



# Tax Restructuring and Equalization Task Force – Listening Phase Report

## Town Hall Meetings

The Tax Restructuring and Equalization Task Force traveled across the state to eight different locations on a listening tour this summer to hear directly from Utahns about the state’s tax code. Hundreds of individuals made significant efforts to attend, engage, comment and share their insights, ideas and perspectives with members of the task force.

Full video recordings of the town hall meetings are available on the legislature’s website at [le.utah.gov/asp/interim/Commit.asp?Year=2019&Com=TSKTRE](http://le.utah.gov/asp/interim/Commit.asp?Year=2019&Com=TSKTRE).

## Locations

June 25 – Brigham City

June 27 – Salt Lake

June 28 – Richfield

June 29 – St. George

July 8 – Layton

July 9 – Roosevelt

July 20 – Moab

July 30 – Orem

## Participants

An estimated 1,500 people attended the town halls.

The town hall meetings were moderated by Pat Jones, Greg Bell, and Greg Todd. Welcoming remarks were delivered by: Mayor Tyler Vincent, Mayor Jenny Wilson, Mayor David Ogden, Mayor Jon Pike, Mayor Scott Freitag, Council Member Larry Page, Mayor JR Bird,

Mayor Pro-Tem Tawny Knuteson-Boyd, and Council Member Mike Mendenhall.

## Public Feedback

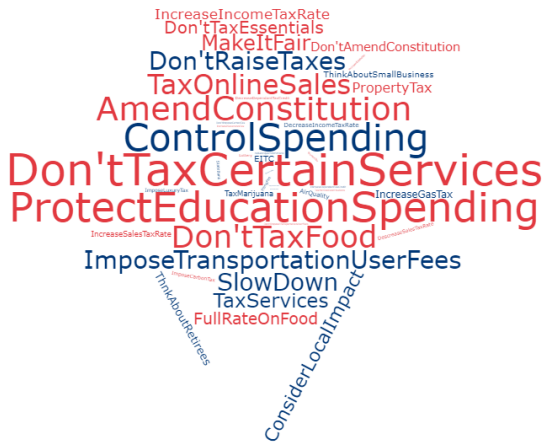
The town hall meetings provided several opportunities for public feedback. Attendees were able to speak with task force members and staff during the open house prior to the meeting, sign up to speak to the task force during the public comment portion of the meetings, fill out a question card to be asked during the Q&A portion of the meeting, and fill out a comment card to provide written feedback to the task force. Individuals are also able to provide feedback online through the task force website, [strongerfutures.utah.gov](http://strongerfutures.utah.gov).

At all the town hall meetings combined, the task force heard from approximately 200 people during public comment and received approximately 100 question cards and 150 comment cards.

The public comment and Q&A portions of the meetings are available to watch at the link above. For a listing of the comment cards received, please see Appendix A.

## Themes

Several themes emerged through the public feedback received by the task force. The word cloud below illustrates some of that feedback.



### Need for Change

A number of commenters did not see a need for change to the tax system and expressed a desire for the legislature to slow down in this process.

Others indicated they saw a need for change to the tax system, but had concerns about what the proper changes were. Several of those concerns are described below.

### Don't Raise Taxes

A common comment shared by both attendees and online commenters was opposition to tax increases.

This opposition to tax increases was also expressed by several members of the task force who indicated they do not intend to increase taxes.

### Spending

Many attendees and online commenters indicated they would like the state to control or limit spending.

Many other attendees and online commenters indicated they would like to increase spending on education, and others indicated a desire to increase infrastructure spending.

### Sales Tax on Services

Many attendees and commenters online expressed concerns about expanding sales tax to certain services, including concerns about tax pyramiding and increased costs for customers and businesses, especially small businesses. Several identified specific concerns they had with HB 441 from the 2019 General Session.

Task Force members indicated that HB 441 was not the starting point for their work to identify solutions to the challenges they have been asked to address.

There were also attendees and commenters who expressed support for expanding the sales tax base to include services at the final point of consumption.

### Constitutional Amendment

There was both considerable support for and opposition to a constitutional amendment to remove the income tax dedication for public and higher education.

### Transportation

Several commenters identified transportation user fees as a desirable solution to declining gas tax revenues available for transportation infrastructure. Some also expressed an interest in increased gas taxes to both fund transportation infrastructure and address air quality issues.

### Sales Tax on Food

Several attendees and online commenters expressed concerns about the impact on the poor of increasing the sales tax rate on unprepared food to the full rate.

Several also expressed increasing the rate on food as a stable way to broaden the sales tax base, with many advocating for tax credit or other benefit to offset the impact on the poor.

### Earned Income Tax Credit

A number of commenters expressed support for a Utah Earned Income Tax Credit to provide benefit to the working poor.

### Local Concerns

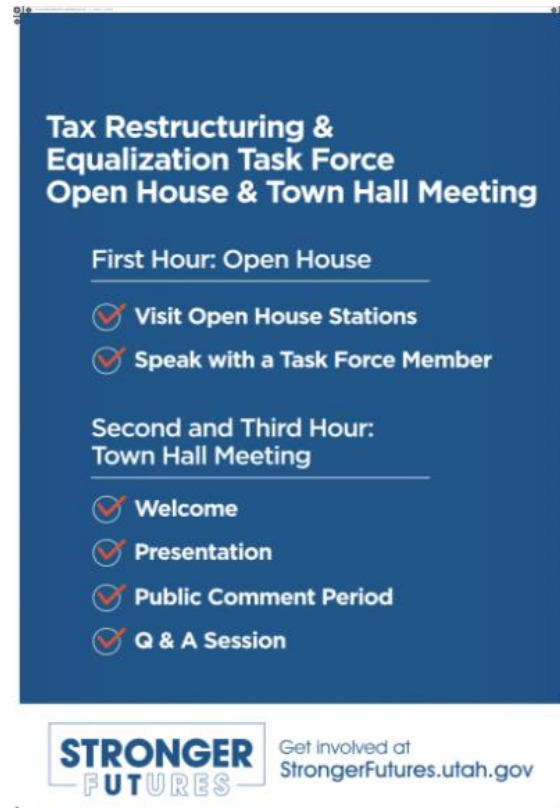
A common theme heard throughout the town halls and in submitted comments was the need for the legislature to consider the variety of local impacts any policy could have.

Many identified unique situations that communities face around the state including a declining extraction industry in the Uintah Basin, tourism concerns in destination towns, and agricultural concerns in the rural parts of the state.


### Town Hall Materials

The following materials were used during the Town Hall Open Houses.

### Station Banners




### What revenue restructuring options should we consider?




- Adjust existing tax rates
- Modify tax base
- Reduce services and investments
- Break down revenue silos

Your input is important




**STRONGER UT** Get involved at [StrongerFutures.utah.gov](http://StrongerFutures.utah.gov)

### Our outdated tax structure doesn't match our modern economy




There's an imbalance of designated money coming in and allocated money going out, causing the pillars to wobble



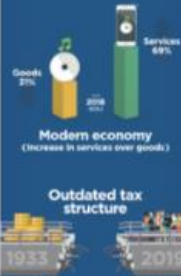
We need to fix the imbalance and stabilize our future funding

**STRONGER UT** Get involved at [StrongerFutures.utah.gov](http://StrongerFutures.utah.gov)

### Our state's budget is facing three general challenges



Population growth



Modern economy  
(Increase in services over goods)

Outdated tax structure

1933 vs 2019

**STRONGER UT** Get involved at [StrongerFutures.utah.gov](http://StrongerFutures.utah.gov)

# STRONGER FUTURES

Let's work together to find a solution.

Get involved at  
[StrongerFutures.utah.gov](http://StrongerFutures.utah.gov)



## How to provide input:

- 

**Speak to a task force member at the Open House**
- 

**Give input on a comment card**
- 

**Fill out a question card for the Q & A Session**
- 

**Sign up to speak today**  
(Public input period is limited to 45 minutes max.)
- 

**Visit [StrongerFutures.utah.gov](http://StrongerFutures.utah.gov) to fill out an online comment form**

Question/Comment Cards

# STRONGER FUTURES

## Question Card

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Name \_\_\_\_\_

Question \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Get involved at [StrongerFutures.utah.gov](http://StrongerFutures.utah.gov)

Flyer

**STRONGER  
FUTURES**

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### Utah's quality of life is facing three general challenges

**Population growth**

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**Modern economy**  
(Increase in services over goods)

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**Outdated tax structure**

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**23.8 BILLION**  
Property tax  
Local government  
Public education

**\$2.7 BILLION**  
Sales tax  
General government  
Public safety  
Social services  
Transportation  
Higher education

**24.6 BILLION**  
Income tax  
Education Fund  
Public education  
Higher education

**10.3 BILLION**  
Gas tax  
Transportation

### Our outdated tax structure doesn't match our modern economy

Today, there's an imbalance of designated money coming in and allocated money going out causing the pillars to weaken. We need to fix the imbalance and stabilize our future funding.

## What revenue restructuring options should we consider

?

Fill this effort to reduce taxes and restructure the state's funding imbalance, the following are four broad categories of potential options available to the Legislature. No decisions have been made, as these and all other options, or a combination of options, are being considered.

- **Adjust existing tax rates**  
This could include increasing or decreasing said tax rates (eg. sales tax, income tax, gas tax).
- **Reduce services and investments**  
This could include reducing government spending on general services, social services, roads, public safety, infrastructure, higher education.
- **Modify tax base**  
This could include increasing or decreasing the number of transactions, assets, activities, goods, or services subject to tax.
- **Break down revenue silos**  
This could include removing restrictions on how revenue sources are spent to allow for more flexibility.

Your input is important  
Get involved at [StrongerFutures.utah.gov](http://StrongerFutures.utah.gov)

## What revenue restructuring options should we consider ?

Provide Comments Below (Online comment form is available at [StrongerFutures.utah.gov](http://StrongerFutures.utah.gov))

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Get additional information

Name \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

Get involved at [StrongerFutures.utah.gov](http://StrongerFutures.utah.gov)

## Tax Restructuring & Equalization Task Force Process

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Collect public engagement and listening tour

Verify challenge and need

Explore and consider options

Analyze and refine options

Recommend restructuring pathway

### What tax reform options should we consider?

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- **Adjust existing tax rates**
- **Modify tax base**
- **Reduce services and investments**
- **Break down revenue silos**

Your input is important and informs the Legislature's considerations

Fill out a comment form at [StrongerFutures.utah.gov](http://StrongerFutures.utah.gov)

## Stronger Futures Website

In addition to town hall meetings, the legislature created the task force website, [strongerfutures.utah.gov](http://strongerfutures.utah.gov), to allow the public to learn about the task force, view the materials presented at the town hall meetings, and provide feedback.



There have been approximately 5,600 visits to the site and 190 comments submitted. For a listing of the online comments submitted, please see Appendix B.

## Next Steps

The task force is now moving into phase 2, the study phase, of the process where they will verify the challenge and need, and explore, analyze and refine policy options.

## Appendix A – Town Hall Comment Cards

<p>Please leave taxes alone. Use the money to help fund education, roads, etc. that need more money. Don't try to make some new system.</p>
<p>Enforcement of the Use Tax? Get better at what you have. Not A New Idea. Other states have decided "no." Not competitive with other states. Can't provide services across state lines (our competition is cheaper). Way too quick, come on, If it's a good idea, it will be a good idea in 2022 - Cost of enforcement?</p>
<p>None. Leave it alone. The strongest future that we have is to educate our young people.</p>
<p>I think we should add tax back on to food. It will go up as the population increases and you can help those who have the need. Other states have tried or looked at service taxes and it doesn't work and the [unkown] of the tax will be too difficult. Also, the Auditing will cost the state too much. We lowered taxes in 2009 because of the Recession by using New Technology and such to lower costs. Taxes are still going up and we need to continue to look at lowering costs. There will never be enough money for government. Priorities, Priorities, Priorities. Let's not try to do everything that people want takes too much money. Tax uber/lift rides into general tax (not our professional services) Final consumption our [?]. Don't change or try to change the income tax.</p>
<p>Please leave education alone. Students need a great education. We need to honor our promise to them.</p>
<p>Your vin diagram did not include Reduced spending. When we talk about Bear lake boat slips and 1.5 million for a Hatch library shouldn't a reduction in spending be looked at before new taxes</p>
<p>Sales taxes are now distributed locally (50% POS 50% Population - Maybe should change). How do you figure "Point of sales" for services where that point is not clear as product sales.</p>
<p>Are other states charging sales tax on services? Is there extra money in any of the silos? If services are taxed, would there be a differential between different types of levels of services?</p>
<p>What goes into services? Are healthcare and education included? If they are removed, what does the comparison between goods and services look like? What has the inflation rate in education spending been since they were given the appropriation in 1997 that has handcuffed the legislators? this isn't a revenue problem, as revenue has been growing... It is what the legislators can do with the money, correct? We have budget surpluses</p>
<p>My wife is a small business owner who runs a small Pilates studio. It was our feeling that this sales tax reform was being ramrodded through the legislature. Isn't this something that should be voted on by the general population? Can our legislators pass a sales tax reform without a public vote?</p>

<p>Services tax, are services being categorized? What % of the population has a stake in the system? How are we prioritizing essential services and infrastructure?</p>
<p>Utah has been very supportive of Local Businesses. How will this affect the interstate competitive posture of those local businesses? I think poorly.</p>
<p>1. How does controlling spending and eliminating waste factor in to this proposal? 2. How does new revenue add in to the grand plan... more people, more business=more revenue.</p>
<p>NO Service Sales Tax. NO Utah State Property Tax. YES to curtailing out-of-control spending. YES to Amending the State Constitution (if really needed). YES to simple "Tax and Credit" solution.</p>
<p>I am a 6th grade teacher, not a tax expert, but I know that whatever solution you choose to implement, it must be one that allows for continued growth and improvement of Utah's public schools. Please keep your promises to our kids. Thank you for all you do.</p>
<p>1. Restore fully the tax on food and restore the full sales tax on residential energy. A. WIC, food stamps, etc. do not pay sales tax. B. Supplement a grocery tax credit on voucher system for low income filers. 2. Amend the Constitution to allow income tax to be spent on education and the poor. 3. Implement a General Fund Transfer Credit on each tax filing. Each filer pays an amount \$300 for example, that is listed on a line on the return that gives to the general fund and they receive a corresponding credit off their income tax liability.</p>
<p>No Sales Taxes! These reduce spending. Tax on Non-working/Idle Capital + Cash. Support for small/local business. Why are the refreshment from Costco and not from a local small business?</p>
<p>Please quit taking money from Public Ed. You are Always taking from the needs of education for other projects. Education covers many of the social issues needed to be addressed.</p>
<p>Be as animated as Legislators to reduce costs and save money as you are to find more ways to get money from people.</p>
<p>Sales Tax on everything Amazon or whatever company etc. On food and clothing is the only fare tax everyone has to pay.</p>
<p>1. Do away with the unfair flat tax. The well to do can afford to pay more and should. 2. Eliminate sales tax on groceries. This punishes the working poor. 3. Do away with sales taxes on liquor 89% mark up is sufficient [sic] w/tax it's 95% mark up.</p>
<p>U.T.A. Personnel get paid way to much. UTAH has way to much tax and tax the rich don't pay why</p>



I am one of those people who believes that if we want services and adequate infrastructure, we need to be willing to pay taxes for it. On the other hand, we are often too willing to give large tax breaks to big businesses that may be thinking of moving here. We are also missing a tremendous amount of sales taxes because many online sales are not charged sales tax. But as a retired person I'm also faced with ever increasing prices that are more accurately reflected in COLA increases to SS and retirement pay. Utah is one of only about 13 states that still tax social security and retirement pay. Can this be cut completely or at least by a considerable percentage?

Propose a Constitutional Amendment that eliminates Education monopoly on the income tax!

Our air quality would be better if so many people would use their legs instead of sitting at drive thru so long with engines running waiting on dinner. At the schools all so they have placed the checkpoints and parents let the car run so it make the bad air go up.

We have many unsafe and out of code buildings in our school districts that teachers and students spend their days in. There are updates that would make our schools safer from intruders, asbestos, electrical issues, etc. Additionally, Teacher pay is lower than the national average. Furthermore, student funding is lowest in the nation. Also our technology in our schools are behind and not accessible for all our technology in our schools are behind and not accessible for all learners. With the constant growth in technology and funds being distributed elsewhere, our students aren't being prepared to compete or resolve these issues. WHY!???! would we consider misappropriating education funds elsewhere when we KNOW that we need to address these problems.

May I suggest that the commission start the conversation at each location with more of a financial background of the state. I did not feel that the case was adequately made for change in the system. Taxes should be on the table, but only after every other way has been vetted. Be creative and think outside the box.

There are many worthy causes that put demands on our state taxes. Education is the foundation of our current condition and will determine our future. An educated society will be able to find solutions to current and future problems. Continue a solid funding system for public education.

Please slow down and be careful in making any changes. I am against a tax on services and believe it would put businesses in our state at a competitive disadvantage. Please wait at least until the Wayfair decision plays out. One member of the task force said we don't have any idea the impact this will have on sales tax revenue = WAIT. I support a great reduction in welfare! I believe that reagonomics has proven itself, but the pendulum seems to be swinging the other way.

If you, as a task force, are determined to remain tax neutral, it would seem that removing the "silo" obstacles that preclude allocating money to where it is most needed without jeopardizing our marginally funded education program.

If there is no net change in tax revenue as a result of the change, why make the change? Utah is a great place for businesses, because there is no tax on services and minimal taxes on businesses. A tax on service industries will put those businesses at an unfair disadvantage against other businesses out of state. If a tax on service industries is enacted, our business is prepared to move our business out of the state in order to stay competitive with out competitors across the nation and avoid putting a tax on our clients who work out of state. Most service industries, including ours, are fortunate if they can make 12% profit on their services. A 3% tax equates to a 25% reduction in profitability for service industries. This means a 25% reduction in a companies ability to reinvest in their business, this is bad for Utah businesses and families.

1. Internet sales tax Netflix tax?. 2. Electric vehicle tax. Look at the areas where we used to get taxes, and find ways to collect in to what they are now. People are still spending = sales has not gone down.

UDOT Mileage Tax. Sales tax is the only fare tax on amazon, etc. all then everyone is paying. Car registration.

Fair, simplified, broad taxes. Lower rates over a broad range. I understand the complexities for small businesses to begin charging for, accounting for, and paying the taxes. I struggled as a small service business to do paperwork and being the "every man." In the end it was the demise of my business as I opted to shut down and work for someone else. However, I do believe fairness would be to require everyone to charge and pay smaller tax. Find a way to help the small business owner do it, or get help. Why should single people ultimately pay more taxes creating inequality? My brother and I made the same gross but my take home was \$10,000 a year less. I cannot afford a home on that difference. My dollar should be worth just as much.

Sales and Service taxes are highly regressive and will most seriously affect the poor and those least able to pay. The state should implement progressive taxes, such as a luxury tax, to make up funding short falls. Broad taxes which will hit the lower class disproportionately will not solve the funding issues for general governmental expenses in the long term.

Lower the tax incentives given to large businesses. Taxing basic services like childcare, medical visits, and dental visits will greatly affect lower income populations.

#### How to Fund Public Ed.

Pursue sales tax on electronic goods and internet sales. (like streaming, on-line software, e-books, music, etc.). Charge enough registration fee on electric and hybrid vehicles to replace the lost gasoline tax on those vehicles. Consider converting vehicle registration fees back to value-based rather than age-based.

Reduce state spending! No to service tax. I represent HOA's in Utah: 670,000 homeowners in 3,320 association a service tax would increase association dues/assessments and could jeopardize these associations.

We changed the constitution to allocate income tax to education. Change the constitution again to allow income tax to fund the general fund/supplement sales tax and gas tax. All taxes go in to the general fund.

Internet sales tax should be the first revenue source considered as it would be paid by those with the most expendable income. No to tax on services! A service tax would hit retirees and elderly the hardest because they are most dependent on service providers for household repair, yard maintenance and other tasks easily accomplished by a younger person.

Adjusting sales tax rates spreads the burden to all. Taxing services will hit seniors, especially widows very hard. They simply cannot perform labors around their homes. They see more doctors, dentists, hospitals, therapists, etc. Taxing services does not make UTAH friendly to business nor retirees. Think again before you over burden this class of retired individuals. Southern UTAH is quite different from Northern UTAH.

The answer is never more taxes! The answer is for people to provide for themselves! Less government is always better.

Not taxing social security income.

If you are going to tax services start with non-essentials like tattoos, manicure, auto detailing, hair coloring, pool cleaning, etc. Don't tax essential services such as estate planning, tax preparation, collision repair, haircuts, medical, shoe repair, child care, home repairs, etc.

If Utah is short on tax revenue why couldn't we tax all of the money leaving Utah that is going to Mexico, Honduras etc. That would be money going to Our economic rather than sent away.

I am very pleased to see the state taking on this issue. I agree that the current structure is out of date. Of the four options outlined I would like to see a combination of changes. Namely, modify the tax base and breakdown revenue silos.

I am against modifying the tax base. Taxes should not be imposed on services which include real estate transactions. Our young first time home buyers have such a hard time qualifying for a mortgage. As an agent [unknown] has already taken my write offs.

Break down revenue silos.

Constitutional Amendment to permit more flexibility in use of revenue regardless of source - which seems to be the direct issue.

Wy can't we have value added tax.

I support the Utah constitution as is, and oppose any attempt to share or dismantle the income tax Fund. Please, please do not invade the income tax fund as was done in 1996. Income tax was originally established in Utah for the sole purpose of funding public education. Public education must remain the State's top priority. Consider adjusting existing tax rates. Do Not invade income tax again. I support considering a fair and balanced approach to the tax structure imbalance. The top priority should be public education.

Over the past 20 years, the states total revenue has increased from 4.4 billion to 13.5 billion. That is a 208% increase. The states total expenditures has gone from 3.98 billion to 13.3 billion, an increase of 235%. We should change spending to be in line with revenue. Taking the top off the income tax silo also makes sense to give more flexibility to our lawmakers. We shouldn't hurt Utah business with additional taxes on services.

