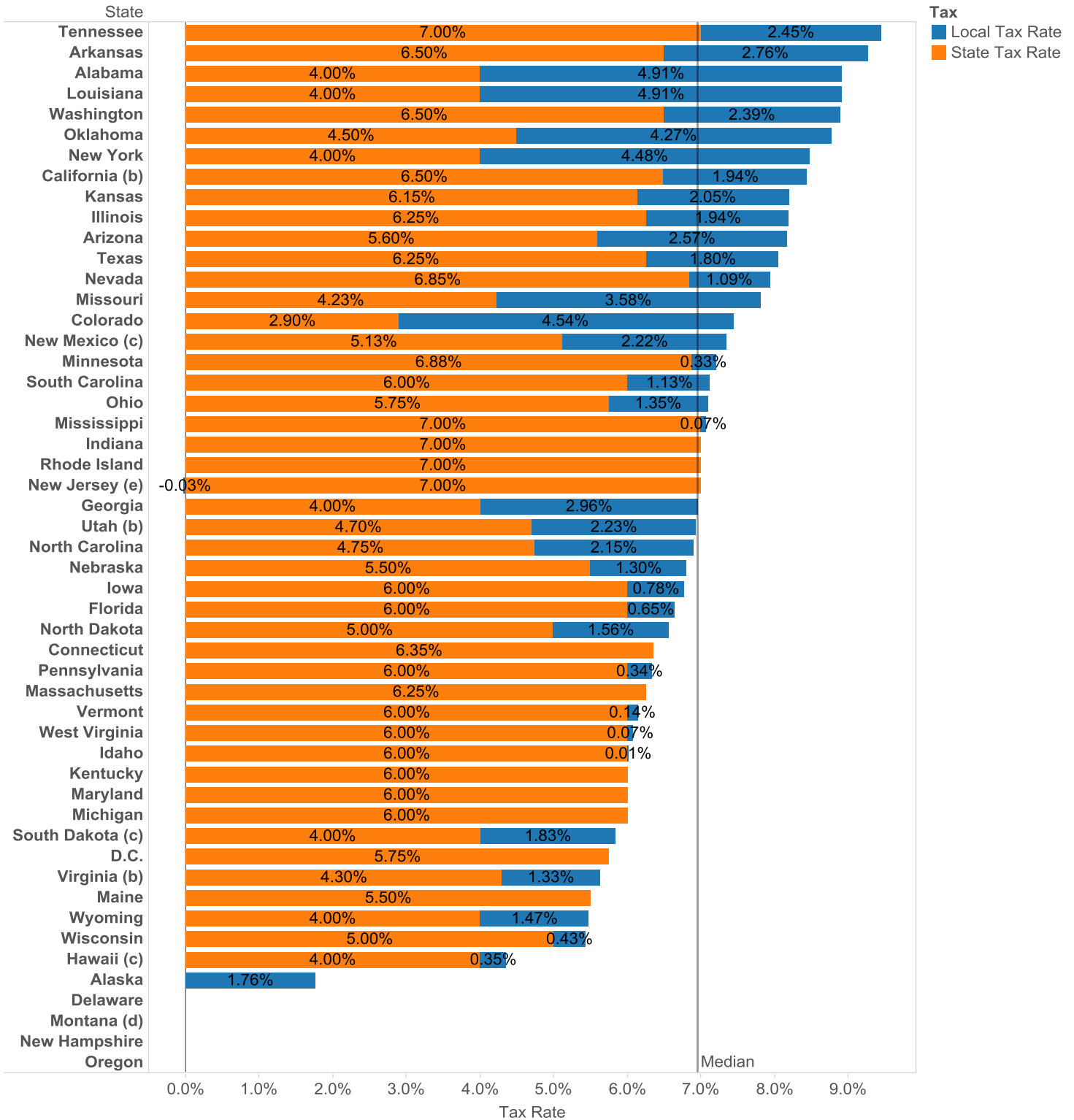
Potential Sales Tax Increase by County



Sources: LFA, Tax Commission

Figure 3 - State and Local Sales Tax Rate Comparison

State & Local Sales Tax Rates Comparison



Sources: Sales Tax Clearinghouse, Tax Foundation, LFA, state revenue department websites.
 (a) City, county, and municipal rates vary. These rates are weighted by population to compute an average local tax rate.
 (b) Three states levy mandatory, statewide, local add-on sales taxes: California (1%), Utah (1.25%), and Virginia (1%). These amounts are included in the local sales tax rate.
 (c) The sales taxes in Hawaii, New Mexico, and South Dakota have broad bases that include many services.
 (d) Due to data limitations, this table does not include sales taxes in local resort areas in Montana.

