

STATE FUNDING FOR EDUCATION

History of the Income Tax & State Funds Used to Appropriate Revenue



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June 2018

History of Income Tax in Utah

1930s to Today | Timeline of Creation & Use Provisions

Creation

- 1929 Study & 1930 Special Session
 - Tax Revision Commission & Legislative Tax Committee
 - Recommended Constitutional Amendment Implementing Tax on Income
 - Constitutional Amendment Placed to Voters
- Income Tax Act of 1931
 - Implemented the Income Tax
 - To be “Levied, Collected, & Paid Each Year”

Use

- Beginning: 1930
 - 75% of Income Tax to “District School Fund”
 - 25% to State General Fund
- Middle Years: 1931 to 1995
 - 1938 Creation of the Uniform School Fund
 - 1948 100% of Income Tax to K-12 Education
 - Early 1990s Attorney General Opinion
- Today: 1996
 - 1996 Constitutional Amendment
 - Income Tax to Support the Public and Higher Education Systems



Education Funds in Utah

Income Tax | Uniform School Fund

Creation

- 1938 Constitutional Amendment
 - Article X, Section 5
 - Broad-equalization Fund for Elementary & Secondary Schools
 - Accounts for All Corporate & Individual Income Tax Revenue
- Restricted to K-12 Education

Post-Education Fund

- Restricted Special Revenue Fund within the Education Fund
 - Appropriated to the Basic School Program
 - Receives Revenue From Multiple Sources
 - Unclaimed Property (Escheats)
 - Tax on Radioactive Waste Facilities
 - Basic Levy Revenue in Excess of Cost (Recapture)
 - Other Restricted Sources

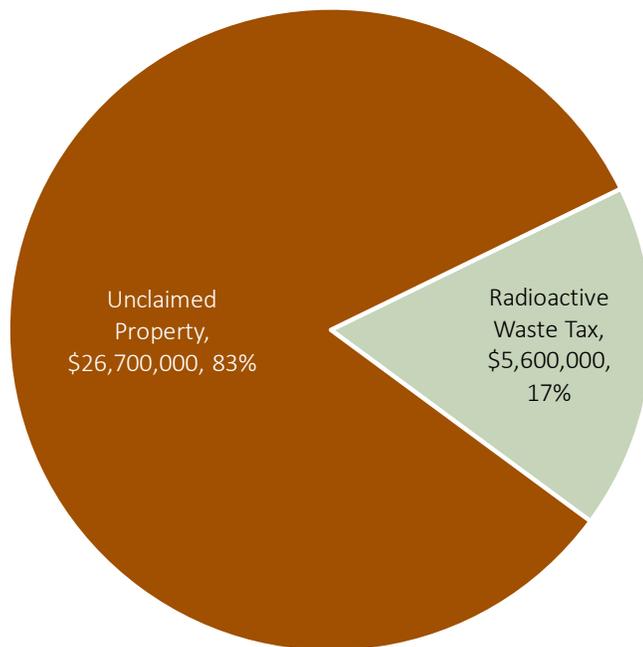


Uniform School Fund: Major Revenue Sources

FY 2019 Estimate
\$32.3 Million

Recapture Not Included in Revenue Estimate

- *FY18 Estimate = \$3.4 Million*



Education Funds in Utah

Income Tax | Education Fund

Need for Education Fund

- Simplify Appropriations
 - Appropriate Directly to Both Public & Higher Education
 - Higher Education: “Capture” Income Tax Before Deposit into Uniform School Fund
 - Public Education: Eliminate Transfer from Education Fund to Uniform School Fund
- Education Rainy Day Fund

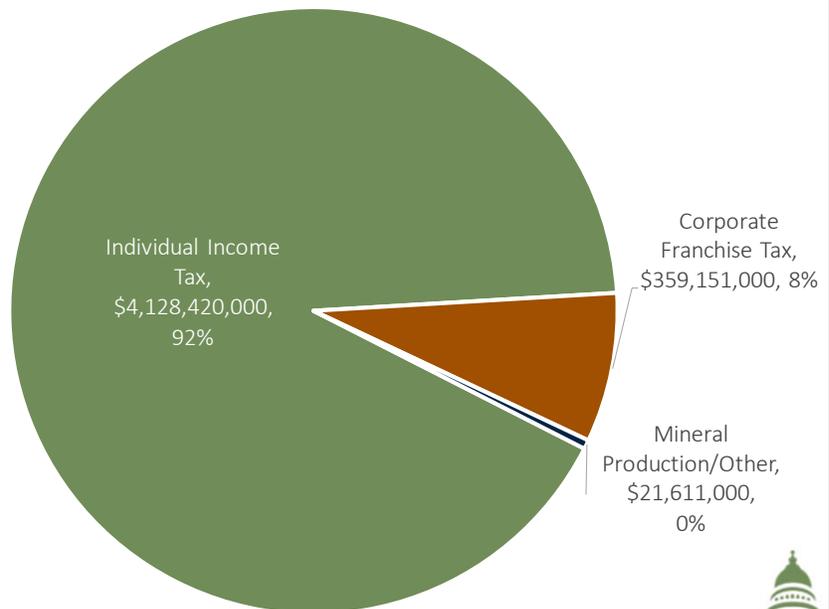
Creation

- 2006 Special Revenue Fund Created
 - Accounts for All Corporate & Individual Income Tax Revenue
 - Use Restricted to Support Public & Higher Education
 - Other State Agencies (in Support of PED or HED)
 - Tax Commission
 - Capital Facilities & Debt Service
 - Corrections



Education Fund: Major Revenue Sources

FY 2019 Estimate
\$4.5 Billion



Appropriations History: State Education Funds
 Education & Uniform School Funds
 Fiscal Years 2008 to 2019 Appropriated

Fiscal Year	Public Education	Higher Education		Other	Total	Higher Ed as % of Total
		Operations	Capital/Debt			
2008	2,599,935,408	761,426,700	128,084,300	116,823,700	3,606,270,108	24.7%
2009	2,453,559,086	272,469,800	72,432,400	20,470,700	2,818,931,986	12.2%
2010	2,297,225,986	255,562,400	40,932,400	36,625,200	2,630,345,986	11.3%
2011	2,333,350,000	236,639,000	47,432,000	36,803,000	2,654,224,000	10.7%
2012	2,419,433,000	252,159,000	38,736,000	36,164,000	2,746,492,000	10.6%
2013	2,542,386,000	431,552,000	80,411,000	37,711,000	3,092,060,000	16.6%
2014	2,663,650,000	427,235,000	97,301,000	39,081,000	3,227,267,000	16.3%
2015	2,781,140,000	534,917,000	169,597,000	48,258,000	3,533,912,000	19.9%
2016	2,955,203,000	717,309,000	209,911,000	43,217,000	3,925,640,000	23.6%
2017	3,163,828,000	644,698,000	170,162,000	44,538,000	4,023,226,000	20.3%
2018	3,366,665,000	769,997,000	124,222,000	22,222,000	4,283,106,000	20.9%
2019	3,576,021,300	814,920,000	199,574,000	22,701,000	4,613,216,300	22.0%



Education Fund in Higher Education
 1995 to 2019