I am very concerned about the expanded bureaucracy it will take to administer the proposed sales tax on services. People have a hard time paying for some services such as tax preparation.

Please commit to having a public review of whatever tax bills the legislature would like to pass before they are passed and not trying to ram them through at the last minute.

Eliminate state income tax on Veteran's pensions. This would only decrease income tax revenue by 0.43%. But vets spending most of their savings would increase revenue for other taxes such as sales and fuel. Thus the net change to total revenue would only be -0.14%. Furthermore, not taxing veteran's pensions would attract more vets to stay in and move to Utah. This increase in economic activity would actually increase total revenue while creating a better balance between income tax and sales tax revenues. Add an annual tax on electric vehicles to replace their gas tax.

St. George Mayor "welcome"

You really have us with our hands held behind our backs. There is really no way to us as private citizens to defend ourselves against such a staked committee. You've got us! The numbers will really make us victims!!

Yes we need industries that will deal with scrap worn out rubber tires. There are technologies being developed to convert the carbon chain of rubber tires as a mixture in diesel fuel. Also we need industries that recycle plastic common products mill containers etc. There are technologies that provide a steam machine resulting in plastic recycled into clean oil [unknown] refinement of oil.

Abandon the effort to tax services. Eliminate the two, and adopt one uniform tax on the sales of all goods at the rate required to meet demand - presumedly around 4%. Carry out the taxing of internet sales so fairness exists.

We need an entire new approach to taxation - every tax we have is based on outdated models - Sales Tax is highly regressive. Gas taxes don't consider efficiency or environmental friendly vehicles (including the increase in bike lanes or trails attached to the roads). Taxing services is not the right answer. The problem is we are used to hiding taxes and use the nickel and dime approach to taxes - The question how to provide a decent, steady funding stream - remove the restrictions from constitution for education funding that guarantee a good portion for education - stop providing multi-million dollar tax breaks to profitable companies, we need incentives but some incentives go too far. I am willing to participate in any process or committee that needs further citizen involvement.

None. We are spending too fast. Sales tax is growing just not fast enough for some. Sales tax on food - no. Property tax levy - No. Income tax earmark - No. Prof services - No. Idaho Bldg Fee?

Don't raise taxes, just bring a state lottery! Privatize liquor system. Legalize pot. Other states are successfully funding projects and budgets this way.

Equipment use tax is punitive to manufacturing businesses. The real estate broker sitting next to me pays use tax on a laptop while we have to pay use tax on expensive manufacturing equipment. He employs 1 person, himself. We employ 8 people and most likely at this stage of the business net a lot less money than him. Use tax needs to go away altogether We already made a large investment on equipment. We shouldn't have to pay to use our own equipment.

Because revenue sources change over time, flexibility is need on how revenues are allocated to the different budget needs. Most silos need to be removed. However, we should strive to align the services or infrastructure costs with a tax most closely associated with them, if possible. For example, roads and funding for transportation should be funded with fuel taxes. All users of roads and transportation, residents, businesses with vehicles, trucking companies, visitors, will be paying for the use of roads through the fuel taxes. This can't be done in many cases, but it should be done when possible. As more people use electric transportation - increase fees on electric vehicles to make up for loss of fuel tax, or require a toll on rental cars and truckers. Small businesses are the driver of growth in our economy. The greater the burden that is placed on small business, the less likely they will succeed and hire the people that will be paying income sales and property taxes. Exempt small business below a certain revenue threshold from sales tax. Try to keep the playing field even. Don't put Utah businesses at a disadvantage to other states. Tax more internet services - the playing field is still unequal - local brick and mortar businesses are still at a big disadvantage. Tax wind and solar - make the playing field more even with gas and coal and oil. See severance, exists we shouldn't subsidies wind and solar. They already get federal exemptions.

1- Grow public education investments in student success. 2- Provide suitable resources for all students. 3- Attract and retain highly qualified teachers. Article X of the Utah State constitution places the responsibility to support and fund public education - creating a binary choice between education funded by income tax and the general fund is implying a false choice - this feels like a message designed to garner support for a constitutional amendment - very disappointing.

Increase tax on extractive services - oil, natural gas

When will our Government return to operating our state as a system similar to a non-profit charitable organization, instead of for profit business. Most legislators are business people that only understand how to make money from citizens and not "serve" the people. Thank you.

By doing nothing last year the State receive a 1 Billion dollar surpluses from income tax. While this money cannot be used to fund state needs, the .8 Billion that comes from property tax could be used by the state. Then you could use the 1 Billion to replace that. No new taxes. People have already paid and this could continue each year. Taxing services will be the worst thing you could do for Utah's economy.

Local Option Sales Tax consequences - to political subdivisions. From transportation taxes (aka "quarters"), tourism taxes, etc. Please keep in mind how those local govt entities may experience unintended consequences to shifting mechanisms. Please, please, please build in an automatic adjustment for inflation w/in the Certified Tax Rate. Income and Sales taxes already take in to account inflation, but school districts, special service districts, and counties get labelled as tax increasers just when wanting to increase a rate in order to not lose the value of a \$ due to inflation.

NO to taxing services. This will significantly impact Utahns and businesses in a seriously negative way. It will impose a large compliance burden that will seriously impact many small service providers. There are many other options. First though, accountability in spending needs to be implemented. There are ways to stop spending unnecessary funds. While Utah does decent, it can still improve, and that should be the 1st option. Next Wayfair and the other tax bill should run for 2 year to see how they impact the 'problem'. Finally, there are plenty of options that do not create serious burdens and that do not drive business from the state, such as using the surplus for education and switching property taxes to state funds. A full review of these issues is at [www.austinepworthlaw.com/blog](http://www.austinepworthlaw.com/blog)

Sales tax on services is a good idea as long as there is an exemption for business to business services, similar to the deduction/credits given to small retailers who buy from wholesalers for goods. This would make it so small businesses who outsource services can still have market share with those who do in-house and allow them to survive and domicile in UT.

Having grown up in Hawaii, where there is a gross excise tax assessed on everything from rental income to services, I feel that it is important that rentals, including Airbnb's, be included. Arizona also assesses a sales tax/occupancy tax on rentals. If Utah is going to lower the sales tax rate but charge it against more things like lawn cutting, haircuts, professional services, housing should not be excluded.

From the information provided it appears a combination of changes are needed to rebalance how taxes are collected and used. Can income tax use be modified to address other needs? Can sales tax collection (base) and use be modified to equalize the demand on the dollars and increase collection? As a city official, I am concerned that cities are held harmless to avoid unintended swings in revenue that cause winners and losers. I feel that the distribution formula 50/50 should be maintained so that city bonding and other financing issues aren't negatively impacted. For example, individuals sales tax bond rating recently raised the AA- to AA+. Partially due to the tax distribution formula that kept revenue consistent and less volatile.

I believe there are three key points. 1- Full and Comprehensive Restructure 2- Spending Evaluation with Budget Cuts 3- Accountability specially in the income tax silo.

Possible solutions: examine sales tax structure on food. Close tax and fee loopholes - for example registering trailers in Idaho instead of in Utah (mentioned during comments). Sales tax on streaming services and ride sharing and taxis. Examine exemptions. Income tax filing fee (mentioned during comments). More priority emphasis on collection of TRT and sales taxes. I know of 3 local hotels who are not paying their full TRT (based on sales tax) As far as I know, the local govt's are left to audit and enforce submission. Sales taxes on membership based marketing businesses (pyramid structures). Additional local sales tax options - let locals decide if they want different taxes. Thank you!!

If the state needs more taxes we should increase existing tax rates in all areas: sales tax, income tax, and gas tax. But we need to also, at the same time, decrease spending proportionally; especially in the areas of air quality and public transportation that don't really improve and just add monumental costs to the state. Do not modify tax base because the extra government to enforce audit etc. will be astronomical. Also do not bread down silos.



I think the most fair way to grow the states tax base is to increase sales tax on goods, it is fair because those who have more money also buy more and more expensive goods - food, clothes, cars, toys (boats, cabins, homes, etc.). Do not modify tax base to include services as the governing, and government agency, to enforce, audit, and control it would grow the government hugely. Air quality concerns and public transportation do not really improve no matter how much money we throw at them... especially in rural Utah. (Outside of the Ogden to Utah county corridor). Gas tax can also increase and is a fair tax distribution.

1- The current funding sources are adequate to meet the needs of the state. More sources to manage would create further unnecessary cost. Manage what is in place. Increasing the burden on business to collect and remit the sales tax is harmful to the economy. Sales tax is a regressive tax to business activity. 2- The cost to administer the proposed sales tax base expansion will be a costly and inefficient burden to any economy and the taxpaying citizens. 3- Less government is what I support. 4- I am a CPA in public practice for over 30 years. I am also the finance director for a local business that has operated in the Uintah Basin for over 60 years. I appreciate the opportunity to become better informed.

1. Stop waste and corruption. Surprise Audits you don't have a revenue problem - it's a spending problem. 2. Stop supporting special interest, entitlements. 3. New facilities don't need to be an architects work of art. Functionality rather than fancy - streamline. 4. If you are going to tax services, you need to make the service provider exempt from sales tax on materials and tools purchased to complete the work. No stacked taxes. 5. No special exemptions -(including medication sales) "Fairness." Insurance, barber/hairdresser, delivery companies, realtors, auto mechanics, etc.

If we need money so badly, just start the lottery and send all the money to the schools.

1-Reducing the size of government. 2- Protections need to be put in place to keep the general fund from ballooning out of control. California had the best roads in the U.S. until they broke the Silo that funded transportation and put it into the general fund. Now roads are terrible. 3- If sales tax is not distributed evenly enough, why not get rid of it and replace it with an income tax?

No new taxes. Cut spending!

Royalties - on what the extraction industries pull out of the ground. All states around us change Royalties besides leasing the land. The federal lands in Utah have royalties paid to the feds from what is pulled out of that land. The feds give 1/2 of that to Utah. That brings in about 160 million \$ a year! Since you are looking at broadening the base I'd say now is the time to start changing royalties.

As a voter who would support making some changes to the tax code to alter sales tax, I'm concerned plans is being put forth to take advantage of the restructuring to "cut taxes" in ways that can't help but cut services; what are reasons these types of cuts are anything more than politically expedient.

1. Wayfair - Not so Fast. The increase in tax collections from implementation of the South Dakota v. Wayfair decision needs to be addressed first before Utah considers any changes to our sales tax system. Don't do anything with sales tax until we understand the revenues from Wayfair. 2. Transportation - Legislature's Inaction. one of the cited reasons for sales tax reform was funding for transportation needs. Utah has a low gas tax (California 55.2 cents, Washington 49.4 cents) and ours needs to be much higher. it is only fair to tax gas for transportation, not sales tax. The legislature should have been raising the gas tax over the past decade. no one would have cared if the tax had increased up 1 or 2 cents per year to get to the desired/needed amount. Increase gas tax, which will now be a bigger increase per year, and don't listen to the critics. Also, not sure why the change in methodology; it should be based on a gallon, not a percentage of wholesale price. 3. What's Taxed?? - Wholesale. It is not clear to me what would have been taxed in the business process. If a business provides a "service" to another business which is incorporated into a final consumer service or end product, it does not seem right to tax these "wholesale" type "services." We don't want to have a future variation of a value added tax. 4. let's See Some Real Life Numbers. I am not convinced that for my personal spending that I will not be seeing a tax increase. For future discussion after the impact of Wayfair, let's see some detailed real life situations to show the existing sales tax burden and a proposed tax burden for the exact same yearly spending. Sorry, I cannot just take the word spin as fact. 5. Tax Creep. The public doesn't trust the legislature when they spring a proposal and try to cram it down our throats in two weeks. After the impact of Wayfair, do it right over a year's time. We need more information and details of how it would work and what the safeguards are for the taxpayer. It seemed like it was only going to be on a few services, but the fear is that the recent proposal would allow government to turn the tap whenever they want more money by taxing more services and increasing the rate.

1) Status Quo - our tax system isn't broken. 2)NO - sales tax on service. 3) No - State Property Tax. 4) If there is a "Allocation" - Utilize a "Tax and credit" solution on Utah Tax Forms. Virtually no implementation cost and a true zero impact on Utah taxpayers.

Start Small. Tax the services that are product like. 1) software. 2) Downloads. 3) Streaming. Etc. See where that gets then expand an needed starting w/luxury services like massages, saunas, etc.

1. Put sales tax back on food. It grows with the population. Protect the poor by enacting an Earned income Credit. 2. Study to cost of all current sales tax deductions/ exemptions. Do a cost benefit analysis.

Change it so that all the money doesn't go to education. Cut education expenses back to k-12 only. I know this will cause grief among people who want subsidized college, but it is the preferred solution to myself and my husband.

1. Service tax on business federal contractors will make competitive bidding impossible (too expensive). 2. How will revenue for awarded contracts and task orders performed in Utah be treated? (contract rates didn't include potential service tax fees). 3. How will bids (submitted proposals) be treated when awarded after service tax laws begin - if the bids/proposals were submitted poor too?

Whatever you do, please stop taxing social security income.

I think public school staff should be closely evaluated. Cut pay to administrative personnel and cut the number of administrative personnel AND increase teacher paychecks.

50% Nominal Income Tax Rate on incomes over 10,000,000.00. Toll Roads to pay to maintain highway infrastructure. Stop subsidizing water let the price reflect the true cost.

Legislate that shipping providers, such as UPS/FEDEX, etc, collect sales tax on products sold online. The common thread for online, or Ecommerce is central to shipping the goods. As a supplier contract with a shipper for delivery, a fee is paid to the provider. This is the point of taxation where sales tax could be collected. Please do not tax services to Funeral home providers. These consumers are not engaged out of a choice they have. Like a baby being born, caring for a deceased loved one is a vital necessity that should not be taxed. When a consumer chooses funeral merchandise, they have choice on the amount to spend. There are not as many choice options in the services provided. our federal government felt it important enough at one time to allocate a Death Benefit to all Social Security recipients. Let's not no tax vital services provided by death care service entities.

Why change and add taxes. Change the rates!

We need sustainable and growing education revenue sources. If we want our students to have a high level of education we need to be willing to fund smaller class sizes, increasing emotional and behavioral support staff and facilitate better mentoring to create the type of teachers who can impact student success. Quality education for all students should be a priority in state funding.

As a tax paying representative of the Utah Funeral Directors Association, UFDA I strongly oppose a sales tax on services, especially upon services that one must rely upon others to receive. Funeral services generally cannot be done on their own. The loss of a loved one has a significant impact upon those left behind. Taxing funeral services will only lead to more challenges and negatively impact a surviving family member. Taxing services will lead to a disastrous outcome. Where does this taxation stop? How do you score services and the tax valuation given?

Why do we waste money on a convoluted tax structure that lacks transparency in favor of complication? It's time to simplify. Every service/good that the state of Utah desires to provide should have a clear and concise path from taxpayer to tax receiver. Education should be funded by an education tax.

Transportation/Highways --> Transportation/Highway tax. Medical Care --> Medical care tax... and nothing else.

It is past time to consider toll roads. The attempt in South Ogden has been successful and can be a model. It is a common practice in many areas of the country. The public has a demonstrated interest in providing increased funds for public education. It should be held harmless.

The option I do not want to be considered would be to modify the tax base. I am a funeral director with Lindquist Mortuary and a board member of the Utah Funeral Directors Association. Modifying the tax base would drastically affect the funeral profession in the state. Currently, families experiencing the loss of a loved one are paying taxes on the goods we provide - casket, vault, programs, flowers, etc. Sometimes taxes on goods alone reach \$200, 300, or even \$400. With the average cost of services being close to \$5000, a tax on those services would be a considerable added burden to those families! Not only will this add additional hardship to grieving families, it could change the trends and economy of the funeral profession. Families explore other methods of disposition that are less traditional.

As a special education teacher of 20 yrs, I am only 1/2 to retirement and yet am one of the few teachers I work with w/my level of experience. My job is joyful, rewarding, incredibly taxing, (no pun intended) and one where sufficient training and experience can be vital. As a life-long republican and experienced delegate, I have seen the forces pushing for lower taxes consistently fight w/the need to provide vital funds to Public Education to allow the retention of experienced teachers and the provision of a quality education to every child. Although my conservative neighbors and community have said year after year that they value public education, It has not seemed that our legislatures over the years have been as consistent/willing to fund it. Please take this opportunity to not only modernize our tax code but to build in funding mechanisms that ensures long term funding for public education that is adequate, stable, and which dynamically grows w/the # of students.

There were many great ideas shared. We cannot take fund from our schools and higher ed, our teachers are at a breaking point, we expect way too much work and don't pay enough. We need to find replacements for sales and gas taxes. Ideas I liked are the Public Banking system used in ND, instating a lottery, finding ways to NOT exempt tech industries from paying their fair share, tax political campaign contributions, find ways to tax e-commerce. One other source of income not considered which seems to be producing lots of money for some states is the taxing legal recreational sales of marijuana.

1. Tax and Credit option: this structure is already in place; the amount can be adjusted easily depending on need. 2. Constitutional amendment: it is irresponsible to not address this: it's not just the outdated tax structure to be addressed, the outdated Constitutional amendment must be addressed.

Taxpayer Fee with offsetting credit. 100% compliance simple proven constitutional. Reinstate Food tax w/guardrails to prevent regression on low income. Constitutional Amendment w/guardrails for education.

Public Banking! This system will give both the legislature and our private sector much more room to breathe and function. Please find ample information and guidance on best practices for implementation of public banking @ [www.publicbankinginstitute.org](http://www.publicbankinginstitute.org)!

Teachers need to be payed more, and one person shouldn't be looking after over 30 kids. We spend so much on education, and yet teachers get paid so little, to the point where a lot of homes have both parents working, making it harder on the children and their future.

State estate tax. Would be better than a tax on services... I'm a Financial advisor with a lot of friends who are Real Estate agents. Logistically, a service tax will really be a tax to the business. Thus subjecting business to even more taxes. Start taxing large estates upon death. Multi millionaires can pay more taxes on the estate upon death.

I am a teacher in Grand County. Utah has the lowest per pupil spending in the entire nation. It is imperative that we do not, in any way, shape, or form, cut state funding for education. Our country, and our state, is only as strong as our children, and we have to invest in them. As a parent with three small children and in a national teaching shortage, Utah cannot afford to make itself a barren land for educators and families. I am concerned about all of the tax restructuring options because there will always be countless unforeseen consequences of a change this significant. Take the time to do this right. I am talking YEARS. Let's think of our grandchildren as the marker.

For maintaining the up keep of transportation should be related to transportation needs. Tolling roads would help improve those heavily used roads and not put a strain on rural roads. Big businesses should not get tax breaks, but should feel pride in contributing in the community they are based. Investing in education, making it a place for teacher to come and teach, will better educate the youth for the future. That future will decrease the prison population because they had teacher that cared. The teacher care because they will have smaller class size to know each students.

There was an article in the Times Independent, June 13, 2019, "Utah Legislative Watch" by Brett Hastings. His main point was that Utah does not need to "blaze the trail" on taxing service. I wholeheartedly agree with his 3 main arguments that 1) taxing service is unneeded, 2) it is inefficient, 3) hard to manage. Please cut spending and resist the urge to tax everything. Note as it applies to Moab specifically: we are a tourist/service based economy. As the cost of tourism increases, through increased taxes on services, are we shooting ourselves in the foot?

We need to decrease growth - change is desperately need[ed] - Clean Air is the crisis - charge a gas tax on all internet sales - transportation - and raise income tax on rich - we raised it to 70% for WWII - this change for sustainability requires investment - every community needs recycling investment.

1) keep the budget balanced! 2) Limit taxes (my husband is many years older than I am. No kids. Basics matter but "pretty" does NOT. 3) I vote.

Take Utah land back form the federal government. Lease it, develop it, sell it, utilize it, and tax it. Utah's property and utilization tax base is low because so much of Utah's land is occupied, managed and under utilized by the Federal Government

It seems like it's never enough. When income taxes were instituted federally around the turn of the 20th century, they were extremely low and applied only to a small minority of the national population. Since that time, they have exploded, both in terms of tax rates and individuals who pay. And now, in a similar context, here we are again. The government doesn't have enough. When will it ever have enough? When will it stop demanding more, more, more?

Please don't increase Medicare to full coverage for everyone. The medical empire charges more because "insurance will cover it". Many people take advantage of this free service. The medical field needs to be more open on their costs. People can become better and wiser consumers. I have seen family members - men - not commit to their family because the state will pay for it. I have a friend who has so much income that she could pay for her own medical needs. But she goes to the doctor for small needs I would never go to the doctor for because she is old enough for Medicare to pay for it.

1) Amend constitution to allow 25% of income tax to go to the general fund. 2) raise current sales tax by 1% 3) do not tax services

You should tax political donations at the same rate as sales tax. That will be fair to all. Do not have a special session. This is too important to rush through a one day special session.

I am from Delta - a physician, and have been here for 21 years - traveling to Delta for 21 years for outreach clinics. I am very opposed to the 3.1% tax on cosmetic surgery: 1) my patients are middle class, not wealthy - many are moms - very concerned of post childbirth changes - the other group are weight loss patients - both are so incredibly grateful for life changing surgeries. The tax will take this away from many - many others will simply go to other states - not great to pinpoint this group!

We should not reduce costs on providing services to the lower income in society. As it is, it is very difficult for them to know how and where to go to apply for the assistance and programs that they need. We need to have friendly employees at the job service locations who can help the people who are suffering - rather than to simple tell them to "go log onto the website". Why would a person go in person if they could just log onto the computer. We need to offer real help.

Increasing gas tax to discourage use of gas guzzling and polluting vehicles seems to make sense to me. Charging sales tax on the price people pay to have their income tax returns prepared doesn't make sense to me. It seems like that would cause people to dislike the whole tax system even more. I like the idea of Idaho's Grocery Tax Credit.

The Utah Fair Tax - per mile registration tax instead of toll roads.

Legislators and Senators of Utah legislature PLEASE make the necessary constitutional change so that funds can/may be moved from/to/between income tax funds and sales tax funds.

Better manage existing revenue. Change constitution to allow income tax to go to other services -no tagging on of other crap. No new taxes.