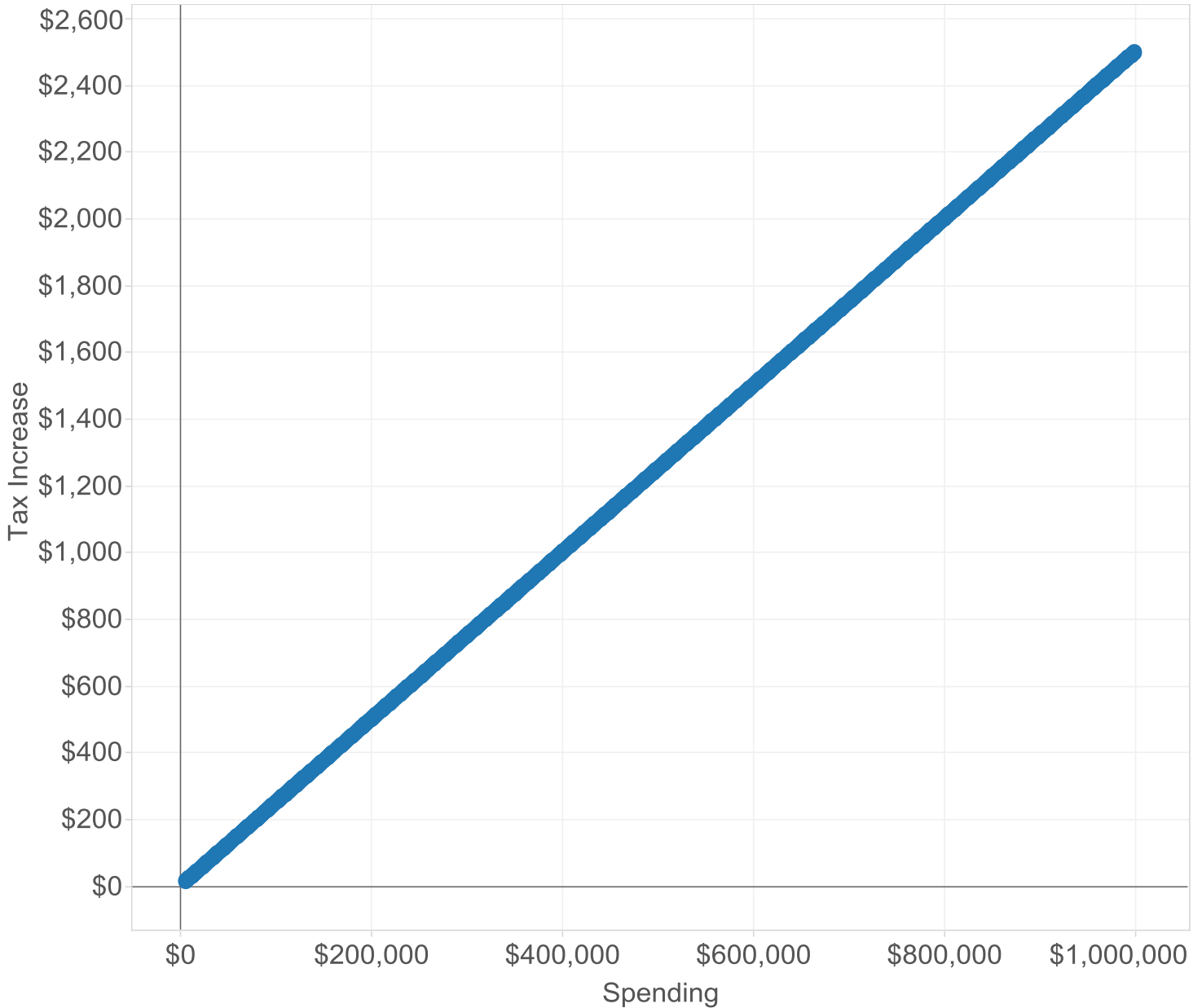
SALES TAX INCREASE PORTION OF HB 362

The following Figure 4 plots the tax increase by taxable purchases. A family of four spending say \$20,000 on non-food taxable items will see a tax increase of about \$50 per year. A household spending say \$100,000 on non-food taxable items will see a tax increase of about \$250 per year.

Following Figure 4 is Figure 5, which plots what a household owning a \$250,000 home, earning \$50,000 per year and driving 13,000 miles per year can expect in tax increases from actions taken during the 2015 General Session.

