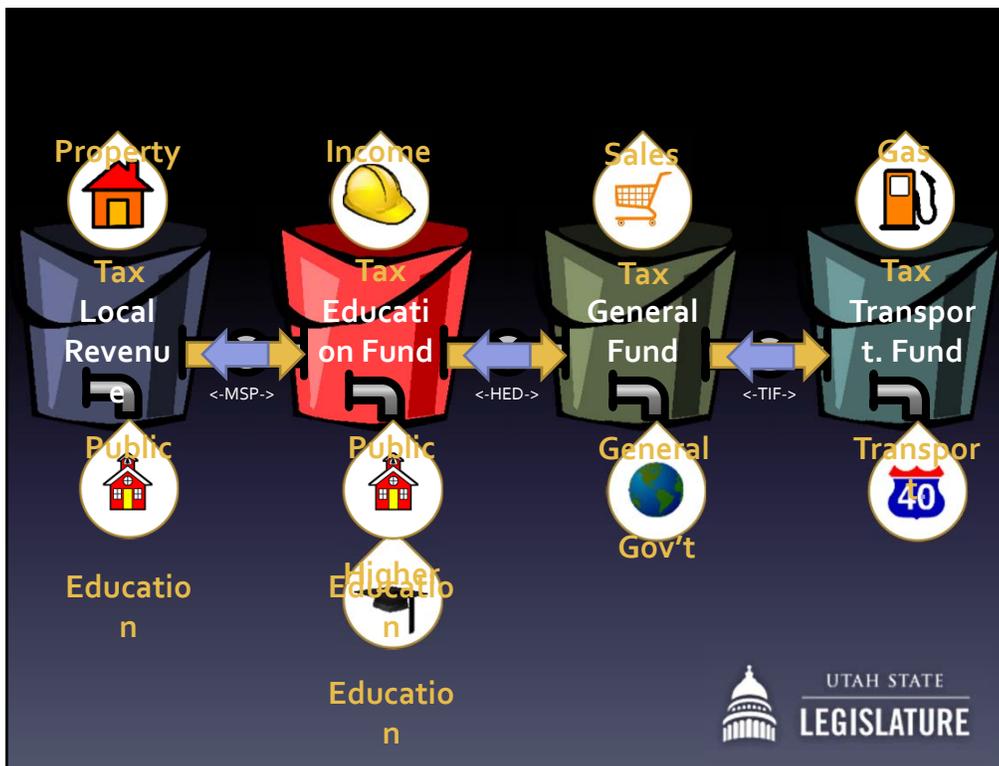


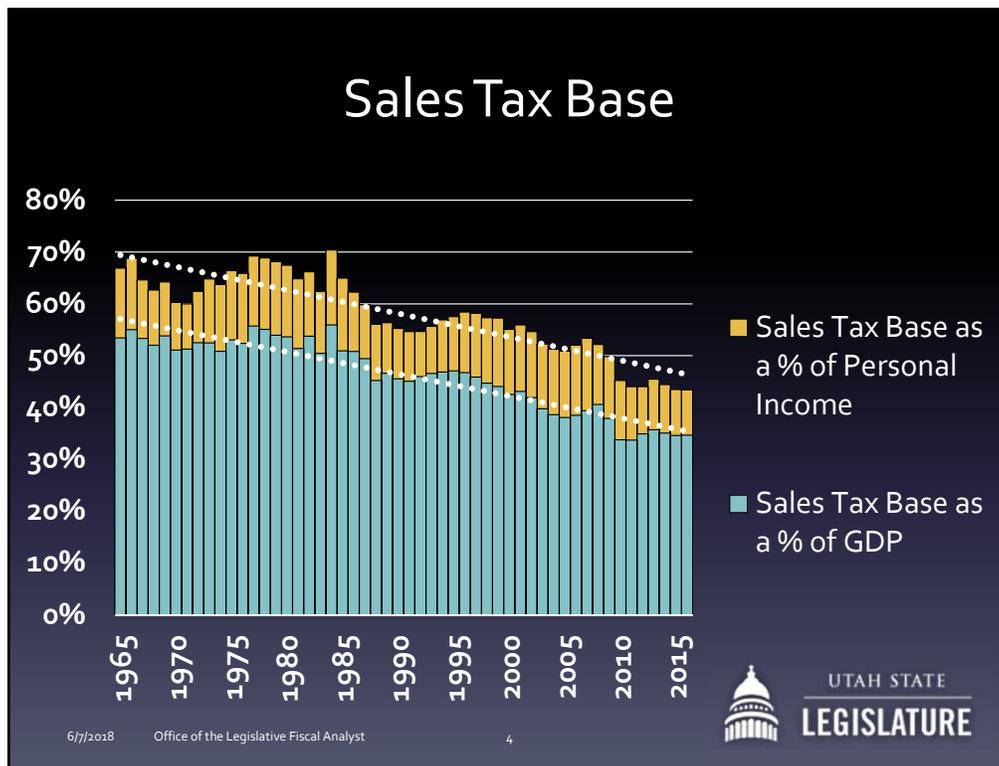