Based on what was shared this is in no way a crisis as positioned by proponents for the special legislative session. This should wait and not be done immediately. It sounds like you all should be looking to cut costs and disallow cities/county/state from issuing economic development rebates while fixing your transportation budget.

Controlling healthcare and housing costs are ongoing problems with legislative efforts aimed at attempting to control or reduce these costs. Earlier proposals included taxing both of these areas. I can't begin to understand the logic of trying to reduce these two areas while at the same time adding a new tax.

It would be a terrible decision to implement a tax on attorney services. The tax would only create another barrier to prevent and make it harder for people to access the legal system. As a divorce attorney, oftentimes I represent those wrongfully (or rightfully) accused of committing domestic violence. These situations open several cases and are very expensive. I represent people during the worst times in their lives. Taxing attorney fees would only be instituting a missing tax for Utah residents.



## Appendix B – Online Comments

I hope this task force takes their time and does not try to rush anything. It is important to look holistically and consider unintended consequences. I was opposed to HB441 as written and am happy so far with the current process. Here are a few major issues not resolved in the HB441 legislation as written (these need to be addressed by the task force): 1) How do we avoid a tax on a tax on a tax for services (sales tax has historically been paid by end users of a product. How do we determine who the end user is on a service?)? 2) those selling goods typically do so from a fixed location (one tax rate to worry about), while many providing services are mobile (need to worry about multiple tax rates depending on where service is provided; cost of compliance could be high for small service-based businesses). 3) not every community/county has an even mix of service and sales businesses. This may affect rural areas of the state much different than urban areas. 4) assessing out-of-state service providers to ensure in-state businesses are competing on an even playing field (do we really think that all service providers in other states/countries will actually collect and remit a tax on services?) I am also generally concerned that once a new avenue for taxation is established that any reductions would be short term. I'd be more in favor of expanding taxes on consumption/transference if we eliminate personal property taxes and income taxes (those who consume more pay more).

Dear Legislators, I would like to ask you to please consider some of the needs of public education when you are making decision about the the 2.7 billion surplus tax dollars. Also, important to mention is the increased sales taxes from online purchases that will increase revenue. It was mentioned at the meeting that there was enough revenue to meet the needs in Utah. I have listed a few of the needs that are not met. Public education needs more support. · Aide Time - I teach first grade and it is important to listen to these students read one on one with an adult. This year, I had an aide for 5-20 minutes every third day. This is not enough time to listen to all my students read. Teaching students to read is a big job. Please support funding for aides to be in the classroom for a least an hour a day. · Full Time School Counselors and Social Workers- Students with trauma backgrounds do not have part time problems. We were fortunate to have a social worker full time this year with grant money. It made the world of difference for four of my first grade students with anxiety, trauma, and other issues. We need this every year. · Full Time Nurses - Some students daily health issues. This year we lost our principal, secretary, and custodian. They were all trained to help our school nurse with our diabetic students. We were left without help for them when the nurse was not there. We only have a nurse on Friday. Diabetes along with other health issues do not occur once a week. · Full Time Special Education Teachers - One special education teacher I know is being asked to go part time or seek another job. She has 20 special education students. They need a lot more help in learning than a regular education students. These teachers help give small group and individual help to students that cannot get that extra help from the regular education teacher. · iPads - We only have 10 iPads to share between 60 students. A class set would be nice. If we had 28, then we could come up with a schedule for each of the three first grade classes to have a daily turn. 10 just doesn't work well for classroom with 20 or more students. Thank you for taking the time to listen.

Please do not expand the tax categories. My real concern is that the catchy mantra being touted by the political tax advocates, "lower the rate expand the base" is very shortsighted (or outright dishonest) and paves the way to "raise the rate" in the future after the base has been expanded. I am requesting that the politicians advocating for tax expansion \*openly\* explain how this won't result in a big tax increase in the expanded categories by a future legislature that decides they want more tax revenues. This is real concern and politicians seem to know it but are glossing over any specific answer. Is anyone listening and can they comment?"

A different take....Can we reduce the need for services? I am the Utah Program Director for the VITA program, Volunteer Income Tax Assistance. Volunteers provide over 20,000 free tax returns per year in Utah. AARP delivers another 6,000. Though our primary goal is to deliver free taxes to low, low moderate income clients, one of our secondary goals is to hit a target number of clients receiving Earned Income Tax Credit or EITC. Utah could have less of a demand on services if we had a state EITC as being discussed in the IGP project. Utah could also reduce services needed with a push for our citizens to utilize the Federal EITC. We rank 48th in the nation for EITC participation. One of four Utah citizens eligible does not claim or receive EITC. I have been involved in the VITA program for 15 years and believe those missing EITC are those below the filing threshold. They make so little that they are not required to file taxes so miss out on Federal EITC. Head of Household with dependents and make less than \$18,000? Aren't required to file. Single making less than \$12,000? Aren't required to file. Married with dependents making less than \$24,000? Aren't required to file. That single person could get up to \$500 on EITC, the Head of Household and married couples could be losing \$3,000 or \$4,000. A lot of money is not coming to the people who are hurting the most thus requiring more services because of their lack of funds.

I attended your open house last night and I have a few comments. First, I agree with one of the people that spoke regarding your "unbiased" moderator who stated the system was broken. That does set the tone right at the start. Then during the meeting several of you said the system was not broken but not equipped to handle future needs. Second regarding the gas tax. Have you considered going back to a tax on the value of vehicles? It's not fair that someone that drives a \$100,000+ Tesla pays the same "fee" as someone that drives a new Ford Focus. If you tax on the value of the vehicles then everyone will pay even the alternative fuel vehicles. Along the same line cut the credits to alternative fuel vehicles. It may be helping the air in a small way but they still have rubber tires and use electricity or natural gas. There is still impact. Why would you give my hard-earned tax money to someone that purchases more expensive vehicles than I drive? They pay nothing in gas tax and get some a portion of mine! Third look at all the special tax credits you are providing. Why give someone money towards solar energy? If they purchase electricity from a company they pay sales tax. If they generate their own they not only don't pay tax but you're giving them some of my hard-earned tax money as a reward. That makes no sense. Let the utility companies manage solar energy. Or let the market handle it. If it's such a great deal people will still get it. Again you're giving my money to someone to pay nothing in. Look at the enterprise zone credit. It's providing thousands of dollars in credit to companies that would purchase the equipment anyway. Fourth let's talk about sales tax. You stated that you have no idea what the Wayfair decision will generate in tax revenue. I know that I have not stopped purchasing

goods. I have changed the way I purchase them. And yes I declare that on my state income tax return. I would wager that you also have no idea how much service revenue is generated in the state and how much sales tax that would bring in. I would like to see those projections. I agreed with a comment last night to bring back the sales tax on food and give low income families a break through WIC or similar. As you make your argument that sales tax isn't what it used to be are you considering that you recently discontinued taxing the one thing everyone has to buy locally? Fifth regarding breaking into that \"bulging income tax\" silo. If you really are not going to cut education spending then why does this rule bother you so much? The money comes in and the money goes out. Apparently it is sufficiently funding what it is meant to fund. That fact should eliminate your angst regarding future growth in families and education needs. I don't understand why you need to raid it unless you're planning to cut some education funds and divert the funding elsewhere. Last I agree with the comments regarding slowing down. This is for the long term. There is no need to rush into it without knowing the impact of the new sales tax revenues or analysis of service revenue in the state. Send out some actual monetary analysis. You may be surprised that most of us will understand it. We may not agree with where you spend it but we understand. A PS note - privatizing prisons UTA and other services is not the same as reducing big government. Although you don't have the employees you are sending my hard-earned tax dollars out to private or pseudo private companies where there is no transparency. "

I am vehemently opposed to taxing services. Any tax reform that includes taxation of services is a non-starter for me. I am OK with changing income taxes so they can be spent on programs/services other than education. I know the plan is to be \"revenue neutral\", but given the legislature's blatant disregard for the will of the people (i.e.: passed ballot initiatives changed), I do not trust that it will actually be the case. My preference would be for the task force to say, \"Hey we have and will have plenty of revenue as-is so let's just make sure we make wise spending decisions to make sure we stay within budget.\""

The state does not have a revenue problem. It has a spending problem! Instead of expanding services and increasing taxes, cut back on programs and spending! It is not the role of the government to do 90% of what it is doing.

Please don't harm the Education Fund. I can see that our failure to collect sales tax on internet sales for a decade has hurt the general fund, and the sales tax needs fixing. But the income tax isn't broken, and as my dad used to say, \"If it ain't broke don't fix it\" The 1998 and 2007 rounds of tax reform have cost the public schools and students of Utah a billion dollars a year so you can see why I'm nervous. Utah has the lowest per-pupil spending in the country. In my district that means huge class sizes. The kids that need extra help don't get it. The schools need a stable reliable funding source. Please don't mess it up.

For the upcoming tax reform discussions, I strongly urge the task force proceed with the following principles in mind: - Sales tax should be applied by default to every service provided - NO EXCEPTIONS - An income tax decrease should be enacted to offset the expected increases from a broadly-applied sales tax structure - The constitutional restriction on using income tax revenues for public education should be left intact Thank you for your time.

We need to broaden the tax base. I am not opposed to more taxes on more services and goods. I also think more fuel taxes would be good - I would like our state to lead the way in a greener economy. Please, with the tax reform, undo the damage that has been done to

Utah's education spending (last in per-pupil spending) by siphoning money from its accounts to transportation and more. We need to have a solid investment in education, or we will continue barely above water in our schools. Thank you.

I like the idea to cut government services and modify the tax rates. We could also change the income taxes to not only pay for education but allocate a percentage toward the government general fund.

I strongly believe that the reformed tax structure needs to include both an immediate and long term funding plan to adequately fund K-12 public education. This plan should include dedicated funds that are guaranteed to K-12 education and cannot be used for other projects or programs. There would be sufficient funds for K-12 education if Higher Ed was still required to be funded through the general fund. Utah needs to show its commitment to children and families by providing sufficient funding to reduce class size, increase teacher pay and preparation time, and provide social/emotional supports to our students.

Cut taxes, especially property taxes and sales taxes. Since Mike McKee wants a railroad, let the oil companies pay for it, not the mineral lease monies which should be used to benefit the tax payers. Besides, it puts lots of truck drivers and trucking companies out of business. We don't want a dirty railroad in the area.

Not all medical professionals are listed as exempt in original house bill. Why are some exempt and some not? We are all licensed by DOPL, because we get a majority of our income through insurance claims we can not increase our rates to pay for service tax. I would like to see all medical professionals represented equally in bill.

I wanted to speak, but the slots were full at the meeting in Salt Lake County at 6:40 when I tried to sign up. As a 26 year career educator, the public education budget is important to me. I have watched for years as changes to the tax structure, including allowing higher education access to income tax revenue and moving to a flat income tax rate, have been detrimental to public education. Educators were told that when the economy improved, education funding would increase. I recognize that the legislature has made increases the last few years. As you consider a plan for tax reform, keep the promise of increasing public education funding.

I am still not in favor of taxing services of the self employed when the entire State of Utah income tax goes to education which currently has a surplus and the counties are proposing additional bonds which would raise the property tax when there is a state surplus. Now Utah wants to add an income tax to just the self employed who offer services. Please explain the logic and justification?

I went to the meeting in Kearns this evening. It was a very well run meeting. I couldn't stay to the end, but I was impressed with how smoothly it went. I also appreciated the hand raise rather than the raucous applause which so often happens at these types of meetings. Well done! I would like to make a couple of comments. First, I don't think we know that the impact is going to be of the new sales tax on internet sales. We should wait to make any major changes to the tax structure until we know the full impact of this change. Second, a comment was made by Senator Bramble about paying sales taxes on items, such as music, which was previously taxed and is now purchased via the internet without taxation. If there is a way that we can determine which merchandise was previously taxed and now is not, we

should go after that revenue first. I think as new services become available, generally via the internet, that should be the primary focus of new taxes. You are going to struggle taxing existing services, no matter what they are. That was evident from the comments made this evening. If there are new services just coming into existence, that is where it would be appropriate to impose new sales taxes. That may be more difficult to figure out, but I think it should be investigated as an option. If it was taxed before the invention of accessing services via the internet, then it should be taxed going forward. If there are new services coming online, which were not present previously, that is also a good option to assign sales taxes going forward. That's my two-bits. Thank for reading, if anyone does.

I encourage the repeal of the State's current tax on retirees Social Security benefit payments. Since payroll taxes including Social Security contributions were originally collected on the payers wages back when they were first earned, taxing their benefit payments again during retirement amounts to double taxation which is prohibited by the Constitution. Utah is one of a handful of States that have ignored this and still attempt to levy taxes on these benefits.

My concern is how the tax reform proposal to tax service based businesses would negatively affect smaller communities that are more dependent on traditional transactions. There has been talk in legislations in the past of not allowing transfers from enterprise funds to the general fund, that combined with this current proposed tax reform could have huge negative affects on smaller communities and the ability to fund programs in the general fund- public safety being one of those programs.

We have plenty of money in our state with how things are presently done. You are elected to stand up against the political answers and fire. Thank you for your service. Find a way to give Education what they need and have access to use the rest for the General Fund. You don't need to expand government, create new and difficult things to enforce. We don't need more money. I agree on the access to it. Put forth the solutions necessary under a system that is generating enough tax revenue in total for our state. I could argue in totality it's even too much as it is.

My concern is the tax burden on retirees on a fixed income. I strongly encourage removing the state tax on social security. I believe the sales tax and use taxes on services is much more fair and equitable.

I understand we need to shore up our tax laws to prepare us for future growth and opportunity in Utah. I am concerned that we are simply looking for ways to broaden the tax base, and not discussing how spending will be held accountable with this increase. We currently have a surplus and yet here we are asking for more money. I would love to see rules put in place that keep our legislators in check when it comes to spending the current, and future, budgets. We seem to run our state coffers in a way that no one would run their home finances and that is frankly scary and irresponsible. I am lucky enough to have a good paying job and feel that the large amount of taxes I pay to this state are filling the wrong pockets (UTA, for example) when I could do much better myself with that money. Stop ignoring current problems to only focus on the future and be sure that smart tax growth includes smart tax spending

I'm very disappointed that our tax dollars would be used on this propaganda campaign to try to convince us that Utah's tax system is broken in some way. Isn't the primary purpose of

the Tax Reform Task Force to study the issue and \verify the challenge and need?\ " Rather than taking public comment to verify if a need exists and the scope of the need the Task Force pushing a narrative that a huge problem exists and we must take drastic measures to solve it. The Task Force should abandon or at least modify the slick propaganda campaign and focus on the foundational question; \ "is Utah\'s tax system broken or outdated and if so how serious is the problem?\ " As I look at the data the only legitimate issue is an allocation/flexibility issue. However this can be fixed with relatively simple solutions that do not require a massive reform of Utah tax policy that would devastate Utah\'s economy render Utah businesses noncompetitive and needlessly impose even greater tax burdens on Utah families. "

I have my own BOLD ideas for tax-reform. I #1 Require the dominant religion kick in their fair share. That way, when they butt into Utah\'s legislative process, I\'ll be more apt to listen. Right now, Mormons run things, and they aren\'t even being taxed by the State. Why is that????? #2 Join the 21st century and legalize the lottery. Duhhh #3 Look to the east.....Colorado is doing very well with the cannabis sales, and Utah can, too. #4 NO MORE TAX INCENTIVES!!!!!!!!!! If Utah, as you say, is such a tremendous place to do business they\'ll be FLOCKING here. (Or maybe Lyle\'s just been lying.) #5 LISTEN!!!!!!!!!! You guys have a habit of only hearing what you like and disregarding the rest. You need to learn to listen.

If you wish to add sales tax to services in this state I will gladly take my business to another near by state who has a more intelligent tax code. I\'m not going to stand for your continued hunt for additional tax revenue at every corner of my business.

We could help the housing crisis and taxes at the same time by issuing a separate tax for houses sitting empty, verses property in use. Or how about taxing rental property holders more if they have multiple rental units and they are living in another state because that money is not being reinvested in the Utah economy.

I\'m a service plumber we run a small family business. In the course of a day we may work in 6 or 7 city a long the Wasatch front. If we had to charge a sales tax on our services I\'m not sure how we could keep it straight. Also every home owner and business owner already pays property taxes on there property I believe this would be double taxation. Home prices have already become almost unaffordable for many in the state. That City are focusing on low income housing. I know lots of people through the years that put off fixing things in there home because there living paycheck to paycheck. They wait till the issue has become so unhealthy or bad to seek help to fix there problems. Unfortunately the price of everything has risen but wages here in Utah. If we had to charge a sales tax we would have to hire an accountant to do our books. Which we would have to pass on to the coustomers which not only would have charge them sales tax but we would have to raise our rates we are one of the cheapest in the valley. I can only imagine it may make our bills go up 1.5% before the sales tax to pay the accountant fees.

Taxes are getting too burdensome on those who are on a fixed income, even those who are retired and had their home paid off. I would suggest that we look into changing the way we pay the taxes calendar-wise. In Colorado, we pay our property taxes two way; all payments were due on last Friday of April. Those on two payments plans that split in half which the first payment is due on last Friday of February and the second is due first Friday of June. This way,

we can eliminate our circuit breaker which state granted to those who are over 65 years of age or on low-income brackets.

I am very disappointed in the income tax changes from last year. My income taxes almost doubled in one year- an additional \$1500 in income tax I paid in 2019 for 2018 because of the elimination of the federal personal exemption. This did not affect my federal taxes because the child tax credit doubled, so that worked out. But it raised my Utah taxes through the roof! The current system has a huge earning cliff around 70k where if you made more than that, you got a small personal exemption and if you made less you got a much bigger one. Of course we make just over 70k and with 5 kids that made a huge difference in my tax bill in a negative way. There should be no huge earning cliffs on taxes- all phase outs,, if there are any, should be gradual with gradually increasing income. I hope this will change on the new system, and I hope you will realize what a hardship the tax commission caused to Utah families by doubling income taxes for some families, including mine.

I have read, studied and listened to the debate. Changes to the tax system will be tricky and surely there will unhappy people. The demand for services from government doesn't appear to be waning. Taxing services may appear to be a solution but I fear it will place an undue burden on small home based businesses. Seldom does a piano teacher have the expertise to calculate and report sales taxes. The reporting burden will be onerous. If the teacher is going to have to collect and report sales taxes, is she granted a tax exemption for all purchases she makes related to her teaching? That appears to be nothing more than a shift in the collection point. At any rate, I have a suggestion. The new tax structure could provide an exemption for the first \$25,000 (or some amount) which removes a burden from people whose business income is lower than that threshold.

I'd like to see the adoption of a carbon dividend. In my particular field, anesthesiology, our anesthetic gases contribute a disproportionate share of greenhouse gases. They should be taxed according to their impact on our environment. Thank you

Service tax hurts small businesses, music teachers, and the building industry. My concern is the expansion of the cash economy where no income tax is paid. On a recent trip to Wal-Mart several men were paying with large bills for groceries and they looked like outside workers like construction. Maybe if the current laws were enforced you wouldn't need to do this overhaul.

I recently purchased and EV vehicle and just read that there's a proposition to open a tax for miles driven. With Utah's terrible air quality, shouldn't Utah be incentivizing people to BUY EV's? Are EV's not cheaper than medical care later in life due to the poor air? What happens when EV's drive through our state or I drive out of state? How will Utah account for every mile driven?

As a small service related business in quite a niche market I have to say this "modernization" sure looks to me to be a money grab. How about not wasting tax dollars on a new, smaller prison that is now over budget by hundreds of millions of dollars and focus on reducing the State budget? How about not giving out so many sweetheart deals when attracting new companies (yes I know businesses move here because we give them tax breaks) but really? We have negotiators giving away the baby and the bath water to attract companies to move here to the point now we have to increase taxes? That's not smart. Finally, how about

auditing education in the state of Utah to find out where money can be better spent so teachers can make a decent living, students can learn and thrive but we don't have to give all the income tax to education while UHP can't hire troopers, AP&P can't arrest the real bad guys and tax structures have to "modernized" (taxes raised) to cover the expenses. I just can't see how I can pay any more taxes and I do not think my customers really can afford taxes to keep their pianos maintained. Many of my customers are teaching piano lessons on the side to make ends meet they too will have to raise prices to cover their taxes. When does it all stop? You can only milk the cow so long before the cow either is out of milk or stops producing. Please take these issues into consideration before raising taxes...oh sorry "modernize tax structures".

To whom it may concern, I urge you to not move towards a tax on services. It will destroy my small business because competition in my field is so fierce. I literally compete with human and automated computer technologies. I make ends meet for my family with the extra work I do on the side. Normally, those ends struggle to meet because raises in my place of employment aren't keeping up with inflation. The other BIG problems is the relentless raising of other taxes and fees we must pay at local and federal levels! The burden for median income families is increasing and every time Utah officials announce they're looking at a new tax, we shutter and frankly get mad. State officials act as if there's an endless supply of money families have that can be taxed into state coffers. I can tell you as a father of 5 who gets to save up for the upcoming standard school fees of \$1250, I'm at my limit!!! The other problem we have is the preparations of taxes. Each time the tax code is changed, the burden of preparing taxes increases in complexity and cost on the regular guy who ISN'T an accountant and now has to pay more for his tax preparation. I have three pieces of advice, each two words long regarding increasing our tax burden in this state. 1. STOP IT! 2. FLAT TAX (Let's make the tax burden equitable across the table. If you consume more, pay more.) 3. STATE LAND (Get our State land back from the Federal gov't) Surely, surely there is someone in your group of associates that can think outside the box on this matter so all involved win. Right now, under the proposed solution, the State of Utah wins big at the expense of its people. I read that someone proposed a Carbon Tax. Please don't give in to that lunacy based on politically motivated junk science. Again, I urge you to not support taxing services and look at other ways to reform the tax code that simplifies it for business owners and eases the burdens on working families.

While I have no problem with raising taxes in general, I see a massive problem created by adding a sales tax to services. To me the problem lies in determining which services would be immediately exposed to the risk of out of state competition. Many of us work in services that can be easily replicated through a virtual experience delivered by a competitor out of state. That competitor will not be under the same tax requirements, and thus will be able to charge less for a similar service. That makes it very difficult, if not for a business like mine to compete. I urge you to consider problem such as this when evaluating the tax needs of our state. Taxing all services will send significant amounts of money out of our state, as well as jobs and businesses.