Figure 4 - Sales Tax Increase by Taxable Spending

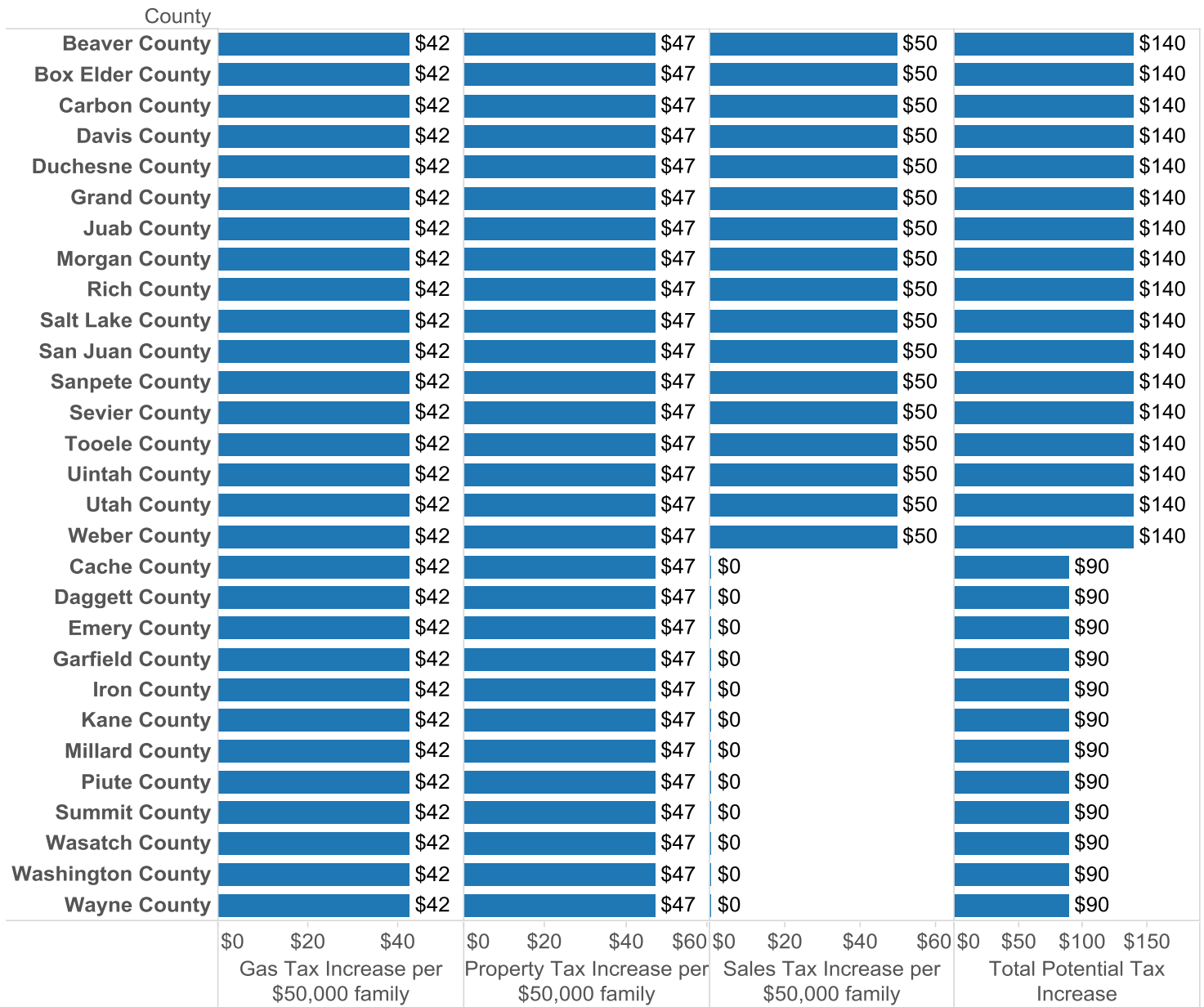
Sales Tax Increase



Source: LFA

Figure 5 - Big 3 Tax Increases from the 2015 General Session

Big 3 Tax Increases from 2015 General Session

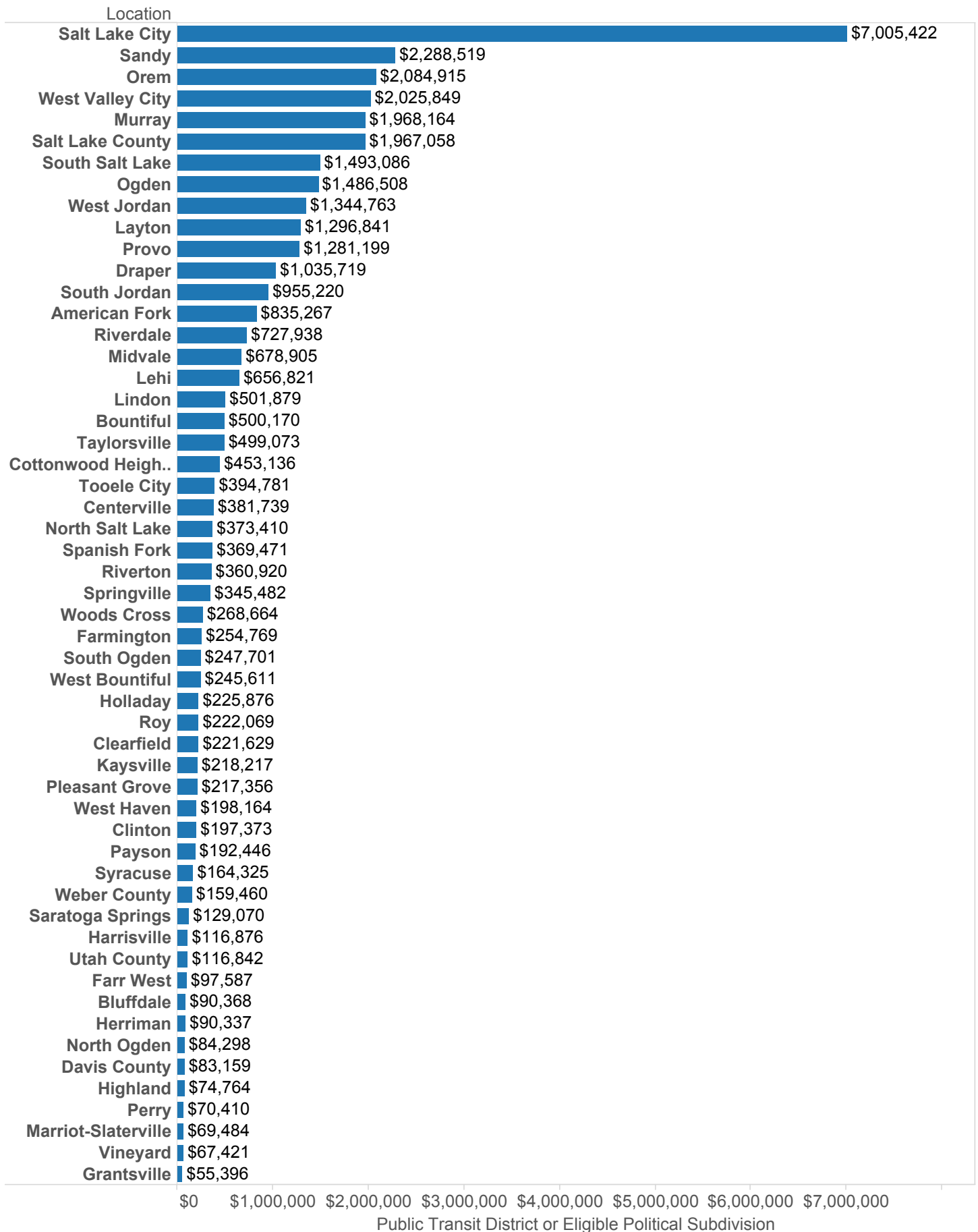


DISTRIBUTION

The distribution of the potential sales tax increase is to public transit districts, county legislative bodies, and cities/towns/unincorporated areas within each county.

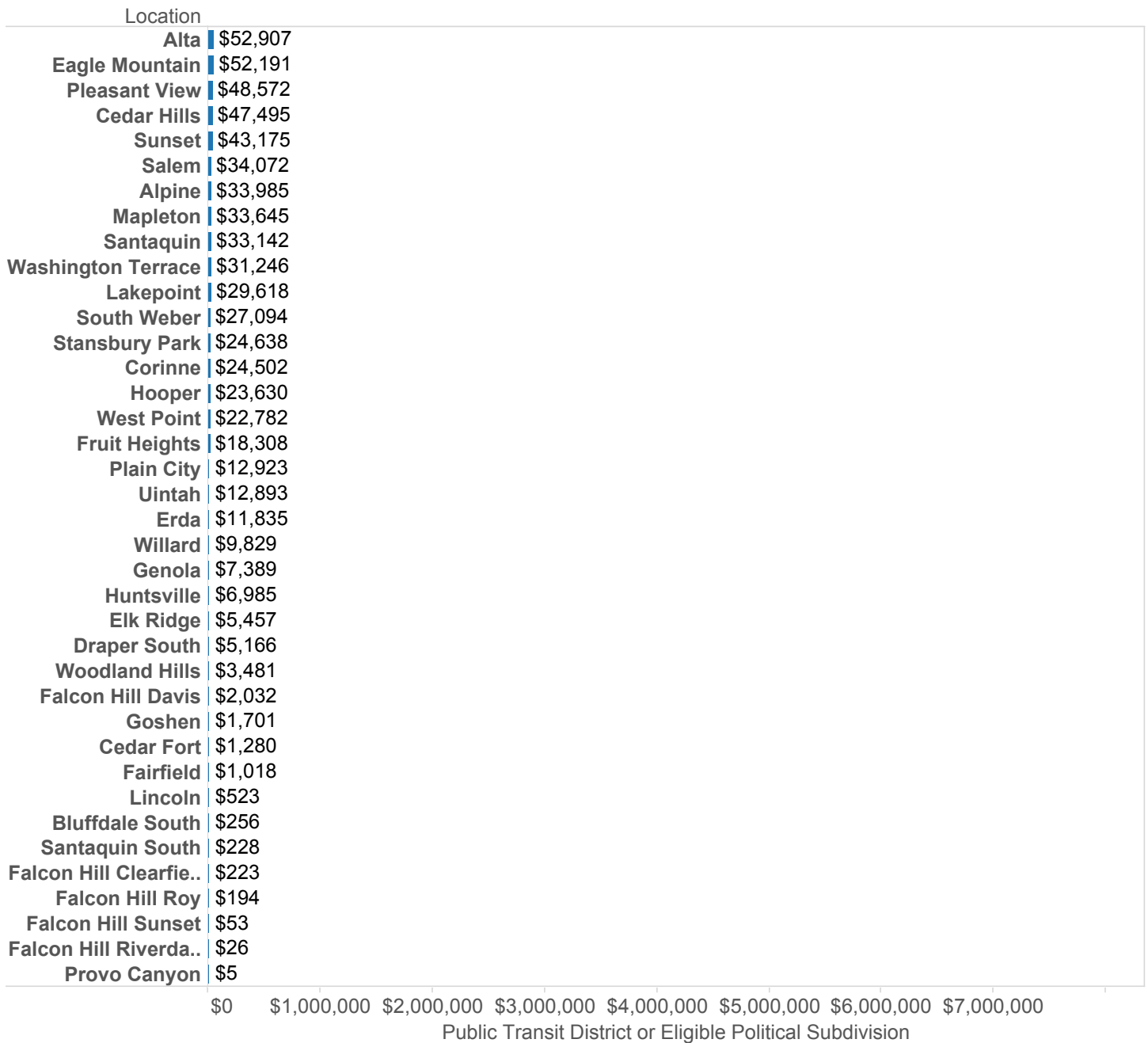
Figure 6 contains the potential public transit district distribution by entity. Figure 7 presents the potential county legislative body distribution. Figure 8 is the potential distribution to cities/towns/unincorporated areas. Figure 9 sums everything up.