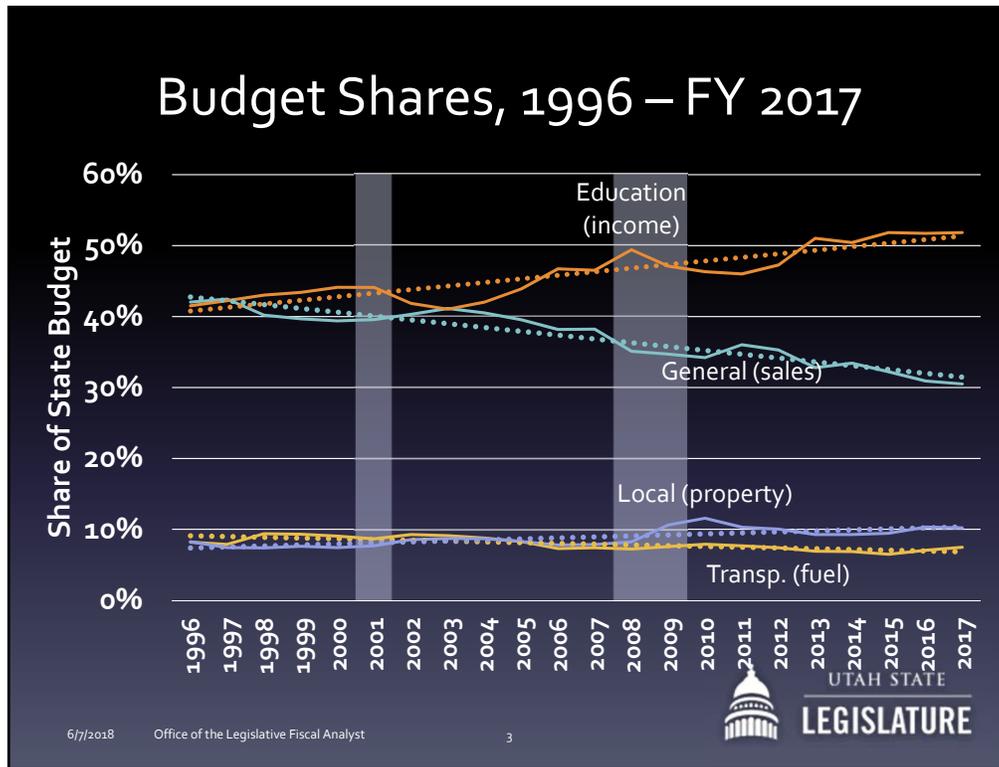