First and foremost, reign in the government spending. Even if it's reducing the RATE of change of spending. The amount I pay in taxes as a single income earner for my family leaves me frustrated and spiteful of government bureaucrats and frivolous programs. All



department heads, chiefs, or legislative leaders appear to only to be justifying increased spending as a means to increase their kingdom in the name of improved services. In the \real world\" we\'re challenged daily with improving costs and staying competitive through continuous improvement. That seems to be a \\"pretend world\" for our government. "

This task force should be planning on how to completely get rid of the State Income Tax. This would reduce the cost of government by reducing the number of employees that review, process, and store the state income taxes as well as reduce the number of buildings needed. The effects of this would be more businesses and job coming into our state and thus increasing the current sales tax. If there are additional cuts needed in the government to make this possible then we can set it up to phase out the State Income Tax over the next 5 years so that the cuts to the government aren\'t all at once. We are already taxed too much and getting taxed when you make money and then again when you spend it is redundant, wasteful and completely inefficient. Please completely get rid of the State Income Tax, make our State government more efficient and less wasteful, stop the double taxation, and bring more businesses and better jobs that will in turn increase the State Sales Tax.

Stop taxing us to death. You have a tax on everything. Use what \$\$\$ you\'re getting wisely and stop expecting more..

“There is a scholarly consensus that an ideal sales tax is imposed on all final consumption, both goods and services...” - Utah Tax Foundation, “Modernizing Utah’s Sales Tax - A Guide for Policymakers” “Do not tax investment and savings” - Utah Tax Review Commission study - 2009 Yet it is my understanding that in spite of prior analysis, the levying a tax on investment services is still under consideration as part of the extension of Utah’s sales tax to services. Savings and investment is NOT a form of final consumption in the way other services are. In fact it is the opposite of consumption and should therefore be exempt from the proposed services tax.

I am not hearing anything about the sales taxes that have started coming from online purchases. As I understand it soon all online purchases will be charged sales tax. And that is okay. Online sales taxes should be included in this discussion and it is evident that online purchasing will only grow, thereby increasing sales tax revenue considerably. I am in favor of a Constitution Amendment to change how property taxes are spent. Assign a percentage to education with a percentage for state roads, sewer & water and other infrastructure needs as an example. Absolutely NO to a carbon tax. Less tax, not more! My opinion, this earth will last as long as God intended it to last, we just need to be better stewards. Suggestion for property tax relief for seniors - I suggest a reduction across the board, perhaps a 25% reduction beginning at age 75 for a primary residence only. This would help our seniors stay in their homes and cope with the ravages of TIME, meaning TAXES, INFLATION, MEDICATIONS&OTHER MEDICAL NEEDS, and EXPENSES like increases in utility bills. These things whittle away seniors ability to live securely. And also many seniors are no longer able to participate in venues they have paid taxes for like affording the symphony, other arts, parks and programs. Now they continue to pay for those things without being able to either afford them or not being able to access them, so reduce their property taxes. I am a senior so I see it all the time. (Don\'t think this is covered by circuit breakers or such because many seniors need someone living with them and they are then not eligible because that persons income has to count against eligibility, even if they don\'t financially contribute to household

expenses or pay rent). I think some of the states contingency funds are too large. Convert some of that money to needed areas. I think the state doesn't demand construction projects stay within the bid put forth to get the project, like the new prison. There should be penalties for costs exceeding 10% of bid, except acts of God. These cost overruns are so prevalent that it seems those submitting bids just bid low in order to secure the project. The state could raise a lot of money on penalties! Add big penalties for big overruns in costs. Demand honest estimates to begin with.

Hi, so I'm not a Republican/Conservative and I hope that doesn't mean you'll ignore my comments. Since I live in Utah, I hear conservative ideology on a daily basis (work/family/neighbors/etc). So I've done my best to listen and understand. With respect to taxes and the economy, there are things I actually agree with Conservatives about. Although, it seems we find different reasons for the conclusions that we come to. So anyway, I understand that Republicans generally have a hard time raising taxes and they would probably prefer to cut government services. But Utah spending seems fairly low (per capita) in comparison to other states. Additionally, how can we forget about the federal aid Utah took in after the last recession? In this summary: <http://site.utah.gov/treasurer/wp-content/uploads/sites/10/2013/09/2010-Budget-Summary.pdf> it says: "Utah has not been immune to the economic downturn...For fiscal year 2010 state tax revenue is projected to be down 17.8 percent from the FY 2009 original projection (\$949 million)" Later: "Utah is expected to receive \$1.4 billion ARRA funds through a variety of programs including State Fiscal Stabilization of \$498 million. These funds will provide temporary relief for critical state and local programs." There will be a next recession. And we need to prepare for it. Isn't this the core of personal responsibility? In 2008 Utah raised taxes for the poorer working class and cut taxes for the wealthy by going to a flat tax. That resulted in a 11.17% drop in percent change of collection (from 12.42 to 1.25). Source is here: <https://tax.utah.gov/econstats/history> (Individual Income Taxes xls file). We could have collected hundreds of millions more and take less from the federal government if we didn't do that. The wealthy are doing fine. They don't need a tax cut. Our growth is occurring because educated Californians are moving here. Our growth is occurring because Utah is beautiful. Our growth is occurring because the overall economy is recovering. There's always a cycle - an upturn then a downturn then an upturn etc. Let's not pretend that the flat tax is the ONLY reason why growth is happening. Every state is growing. We're lucky to attract educated techies from California and outdoor enthusiasts. Look at this story about the wealthy. I have a friend of a friend who builds homes for the wealthy. And honestly the wealthy are doing just fine. He sent me this in an email. I know it's long but I hope you take a few minutes to read it: ===== Park City is known for having "the best snow on earth" for winter sports rivaled only by the French and Swiss Alps it's also home to the Sundance film festival. The cost of property here is the highest in the State and one of the highest in the country especially considering the insanely high availability of land. I build houses (I'm a plumber's apprentice) that cost between 10-40 million dollars for many of the richest people in the country in Park City and it's so bad. The first thing you need to realize is that these houses are hardly ever lived in maybe stayed in a few weeks a year. They serve primarily to shelter money from taxes. These houses are so seldom used that they require entire crews of people a dozen or so dedicated employees for each house in charge of upkeeping them.

Without the upkeep they would have breakdowns costing tens or hundreds of thousands of dollars to maintain they would become infested with rodents AND the yards would die and they'd get fined by their HOAs. As a result of how little the owners use these houses they have very little actual input into how these houses are made. Instead they are designed by engineers architects and interior designers. Since the interior designers never have to live in these houses they usually become so caught up in making it look cool so they can take pictures for their catalogs for advertising they don't even think about the practicality of what they are building. This leads to crazy things that are wasteful and useless. For instance recently I had to scrap a 5000 dollar part for an in wall "smart" toilet (aka a toilet that has a remote plays music has a built-in temperature controlled bidet heated seat and remembers individual setting for 2-4 people depending on the brand) because they wanted to switch brands so that the toilet could be black. Also the designers don't care about how much the houses they build waste. They'll install things that are so wasteful they're illegal. In one house that I'm plumbing the master shower (which has other shower heads on top of this such as body sprayers and a handshower) has a 12000 dollar smart rainhead (that comes complete with dozens of settings LED lights speakers and can sync the pulsation of the water to your music) that can dump 40 gallons a minute. To put that in perspective the legal limit is 2.5 gallons per minute. The heating systems are massive and wasteful heating the floors walls and driveways (to melt snow so they don't have to be shoveled). The hot water and heating systems also need to be run at least once every two weeks (but preferably more) to keep them from breaking. The lighting will often be designed for antique style incandescent bulbs that are dim but waste as much or more electricity than regular bulbs. They'll install dozens of tablets TVs and other low voltage appliances that just sit there wasting electricity. Regarding wastefulness the designers will often make changes that cost thousands of dollars like the 5000 dollar toilet part I was talking about above. They'll also make us waste hundreds of pounds of pipe wood metal wire or anything other material because they decide the sink will look better in another part of the room. Sometimes they'll add or remove entire rooms on a whim. One time I saw all of the walls of a house get changed from tile to rock costing over a hundred thousand dollars. Why? Because the house was so big that it took years to build and when they got most of the way done with tiling it tiling was out of style and rock walls were in. There are several engineering and architectural firms as well as dozens of contracting and sub-contracting companies dedicated specifically to building these mansions. We could be spending our time building things for the community. Instead we have to spend our time slaving away to build houses that not only won't be lived in but are unpleasant to live in as well. Sorry I just need somewhere to vent. There is so much more I want to say and I have dozens of stories like this I'd be willing to share more if you're interested. I'm only in it until I get through trade school and become certified then I'm going to learn how to plumb hospitals and actually do something useful. ===== I understand that some Republicans view a bracketed tax structure as punishing the rich but I don't see it that way. I see it as opportunity for those who make less. When people start to move from lower incomes to higher incomes they do so because they find opportunities. The smaller tax burden on them is not a handout but a pathway for them to find a better quality of life. When we find success higher tax brackets are the way we pay back into the system that we all took advantage of. I believe we should go back to our bracketed system from

before 2008. However I do believe we need to find a way to use income tax to fund more than education. I realize it's in the constitution but we need to change that. Yes let's find a way to guarantee that education is funded. But let's fund more government services with income tax. We can't rely on sales or service taxes. I also think we should cut the corporate rate. The recession is coming and businesses will be struggling. If we can lower their tax burden then there will be less layoffs. I also think we should eliminate sales tax with the exception of alcohol tobacco and any marijuana products (currently just CBD right?) of course. But if we cut sales taxes and corporate tax we'll need to make up the difference with individual income tax. Go back to a bracketed system and increase the amount of brackets for higher levels of income. "

No sales tax on services. Utah would lose business to other states.

Here are some things that the legislature needs to consider before passing any tax reform: 1. If we decide to put a sales tax on services, there needs to be a business inputs exception. For goods that go into services and for services that go into goods or products. We cannot create a tax pyramiding scheme and maintain a healthy economy. 2. Other states have tried putting a sales tax on service or have researched doing it and decided not to. The ones who have done it, it hasn't gone well for and they are not doing it on nearly the scale Utah is proposing. Utah has historically been a taxpayer and business friendly state; do we really want to lead the way in such an unfriendly and unprecedented tax system? 3. The legislature has made it clear they don't want to play favorites and exempt certain services from this tax scheme, however, certain service industries like professional services and SAAS that make up a large piece of the Utah economy are not immobile and not tied to our state. The jobs they provide are more valuable than the sales tax revenue they could generate. They aren't going to say "We're so glad you made it fair! We will stay here." Taxes aren't fair. They incentivize those who drive our economy to stay. No one likes that until the company moves away with their job. 4. It seems like the most logical thing to do is to take the earmark off of income tax so that it can be spent on things other than education. However, this is a highly politically and emotionally charged issue. What is being done to educate the public on the actual impact removing the earmark would have on education to discharge some of the emotion surrounding it? 5. What would the sourcing laws be surrounding a sales tax on services? 6. Why do we need to pass tax reform now when we are generating new tax revenues from the Wayfair decision and we passed a sales tax law for marketplace facilitators. No one has good estimates of how much revenue this will bring in - what if it's enough? Why add new taxes when we may not need to? 7. What safeguards are being put in place to ensure that the rate and breadth of a sales tax on services does not increase? 8. A lot of businesses are built on a model that makes sense with the current tax regime. Businesses can't change structure overnight. How do you expect them to adjust to this increase in costs so quickly? Will there be any kind of phase in? 9. How do you determine which service inputs are essential to the business output? All services? Or just those that can somehow be classified as part of the final service? This could be a huge grey area. You should probably exempt all of them. 10. Have you calculated the loss in sales tax revenue that will occur if all service providers that pay sales tax on their products that go into their service are now exempt from paying sales tax on those products? Think lawn care, pest control, hair care, etc. 11. One huge issue I see

with this is the fact that a sales tax on services will tax childcare payments. Childcare payments are one of the biggest barriers preventing single mothers and low income households from breaking out of dependency on the government and keeping qualified women out of the workplace. This tax would be a huge disservice to everyone trying to be a contributing citizen and barely making it by already. 12. Please help me understand why we were going to slap a tax on health insurance premiums as part of this? That seems like an extremely regressive tax.

I will vote AGAINST ANYONE who sides with raising taxes. No ifs and or buts. If additional revenue is needed; and I am not convinced at this point that it is, other options need to be considered first. Utah is one of only a handful of states that tax retiree\'s Social Security. I am FED UP with Republican lawmakers who continue to try to balance budgets on the backs of those of us who can afford it least. Enough is enough!!! And DO NOT send me campaign literature. I am an independent voter and any junk mail from politicians gets IMMEDIATELY shredded. I\'ve never met a politician I felt I could trust. Not one.

The solution is simple. Unhook income taxes from education. Put all tax revenues in the general fund. Pay all expenses from the general fund. According to you graphs, problem solved without the complicated complete overhaul of the tax structure and the additional cost of the bureaucratic overhead to administer what you are proposing. There will be a lot of unintended consequences of taxing services and a greater impact on the poor because such taxes are regressive in nature. Adding significant costs to pretty much everything from health insurance premiums, health services, legal services, construction, real estate, etcetera makes many of those things unobtainable to many.

Seeing as Utah\'s per pupil spending ranks 51st nationwide, how will public education continue to receive more funding not less? I thought the explanatory video made it clear public education receives a greater percentage of the state budget than everything else, but doesn\'t explain why. Adjusted for population, Utah\'s birthrate is the highest in the country. We have more kids. The larger the class size, the less focused time each student receives from their teachers. What will be done to protect public education?

I attended the meeting on June 27th in Kearns. I really agree with former Sen. Howard Stephenson\'s comments regarding how revenue and spending is put into "silos" in Utah currently and that this needs to be changed. I would offer the following 3 observations: 1) I understand that the state Constitution would need to be changed in order to facilitate the changes to how state spending should be done. 2) I would suggest that this is a better solution on a practical level in that if the Legislature tried to introduce sales taxes onto services or some services the political fighting that would ensue is not worth it and the outcomes would likely change with political fortunes. 3) I think that income taxes should cover the differences in state spending and that currently income taxes are fairly proportionate to the rest of state spending so I don\'t believe that a tax rate increase is necessary. Furthermore I don\'t believe that the State should be increasing spending at rates higher than the state economy itself is actually growing. "

I think the state should allow alcohol sales in regular food markets rather than just through state liquor stores. I live in St George just 35 miles from Mesquite, NV and I see large numbers of folks going down there to load up on beer, wine, etc. taking all that sales tax revenue to NV that could be helping our state. I\'m sure there is probably some of that

happening in the Northern part of the state as well. Also, I believe an increase in the state-wide gas tax could be justified in comparison with nearby states. A slightly higher sales tax on goods but not services would be OK but you must be careful not to impact the lower income folks.

I've read the literature and attended the town hall meeting" in St George. It's obvious to me that the legislature is going to raise taxes. Why waste money on this CYA stunt? The Utah legislature has a solid record of ignoring the will of the citizens.( Initiatives as an example.) Simply raise taxes for those most able to pay higher taxes. Tax corporate properties at their actual valuation and stop allowing them to prevail when they dispute it. To advertise that higher taxes will solve all the problems in this state completely ignores the fact that there are too many people here and many pay very little in taxes due to exemptions for a large number of children. It hasn't been too long ago that the state was enjoying a surplus in the budget. What changed? "

I can see the value of taxes to effect change in our society and promote the values of environmental conservation, slowing climate change, and encouraging healthy eating habits while discouraging waste, use of plastics, etc. 1. Fossil fuel emission tax 2. Tax on extra homes, yachts, and luxury goods 3. Higher taxes on gas consumption to be used for credits for using renewable energy such as solar power, also for improving roads, bridges, mass transportation 4. Taxes on those who have more than two children to pay for their education. This would not apply to adopting children 5. Taxes on optional cosmetic and aesthetic surgical or laser procedures--this would not apply to reconstruction of body after accident or explosion 6. Taxes on junk food with high sugar, corn syrup and carbohydrate content. 7. In dry states, taxes on parking strips with water consuming lawns. 8. Taxes on plastic bags, eliminating the use of plastic bags 9. Recycling tax on corporations/industries which use packaging impossible to recycle

I understand the need for restructuring, and to be honest, I want to trust the legislature to do it right. I am no tax expert. As we do this, please ensure that education funding remains a focus. We need to do more than preserve current funding levels, this reform should be an opportunity to drastically increase the money we're spending on our students. Educating our state's children is the key to a successful future and that must be taken into consideration. We rank last in the country for per-pupil spending. Let's rid ourselves of that embarrassment.

Thank you for your work with this issue. I am opposed to substantially broadening the sales tax base. Broadening the base would add a substantial administrative burden to many who would now have the hassle of sales tax administration and processing. I have two boys (ages 13 and 10) that do some mowing for some neighbors. Imagine them now being required to get a sales tax license and collecting that tax and submitting a sales tax return - ridiculous! Likewise for those teens babysitting for a neighbor. Or how about the elderly neighborhood piano teacher? Are we going to turn her into a tax collector as well?! Likely many of these cases would simply not comply, thereby turning them into tax scofflaws. It would add a burden as well to the state with the issuing/processing of sales tax licenses/returns. If a change is needed, why not just make it using the now established (and seemingly well functioning) processes (i.e. current sales taxes and income tax)? If the sales tax revenues are going to diminish and we need to make up for that, why not increase that rate? Everyone needs stuff" and not just services at some point. Or even if needed make a change to how

income tax can be used. Seems a lot easier (even a constitution change if needed for the use of income tax) and cleaner than all the added hassle that broadening the sales tax base would bring. I can tell you that I'd much much MUCH prefer paying more income tax (or current sales taxes) than having to deal with sales taxes in my business (I'm a musician). I get that I'm probably simplifying the issue more than what reality is. But I hope this gives you a general sense of my feelings on it. I don't expect "answers" to the questions I've stated above in a reply (think of them more as "food for thought"! ). Thank you again for your work on this issue and I hope you can come to a good resolution.

In the original legislation introduced in the last session it was not clear that a sales tax on financial services would not be applied at each level of service. The cost to investors of having a sales tax collected at multiple stages of a mutual fund or managed account would have severe negative consequences. For example, there are typically four or five levels of service in a mutual fund: 1) fund managers who advise the fund; 2) service providers who execute trades; 3) administrators who track the value of investments in the fund and report on a daily basis; 4) broker-dealers who execute trades at the retail level as clients buy and sell shares of the fund; 5) Utah based financial advisers who meet with the client and help them determine goals and choose from available options. In some cases, there are even more service providers. My understanding is that the goal of the legislation is to tax just once at the highest level, but even that is problematic and would actually REDUCE Utah revenue. Consider that when a client purchases an investment it will accumulate in value based on the amount deposited. In the future, when money leaves the account for retirement, the State of Utah collects income tax on the appreciated value of the fund. This is at a higher rate than the sales tax. By reducing the amount that is invested by the cost of the sales tax upfront, the Utah citizen loses growth and interest on that 2% for the life of the investment and the state loses income tax on the appreciation. While the state loses a small amount of revenue (collecting it up front has an advantage) the client loses all the appreciation on the amount paid in taxes upfront. I believe that investment services is one area where a legitimate exemption applies. It has always been the goal of the state to incentivize savings and investments and a sales tax at the front end would act as a disincentive. Please consider this as your legislation moves forward. Thank you.