Figure 6: Public Transit Districts



Sources: LFA, Tax

Figure 6: Public Transit Districts



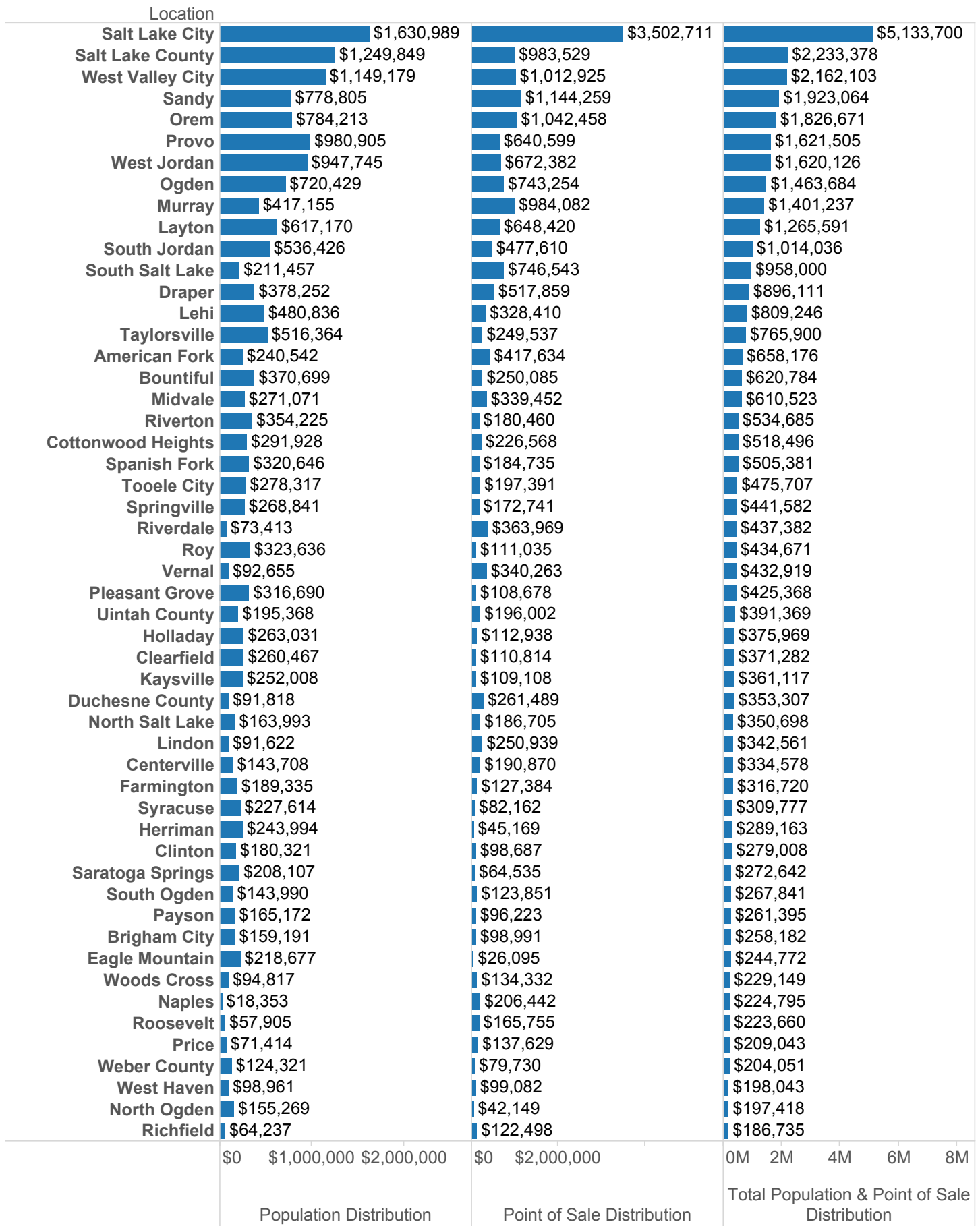
Sources: LFA, Tax

Figure 7: County Legislative Body

County	County Legislative Body, Public Transit Leftover	County Legislative Body, .05%	County Legislative Body, Total
Salt Lake County	\$0	\$11,267,880	\$11,267,880
Utah County	\$0	\$3,566,782	\$3,566,782
Uintah County	\$1,553,634	\$776,817	\$2,330,451
Davis County	\$0	\$2,159,787	\$2,159,787
Weber County	\$0	\$1,773,277	\$1,773,277
Duchesne County	\$937,210	\$468,605	\$1,405,816
Box Elder County	\$422,071	\$263,406	\$685,477
Carbon County	\$401,470	\$200,735	\$602,205
Grand County	\$382,395	\$191,198	\$573,593
Sevier County	\$353,839	\$176,919	\$530,758
Tooele County	\$76,578	\$296,685	\$373,262
San Juan County	\$219,772	\$109,886	\$329,659
Sanpete County	\$204,665	\$102,332	\$306,997
Beaver County	\$111,155	\$55,577	\$166,732
Juab County	\$92,216	\$46,222	\$138,438
Morgan County	\$80,190	\$40,095	\$120,285
Rich County	\$31,783	\$15,892	\$47,675
Cache County	\$0	\$0	\$0
Daggett County	\$0	\$0	\$0
Emery County	\$0	\$0	\$0
Garfield County	\$0	\$0	\$0
Iron County	\$0	\$0	\$0
Kane County	\$0	\$0	\$0
Millard County	\$0	\$0	\$0
Piute County	\$0	\$0	\$0
Summit County	\$0	\$0	\$0
Wasatch County	\$0	\$0	\$0
Washington County	\$0	\$0	\$0
Wayne County	\$0	\$0	\$0