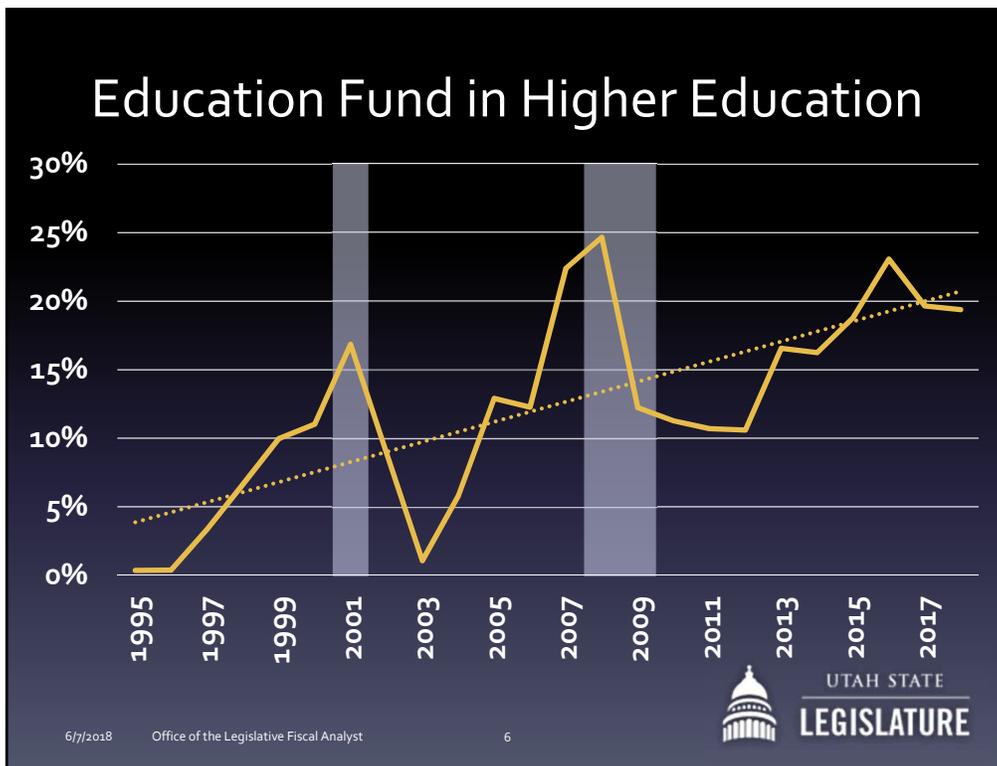
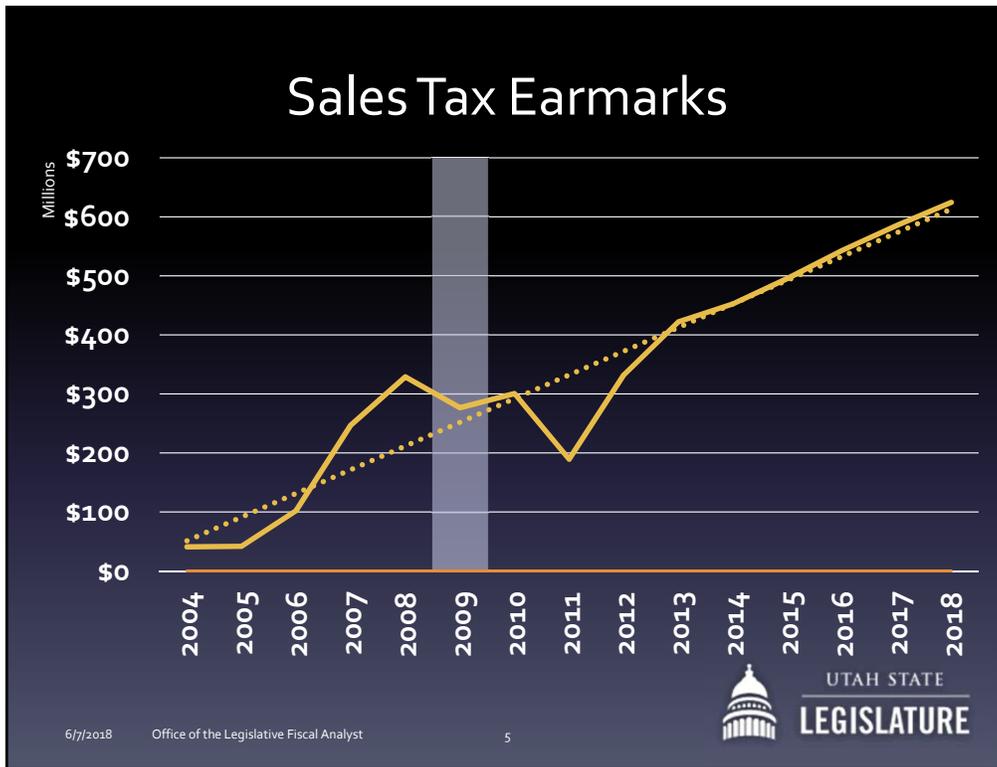
# TRUE Proposal