At the town hall meeting I attended, the committee, comprised of business professionals and small business owners, "listened" to the public comments of Mayors business professionals and small business owners. Unfortunately at the meeting I did not hear comments from the general public; average citizens we're given no opportunity to provide input into the process. The meeting simply was comprised of business owners explaining why business owners shouldn't be taxed and why the end user should be the focus of any change. Kurt Bramble agreed explaining that the focus of any sales tax increase would be end users and businesses should be exempted. Kurt Bramble laid out quite magnificently a straw man question designed to be unanswerable in the affirmative. He talked about taxing a certain business in Lehi at a rate of 3-4-5% stating that any business that had to pay that kind of sales tax on the materials of products they produced would simply leave the state. Then his strawman question was "how many of you agree that that should happen"? Having set up the question in such a disingenuous way Kurt Bramble knew that no one would raise their hand. Had he simply asked "what if we charge them 1/5 of 1% sales tax" he probably would

have received quite a few hands raised in support because that's quite a reasonable amount. I was disheartened to see the charts presented because I knew exactly why the numbers were being manipulated the way they were. My wages were frozen for half a decade in the mid-to-late 80s because of "the floods". You see I was a public servant at the time. I remember the sales tax being raised from 4% to 6% on a so-called "temporary" basis to pay for flood recovery with the "promise" that the increase was temporary and would return to 4% after the situation had been resolved. That was 35 years ago. That's why the charts all began in 1986 a full year after the 6% tax had been implemented Adding the figures in from a more reasonable time when the state wasn't so money hungry would have desperately skewed the numbers. Prior to 1984 the state of Utah had been run like it was a non-profit charitable organization. Since 1986 this state has been run like a for-profit business. Having committee members and the legislature comprised of mostly business persons and small business owners has turned our state vision into a business forward-looking vision much the same as a for-profit business. But that's all the legislature and their committee members know is how to make a profit off of other people that's the environment that they were trained in and educated in. None of the committee members are average citizens people that know how to serve people The committee members are made up of business people that know how to take money from people. Somehow the thinking is that an average person simply cannot understand how to operate a governmental agency. As an example I applied to be a member of the board of directors of the TDU. I received a letter thanking me for my interview even though I was never actually interviewed for the job. The director of the committee that was tasked with sending names to the governor for consideration signed the letter thanking me for my interview and yet I really was never interviewed for the job. From my point of view that looks to be a falsification of public records. From my point of view I don't know if anybody actually was really interviewed for the job. The person that signed the letter thanking me for my interview is a member of the board of directors of the UTA. I find it highly disheartening that the director of the committee cast with sending names to the governor for consideration is now the director of the board of the TTU / UTA. I don't believe this "listening" process will actually end up serving the public or the best interest of the public because I don't believe that any member of the committee knows how to serve the public. It's something they were never trained in never educated in and simply don't know how to do. and furthermore I have not witnessed a member of the general public address the committee members yet. The committee members are not hearing from the general public they're hearing from businesses like themselves. The solution is simple and it is to start taxing businesses a small amount. My ex-mother-in-law owned a business where she sold suckers at swap meets on the weekend. She used her tax ID number to get out of paying sales tax on everything she could and I can imagine in this day and age it's only gotten worse. Anybody can create any kind of home business receive a tax ID number and stop paying sales tax. Unfortunately there's no one on the committee that knows how to think outside the box they have been locked in by their personal experiences their education and their training. When confronted with the dwindling "road usage" sales tax (aka gas tax) the legislators only answer was to raise it. Legislators have no idea how to get a road usage tax from electric vehicles when in fact it is actually an incredibly simple process. Simply enact a per minute usage fee at charging stations. The more a person charges



their vehicle because the more they use that vehicle on the road the more "road usage tax" they will pay. It won't take any sophisticated time-consuming or expensive way to collect tax either. But these simple honest easy methods of collecting this tax have evaded and eluded the minds of people (legislators) that have only one goal in mind and that is to collect as much money from the citizenry as they can without causing a tax revolt. People with no business sense only common sense seemingly in the minds of legislators don't have any place being in the legislature or on committees to discuss how to run the state of Utah. This is far from the truth. For the simple reason that the citizenry will be paying if not most all of the burden the financial burden of running this state for that reason alone committees need to have average everyday citizens on them for input. But this "listening committee" has no such thing. and my eyewitness account was that they aren't listening to the general public either only to the other business professionals and business owners. These committees and members of the legislature need average everyday citizens on them to maintain balance. People that don't know how to make money off of other people but actually simply know how to serve other people. The most shocking of all was Lyle hillyard. He comes from an area where the government knows how to serve people and knows how to be run as if it were a nonprofit charitable organization. The Cache Valley Transit District since its inception as the LTD has allowed people to ride the buses for free all the time because taxes pay for it. UTA could do the same but since its inception it has been run as if it were a for-profit business taking as much money from the public as it possibly could without causing a revolt I would have thought that senator hillyard would understand this however he's probably never ridden the bus. Had I been named as a member of the board of directors of the UTA within five years there would be no more fairs across the state. There is no reason to charge a fair except for greed. Fares make up only 14% of the gross income to the UTA. However that's the credit side the debit side is greater than the credit side Simply put it costs more money to collect fares than you receive from them. Not taking into account is purchase costs of equipment maintenance costs of equipment replacement costs of equipment and operational costs including training of people and staff to do all the above. And there is a processing fee involved in the exchange of monies as well. But of course I'm just a simpleton in the minds of whoever the committee member was that sent me a letter thanking me for my interview when I never really actually was given the opportunity to be interviewed. They must have thought I was incredibly incompetent to not even recognize the fact I was being thanked for an interview I never really received. But unfortunately that attitude seems to prevail throughout the legislature and in these committees because they think we don't remember that sales tax used to be 4%. They don't think we remember that we were promised it wouldn't stay 6% that it would go back to 4% in a short time. The simplest solution would be to charge all businesses 1/5 of 1% sales tax on everything they buy and leave the citizens alone. The business people explained very well that if they get taxed they will turn around and hurt the citizens and pass that on to the citizens. If the citizens are going to be hurt in the end no matter what then maybe spreading out that hurt will be more beneficial to the people that are actually the ones that are supposed to be being SERVED the general citizenry and public of this state. When I was in public service I did not look upon the citizens as a source of income as a cash crop and I wish the legislature and the committee's they form would do the same. "

We should be taxing carbon and polluters, especially with the new inland port. One of our biggest issues is air quality and taxing pollution would both reduce the amount of pollution and create a new revenue stream. Putting a sales tax on food disproportionately affects people making less than \$50,000 a year, with the strain increasing the less a person makes. We may be restricted to only spending income tax on education, but we spend less on education than nearly every other state. Either we're not being taxed enough or our taxes are being mismanaged.

I strenuously object to a sales tax on food as it disproportionately affects the poor in our community. The suggestion of an increase in this regressive tax is morally reprehensible! Please, stand against an increase in sales tax on food!

It is immoral to heavily tax items that are needed for survival. Tax items that we can do without but not food. We should be working on eliminating the tax on food and other essentials, such as baby diapers. We definitely shouldn't be looking to increase this tax. A food tax is extremely regressive.

I live in an area of town that is populated by basically working class folks, many who are fairly poor. Many of these families barely get by because their pay is used up in high rent, their utilities and food. I am very concerned that legislators are considering an increase in the tax on food as part of tax restructuring. Sales tax on food is one of the cruelest and regressive of taxes. It will affect this population greatly as a greater percentage of their income is spent on food than that of wealthier families in other areas. Such an increase will hurt our minority population, the elderly on fixed incomes, the handicapped, and those working two low wage jobs to make ends meet. In fact, the existing sales tax on food should be eliminated in Utah altogether.

Sales Tax: Please do NOT increase the sales tax on food. When the video talks about 'we' and 'us' having access to the amazing places in Utah, it talks about the 'haves' and not the 'have nots' of our community. Food and water is a basic necessity of life. Please do not make it harder for the 'have nots' of the community. Gas Tax: The video talks about gas sales tax revenue declining. Consider options that drive people to use public transportation more which will then help with the air pollution problem we have. The City of London has in recent years charged a 'toll' for entering the city. Consider options such as this for people wanting to have the luxury of driving. We have the absolute worst air in the winter and I believe something drastic like this has to wake people up! We need to use our public transportation for bussing school children and people getting to work. Inland Port: Get OUR millions of \$\$s back out of the pot that the money was stolen from the people to fund the inland port. The inland port is NOT good for Utah and NOT good for our horrible air. Thank you,

there should be no tax on basic foods at all, not a humane approach

Please eliminate or dramatically reduce the tax on food. It is a regressive tax that negatively impacts the poor; those who can least afford it. Thanks!

I am strongly opposed to increasing the sales tax on food. Those who can least afford higher food prices will be severely hurt by this. If I ran the world, there would be no tax on food at all, although levying taxes on non-food items like paper towels and cleaning products might be a compromise.

DO NOT TAX OUR FOOD! We have enough homeless people as it is and we have too many children going without food and needing free meals from schools already!!! Legalize marijuana and tax the hell out of the purchasing that! Learn some lessons from Denver!

Why should we only look to taxes to support our growing needs. Legislature needs to be forward thinking, take a look at what states like Colorado have done with revenue from the lottery. Put aside outdated (as outdated as our current tax structure) \morals\" and use non tax items such as a lottery to fund some needs. We are already dead last in per pupil funding in education - how can you possibly shift that tax use? That is a true moral decision. Do the right thing think outside of the tax box."

As you meet to discuss possible tax reform, please don't help corporations and the rich at the expense of the poor. It is vital that you DO NOT RAISE SALES TAXES ON FOOD. Groceries are essential items, not optional. Please consider taxing services and entertainment (like accountant services, lawn mowing services, movie tickets, and ski passes) rather than raising taxes on bare necessities like produce, bread, meat, and milk.

Too many of us will be hurt by an increase of the tax on food. Food is NOT a luxury item. Find a luxury item to raise the tax on. This is supposed to be a family oriented state. Do not make it harder for families to feed their children.

I am a very low income Utahn; senior and disabled. I am on the SNAP Program (I get just over \$110/mo). This barely covers my food; I lay out plenty in addition to it. Sales tax on food is just inhumane, and will hurt everyone...especially people like me. I understand we need to raise more money for education and other necessary things, but food is not the way to do it. Every tax increase hits the vulnerable populations the hardest, whether it's on transportation or other \luxury\" user fees (what's a luxury?) But food? As it is we all pay taxes on necessities like toothpaste and toilet paper but to pay taxes on milk and bread eggs meat fruits and vegetables? Surely Utah can do better than this..."

I urge the Task Force not to consider increasing the sales tax on food. 14% of Utahns are already experiencing food insecurity (according to the figures in the most recent available Utah State Health Assessment). Food insecurity can lead to struggles at school and work, and to poorer health overall. We should not further burden Utahns who are already struggling to feed themselves and their families by driving up food costs even more. The solution to our current tax structure imbalance should not include measures that will make our communities less healthy.

I do not think raising the sales tax on food will help anyone in Utah. The poor are already struggling to feed their families, we shouldn't add to their burden.

Dear Tax Reform Task Force, We appreciate your coming to St. George on Saturday to receive feedback regarding potential reform within Utah's tax structure. We have listened to our businesses, many of whom were represented at the Town Hall, and we are not convinced the state has reached the point where reform is necessary. It is clear that extensive data collection, projections and other research needs to be done with regard to each proposed solution, and then presented to the public in a detailed report prior to a decision. Total state revenue grew by \$9.2 billion from 1995 to 2018, for a 208% increase. In that same time state spending increased by even more, increasing 235%, while population plus inflation only grew 162%. This seems to indicate a spending problem rather than a revenue problem, a point

made by several attendees who spoke at the June 29 Town Hall meeting. A step forward to manage services and investments and wisely control finances is a welcome first step. There will never be enough revenue to meet all of the demands (perceived or real) of government, and we ask you to please be judicious in managing our tax dollars. The task force vision document emphasizes the need for Utah to operate the tax system through a competitive and simple structure. We agree. Please keep in mind that taxing many services is not simple and would place Utah service businesses at a competitive disadvantage. None of our surrounding states have sales tax on most services. In fact, Arizona passed a constitutional amendment that it will not tax services. We also understand that the Wayfair decision and the Amazon Marketplace are going to help local businesses compete with out-of-state companies because many out-of-state companies will now be required to collect sales tax for Utah. We encourage you to consider ways that more sales tax can be collected within the current system, especially when it helps local businesses become competitive with online sellers. We understand that some electronic goods may need to be taxed to replace tangible goods that technology has changed. In addition, the full sales tax could be placed back on food and a grocery tax credit could be given for low-income taxpayers to offset that burden. There are other ideas as well. We urge you to not rush this complex process. HB441 caused many Utahns to lose a measure of trust in the legislature. It would have had a negative effect on our businesses and economy. Please fully study the potential consequences of any proposed reform, thoroughly and openly. We appreciate the good work you are doing to serve our state. We know it comes at a great sacrifice and are thankful for your efforts.

I am very concerned of the impact of changing tx structures in Utah. We give too many tax breaks to rich companies, and having people who work in the service industry start charging extra in industries where the employees already don't make a living wage. I also oppose a change to the constitution regarding school funding. Schools are already horribly underfunded. Start making people who have 10 children pay for their child's schooling by eliminating the tax break after 2 or 3 children. If large corporations quit getting tax breaks, that money could be used for some of the things we need.

I see the growing issue with unbalanced tax bases, and in general I support a repeal of Article XII. However, I struggle with trusting this legislature to responsibly shepherd educational funding when they already fail again and again to educate our kids in a way that's nationally competitive. I'd like to see any solution include some major guiderails that will keep the legislature from siphoning money away from our already underfunded schools. I'm also very concerned that almost all of the patchwork fixes being proposed are deeply regressive. Taxing food, childcare, and other essential services that are used disproportionately by the least fortunate among us is not just bad policy, it's morally wrong. I have more than I need. If you're going to tax new parts of commerce, tax the things I pay for, not the things poor folks pay for.

What about going for a simple but strong solution, where all services are funded from a single tax on the sales of goods and services, with no more income tax, property tax, etc. Sales tax is easy to collect because it can be done electronically at the point of sale (including online sales), with no need for people to file returns or send in checks. And it automatically puts the greatest burden on those who have the most available to spend. Of course, the sales tax would have to be structured to keep it manageable for individuals and families already at

subsistence level; for example, we probably would not want any tax at all on the most basic survival goods and services, like groceries and health care. And maybe a sliding scale would be appropriate, with a higher percentage applied to higher-end goods and services, like cars, houses, hot tubs, landscaping, and utilities used beyond a certain survival minimum, etc.

Please don't raise the sales tax on food. It really affects people. We already have too many hungry people in our state.

I think you should make the tax a fair tax hike so everyone is affected such as sales taxes. . Do not tax services. . all will suffer. . Maybe another gas tax for clean air. .

Adequate Food is a Basic necessity for all people, no matter what their income -- from the poorest to the richest. Unprepared Food purchases at grocery stores, farmers markets, and other food outlets should not be subject to tax. There are plenty of other items that people purchase that can continue to be subject to sales tax. For poorer people there are thrift stores and second-hand stores for buying these items, and keeping their sales tax costs down. But food is not something that can be sold used. The idea of taxing more services is a much better idea.

Resort towns must retain their additional tax structures to help pay for, and offset the additional costs and burden, visitors and tourism creates - everything from paying for additional levels of public safety, transportation and transit infrastructure, and public works. Without these additional taxes, Utah cities and towns with resort economies will diminish the quality of life and guest experiences, as well as create unnecessary conflict between hardworking local businesses and residents seeking a better balance. Please preserve Utah resort towns ability to make the rest of Utah proud!

Utah claimed to be family friendly yet their legislators continue to ignore the will of the people to offer medical care to our poor by expanding Medicaid. Now they want to increase the tax on food! Our legislators need to find solutions that don't put at risk people more at risk! How about taxing LUXURY items more instead of a necessity like FOOD!

First, thanks to all of you for your service, for holding Town Halls, and for being careful and deliberate in this process. Attorneys also want to contribute to and support positive solutions. And we are grateful you have attorneys with specific tax expertise on your Task Force, including Mr. Young. I am here to voice opposition to a sales tax on legal services. From the Utah State Bar, that opposition has little to do with "just protecting attorneys" – but a lot to do with speaking up for the underrepresented individuals in our State who do not have easy access to justice because it can often be difficult to afford – even without a sales tax. We are talking not just about those below the poverty line, but about the middle class. A few points: 1- Most in the middle class don't hire an attorney when they are in trouble – whether facing divorce, eviction, creditors or even criminal charges. But often, without good legal representation from the beginning, they end up in worse trouble by losing a job, a house, or getting a bad financial settlement. When that happens, the State often has a new financial burden such as dealing with homelessness, or a parent who can't pay child support. 2- The vast majority of lawyers who serve individuals are very middle class themselves. They work as solo practitioners or in very small firms. These are heroes in our profession, giving much of their time to pro bono work and doing their best to help people in need. And they often struggle to make ends meet themselves. 3- We should not make attorneys even less

affordable to Utah individuals – by adding a sales tax. That is an unreasonable burden on Utahns who need more access to justice, not less. Thank you.

The Declaration of Independence lists 29 violations King George committed against the 'laws of nature and nature's god.' Cicero, Locke, and Blackstone were clear in defining correct natural law while the laws of nature's god are listed in the Bible. A biggie is THOU SHALT NOT STEAL. Blackstone on natural law states---“ These are the eternal, immutable laws of good and evil, to which the creator himself in all his dispensations conforms; and which he has enabled human reason to discover, so far as they are necessary for the conduct of human actions. Such among others are these principles: that we should live honestly, should hurt nobody, and should render to everyone its due; to which three general precepts Justinian has reduced the whole doctrine of law.” I would ask, Have you done so? The infamous bill to tax services left committee Friday. Monday began the last week of the session---negating serious and competent appraisal of the legislation and citizen input. Thank God, when an honest man surfaced this hideous bill, thoughtful citizens protested and it was shelved with the promise-- -'I'll bring it back. The presentation of this bill is odious to the honest. Power politics from the ruling elite again, was going to steamroll a regressive bill through. The 'hearings' are eye wash---you have no thought of doing anything right. Reminds me of the governor saying of the Trump tax cuts; now we'll tax them---and you do. A republic is a representative government. You are my representative ONLY if you do ONLY what I can do. If I can't do it, I cannot give you power for that act because I don't have that power! If you do more than I can lawfully do, you are not a representative but a tyrannical ruler. This unrighteous dominion is rendered further odious when you engage what Frederick Bastiat in *The Law* describes as 'legal plunder.' Legal, not lawful, though it carries the weight and penalties of law. I don't have the power/ authority to put a knife to another's throat and take his money for a golf course, or the film industry or the tourist industry. Neither do you. You usurped it against protest. No new taxes. You had a billion plus surplus tax money and squandered it; pork barrel politics---and if we had an honest, uncontrolled AG, he would have investigated for corruption. You raised our taxes 6 times. Cut spending and taxes. We are supposed to have free enterprise capitalism; not government assisted capitalism. Stop your private/ public partnerships. You corrupt everything you touch. Government is too big. If you need a CPA or a lawyer to figure anything out, government is too big. Learn from Senegal and California and the U.S.S.R. and North Korea. Get out of our lives! Get our school land money at current market prices from the national government or get the land back. Either/ or and don't make a career doing so. You politicians have for the past 40 years cried, 'I'll get it back;' and it never happens. `You tax services and businesses will leave this state and you'll kill the best economy in America. You will create a black market so folks can survive. But the jails and confiscation of property will flourish. But as long as you, your family and friends and out of state interests make money and power, hey, 'it's all good.' Re-structure the existing monies protocol. Audit the public schools bi-annually and if they 'need to spend it or lose it' stop that nonsense. 140 non-teachers for every 100 teachers! Nonsense. Fire the unnecessary state school board and let the counties and districts control their own destiny. What a concept?!?! Allowing individuals a smattering of freedom! Don't judge them by your moral standards; they are probably better than you. Fire the board of regents and stop all monies flowing to universities. Tax payer money going to higher school has inflated the cost of universities. I

paid \$300 a semester here in Utah---until the government got involved. Cut spending. Cut taxes; cut spending; cut the bureaucracy give us freedom and our property back. You are more communistic than constitutional. Said David O. McKay---“Communism debases the individual and makes him the enslaved tool of the state, to which he must look for sustenance and religion. Communism destroys man’s God-given free agency. “No member of this Church can be true to his faith, nor can any American be loyal to his trust, while lending aid, encouragement, or sympathy to any of these false philosophies; for if he does, they will prove snare to his feet.” You have created a monstrous administrative government---bureaucracy. They make regulations and you pass them without reading or evaluating. Evil. Cut the administrative bureaucracy. ‘To compel a man to subsidize with his taxes the propagation of ideas which he disbelieves and abhors is sinful and tyrannical.’ Thomas Jefferson To take from one, because it is thought that his own industry and that of his fathers has acquired too much, in order to spare others, who, or whose fathers have not exercised equal industry and skill, is to violate arbitrarily the first principle of association, ‘the guarantee to every one of a free exercise of his industry, and the fruits acquired by it.’ Thomas Jefferson Thomas Jefferson; I predict future happiness for Americans if they can prevent the government from wasting the labors of the people under the pretense of taking care of them. Excerpts from Saul Alinsky’s ‘Rules for Radicals.’ 1) Healthcare – Control healthcare and you control the people. 2) Poverty – Increase the poverty level as high as possible; poor people are easier to control and will not fight back if you are providing everything for them to live. 3) Debt – Increase the debt to an unsustainable level. That way you are able to increase taxes and this will produce more poverty. 5) Welfare – Take control of every aspect of people’s lives (food, housing and income). PEOPLE’S WEEKLY WORLD Saturday, August 8, 1998 Youth and Student Bill of Rights (Communist Bill Of Rights) 1. The right to quality, affordable housing. Every person and family must be guaranteed a home that fits their needs. Massive federal funding for building, renovating and maintaining public housing. Federal rent control laws for privately owned buildings. 2. The right to free, quality health-care. Create a national health-care system for universal access to medical care from birth to old age. This includes HIV and AIDS care, birth control, and abortion, prenatal care, prescriptions, eye and dental care, and all other medical necessities. Cut the insurance company profiteers out of the equation so no one can be turned away from any hospital because of lack of insurance. There must be equal levels of care and resources at all hospital and clinics in all neighborhoods. \$9.8 million for homeless shelters? Wrong! Government subsidized housing? Wrong! You gave illegal aliens a ‘driving privilege card’ some years back and very sneakily pass an automatic voter registration when you get your license UNLESS you opt out. Criminal! Every additional crime they commit will be on your soul. And you criminally continue with asset forfeiture violating our rights vouchsafed in the Fourth, Fifth, Sixth and Eighth amendments. Fees on phone line; taxes on short term lodging; gas taxes increase. There is nothing in your statist megalomaniac minds you don’t want to control, tax, fine or fee. Most of you I hold in abhorrence. The list continues but this will suffice at present. Cut taxes; cut spending.

STRONG CONSIDERATION NEEDS TO BE in effect for retirees! We are NOT getting pay raises to keep up with the cost of living especially where taxes are concerned! Everything is going UP and our paychecks are going DOWN. How do you expect us to survive when you continue

to raise taxes???!! I for one don't believe those of us that no longer have kids in school should be paying school taxes. Taxes are out of control - this needs to STOP!

Taxing services will ultimately lead to an overburden for small business owners like myself. To have to calculate such a tax alone would cost me substantial amounts of time & money. This will cause these service providers to stop providing or simply not claiming the income. I'm concerned that this is a slippery slope where every day new taxes are being introduced. The tax burden continues to climb in a supposedly "Republican" state. Republicans traditionally don't want big government...that is until it comes to my tax dollars I guess."

I am concerned by the proposed increase in grocery food sales tax. I do not believe food should be a taxable item, and most other states do not charge sales tax on groceries. The current rate likely already negatively impacts individuals at risk for food insecurity and the proposed increase would be especially detrimental to both those residents that are food insecure, along with those that are at risk for food insecurity. I agree that tax reform is needed, but do NOT believe increasing tax on essential items is the way it should be done.

I am commenting in regards to the tax changes being proposed in Utah. Some legislators are proposing a food tax increase that is much too high for many families. As a Registered Dietitian Nutritionist in Utah I see firsthand the struggle that many families already have in securing healthy food for themselves and their families. I would urge you to consider not increasing the sales tax on foods as it will disproportionately affect far too many low income Utahns. Healthy food acquisition leads to healthy Utah families and lower overall healthcare costs in the long run.