Sources: LFA, Tax

Figure 8: Remaining Distribution: 50% Population | 50% Point of Sale



Sources: LFA, Tax

Figure 8: Remaining Distribution: 50% Population | 50% Point of Sale

Location			
Highland	\$149,151	\$37,382	\$186,533
West Bountiful	\$46,533	\$122,805	\$169,338
Tooele County	\$139,889	\$29,419	\$169,308
San Juan County	\$81,890	\$80,434	\$162,323
Moab	\$43,918	\$115,208	\$159,126
Utah County	\$82,838	\$58,421	\$141,259
Tremonton	\$68,919	\$61,916	\$130,836
Bluffdale	\$84,478	\$45,184	\$129,662
Grantsville	\$84,060	\$27,698	\$111,758
Cedar Hills	\$87,674	\$23,747	\$111,421
Harrisville	\$51,856	\$58,438	\$110,294
Box Elder County	\$80,770	\$29,027	\$109,797
Grand County	\$33,793	\$74,505	\$108,298
Alpine	\$86,563	\$16,993	\$103,556
Santaquin	\$86,350	\$16,571	\$102,921
Farr West	\$54,077	\$48,794	\$102,871
Pleasant View	\$76,455	\$24,286	\$100,741
West Point	\$87,187	\$11,391	\$98,578
Ephraim	\$55,222	\$41,088	\$96,311
Mapleton	\$77,506	\$16,822	\$94,329
Washington Terrace	\$78,412	\$15,623	\$94,035
Carbon County	\$58,888	\$34,316	\$93,204
Hooper	\$69,269	\$11,815	\$81,085
Salem	\$61,836	\$17,036	\$78,872
Nephi	\$47,063	\$31,064	\$78,127
Perry	\$39,484	\$35,205	\$74,689
Morgan County	\$56,829	\$16,426	\$73,255
Davis County	\$31,597	\$41,580	\$73,177
South Weber	\$57,512	\$13,547	\$71,059
Sunset	\$43,995	\$21,588	\$65,583
Plain City	\$53,095	\$6,461	\$59,556
Fruit Heights	\$50,062	\$9,154	\$59,216
Morgan City	\$33,810	\$23,669	\$57,479
Beaver City	\$26,154	\$29,274	\$55,429
Blanding	\$31,341	\$18,915	\$50,255
Marriot-Slaterville	\$14,867	\$34,742	\$49,609
Sanpete County	\$38,749	\$7,887	\$46,636
Salina	\$21,310	\$24,576	\$45,885
Ballard	\$8,630	\$34,111	\$42,740
Mt. Pleasant	\$28,239	\$13,519	\$41,758
Gunnison	\$28,120	\$12,924	\$41,044
Vineyard	\$5,904	\$33,711	\$39,615
Sevier County	\$25,684	\$12,575	\$38,259
Manti	\$28,726	\$7,678	\$36,404
Duchesne City	\$15,388	\$16,111	\$31,500
Alta	\$3,332	\$26,453	\$29,786
Helper	\$18,319	\$10,707	\$29,026
Elk Ridge	\$25,676	\$2,728	\$28,404
Monticello	\$17,080	\$10,538	\$27,618
Milford	\$11,561	\$15,557	\$27,117
Wellington	\$14,021	\$11,422	\$25,443
Garland	\$20,695	\$4,336	\$25,031

	\$0	\$1,000,000	\$2,000,000	\$0	\$2,000,000	0M	2M	4M	6M	8M
	Population Distribution			Point of Sale Distribution		Total Population & Point of Sale Distribution				

Sources: LFA, Tax

Figure 8: Remaining Distribution: 50% Population | 50% Point of Sale

Location	Population Distribution			Point of Sale Distribution			Total Population & Point of Sale Distribution				
	\$0	\$1,000,000	\$2,000,000	\$0	\$2,000,000		0M	2M	4M	6M	8M
Monroe	\$19,327			\$3,867							
Willard	\$15,166			\$4,914							
Myton	\$5,289			\$14,540							
Mona	\$13,483			\$5,806							
Beaver County	\$9,954			\$9,290							
Draper South	\$16,516			\$2,583							
East Carbon	\$13,688			\$4,860							
Corinne	\$5,896			\$12,251							
Uintah	\$11,390			\$6,447							
Wendover	\$11,937			\$5,694							
Fairview	\$10,860			\$6,718							
Moroni	\$12,398			\$4,154							
Genola	\$12,031			\$3,695							
Honeyville	\$12,312			\$3,150							
Centerfield	\$11,825			\$3,195							
Lakepoint	\$0			\$14,809							
Juab County	\$9,484			\$5,255							
Garden City	\$4,913			\$9,452							
Woodland Hills	\$12,432			\$1,741							
Aurora	\$8,698			\$3,694							
Stansbury Park	\$0			\$12,319							
Altamont	\$2,145			\$10,137							
Elwood	\$8,835			\$2,436							
Fountain Green	\$9,296			\$1,328							
Spring City	\$8,553			\$1,604							
Elsinore	\$7,220			\$2,427							
Rich County	\$6,955			\$2,264							
Redmond	\$6,254			\$2,954							
Minersville	\$7,536			\$1,457							
Goshen	\$8,117			\$850							
Huntsville	\$5,272			\$3,492							
Levan	\$7,365			\$1,277							
Bear River	\$7,194			\$1,300							
Plymouth	\$3,460			\$4,984							
Rocky Ridge	\$6,502			\$1,529							
Annabella	\$6,784			\$1,099							
Stockton	\$5,451			\$1,786							
Mantua	\$5,930			\$1,023							
Eureka	\$5,699			\$1,178							
Erda	\$0			\$5,917							
Randolph	\$3,948			\$1,309							
Central Valley	\$4,682			\$534							
Rush Valley	\$3,999			\$1,038							
Mayfield	\$4,298			\$590							
Sigurd	\$3,640			\$1,076							
Fielding	\$3,819			\$760							
Glenwood	\$3,956			\$617							
Castle Valley	\$2,854			\$1,485							
Cedar Fort	\$3,273			\$640							
Deweyville	\$2,803			\$884							
Laketown	\$2,187			\$1,323							
Joseph	\$2,914			\$486							