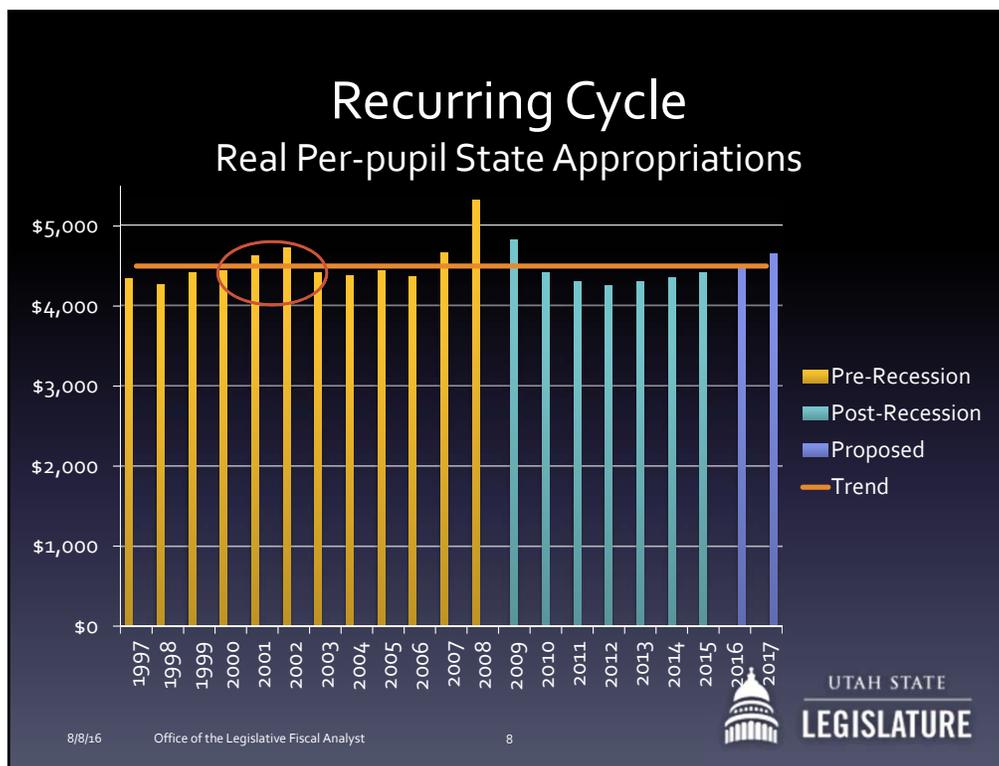
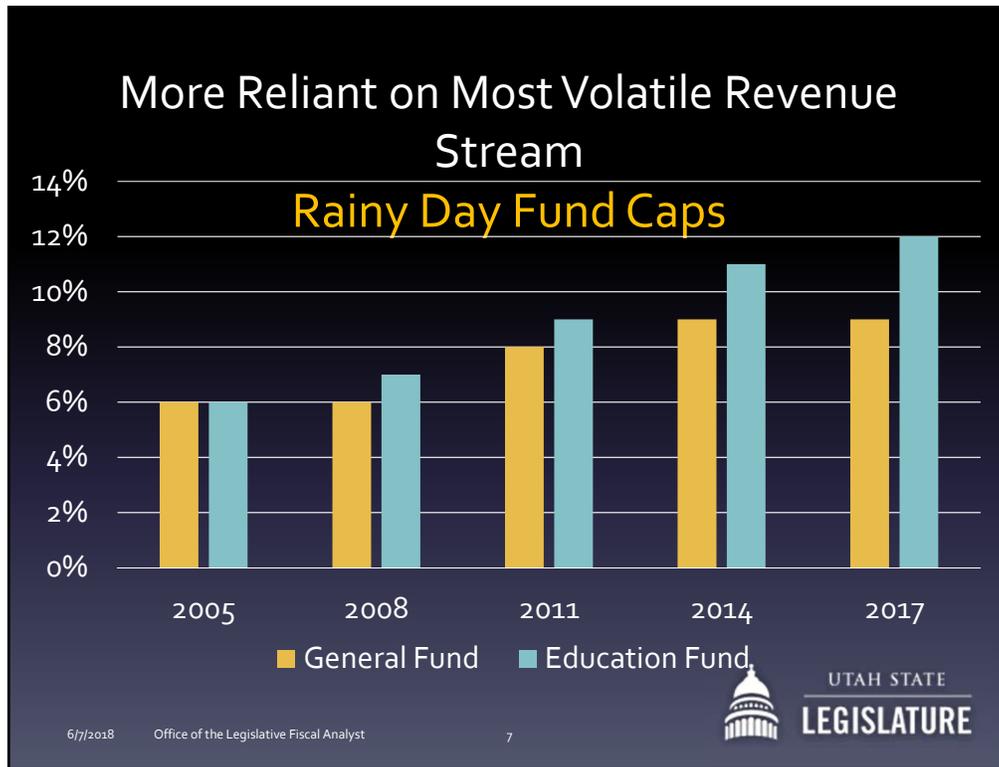
Tax Re-balancing for Utah Education