The best solution is to amend the State Constitution to allow proceeds from the income tax to be allocated to areas other than education. The worst idea is to tax services. A tax on services has been attempted in other states and it has always failed miserably and been repealed. Another viable option is to increase the sales tax and decrease the income tax. I would vote for a constitutional amendment or a change in tax rates. I would vote against any tax on services such as medical, legal, accounting, etc.

Utah is one of only eight states which taxes military retired pay without any considerations. Not only does this send the wrong message for supporting military members, it is also economically stupid. Retirees bring funds into the state from a career of earning that retirement elsewhere. They also bring leadership and ingenuity -- many continue in the workforce or own businesses, but Utah scares them away. I currently live in Utah after retiring from the military only so I could take care of aging parents. Now that they are gone, I plan to leave the state for a military friendly state. I will take with me other income I earn and pay taxes on in the state and a small business which also generates income and taxes for the state. Get with it Utah! <https://militarybenefits.info/states-that-do-dont-tax-military-retirement-pay/> <https://militarybenefits.info/states-that-do-dont-tax-military-retirement-pay/>

We are a nation of laws, and a core feature of that structure is the application of and adherence to the Rule of Law. The proposed change in the taxation structure would place a tax upon obtaining legal service to participate in the Rule of Law and to exercise the constitutional right to do so. This circumstance is not unlike a poll tax where citizens are being charged money to exercise their constitutional rights. In my view such a tax is unlawful,



unconstitutional and un-American. See, 52 USC Sec. 10306(b). I firmly oppose any tax on legal services - this is a slippery slope leading to a very dangerous conclusion.

We all know that the real estate lobby is the largest, most influential lobby in the state (with the exception of the LDS Church perhaps). Will services offered by real estate agents and building general and subcontractors be subject to a "service tax"? Who else may be exempted from any "service tax" pray tell."

I have many concerns with the potential legislative actions being considered to address taxation in Utah, particularly regarding taxation of services. Initially, it seems that the process is moving fairly quickly without waiting to see revenue streams from sales tax on Internet purchases, and it is not clear why there is a rush to fix something that I have not yet seen clear evidence that it needs fixing. Further, the jump to the idea of taxing services seems to have been made without much research into the matter or consultation with those who would be affected. I would prefer to have a ballot measure to change the constitution to allow the taxes to be used and distributed where they need to be rather than introducing a new tax that can have many harmful effects. Even if services are to be taxed, I urge you to not tax the legal industry. Such a tax would provide a number of hardships on Utah citizens: many would be taxed at their most vulnerable times; such a tax would be a hardship in managing affairs such as creating a new business or drawing a will; many people may turn to "do-it-yourself" tactics which could result in a greater legal burden later when such efforts turn out poorly; many legal transactions are already taxed and in addition legal professionals already pay income taxes on their fees; and taxation of legal services would violate attorney/client privilege. Also such a tax legal services would have significant negative impacts on economic development and competitiveness for the state. Many legal services can be provided from any state and a client can and will find another service provider in another state that does not impose a service tax. Alternatively if the legal professional does not pass the tax on to the client as part of the fee the legal professional could absorb the fee which would be a significant cut into revenue and may lead the legal professional to leave the state. I also believe there are numerous constitutional issues with taxation of legal services such as impeding access to courts violating the supremacy clause of the U.S. constitution violating the equal protection clause of the 14th amendment imposing a burden on exercise of rights guaranteed by the 56 and 8th amendments of the U.S. constitution and violating of Article VIII Section 4 of the Utah constitution. I strongly urge you to seriously consider other options before imposing a services tax particularly on the legal industry. "

Taxing services will harm Utah's economy and discourage competition. Small businesses are the backbone of the economy. Most small startups are service businesses. Putting the significant burden of administering tax collection on those startups is yet another hurdle that will prevent many small businesses from starting and flourishing. Again, taxing services will harm Utah's economy and discourage competition.

I am an attorney and I represent a lot of low income and new immigrant clients. I think imposing a sales tax on legal services would present a huge burden to my small solo office, and would be a hardship to my clients. There are other problems as well: 1. Confidentiality: How can I report what my client's pay me if they are paying me on a contingency basis? It would invade my client's privacy for me to disclose what they pay me, and would force me to engage in unprofessional conduct. 2. The tax on services will increase the cost of legal

representation to the clients who are already suffering, vulnerable, and facing increased expenses and hardships, due to their legal problems, injuries, medical bills, divorces, and so forth. People who are disabled from an auto accident or workplace injury and fighting for their rights, in the middle of divorce, eviction, custody disputes, trying to collect child support, etc. should not have the added burden of having to pay sales tax on their legal fees. Legal fees are always a hardship and taxing the services will make it even more of a hardship.

3. The time it will take me to keep track of and report my fees and to pay the taxes on services, will be complicated, time consuming, and will take me away from my legal work, or will force me to hire and pay for professional accounting help which will reduce my profits of my already low profit margin for my small business. . 4. I think this will also be a problem for other small mom and pop businesses, individuals like hairstylists, small garage owners, all of whom will lose money if they have to pass on an increase to cover sales tax. They will not be competitive with other businesses, and they will have to hire accounting help to keep track of their taxable services and reporting. Please do not impose this hardship on us and do not impose tax on services.

Taxes on gasoline & industries that pollute are much smarter& much more helpful to quality of life. NO INCREASE ON TAX ON FOOD

As an attorney and small business owner providing cost efficient legal representation to a variety of clients located both in and outside Utah, I appreciate our state government's efforts to support small businesses through efficient laws, taxes, and government services. I have serious policy-based concerns, however, with tax reform proposals that include taxing professional business services, particularly as it relates to the taxing of legal services. Taxing Professional Business Services Will Disproportionally Impact Small Businesses and Tax Business Inputs Essential to Small Businesses Small businesses often rely on other small businesses for needed professional services, including accounting services, advertising services, and legal services. Taxing professional services means taxing inputs that these small businesses require to produce their products. Larger businesses are more able to integrate these professional services vertically in-house. If a sales tax on business services is passed, in the interests of reducing tax burdens, larger businesses will be more encouraged to vertically integrate at the expense of small business service providers. While larger businesses may have the resources to employ in-house accountants, marketing professionals, and attorneys, most small businesses do not and will be disproportionately hurt by the proposed legislation as they will be paying taxes on outside professionals to provide these services. Taxing Professional Business Services Will Reduce The Competitiveness of Utah Small Businesses Taxing business services (including legal services) would place Utah attorneys and small professional service businesses at a serious competitive disadvantage relative to attorneys located in the vast majority of states (47) that do not impose such burdens on the access to legal services. The proposed bill would encourage Utahans and Utah businesses to seek provisional services from out-of-state providers who are located in jurisdictions that do not tax business and legal services. Out of state clients that currently receive qualified legal services at competitive costs by engaging Utah attorneys will take pause in continuing to do so, and are likely to consider instead engaging qualified attorneys in one of the vast majority of other states that do not impose this unnecessary tax burden on legal services. Taxing Legal Services Will Create Barriers to Justice and Access to Our Legal System A major concern

relates to the fact that taxing legal services will create barriers to justice and reduce accessibility for many individuals to the protections and rights offered through our legal system by increasing costs. Many seek legal representation not out of a consumptive choice, but out of necessity arising from situations outside their control. In essence, a tax on legal services will be a tax on: § Individuals seeking to have their constitutional rights and religious and civil liberties protected § Individuals seeking to adopt a child. § Individuals requiring protection from domestic violence situations. § Individuals seeking to manage the estate of deceased loved ones. § Individuals looking to restructure their finances and realize future stability through bankruptcy proceedings. § Individuals wrongfully accused on a crime. § Individuals seeking to be made whole following an accident or assault. § After beginning my career as an attorney at a large law firm, I have moved my practice to a smaller platform, as I strongly believe in providing more cost-efficient legal services to smaller and more diverse individuals and businesses that often find the services of larger law firms cost prohibitive. Taxing legal services would impose disproportionate burdens on these clients who already find the cost of legal assistance difficult to bear, would discourage individuals and small businesses from obtaining proactive legal counsel before problems arise or mature, and would likely foster a small business environment where conflicts that could have been mitigated through earlier actions or intervention by legal counsel are more significant and difficult to resolve. Small businesses and professional service firms, including attorneys, are key drivers of the Utah economy that compete and succeed at a national level. Increasing costs to clients by adding legal services taxes when almost no other states are doing so will seriously hurt Utah law firms that service small business interests in an industry where cost concerns are progressively becoming more important. I sincerely appreciate your careful consideration of the above and your efforts on behalf of your constituents.

I am strongly opposed to expanding sales tax to cover services. Aside from the wasteful spending that we already have under our present tax system, adding sales tax for services creates an incredibly large burden on small businesses. As an attorney, financial advisor, and tax preparer, I see clients nearly every day that earn small amounts from side jobs in the service industry. Everything from the mom who teaches piano to the guy who has some side jobs in construction, we will overburden the little guy with additional duties to collect the tax and file the tax returns (which are not cheap to file by the way). Many of my clients only earn an extra \$1,000 or so with their side job. With prices ranging from \$100 to \$300 per return, the side jobs will not likely be worth it. What's all of this for anyway? It seems to fill only the primary goal of lining the pockets of UTA!

I want to thank the Utah House and Senate for taking additional time to study the proposed tax on professional legal services. As a practicing solo attorney who has not raised my hourly rate in over 20 years, it would be very unfortunate to see a new tax enacted which would raise the already expensive cost of legal services to those least able to afford them. Worse, it very likely could affect the decision by solo attorneys like myself, and perhaps all attorneys, whether to take small cases or reduced-fee clients due to the time, expense and administrative overhead required to charge, collect and remit such taxes to the State. Moreover, the State is not in any financial trouble, or in a deficit spending situation, and Utah's economy and the current tax base is expanding, so the effort to simply capture additional tax dollars may backfire on the State by putting up a barrier to business expansion.

All of these negatives are not outweighed by any current or future need of the citizens of Utah. The fact that some fiscally irresponsible states have enacted such a tax is a particularly poor justification to do so in Utah. Thank you for considering my thoughts on this matter.

1. Remove unique constitutional amendment limiting spending categories for income tax 2. Keep income tax rate as is 3. Broaden base for consumption level sales tax by: a. Restoring food tax to former levels b. Eliminating labyrinthine special interest exemptions from existing sales tax requirements c. Wait to see emerging effect of newly adjudicated abilities of states to tax online sales and see how much decline in traditional sales tax revenue ultimately will be offset. 4. Avoid imposing unprecedented new taxes on business services. Sales tax is for consumption not production. We cannot suddenly start imposing new and largely unprecedented service taxes without chilling the relocation of businesses here and the robust growth and development of locally started businesses. Why would we give Phoenix, Denver, Boise and Austin something to talk about why business should go there instead of Utah?

The proposed tax on professional services, specifically the tax on legal services, raises many concerns. The tax inhibits access to justice by imposing additional costs on the public who need legal representation, often in a time of crisis. For individuals seeking attorney aid outside of times of crisis, such as estate planning or business planning, the tax punishes those who seek to plan ahead for themselves, their business partners, and, most importantly, their families. While the State of Utah does need to consider modernizing its tax system, sales tax for professional services and legal services harms Utah citizens and businesses.

I understand that revenue from sales may be down because of closed business and internet. I know that income is up and so are property values so that should be solid. I understand that we may need more money for roads and so I think you should raise gas tax since it is tied to the need and we all hate traffic jams. You should had a road tax to the property tax statement for electric vehicles to be fair. If you can show a real shortage, I think you should put a tax on food. We all pay that, even people who work off the books and don't pay income or property tax, so it includes everyone and is open and fair. It would generate the same as a service tax, but is less convoluted, easier to collect, and doesn't hurt small business. I think it is best to keep the tax connected to the need, (gas for roads, income for schools, sales for general etc.). A service tax opens it up for lobbying to get it gone or reduced, hits some people and businesses more than others and is difficult to enforce.

A Comprehensive Plan for Restructuring the Tax System in the State of Utah I. Introduction Benjamin Franklin famously said that there are two certainties in life: death and taxes. He also early noted Americans' inordinate reluctance to paying taxes, saying "The Remissness of our People in Paying Taxes is highly blameable; the Unwillingness to pay them is still more so. I see, in some Resolutions of Town Meetings, a Remonstrance against giving [government] a Power to take, as they call it, the People's Money out of their Pockets, tho' only to pay the Interest and Principal of Debts duly contracted. They seem to mistake the Point. Money, justly due from the People, is their Creditors' Money, and no longer the Money of the People, who, if they withhold it, should be compell'd to pay by some Law. "All Property, indeed, except the Savage's temporary Cabin, his Bow, his Matchcoat, and other little Acquisitions, absolutely necessary for his Subsistence, seems to me to be the Creature of public Convention. Hence the Public has the Right of Regulating Descents, and all other

Conveyances of Property, and even of limiting the Quantity and the Uses of it. All the Property that is necessary to a Man, for the Conservation of the Individual and the Propagation of the Species, is his natural Right, which none can justly deprive him of: But all Property superfluous to such purposes is the Property of the Publick, who, by their Laws, have created it, and who may therefore by other Laws dispose of it, whenever the Welfare of the Publick shall demand such Disposition. He that does not like civil Society on these Terms, let him retire and live among Savages. He can have no right to the benefits of Society, who will not pay his Club [dues] towards the Support of it." It appears we still do not fully understand this sometimes. Taxes are how our duly appointed governments obtain funds to serve the public good and look after our common interests. Government is not, nor should it be cast as, some alien entity intruding itself on society. But rather it is the means whereby we lay the ground work for our common life and union. Adam Smith, the great expounder of capitalism, in the Wealth of Nations says "Every tax... is to the person who pays it a badge, not of slavery but of liberty." Taxes are a necessity of good government and all citizens and sectors of society ought to dutifully and even gladly pay, rather than begrudge it as some (incorrectly seen) unjust burden. However, it is also important that taxes are done for the real and substantive benefit of the people, rather than being a mere cold tool of revenue collection, or without serving as checks and balances, so necessary to free government and civil society, on those excesses of society which are so hazardous to free republics and good government. Washington in his farewell address wisely stated that "to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant;" And yet, the fact remains that taxes must be collected, and that it is going to always be unpleasant and unfair in some respects. A perfect tax or tax system simply does not exist. Though all effort be made to make it as equitable and painless as possible, there will always be some sting, and always be burdens held more by one group than another. Having all this in mind, this is what I would recommend to our legislators as a course forward, in restructuring our tax system, but even more importantly, having a tax structure that will be of great benefit to the people of this state. I understand that you are here only to discuss taxes, and not spending or the constituted nature of the state, and so I will forgo discussing spending and our constitution and laws, and address taxes and their effects only.

II. Proposals

1. Instate a progressive income tax levied on the following brackets, at the following rates, with the brackets being pegged to the state's inflation rate.

Tax Bracket	Tax Rate
Above \$10 million	15%
\$1 million - \$10 million	12.5%
\$250,000 - \$1 million	10%
\$100,000 - \$250,000	7.5%
\$50,000 - \$100,000	5%
\$25,000 - \$50,000	2.5%
Below \$25,000	1%

While I understand where resistance against progressive taxation comes from, it is not one that is warranted. Adam Smith in Wealth of Nations says "It is not very unreasonable that the rich should contribute to the public expense, not only in proportion to their revenue, but something more than in that proportion." Utah used to have a progressive tax, and the adoption of a flat tax has been the main reason for diminishing revenue for education, in proportion to the increasing need. But also, deductions ought to be limited or repealed altogether. Leave the standard deduction, and perhaps a couple dependent deductions, but the rest ought to be eliminated, particularly the mortgage deduction and property tax deduction. Those two deductions alone help to skew the market towards land speculation that results in the acquisition of larger mortgages and homes that are increasingly unaffordable. Rather than

encouraging the inflation of this problem, remove these deductions so that property acquisition is actually obtained where it can be naturally afforded, and where it will not so easily prompt the consolidation of holdings that will bar the majority from becoming property owners. The self employed, proprietorships, and partnerships, should pay their taxes here rather than under the corporate tax, and have their normal due business deductions and exemptions, with no additional self-employment penalties levied. 2. Instate a capital gains tax at the same rates as the progressive income tax- based off the amount withdrawn (when you take it out to use for income) during the year, including social security. Also pegged to state inflation. Tax Bracket Tax Rate Above \$10 million 15% \$1 million - \$10 million 12.5% \$250,000 - \$1 million 10% \$100,000 - \$250,000 7.5% \$50,000 - \$100,000 5% \$25,000 - \$50,000 2.5% Below \$25,000 1% This should be levied as a separate tax from income tax, capital gains being considered different and separate from income- which will prevent the combination of income and capital gains from compounding on each other to result in a higher tax rate. There should be no deductions for capital gains, except perhaps the standard deduction (at least for social security). It ought to be for the annual amount withdrawn and used, rather than amounts transferred between investment accounts. This measure as described would have a net result as a tax alleviation for most people in retirement, and allow for the establishment of robust capital gains funds for more people in this state. To reiterate, Adam Smith in the Wealth of Nations states that "The subjects of every state ought to contribute towards the support of the government as nearly as possible in proportion to their respective abilities; that is in proportion to the revenue which they respectively enjoy under the protection of the state." And so it ought to be said that unearned income gained through speculation ought to be taxed at least at the same rate as those who earned their income but not in a manner that would discourage most people from becoming capital owners which is a beneficial thing to encourage widely across our society rather than something only a few can ever really hope to benefit from which will both depress our standard of living and revenue to the state. 3. Instate an inheritance tax at the same rates as income and capital gains taxes- based on the amount received or withdrawn during the year with no deductions or exemptions. Also pegged to state inflation. Tax Bracket Tax Rate Above \$10 million 15% \$1 million - \$10 million 12.5% \$250000 - \$1 million 10% \$100000 - \$250000 7.5% \$50000 - \$100000 5% \$25000 - \$50000 2.5% Below \$25000 1% This should also be a separate inheritance tax separate from the income or capital gains tax inheritance being considered alone rather than as part of income or capital gains rather than including it in income or capital gains taxes. This prevents inheritances from compounding with capital gains or income into a higher tax bracket. In this manner rather than taxing the estate of the person who accumulated the wealth it encourages the person leaving the inheritance to disperse it among many recipients to avoid taxes and encouraging the passing of generational wealth that gets seeded into the ground level to generate more wealth and more inheritances down the line. 4. Repeal the sales tax altogether. It is impossible to levy fairly in any sense of the word- it inherently leads to certain exemptions for some industries goods and services and the overinclusion of others- skewing the market place towards those exempted and against those included and in addition to and beyond that it inflates the cost of living and doing business in the state in all respects. It messes with people's heads and budgets because nothing ever costs what it's price is. It is certainly a suboptimal tax and puts

a damper on the very thing this legislature wants to see more of- economic activity. Instead repeal it and remove this inflationary driver from our economy. 5. Instead raise the corporate tax rate to 10% with the following exemptions available each individually knocking off 2% from that rate and any business meeting at least 5 of these metrics would be able to obtain a 0% tax rate: a. is domiciled in Utah b. at least half of its employees reside in Utah c. does not have more than a 10x pay discrepancy between the highest paid employee (CEOs board of directors and upper management included) and the lowest paid employee (based on full time) d. offers at least 160 hours (or 20 working days) of paid combination of PTO/sick/family leave annually e. less than 1/3 of its employees are part-time f. offers at least 3 months paid parental leave for first two children g. is organized as a cooperative entity h. offers tuition assistance equal to at least half of the average tuition cost in the state i. offers free transportation to and from work- be it company paid bus passes company paid uber or some other mode of transportation. j. offers free daycare facilities or offers employees child-care benefits of some kind k. pays all employees at least \$15 an hour (pegged to state inflation)