Sources: LFA, Tax

Figure 8: Remaining Distribution: 50% Population | 50% Point of Sale

Location	Population Distribution			Point of Sale Distribution			Total Population & Point of Sale Distribution				
	\$0	\$1,000,000	\$2,000,000	\$0	\$2,000,000		0M	2M	4M	6M	8M
Koosharem	\$2,785			\$518			\$3,304				
Snowville	\$1,453			\$1,753			\$3,205				
Sterling	\$2,358			\$805			\$3,163				
Woodruff	\$1,589			\$1,544			\$3,133				
Wales	\$2,580			\$461			\$3,041				
Vernon	\$2,256			\$305			\$2,561				
Fayette	\$2,093			\$380			\$2,474				
Portage	\$2,153			\$282			\$2,435				
Howell	\$2,110			\$195			\$2,305				
Tabiona	\$1,589			\$574			\$2,163				
Fairfield	\$1,068			\$509			\$1,577				
Sunnyside	\$0			\$1,493			\$1,493				
Falcon Hill Davis	\$0			\$1,016			\$1,016				
Scofield	\$197			\$307			\$504				
Ophir	\$410			\$47			\$457				
Lincoln	\$0			\$261			\$261				
Bluffdale South	\$0			\$128			\$128				
Santaquin South	\$0			\$114			\$114				
Falcon Hill Clearfield	\$0			\$111			\$111				
Falcon Hill Roy	\$0			\$97			\$97				
Falcon Hill Sunset	\$0			\$27			\$27				
Falcon Hill Riverdale	\$0			\$13			\$13				
Provo Canyon	\$0			\$2			\$2				
Alton	\$0			\$0			\$0				
Amalga	\$0			\$0			\$0				
Antimony	\$0			\$0			\$0				
Apple Valley	\$0			\$0			\$0				
Bicknell	\$0			\$0			\$0				
Big Water	\$0			\$0			\$0				
Boulder	\$0			\$0			\$0				
Brian Head	\$0			\$0			\$0				
Bryce Canyon	\$0			\$0			\$0				
Cache County	\$0			\$0			\$0				
Cache Valley Transit	\$0			\$0			\$0				
Cannonville	\$0			\$0			\$0				
Castle Dale	\$0			\$0			\$0				
Cedar City	\$0			\$0			\$0				
Charleston	\$0			\$0			\$0				
Circleville	\$0			\$0			\$0				
Clarkston	\$0			\$0			\$0				
Clawson	\$0			\$0			\$0				
Cleveland	\$0			\$0			\$0				
Coalville	\$0			\$0			\$0				
Cornish	\$0			\$0			\$0				
Daggett County	\$0			\$0			\$0				
Daniel	\$0			\$0			\$0				
Delta	\$0			\$0			\$0				
Elmo	\$0			\$0			\$0				
Emery City	\$0			\$0			\$0				
Emery County	\$0			\$0			\$0				
Enoch	\$0			\$0			\$0				
Enterprise	\$0			\$0			\$0				

Sources: LFA, Tax

Figure 8: Remaining Distribution: 50% Population | 50% Point of Sale

Location	Population Distribution			Point of Sale Distribution			Total Population & Point of Sale Distribution				
	\$0	\$1,000,000	\$2,000,000	\$0	\$2,000,000		0M	2M	4M	6M	8M
Escalante	\$0			\$0							
Ferron	\$0			\$0							
Fillmore	\$0			\$0							
Francis	\$0			\$0							
Garfield County	\$0			\$0							
Glendale	\$0			\$0							
Green River	\$0			\$0							
Hanksville	\$0			\$0							
Hatch	\$0			\$0							
Heber	\$0			\$0							
Henefer	\$0			\$0							
Henrieville	\$0			\$0							
Hideout	\$0			\$0							
Hildale	\$0			\$0							
Hinckley	\$0			\$0							
Holden	\$0			\$0							
Huntington	\$0			\$0							
Hurricane	\$0			\$0							
Hyde Park	\$0			\$0							
Hyrum	\$0			\$0							
Independence	\$0			\$0							
Iron County	\$0			\$0							
Ivins	\$0			\$0							
Junction	\$0			\$0							
Kamas	\$0			\$0							
Kanab	\$0			\$0							
Kanarraville	\$0			\$0							
Kane County	\$0			\$0							
Kanosh	\$0			\$0							
Kingston	\$0			\$0							
La Verkin	\$0			\$0							
Leamington	\$0			\$0							
Leeds	\$0			\$0							
Lewiston	\$0			\$0							
Loa	\$0			\$0							
Logan	\$0			\$0							
Lyman	\$0			\$0							
Lynndyl	\$0			\$0							
Manila	\$0			\$0							
Marysvale	\$0			\$0							
Meadow	\$0			\$0							
Mendon	\$0			\$0							
Midway	\$0			\$0							
Millard County	\$0			\$0							
Millville	\$0			\$0							
New Harmony Town	\$0			\$0							
Newton	\$0			\$0							
Nibley	\$0			\$0							
North Logan	\$0			\$0							
Oak City	\$0			\$0							
Oakley	\$0			\$0							
Orangeville	\$0			\$0							