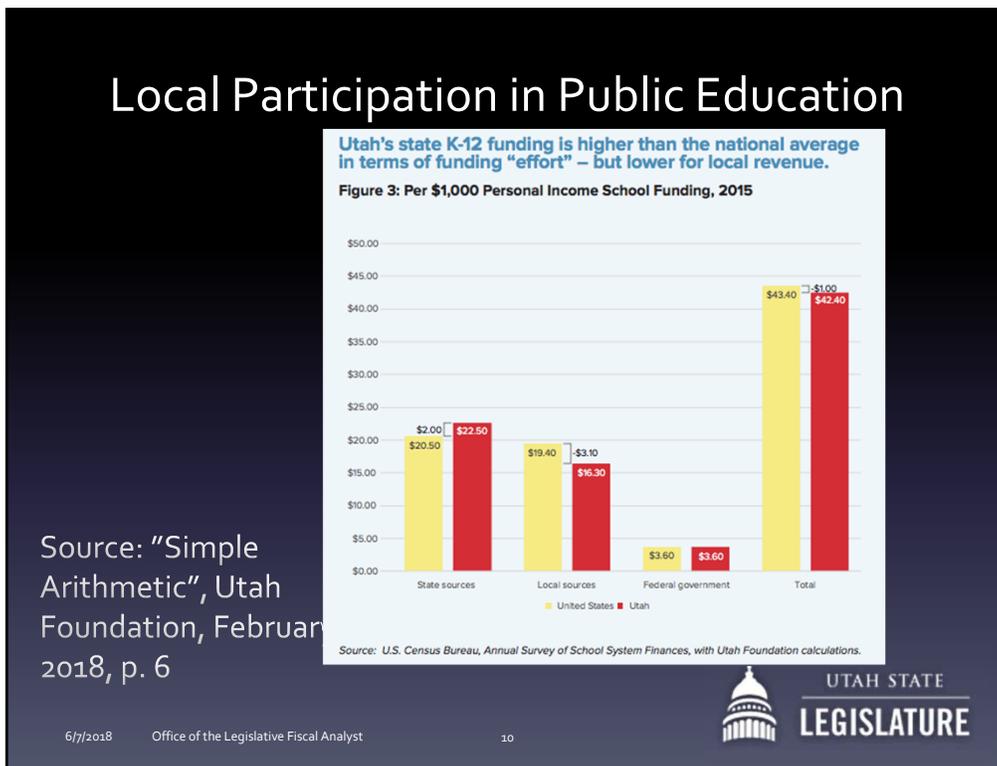
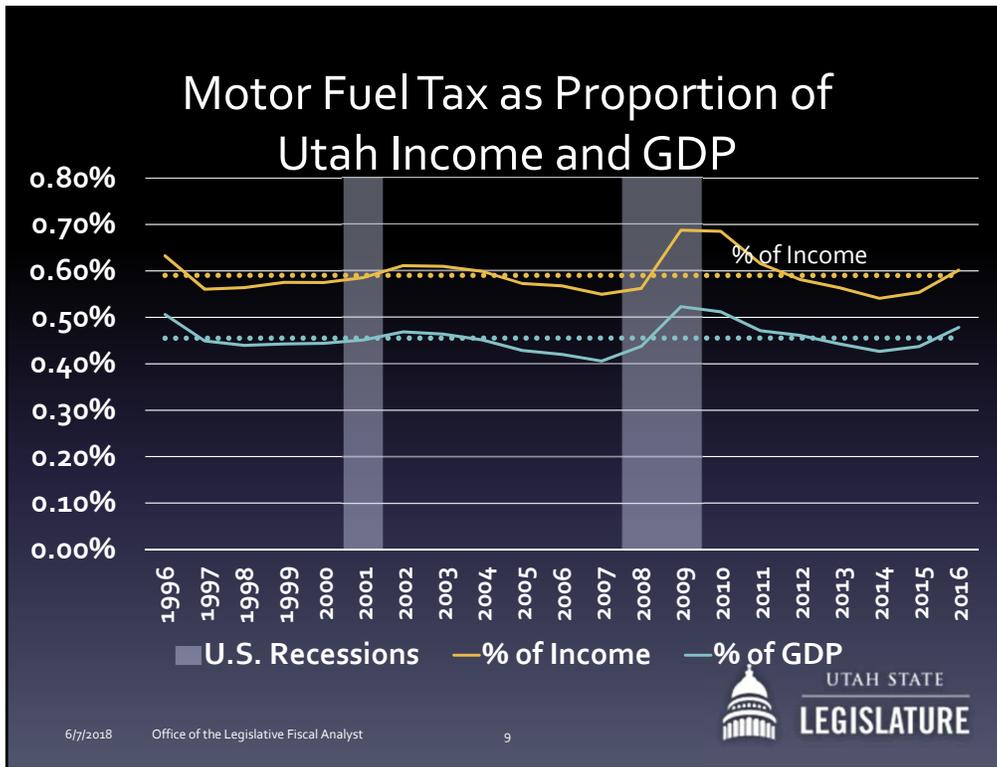