These same deductions would also be translated for and made available to the self-employed and to proprietorships and partnerships on their income taxes. In this manner we can make a more favorable tax environment for our local and small businesses and their owners. Rather than placing undue regulatory mandates and skewing deductions towards large out of state corporations and corporations that behave irresponsibly we instead make it more viable for people to become small business owners cooperative owners and self-employed. And instead of leaving unfunded mandates to be good employers it instead rewards businesses for helping keep the welfare state small and unneeded in the first place. If they're doing their part to make welfare and social programs unneeded then the taxes needed to support it no longer need collecting and instead can be used to provide these jobs and offset these various benefits to their employees. But even more broadly- our legislature should consider how they can transform Utah into a state where most people are capital owners. Too long our laws and taxes have favored large and irresponsible corporations who have little regard for the communities they operate in. If this legislature would stem the tide of growing welfare programs and the allure of socialism then it is in the best interests of our legislators and the people of this state that the vast majority of Utahns be enable to be capitalists; to be capital owners. To be business owners to be self-employed and to have direct stake in companies of their own creation. Not the flimsy and far removed and volatile 401k's and mutual funds of Wall Street but rather local entities that they own that they run that they work for and that they pass on to future generations. Ronald Reagan knew that wide-spread capital ownership was the key to keeping a vibrant economy going into the future saying "I can't help but believe that in the future we will see in the United States and throughout the western world an increasing trend toward the next logical step employee ownership. It is a path that befits a free people... [We ought to] advocate that management and labor shift away from battling over wage and benefit levels to a cooperative effort aimed at sharing in the ownership of the new wealth being produced... There is a story that [Walter] Reuther (a CEO of Ford) was touring a highly automated Ford Assembly Plant when someone said 'Walter you're going to have a hard time collecting union dues from all these machines.' Reuther simply shot back 'not as hard a time as you're going to have selling them cars'... The energy and vitality unleashed by this kind of People's Capitalism-free and open markets robust competition and

broad-based ownership of the means of production- can serve this nation well.\" Rather than being a state driven by consumerism and debt let us make Utah into a veritable cornucopia. If this legislature desires the two great projects of Silicon Slopes and the Inland Port to be resounding successes then it behooves them to make this state a great generative power. This generative power can only come from its own people and cannot be made by wooing out of state giants with free money giveaways from the people of this state. But instead let Silcon Slopes be filled with Utah businesses. Not California Washington Texas or New York businesses. Let the Inland Port burst with goods being exported from the state to all around the world. The founders of this state turned it from a desert into Deseret not because of outside investment not because of the relocation of eastern businesses but because of the cooperative efforts of its citizens- in being self employed and in founding cooperative firms. They laid the foundations of this state in widespread capital ownership and widespread property ownership and increasing self-sufficiency not in rents not in leases not in real estate development schemes mortgages borrowing bonding lending or in land and stock speculation or high finance. It should be the goal of this legislature and this state to make 80% of the citizens of this state capital owners capitalists by the year 2030 through self employment cooperative ownership and small local business ownership. Doing so will greatly decrease the burden that our government needs to bear particularly in the area of social programs. Increase the independence of our citizens and it will make for independent powerhouse of a state. 6. Instead of the complexity and overlap of various non-municipal property taxes- such as special districts school districts and other taxing entities- remove the power of all other taxing entities except cities (and counties where they\'re acting in a municipal capacity for unincorporated zones) and instead implement a single progressive property tax statewide regardless of land use or zoning based off of the total acreage owned and their combined assessed value. Acreage Tax Rate Up to .1 acres .25% .1 to .25 acres .5% .25 to 1 acre .75% 1 to 10 acres 1% 10 to 100 acres 2.5% 100+ acres 5% Thomas Jefferson wrote in regards to property taxes \"I am conscious that an equal division of property is [impractical] but the consequences of this enormous inequality producing so much misery to the bulk of mankind legislators cannot invent too many devices for subdividing property...[a] means of silently lessening the inequality of property is to exempt all from taxation below a certain point and to tax the higher portions or property in geometrical progression as they rise... The earth is given as a common stock for man to labor and live on. If for the encouragement of industry we allow it to be appropriated we must take care that other employment be provided to those excluded from the appropriation... The small landholders are the most precious part of a state.\" It is to our benefit to encourage widespread ownership of property and smaller holdings in this manner rather than letting the lands of the state be gobbled up into large estates where feudal lords extract never ending rents and leases from people who ought to be property owners themselves and able to run their own lives and businesses from their own property. In the same spirit of making the vast majority of Utahns capital owners the majority of Utahns should also be enabled to be property owners. 7. Instate a flat 10% Extraction Tax for mining (ore oil) lumbering water extraction etc.- any extractive activity within the state. No deductions or exemptions. In this manner the state can regain the lost revenue from the leases that would have come if those lands weren\'t held by the federal government which this legislature has long desired to obtain. For no matter which lands the



extractive activity occurs on so long as it occurs within the borders of the state this tax can be collected. If the state cannot have those lands then they can still through this tax collect the revenue that the people ought to have from the use of those lands. 8. Implement a 10% energy tax- petroleum electricity natural gas etc.- any energy purchased and not generated on-site or self-generated including charging stations and gasoline and natural gas. This tax should be levied on the property owner where energy is being consumed not directly on renters who cannot modify or renovate the property for energy purposes. If at any time the property owner decides to implement self-generative technology on the property that would generate power equal to about what was consumed in the previous year then they may be rebated up to 5 years of energy taxes paid on energy consumption on that property to offset the cost of installing that technology. They may also be refunded the previous year's energy tax paid to offset the implementation of other kinds of efficiency modification of the property (energy efficient windows insulation etc.) This will have the net result of reducing pollution and also increasing the independence and liberty of our residents and businesses- being energy independent and also offering a way out of this tax altogether through responsible stewardship as well as utility bills and the taxes and regulation involved with that with regards to their homes and places of business. 9. In addition to the energy tax implement a 10% transportation tax on plane tickets train tickets bus tickets gas stations natural gas stations electric charging stations (based on whatever the electricity rates are in that area) etc. (does not include taxi or ride-sharing services) and make regional public transportation free of charge at the consumer level. This will enable that regardless of the mode of transportation that we can maintain all of our transportation infrastructure and that it will not fall behind due to inflation. The free use of public transportation will enable more people to use it put less pressure on our transportation infrastructure and decrease the proliferation of expensive roads and their maintenance costs as well as decrease pollution levels. 10. Instead of car registration and fees levy a tax on the emissions and efficiency of vehicles- rather than barring them from registration altogether for failing emissions tests. The current practice of barring vehicles from registration disproportionately affects middle and lower income families who often have older and used vehicles and require them to get to work. It would be better practice for this state to simply allow them to register but levy a tax on the level of emissions instead that can be paid in lump sum or increments so that people can continue going to work and conducting their daily lives. It still encourages the adoption of more energy efficient vehicles but without the potential effect of thrusting people into positions where they may need to become reliant on or further reliant on welfare or government programs. 11. 100% recreational substance tax- on alcohol tobacco nicotine recreational cannabis should it become legal caffeinated and sugary beverages and lottery tickets should they become legal etc no deductions or exemptions and allow for retail sale of alcohol. It would be better to collect the tax on these substances that burden our health and the state's health system than it would be to ever attempt in any sort of prohibition or even the minute regulation that they are currently under. Instead allow people the freedom to buy and consume what they want without burdening our justice system or treating people like children but still with the understanding that they must help shoulder the burden that these choices inevitably place on taxpayers. It would make things both freer and also lessen free rides. 12. Eliminate and repeal all other state level fees and taxes. No licensing fees no

registration fees no filing fees for individuals or entities. Many such things could be reasonably considered part of the above taxes and fees are a bad way to gain revenue and a bad way to offset costs. It's bad government. It is hampering to small businesses to have to compete with paying the same fees and licenses that large corporations pay. And the amount of revenue generated by these fees and taxes are miniscule compared to the other revenues previously mentioned and could be easily off-set by them. It will make for a more friendly environment for small business and also for regular citizens more generally who will no longer feel like the state is nickel and diming them to death over every little thing that the government is requiring them to do.

13. Eliminate most existing tax exemptions breaks loopholes deductions etc. Much of our current tax and economic dysfunction arises from the numerous deductions exemptions loopholes and sweetheart deals. It would be to our benefit to generally reduce and eliminate most deductions or recalibrate them so as to provide a more demonstrable and direct benefit to the people of this state rather than a few special interests and parties.

14. Use surplus funds to buy the bonds issued by other states and municipalities with the goal of creating a passive revenue source that can eventually be used to replace tax revenue. In this same spirit- charter a state bank and allow and encourage municipalities to charter municipal banks. Non-FDIC insured. It is time to start thinking outside the box of taxes. Rather than being state subject to debt bonds and liabilities let us instead pave the way in becoming an asset holding state and government to match an increasingly asset holding population. This will increase the flexibility our government has in meeting the needs of citizens and will eventually alleviate the tax burden on them. How much better it would be if Utah could eventually pay a citizens dividend and not have to burden the people of this state with any taxes at all? And rather than having to have the dual burden of interest payments and taxes on property we would lower both the cost of living and of doing business within the state. Further this would align the interests of the state government with those of the people and their businesses more broadly.

15. Grant home rule to municipalities to levy whatever taxes the people in those communities see fit to levy how they wish to levy them rather than being regulated by the state. It would be better for this state if cities didn't have to compete with the state and if the people could determine the course for their own communities without being either dependent on the state or requiring permission from the state. Rather than going hat in hand to the legislature let the people get a greater degree of autonomy over their lives and communities.

16. All funds directed to the General Fund Assuming all the above conditions are met then and only then would it be recommendable to eliminate earmarked and dedicated funds and instead have all funds go to the general fund. However it would also be worth considering the exception of allowing citizens to earmark up to half their income capital gains and inheritance taxes for any given general purposes or funds as they deem appropriate (education transportation healthcare social services law enforcement etc.) As the overwhelming majority of funds would still then be at the discretion of the legislature it wouldn't allow for any great funding imbalances but it would give a clearer insight as to the priorities and wishes of the people with regards to funding.

III. Conclusion Some final words- I have described how Utah can achieve a more equitable tax system and society. I have recommended to you measures that if implemented as described would aid Utah in becoming more prosperous and more generative economically. But I am a lowly citizen and can do nothing more than suggest these

things to you. It is my hope that this gives you a greater vision for the future of this state and that these proposals will if not be adopted at least lead you to better decisions in that same spirit. We live in revolutionary times. At the time the United States Constitution was adopted Americans were 3 million strong. Today Utah is 3 million strong. You stand on the precipice of an era that is indeed going to define our commonwealth for generations to come. I hope you will not continue to waste it."

As you may know, I'm an expert in State Public Finance. 1. I applaud your efforts to improve Utah's future fiscal situation. My caution is that it is hard to improve such systems. 2. Unfortunately, you may be missing key information about Utah's fiscal situation. Based on this meeting, and others, I worry some facts are being lost. There are solutions to our fiscal imbalance that I have not heard discussed in public. I feel an imperative duty to make sure you are aware of these facts. 3. You should consider analysis you may be missing: 1) The tax system already more than scales with our fast-growing population. 2) Economic shifts from goods to services are not the problem. 3) E-commerce is the most important sales tax policy to get right, do so and that source will grow faster than the economy for a decade. 4) Utah's fiscal house will not collapse in the near or far future - while the video is compelling - its main weakness is in that it is wrong, it is a bad forecast. 5) Finally, you are able to break down our revenue silos under current law, without changing the Constitution. 4. There are only two real problems here, one is revenue flexibility - the other risk is enacting an inadequate solution to that problem. Even a perfect consumption tax with offsetting revenue-neutral income tax cuts (well for the state) fails to solve the real fiscal problem for the next generation. We tried that in 1995. It is worth exploring new tax policies. Deep and open data should inform your decisions. Model how all of our taxes would change - do so accurately and transparently and you may persuade the public of the merits of a new system. But we will want to check the math. There are no mulligans with this kind of stuff.

I represent a professional structural engineering firm in the state of Utah who is opposed and concerned about taxing professional services for the following reasons... 1. Taxing services primarily used for business, not individual consumers. In 2007 Michigan introduced a tax on consulting services and it was repealed within hours. Massachusetts proposed collecting sales and use tax on computer services in 2013 and it was abolished three months later. Five other states introduced similar initiatives and all failed. Taxing professional services does not work. 2. Sourcing Rules for Services. A panel member suggested that the task force would consider the Benefits Received idea of taxing services within the state where the customer is located arguing this would not create a competitive disadvantage with other states. This is incorrect. The consumer would simply choose to use a different in-state consultant that does not tax services. Our company provides professional engineering services in nearly every state. An issue could arise where one state collects taxes on services based on the Benefits Received idea and another state collects taxes on services based on the Services Performed idea. Our company could be taxed twice for the same service. This is bad business policy. 3. Complication of tracking and paying taxes on services in multiple states would require additional staff be hired and would increase overhead costs. With an already slim profit margin, these costs would have to be passed to the consumer. 4. Creates an unfriendly business environment. To avoid these taxes a company could re-locate their headquarters to a neighboring state. Utah is known for a business-friendly environment. A tax on professional

services defeats this perception. One of the legislators indicated that the e-commerce sales tax has been approved by the Supreme Court and the Utah legislation passed a bill to help close a loophole. The data presented on sales tax did not include revenue from e-commerce sales tax. This might be the solution to increase the sales tax revenue but it's not apparent because it's in its infancy. I applaud the efforts by the Task Force in trying to plan ahead for financial challenges. Based on the task force presentation it appears the issue is not a revenue problem, but the flexibility to use the current funds. Creative ideas should be focused on how to increase flexibility to use these funds and not how to tax more businesses and consumers.

I work in the service industry and a service tax will personally affect me, my income and my family's quality of life. Please don't impose this tax!! Thank you.

Please do not tax our services! Taxing stylist services changes what I bring home greatly.

Please eliminate the sales tax on groceries. It's a grossly unfair tax, because the poorest Utahns use the highest share of their income on food.

If you put sales taxes on services it's going to kill our income. Our tips will go down and that is what we thrive on. I'm already struggling as a single mom this will make it even worse.

I understand given our changing economy, the need to update our taxing models. I am not necessarily opposed to this process and/or change. I would say however that I could not support any change that would require a tax on legal services. Access to legal services is already limited to those who can pay for it. This tax will be passed on to the consumer which will only make legal expenses more expensive. While that might be okay for services like car washes, yard work, and many other valuable services, it is not okay for legal services. Access to legal services is key to maintaining our freedoms and rights as citizens. There is a legitimate reason to exempt legal services from any sort of service tax. I cannot support any legislator that would vote for a bill that would further increase the cost of access to legal services. It is not responsible. Legislators need to understand and see the distinction between the impact the tax would have on legal services versus other types of services available in the economy. Taxing legal services is like a "misery tax". Hiring an attorney is not a matter of leisure and often not a matter of choice. Such a tax will be taxing people when they are exercising their rights. Seeking delinquent child support will be harder seeking custody of their child will cost more obtaining worker's compensation benefits that have been denied will cost more. even seeking guardianship of an elder will be more expensive. in addition this tax will make doing business more expensive. Small business already don't pay for legal work that would keep them in compliance with state law because of the expense. This law will only make matters worse. If we are going to modernize the tax infrastructure we need to do it in a responsible way. Exempting legal services is necessary. Not doing so is bad policy and will have adverse unexpected consequences a few of which are mentioned above. Thank you. "

I believe this new tax you are purposing will unnecessarily increase the costs of legal services to consumers for an already expensive service and not accessible for many consumers because of the costs. It might be good to charge tax to corporate clients because they use legal services regardless, but don't unnecessarily increase the costs to consumers another 7%.

Please, please, please, don't do this. I am a hairstylist and my family relies on my tips if you tax haircuts I'll be making less money, I will not be able to feed my wife and kids. This is a horrible idea and I hope you'll take me and my family Debbie(wife) Gunnar( son 7) Madison (daughter 6) into consideration and how this would effect them

I represent the Utah Plumbing and Heating Contractors Association (UPHCA). We are strongly against a tax on services. Collecting a Sales Tax in multiple locations would be expensive to those smaller companies that have less volume to distribute this added expense. Attempting to collect the tax and remit it to the state would become burdensome to many small businesses.

Everyone needs to pay their fair share of this. I feel the way to do this is by a Food tax. Give the poor, vouchers like we do with food stamps already. The stores already have the systems in place to collect it so there are no additional costs to businesses. Service Businesses are already doing their part by paying sales tax on products they use. Going after taxes on services is not the way to do this. Eighty years of taxation by our Forefathers is the fairest way to go for additional government funding. So we may have to pay more sales tax. But raising food tax is population sensitive and will grow as the population grows. Services will change as the world changes. We will be continuing to fight this as time moves forward.

I have owned and operated radio stations in the Uintah Basin for over 25 years. I have also served in many community service organizations including president of the Vernal Area Chamber of Commerce. These experiences have provided me the opportunity of consulting with numerous local retail business owners about challenges they face. These are challenging times for our local retailers who our communities rely on to support our local charities, civic functions and the funding of our local municipal governments through sales tax revenue. The business to business service tax element of the previous proposed legislation would have made it even more challenging for our local retail business owners, by adding another layer of expenses from the taxing of outside services needed to remain competitive. These added expenses will increase the competitive disadvantages which exist between Utah retailers and out of state online sales companies that do nothing to support our local communities. The State of Utah, in my opinion, should incentivize Utah retail businesses to increase local tax revenue by providing tax incentives and deductions to grow, and not hinder their growth through higher taxes and more government regulation. I would respectfully ask that it would be this committee's recommendation to exempt any business to business service tax from future tax reform legislation.

Please accept my comments regarding tax reform in Utah. I'm concerned with the proposal of imposing sales tax on services. Taxing any services is problematic, but it is particularly problematic to tax professional services (such as health and legal services). It would be better for this state to increase gasoline tax or sales tax -- even the tax on unprepared food -- than it would be to begin to tax services. A professional services tax would disadvantage businesses and discourage them from remaining in Utah. This would impact the entire economy negatively. This is exactly the reason so few states have a professional services tax. Please do not make the mistake of imposing one. Indeed, a number of states have repealed their laws taxing professional services because it determined it put in-state businesses at a competitive disadvantage. These states (Massachusetts, Michigan, Missouri, Arizona) feared they would cause economic harm and job loss. Utah should fear the same. The tax will encourage Utah

citizens to seek professional services from out-of-state providers who are not taxed, putting Utah at a competitive disadvantage. If Utah services are taxed, it would be crazy for people in St. George, for example, to seek services in Utah as opposed to just across the border in Nevada. Professional services, such as health and legal services pose a huge cost for Utah citizens at a critical, crisis time of their lives. These services are sought because of necessity, not choice. The last thing Utah citizens need is a "misery tax" added to their crisis. A tax on such services would also discourage people from seeking medical treatment or legal help leading them to wait until problems are more serious thus more costly to the state. This is akin to foregoing preventative services in favor of more expensive crisis services. Moreover unlike non-service businesses legal and other professionals pay income tax on their fees already. If additional revenue is truly needed for Utah the state needs to find another way to raise it. Raise fuel fees or raise sales taxes. Do NOT impose a services tax. "

Whatever solutions you recommend moving forward DO NOT TAX FOOD. Taxing basic life needs such as food is morally unacceptable and hurts our most vulnerable citizens and is bad for families. A recent poll indicated that the VAST MAJORITY of Utahns oppose taxing food. We should eliminate the tax on food altogether!!!

Thank you for reaching out to the public on this important issue. I know this is a difficult problem that needs to be addressed sooner than later. Being a lawyer who represents people on the margin I know first hand the impact of taxing legal services will have on my clients. I represent people who have been injured in work accidents and others who are applying for Social Security disability. Most of these clients are fighting to stay one step ahead of the bill collectors and do not have any margin for additional taxes. To tax legal services will be taking more money out of their depleted wallet and likely need more public assistance. For these and many other reasons, taxing legal services will have a disproportionate impact on a vulnerable population.

I am a licensed financial advisor and I am against taxing services. I am against this measure since it would be all but impossible to pass along this tax to the end consumer. Our firm would end up having to pay the tax, and I'm sure the intent is not to tax small businesses. I understand the need to be innovative on how the state takes in revenue, but one thing that I have never seen talked about is a Utah State Estate Tax. If I live long enough I will likely have over 5 million in assets and I personally have no problem with the state of Utah taking some of my estate before it's passed on to my heirs (after my spouse passes). I don't need the money anymore and goodness knows my kids will not need the funds. In my opinion this would seem like a tax that is least burdensome since dead people do not need money.

I am concerned about taxation of government services, specifically those related to water and sewer services by utilities. Some of the reasons for this are: 1. The taxation of water, sewer, and other government services would be the equivalent of a rate increase with no corresponding revenue to invest back into the infrastructure systems for maintenance/repair/replacement. 2. Water and sewer provider budgets are limited. Utilities face the possibility of raising water fees and/or taxes on their rate payers to pay the sales tax. 3. There would be an economic impact upon existing and new businesses in the state which could curb economic growth.

I am a sole practitioner practicing intellectual property law and charging relatively low rates to clients. I am working part time at my firm and part time at a legal doc review center. I have

no office but meet clients at their businesses or at a local library. I had a BS and MS in engineering before entering law school. I finished law school in 2009 in the top 20% of my class but struggled to get a first job in the recession, and finally after a year and a half landed a job with a boutique IP law firm. I stayed with them for 6 years but, feeling like I was not happy without trying to have my own firm, I ventured out and hung my shingle. Because of economic realities I have continued to work part time at the doc review center while trying to grow my practice. I am still trying to pay back my student loans and just now beginning to put some money away for retirement, though I am already in my 40s. I do not yet own a home, and I am driving a car from the 90s that is not in the best condition. I cannot yet afford an accountant but handle my own accounting through QuickBooks. Every dollar makes a difference in my practice and my clients struggle to make even the relatively low payments that I charge. I believe I am serving a portion of the local population that cannot be served by large and medium-sized firms, simply because of finances. My only comment is that, for me, getting a practice off the ground and paying the bills is no small task, and is difficult on many levels, and that if I had to start charging a sales tax to my clients, the affect that would have on my client base and the increased difficulty in my running my little fledgling law firm would greatly increase the probability of my hanging in the towel and giving up the practice of law altogether.

I feel like that when your looking at changing or raising taxes, that the though process is very short sided. With what was originally proposed they didn\'t think about who this will really effect. 1st of all the end use always take the full scale of these changes the service industry pass this on. But we do not only pass on the sales tax, but all the other overhead this will cost to track and input on our side. The current system we have works it may need to be redistributed to work long term, or may need to see increase in certain areas . Why do we want to complicate things like this instead of making what we have simplified and look at this that are a waste. Please do not move forward with this you really would create a system that more people would look to cheat and hide from, not a tax collection system that is more broad based but one that taxes the honest more.

Considering the clientele which utilize limousine services, this is a realm which ought to remain untouched. I do appreciate that we need to change the tax structure, but on the backs of small businesses it is unacceptable. Clients that use limousine services in Utah are not overwhelmingly wealthy; in fact, the bulk of our business comes from low-to-middle income families whom are looking for a safe way to transport large groups, typically consisting of children under the age of 18. This will disproportionately affect one of the safest and most special methods of transportation in the state and yield very little overall revenue benefits.

1. First priority should be to increase flexibility in revenue allocation. 2. Individuals, businesses and local governments can adjust to measured, incremental adjustments better that large changes. 3. Allowing income tax to be put into the rainy day fund will do more to stabilize state government than anything else. 4. Any sales tax on new services should be on \"retail\" services not business to business services. Similar to sales tax on retail goods and services already taxed. "

Dear Senator Winterton, Thank you,so much, for keeping us informed on the issue of tax reform. Your emails have been very helpful. Unfortunately, I have not been able to attend a

meeting yet, I appreciate the emails containing videos, articles and other information. As a State Delegate, it helps me to be informed. One of the best reasons Utah is such a popular state is due to the fiscal conservatism and low taxes we all enjoy. While I do not want to see that change, I do understand that our economic model has changed, and that that tax reform will need to be implemented. Please continue keep us informed.

We are a retirement community and as retirees we use every service imaginable. While we are on fixed incomes and fixed abilities we need to rely on help from our community. How can we afford to be taxed on every person and service we use.

Taxing services would be especially hard on seniors and retirees. Those of us on fixed incomes can ill afford to be burdened with increases in HOA fees and services, service costs for household maintenance, medical costs (ie doctors, physical therapists, dentists, hospitals, clinics, transportation) and any other costs that would be affected. Please look elsewhere for additional sources of revenue (including reallocation of existing revenue).