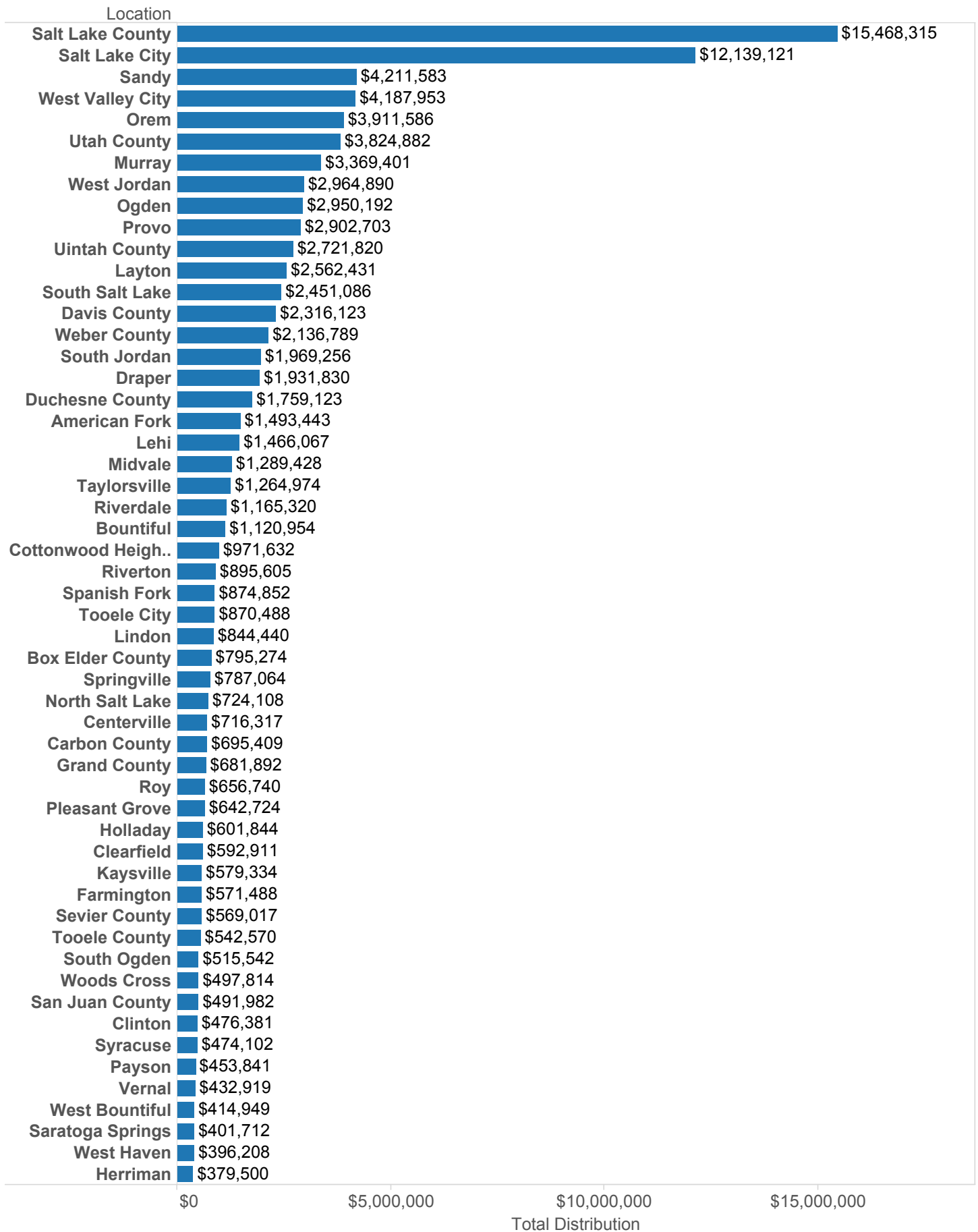
Sources: LFA, Tax

Figure 8: Remaining Distribution: 50% Population | 50% Point of Sale

Location	Population Distribution			Point of Sale Distribution		Total Population & Point of Sale Distribution				
	\$0	\$1,000,000	\$2,000,000	\$0	\$2,000,000	0M	2M	4M	6M	8M
Orderville	\$0			\$0						
Panguitch	\$0			\$0						
Paradise	\$0			\$0						
Paragonah	\$0			\$0						
Park City	\$0			\$0						
Park City East	\$0			\$0						
Parowan	\$0			\$0						
Piute County	\$0			\$0						
Providence	\$0			\$0						
Richmond	\$0			\$0						
River Heights	\$0			\$0						
Rockville	\$0			\$0						
Santa Clara	\$0			\$0						
Scipio	\$0			\$0						
Smithfield	\$0			\$0						
Snyderville Basin Tr	\$0			\$0						
Springdale	\$0			\$0						
St. George	\$0			\$0						
Summit County	\$0			\$0						
Toquerville	\$0			\$0						
Torrey	\$0			\$0						
Trenton	\$0			\$0						
Tropic	\$0			\$0						
Virgin	\$0			\$0						
Wallsburg	\$0			\$0						
Wasatch County	\$0			\$0						
Washington City	\$0			\$0						
Washington County	\$0			\$0						
Wayne County	\$0			\$0						
Wellsville	\$0			\$0						