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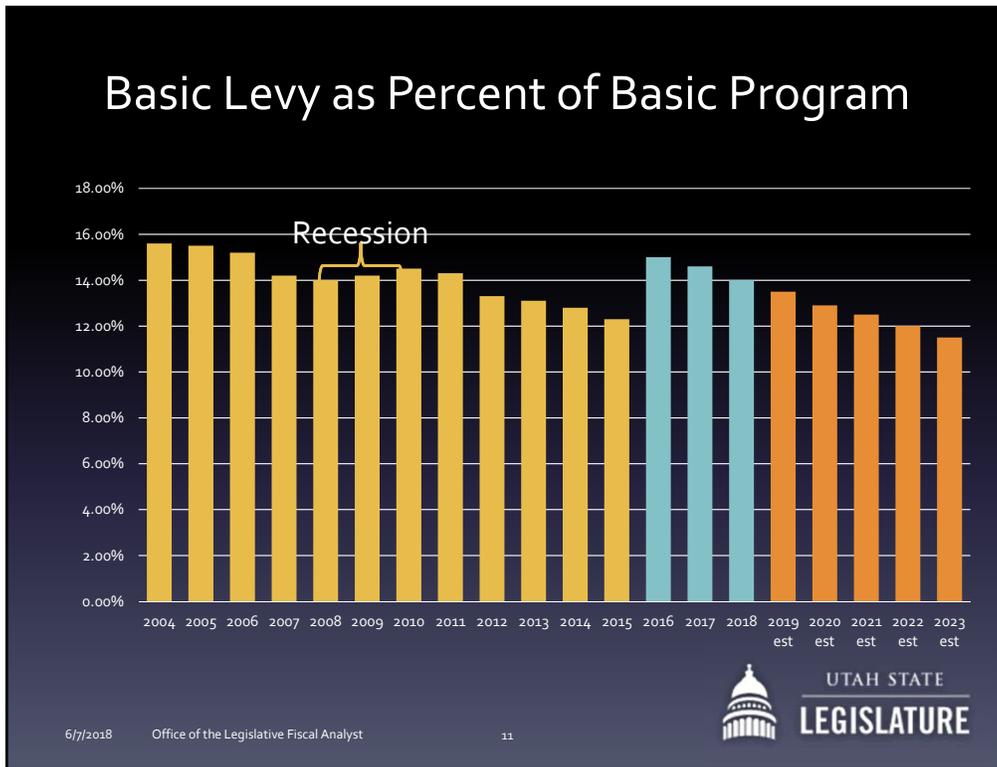