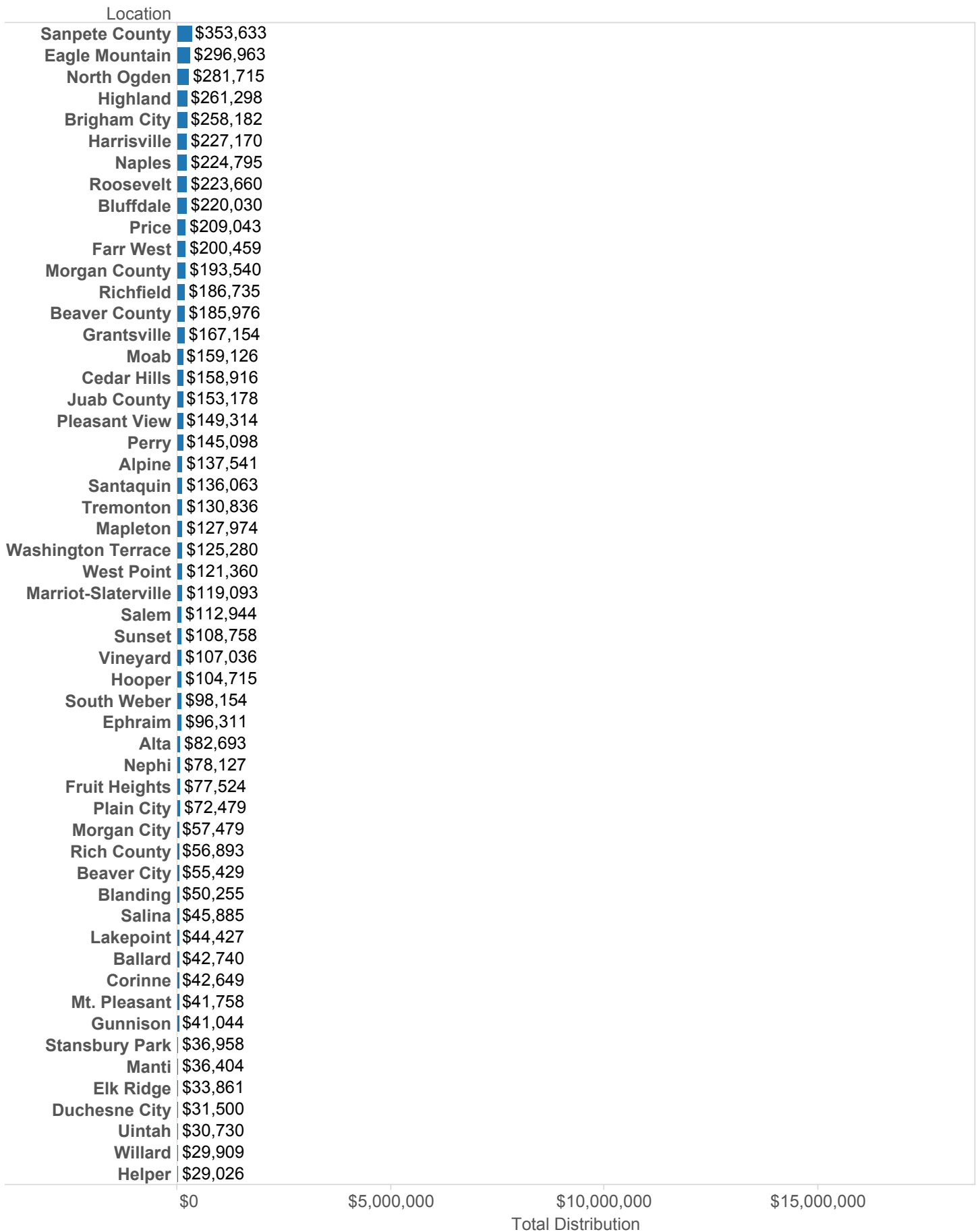
Sources: LFA, Tax

Figure 9: Total Distribution



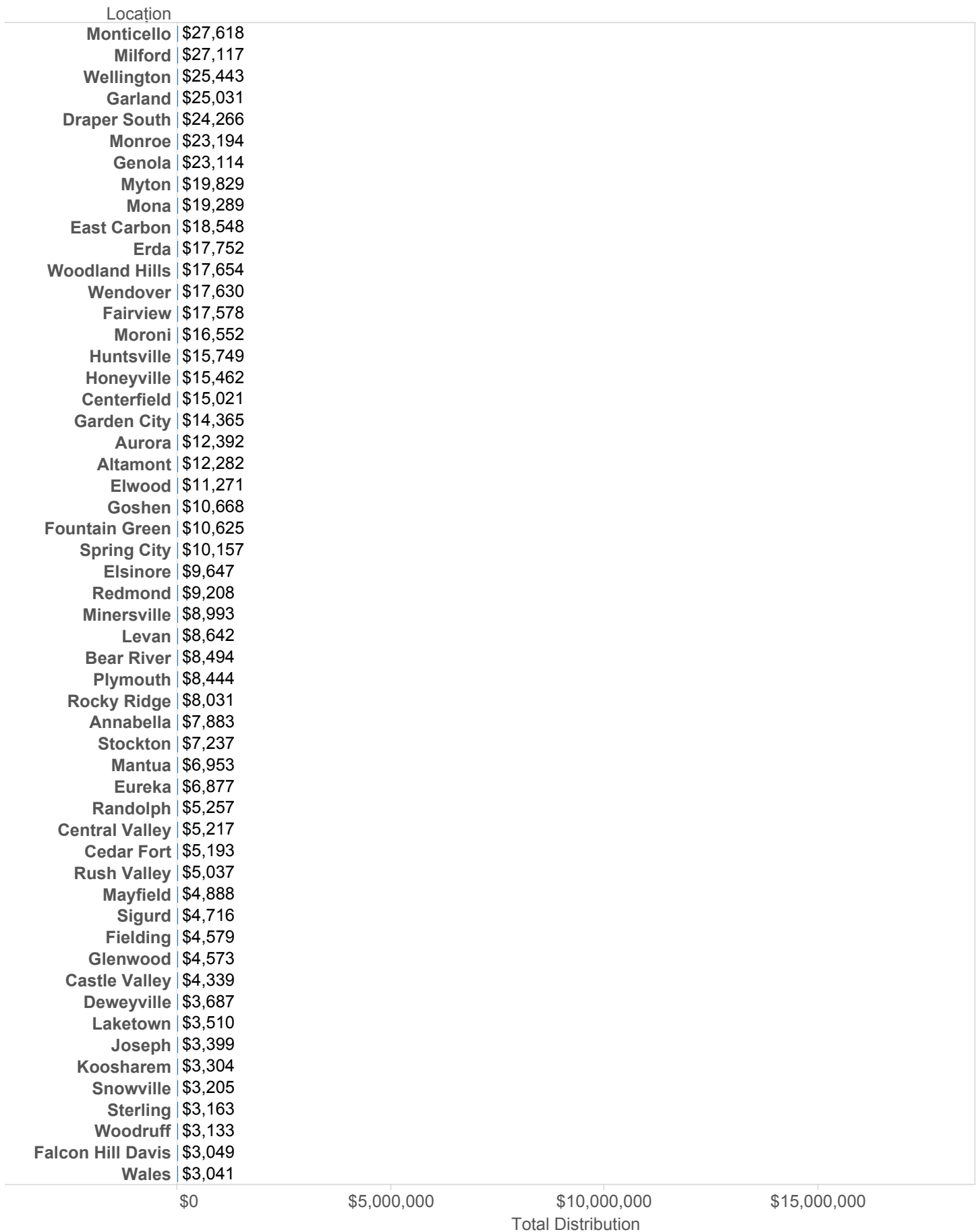
Sources: LFA, Tax

Figure 9: Total Distribution



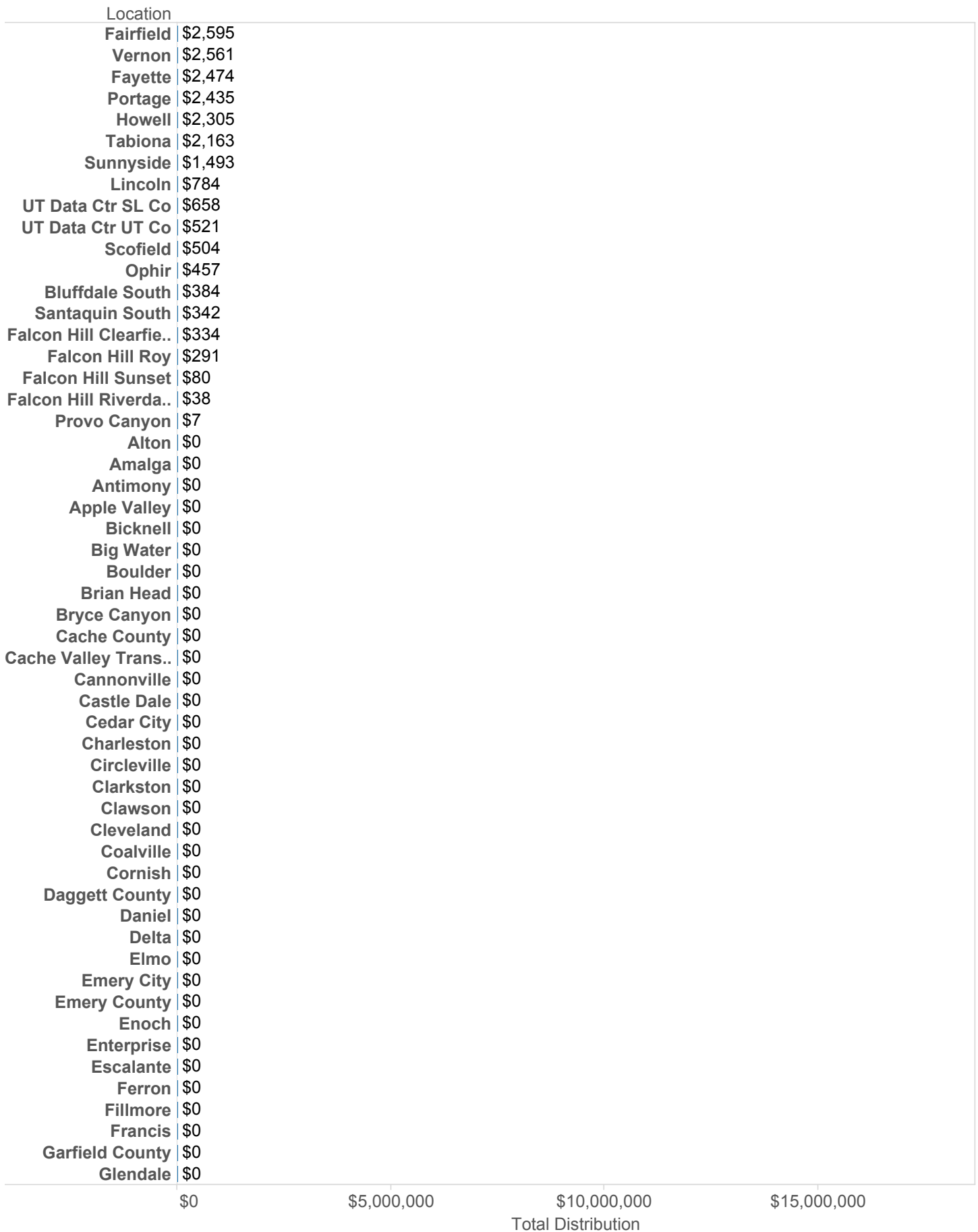
Sources: LFA, Tax

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Sources: LFA, Tax

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Sources: LFA, Tax

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Sources: LFA, Tax