## Our Schools Now Initiative

- Increase Personal Income Tax Rate from 5% to 5.45%
- Increase State Sales Tax Rate from 4.7% to 5.15%

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# 2018 General Session

<p><b>Enrolled Copy</b> <span style="float: right;"><b>H.B. 293</b></span></p> <p>1 <b>TAX REBALANCING REVISIONS</b></p> <p>2 2018 GENERAL SESSION</p> <p>3 STATE OF UTAH</p> <p>4 <b>Chief Sponsor: Bradley G. Last</b></p> <p>5 Senate Sponsor: Lincoln Fillmore</p> <hr/> <p>7 <b>LONG TITLE</b></p> <p>8 <b>General Description:</b></p> <p>9 This bill amends and enacts provisions related to state and local taxes and revenues.</p> <p>10 <b>Highlighted Provisions:</b></p> <p>11 This bill:</p> <p>12 • amends and enacts defined terms for the Minimum School Program;</p> <p>13 • amends for a five-year period the calculation of the minimum basic local amount</p> <p>14 and minimum basic tax rate;</p> <p>15 • establishes the weighted pupil unit value tax rate;</p> <p>16 • establishes the equity pupil tax rate;</p> <p>17 • directs the Division of Finance to deposit an amount equal to the proceeds from:</p> <p>18 • the equity pupil tax rate into the Local Levy Growth Account; and</p> <p>19 • the weighted pupil unit value tax rate into the Teacher and Student Success</p>	<p><b>Enrolled Copy</b> <span style="float: right;"><b>H.J.R. 20</b></span></p> <p>1 <b>JOINT RESOLUTION SUBMITTING A QUESTION TO VOTERS</b></p> <p>2 2018 GENERAL SESSION</p> <p>3 STATE OF UTAH</p> <p>4 <b>Chief Sponsor: Rebecca P. Edwards</b></p> <p>5 Senate Sponsor: Lincoln Fillmore</p> <hr/> <p>7 <b>LONG TITLE</b></p> <p>8 <b>General Description:</b></p> <p>9 This joint resolution directs the lieutenant governor to present an opinion question to</p> <p>10 the legal voters of the state to determine whether the voters support an increase in</p> <p>11 motor and special fuel tax rates for public education and local roads.</p> <p>12 <b>Highlighted Provisions:</b></p> <p>13 This resolution:</p> <p>14 • pursuant to Title 36, Chapter 16b, Nonbinding Statewide Public Opinion Questions,</p> <p>15 directs the lieutenant governor to present an opinion question to the legal voters of</p> <p>16 the state to determine whether the voters support an increase in the motor and</p> <p>17 special fuel tax rates by an equivalent of 10 cents per gallon for public education</p> <p>18 and local roads; and</p> <p>19 • directs the lieutenant governor to submit the opinion question on the ballot for the</p>
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## What is TRUE v.2? Revenue Side:

- Income Tax:
  - Broaden base (Federal Tax Reform) [+\$80 m]
  - Lower rate (5% to 4.95%) [-\$53 m]
  - Apportion Corporate Income using Single Factor (Utah Sales) [~-\$28 m FY 22]
- Property Tax:
  - Set basic levy floor at 0.0016 for 5 years [+\$36 m]
  - Adjust levy upward for WPU value increases [+\$19 m]
  - Increase “circuit breaker” property tax relief for low-income homeowners [-\$0.2 m]
- Gas Tax:
  - Place opinion question on ballot
  - Potentially raise motor fuel taxes by 10 cents per gallon [~\$180 m in FY 20]
- Sales Tax: Potentially decrease roads earmarks [~\$125 m in FY 20]



## What is TRUE v.2? Spending Side:

- Public Education:
  - Typical effort from our expanding economy:
    - Formulaic Student Population Growth [\$36 m]
    - 2.5% WPU Value Increase [\$77 m]
    - 1.5% Below-the-line [\$46 m]
  - Property Tax Equalization [\$36 m]
  - Teacher and Student Success Account (via Flexible Allocation, WPU Distribution)
    - 1.5% WPU Equivalent from our expanding economy [\$46 m]
    - New revenue from basic levy indexing [\$19 m]
    - Potentially 56% of new revenue from future gas tax increases [~100 m FY 20]
- Higher Education: Potentially 14% of new revenue from gas tax increases [~\$25 m FY 20]
- B&C Roads: Potentially 30% of future gas tax increases [~\$55 m FY 20]

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UTAH STATE  
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## Known Unknowns 😊

- How will Student & Teacher Success \$ be distributed?
- Will gas tax opinion question pass?
- Will Legislature increase gas tax?
- What might be timing of gas tax increase?
- Will Legislature reduce earmarks?

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