How do we increase revenue to operate Government? There are 80 drilling rigs dedicated to the Rocky Mountain Region. Each Rig creates 200 jobs. These are good paying jobs. Jobs create additional income tax, people with good jobs purchase homes which creates property tax. Each oil or gas well drilled, add to the coffers for Sitla Funds which goes directly to education, and the mineral lease fund coffers. Utah currently has 7 of the 80 drilling rigs, Colorado has 36 rigs and Wyoming has 37. Lets get the railroad built in the Uintah Basin so we can move those Colorado, and Wyoming rigs to do business in Utah. Wyoming's education is totally funded by interest from there SITLA funds and Mineral Lease Money. The internet is stealing all of our sales tax money, which hurts every city and county in the state. Create a tariff on goods and services sold on the internet, divide the tax revenue the same way you would if the goods were purchased in a brick and mortar store.

Great video helped me understand the tax structure. One thing I would like included is a change to education funding through true school choice. I believe that there would be more accountability in schools if all parents have access to any education they choose both private and public through vouchers.

I watched the video of the meeting, the sound was not great on a lot of the speakers but I heard most of it. I think there was a lot of lip service done by the legislator group. They do not understand what it is like living out here in the Uintah basin. We are in a recession and have never begun to climb out of it. People are leaving in droves because there is not enough money to be made here. Houses sit for months or longer on the market with no buyers. I am retired and living on social security, the only thing going in an upward motion is taxes and added costs. Business that are not here do not want to come here and business that are here are looking to leave. Please do not dump us into another well of despair....

More money needs to be allocated to education. As an educator with a masters degree and 8 years experience at elementary schools, I am still not making \$50K a year. Because of this, I am scrimping and getting things second hand so I can save money (especially on sales tax). I know I'm not the only educator in this predicament. If I have a higher annual salary, I would feel like I could go spend money that would go back into the economy. Just my thoughts. I know this isn't necessarily just about teachers, but they are overworked and exhausted with too many demands placed on them. The teacher shortage is going to get exponentially



worse, unless we invest more in elementary education (not as much into higher education). So by investing more now, it will save problems later. Thank you for your time.

Even though I am an upper middle-class earner, I have personal experience with being unable to afford legal services that I have needed. And even though I myself am a lawyer, you need the right lawyer for the situation. Fortunately, I know some lawyers, so I have been able to get advice, as needed at little or no cost. But I believe the cost of legal services is a true problem for society in general, and in particular, hugely impacts access to justice to so many in our Utah population. Although free legal services are available to the lowest of the low income, most of our population are not eligible for free legal services, while at the same time, are living with no extra spending money, so when the need for legal services arise, people simply do not have the resources to pay. It is clear and supported by much evidence that the ability to pay for the best legal services can obtain a much better result for a client. Public defenders are overworked and underpaid and are unable to spend much time on any one case - because there are too many others and too little time. Those who do not qualify for public defenders can usually not afford to pay. Even if they are able to muster together resources, it may take borrowing and pooling of resources that causes extreme financial hardship for years to come. Even those that can gather enough resources to hire a lawyer may not be able to continue paying for legal services, if cases drag on too long, which is most often the case. It has been proven that those who cannot afford legal services will be unable to sufficiently defend themselves or will be unable to pursue legal remedies for damages and pain, etc. to which they should be entitled. Simple contract actions are an easy example of people suffering damages, without being able to pursue a remedy because they cannot afford legal advice or representation. Access to justice and legal services is already hard enough or out of reach for the vast majority of the citizens of Utah. A tax on legal services will make it exponentially more so. As responsible lawmakers, it is inherent that this issue is thoroughly researched prior to making a decision and imposing such a burden on the citizens of Utah. Such research should be made public so that lawmakers and the public can make an informed decision. There is plenty of evidence out there showing that increased cost of legal services can substantially impede access to justice, our Constitutional right. Do not ignore this evidence.

You should choose all four options. Don't limit yourself by picking the most popular solution. -Services can be reduced --- I don't expect this to save a lot of money, since the expensive government services are some of the most expensive - Remove revenue silos --- The need for education funding is in no way linked to income taxes. When we have a population that is growing quickly due to natural growth, there are clear needs to support public education. Whether income taxes increase, remain, or decrease, the need is defined by the number and characterization of the school-aged population, not by how much Utah households are earning --- At the same time, there is a clear desire to require a minimum amount of funding to be dedicated toward education. That is why the earmark was put in place to begin with. Lets find a better way to guarantee our children receive the education they deserve without using inefficient linkages. --- Let's reduce other earmarks as well. Transportation is taking a huge chunk out of the general fund. They might need this money, they might not, but instead of just automatically granting them this money, provide some legislative oversight. Let other priorities compete for this money. We might end up granting just as much to transportation,

but at least we can all feel better about the process knowing that there is an increased level of transparency, responsibility and prioritization. --- Earmarks are inefficient. Earmarks link a revenue source to a set of needs. However, most of the time (see exceptions in the following point) the revenue source and the set of needs do not trend together. Either the revenue source grows faster than the needs and there is surplus money being spent that could be better prioritized elsewhere, or needs expand and funds are insufficient. The longer the earmark goes, the more out-of-wack (since we are using technical terms) the revenue source and the needs are going to be. --- Earmarks in general should be restricted to clear examples of where revenue sources have a direct and immediate implication on a program. One example, revenues from hunting licenses should go to fish and game management programs. Vehicle registration is directly and immediately connected to transportation needs. Lets scale back on the earmarks that are not as tightly bound. - Tax services --- All consumption should be taxed. It seems pretty straightforward. Sales taxes are generally considered more efficient than other forms because taxing consumption distorts less than taxing income or taxing savings (wealth/property). --- Taxing services will reduce the regressivity inherent in the tax. - -- We are picking winners and losers. Lawn-care service companies win at the expense of lawnmower sellers. Those who sell skiing lessons benefit at the expense of those who sell ski equipment. --- We already tax dozens of different services. Its not fair that dry cleaners have to collect sales taxes, but barbers don't lets just tax them all equally. --- Tax all services (final consumption, not business input). Including housing and healthcare. Healthcare is the number one growing service. If you sidestep these two major industries, you are just going to end up with a similar problem in the future ----- If you tax all services, you can lower the rate substantially. Sure, it sucks to pay sales taxes when you break your arm, but if it is just 2.3% instead of 6.6% its a little easier to deal with it ----- If you adjust the rates to account for the broader base, people will not be paying MORE in taxes, they will just be paying DIFFERENTLY. ----- There might be some differential impacts. By taxing all services, it is clear you are treating everyone fairly. ----- The exception to taxing all services is to avoid taxing business inputs. This hides how much consumers are really paying in taxes, and benefits larger companies at the expense of smaller companies. ----- There are a couple of ways to do this. Don't just randomly exempt industries. That is overly broad. Craft more specific processes, like a business certificate similar to what is already granted to non-profits, retailers buying wholesale goods etc. And/Or provide a refunding mechanism, again similarly to what the state currently grants to non-profits. - Rebalance the tax rate according to needs --- Don't go chasing after a specific rate. Figure out what Utah needs to provide its services to its population, and then let the rate flow from that. --- Ignore the three-legged stool. It is a ridiculous idea that the three sources should be equal to each other. Pick a mix that gives you a little of stability, but more importantly, reduces the amount of economic distortion (generally by figure out how to tax a larger base at a lower rate). --- Make sure you watch out for how your decision impact cities/counties. You should rebalance their rates similar to how you rebalance the state's rates, but a revenue stabilization fund would be helpful and allow them to grow into the new system. --- Some of the educational materials provided misleading concepts. Ignore these ----- A scale attempted to balance income tax and sales tax. The only reason they should be balanced is by coincidence. Income tax should be sufficient to meet the needs of Utah's educational system. Sales tax should be sufficient to meet the costs of

general governance. These things are not linked. They should not balance, except by accident. Focus on finding revenues to meet needs, whether they come from a state property tax, sales tax revenues, or somewhere else. Don't try to make revenues equal each other. --- --- Four pillars were used to hold up the roof of government. Then one bulged, while others weakened. That doesn't matter. You could have one source take the whole load. For the first 150 years, governments relied almost solely on property taxes. It wasn't until the 1930's that states started implementing sales and income taxes. I am not saying we should do that, but I do want to make it clear that we could. There is nothing inherently bad about using an exclusive funding source, merely a different set of costs and benefits. Other funding sources help distribute the burden across different populations, and reduce volatility, but there are many different ways to do it. Ignore the graphic, and again define Utah's needs, then find the most efficient way to get there ----- The most efficient way tends to be the one that has the lowest rate with the broadest base. There are lots of good solutions. George Washington in his farewell address pointed out that "No taxes can be devised which are not more or less inconvenient and unpleasant." There are going to be a lot of people upset by the inconveniences and unpleasantness you will soon be thinking about imposing on them. Have the courage to do so in a way that impose it evenly. Don't select powerful groups or industries to get special benefits. Make sure everyone bears the load together.

I believe the gas tax will not be sufficient to maintain our infrastructure, especially given that electric vehicles are swiftly replacing combustion engines. Gasoline will become a thing of the past, and our state government needs to adapt to provide funding for our roads. I don't want to stifle technological progress, but taxing electric vehicle and solar paneling sales may provide a steady income to improve the roads these vehicles drive on, but at the moment do not contribute.

Thank you for taking the time to understand my concerns. I attended the Davis County Town Hall meeting and was impressed with the professional way the public was given a platform to express their viewpoints. I am a financial services professional. My focus is helping my clients save, invest, and prepare for a successful financial future. For many in our state, saving for the future has not been a top priority. My goal is to provide the much-needed financial planning and investments services that our fellow Utah residents need, at an affordable cost. A state sales tax structure - that would include tax on services - would drive up the costs for professional financial services and advice. In turn, this would reduce our resident's ability to save for the future; with more of their retirement savings being shaved away to pay for state sales tax. The state could create revenue to fund the needs of the state by: 1) Implementing a sales tax on internet sales. 2) Increasing professional licensing fees. 3) Removing the silos so funds can be spread to budget items as needed. As our structure is not point-of-sale, but rather an ongoing fee for services paid directly from an individual's retirement account, it would be extremely burdensome to us, as financial professionals and to our clients, to administer and pay for a sales tax on financial services. I appreciate your time and ask that you consider these points as you design Utah's future tax structure.

Any changes to the sales tax should NOT be regressive! Income tax should be progressive and not penalize the poorest residents, and corporate income tax should be raised asap to combat the ABSURDLY ridiculous profits of corporations. Taxes on carbon producing entities should be large, and taxing wasteful luxury items such as expensive bicycles, ATV's, cars, etc

should make up for losses in gas taxes due to high efficiency vehicles. Medicaid expansion, duh! Thank you!

Until education is better funded by the legislature, much better funded, there should be no consideration of a constitutional amendment that would allow income taxes to be used for any other expenditure other than education.

I'm against lowering the tax on food. I would like to see a tax plan that left that tax in place and broadened additional taxes to services.

No tax on food with property tax increase With all the construction being built property tax should be increased and funding should be given for housing affordability for young families and elderly

I'm glad leaders are addressing the problem of the shrinking sales tax, because I think state and local government services are essential to the well-being of all of us. I would like to see sales taxes support higher education so that the income tax can finally adequately fund K-12. I agree with solutions like: Taxing online sales. Taxing services for everyday needs like haircuts, streaming movies and games, repairs and car rides. Raising severance taxes. Enacting a carbon tax. Returning to a graduated income tax. Taxes on short-term financial trading (churning). I oppose taxes on life-preserving items like food, medical care and prescription drugs. I oppose taxes on public transit, which should be fully tax-supported so that we get people out of their cars and clean the air. I hope we can come to an equitable agreement on what business expenses may be exempt from sales tax. Thank you for considering my opinions.

PLEASE, PLEASE ~ eliminate taxes on Social Security!!! I have already paid taxes on that money and now have to pay it again - isn't that Double taxation?? !! Thank you for your time and efforts in listening!

Greetings! I am in support of Utah tax reform that reflects the economy, growth projects and needs of an equitable community. This means we need to start taxing services. I have been in business in Utah for over 30 years and am in support of taxing services. My current company (of 20+ years) is a service based company. Above all, I value wellness for all. That includes clean air which we ALL breathe, public transportation, support for domestic violence victims and affordable healthcare for all. We need tax dollars to support these endeavors for Utah citizens. Thank you.

Is there really a tax crisis? Utah Legislative Watch states, ". . . over the past 10 years sales of taxable goods in Utah are not declining they are increasing and at an all time high." The Court decision requiring sales tax to be collected for online purchases will also add to the state budget. Why not wait until we know how much that will add to our state budget before changing our tax system? When it does become necessary to adjust the state tax system we should: 1. Not raise the sales tax on food. Food tax is regressive. 2. Not change the Income tax allocation to education. Nobody thinks Utah currently spends too much on education. 3. Not prioritize income tax breaks for high earners. 4. Consider raising severance tax on coal and other mineral resources. 5. Consider eliminating tax exemptions and credits that no longer serve a purpose."

Thank you for taking the effort to review this complicated matter and solicit feedback from the taxpayers. I found the town hall meeting in Richfield informative and was relieved to see

the balanced approach that was being used in considering options. I have some comments that I'd like to give as you consider this complex matter. First off, my full time job is in accounting for a professional engineering services firm. With the 95%+ of our revenue coming from government or business entities; adding a sales tax to professional services would amount to more paperwork and tracking for our business while adding to government cost to administer. It is doubtful the small amount of taxes generated would exceed the cost to administer these taxes on the government side. This conclusion is based on an assumption that business-to-business and business-to-government transactions would remain exempt (as it should be). Taxing business-to-business transactions would only drive up the costs along the way and increase end user prices which could result in pricing Utah firms out of competition both within and outside of the State. Additionally adding a complex system of when taxes apply or when they don't becomes an administrative nightmare. Second, I have spent many years working in public accounting and still do to a small extent. Small service-industry business owners such as construction, lawn care, and cleaning firms already struggle with compliance and understanding the various withholding and payroll tax statutes or rules. It was brought up that there was a desire to tax luxury items such as lawn mowing or massages. Please remember that the end user may be on the luxury end, but the proprietors are often under-educated in finance and business. Many are sole proprietors with no formal training or education in these areas and often lack financial software relying on spreadsheets, paper, or checkbooks to manage the company finances. Also, many of these firms deal with cash. Across the years, I've had several heart-to-heart conversations with clients on making sure we are reporting all income, especially if it comes from cash, because it is the right thing to do. However, if these type of companies are further pushed into more requirements to track, calculate, and remit sales taxes I can easily see many succumbing to the lure of keeping cash transactions tax free and off the books. This change would ultimately result in reduced income taxes too as all cash transactions would become unreported. My suggestions, if any change is necessary, would be to focus on the easy areas for increasing revenue or reallocating it. For example, the food sales tax could simply be reinstated at the same rates as other sales. If there is a desire to make "the wealthy" pay more tax rather than focusing on taxing luxury services add surtaxes or graduated income tax brackets. It is understandable that a constitutional change may be needed but it is also probably something that needs to be considered. One more area where funds could be found include enforcement fraud and those who "milk the system". There are many in need and as a young married couple going through college with a small child we used WIC and it was very beneficial. However there are some out there whom work just enough to stay in the welfare lines and will stop working or avoid positions where the pay requires a more self-sufficient lifestyle. There should be mandatory personal finance in schools teach principles of self-reliance and savings (similar to Dave Ramsey's Financial Peace program). It is especially important for those students who come from families who grow up in poverty and pass down the tricks to getting all they can with the least amount of work - yes those families exist I have known many. Again thanks for taking the time to approach tax reform properly and not haphazardly rushed through the last week of Legislature. It is important to do it right the first time.

Please consider the impacts of reducing sales tax in tourism-based communities where there is insufficient activity in the service sectors that are believed would make up the difference in urbanized areas with more complete economies.

As senior citizens on a fixed income that can't ask for pay increases, where as the schools, cities, county's, water, sewer, bonds to name a few, do. We got today a notice from Davis County School District & Syracuse City on a proposed tax increase. To add to that our expenses for medical, prescription premiums keep going up and the cost of living price increases for SALES TAXES, utilities, repair services, clothing, & upkeep. We feel the State of Utah needs to address this issue and protect their Senior citizens from the skyrocketing tax increases each year. There are multiple states that have no income tax and/or don't tax Social Security or pensions or property tax. The State should reduce property tax for Seniors & should NOT TAX SOCIAL SECURITY OR PENSIONS. The state should adhere to a budget . Seniors have budgets that can't keep up with all this because of all your increases in taxes. The schools are receiving the income tax & property tax & WANT MORE !! On your info we couldn't find what the plan was to reorganize, if this passes. By taxing services our costs go up again & it will hurt small businesses & SENIORS. Retirement Schedule TC-40C needs updated. WE DO NOT SUPPORT THIS NEW ADDITIONAL TAX!

There are three things about Utah's tax structure that bother me and I wish you would correct: 1. Utah taxes retiree savings just like they were income. They are not income. Those savings dollars were already taxed once (unless they come from an IRA) and should not be taxed again. And Utah continues to tax military pensions, unlike the majority of states. Give us military veterans a break. 2. Stop subsidizing large Utah families. If Utah parents wish to have a large family, let them pay their share for their children's education. As a childless couple, my wife and I don't appreciate having to pay their share for their children's education. 3. Stop giving so many lucrative tax breaks to industry, especially short-term industries like the technology sector. Let them go to Alabama and Mississippi. They will soon realize their mistake and relocate to Utah.

During the Tax Reform town hall meeting, Senator Hillyard said, nobody likes taxes, and that is simple not true. I don't mind taxes, when they make my community better and are fairly done. Moab has high property values and gets treated like the people who live here are rich financially. In Moab the average income for males is \$48,448 and \$41,859 for females and in Grand County the average is \$46,658. Park City's average income is \$88,438 and in Utah county the average income is \$70,417. Moab gets lumped in with Park City and the average person living here makes almost half the income. We have over \$100,000 taken from our school, because we have high property values and that is an unfair tax that hurts our community and our schools. I don't hate taxes, when they are done in away that looks at the unique situations of Utah's individual resort towns.

Please ensure our states growing future by adequately taxing businesses and land owners as well as other revenue sources to fund education, infrastructure, and pollution regulation along with investment in environmentally positive services and utilities.

Whatever you do, DO NOT RAISE THE TAXES! I am the opinion that taxes are already too high, I would be willing to listen if it is a replacement tax, but I do not support at all any raise in taxes.

Be very careful with taxes on services....consider only those that are direct from business to consumer, not business to business. User taxes should be primary consideration.

One glaring anomaly about Utah's tax structure is the minimal severance tax on oil and gas, and the absence of a severance tax on coal. Utah's tax on oil and gas is less than 3% and has loopholes which make effective collections much less. Other US states assess around 5-8 % and some, like Wyoming charge up to 10% and count a major part of state revenue from severance tax. Historically, whenever the subject of severance tax changes come up, energy lobbyists descend on Utah like grasshoppers in August and lawmakers quickly cave. One excuse often heard is that being boom-and-bust commodities, severance taxes would be punitive in bust phases. However, if a portion of severance taxes were put back into economic diversification, this could be minimized and, in fact, would help communities transition away from what is universally seen as a dying industry.

The Construction Services Industry will be very damaged by a tax on our services. We have to compete with firms from other states for work across the nation. Our firm is very successful at that, and because of that success we employ 33 people with good wages, all living and paying income tax in Utah. If we have to add 3% or 4% to our fees to cover this tax, we will lose a significant amount of work to firms from other states. It would likely be significant enough for us to move our firm to Idaho. Instead of taxing Services, please change the constitution to allow income tax to be spent elsewhere. Even a 0.25% to 0.5% increase in income tax would be much easier to handle than something like this which will seriously impact us, as well as all Architecture and Engineering Firms in the state. Or, at least exempt those professions such as ours that must compete across state lines for significant amounts of work.

It is my firm opinion that the best way to deal with this issue is through a constitutional amendment that allows legislators to use the income tax revenue as they see fit. Leaving income tax revenue as is will only force our total tax to increase. There is enough money to cover the expenses of the State without increasing our tax burden. Education is very important but I think we both know that if you doubled the Education budget they would find or create a way to spend it all and sell it to us as a need. They have more than enough money now. They just need to figure out how not to spend it all.

I'm very concerned about adding a services tax to construction as well as real property transfers. I'm a home builder. The legislature is talking about taxing a service when our industry is already taxed on the product. The product makes up 60% of a typical home, while labor is only 40%. The costs of land and building materials have gone up so dramatically over recent years that the builders' margins have become razor-thin. We've actually had to abandon some projects because the margins are just not worth it. I repeat. We have lots, we have homes to build, but cannot build because the costs are too high! The margin is so small the only ones out there building are the high-end custom homes and the volume builders. Middle ground builders are left behind since they can't compete in either market. That leaves a lot of families without homes to buy, and causes a housing gap that we're all painfully aware of! If you're not aware of this problem, look at how many young adults are living at home, or in their parent's basements. This issue touches every Utahn. We're already taxed on the product, please don't kick us when we're down and tax the services too! The legislature needs to find the services that are taxed at 0%, not the ones that are

already taxed at 60%! Regarding transfer taxes, when real property is transferred there are state-mandated processes in Title and Escrow that require the use of a professional. This is basically an unfunded mandate that equates to roughly 1-2% of the cost of the house. If you add tax, even a small percentage, you're going to erode the margin, decreasing the ability to build, even making home building unaffordable for some builders, mostly the little guys. These measures would effectively toss another straw on the camels back. One more straw is not a big deal, you may say, but smaller "camels" have already broken and cannot build. Look for the camels who are undertaxed not the ones that are already paying a large like the homebuilders already are. Look in tech as that's where your product taxes are going.... "

At the Layton town hall I presented the task force with a packet advocating public banking as a way to augment public revenues while giving local businesses better access to credit. During the recession, other states conducted studies evaluating the Bank of North Dakota model and its applicability in their own states. Here's the study conducted by Massachusetts, and it neither promotes the North Dakota model nor denigrates it, but presents its strengths and weaknesses in sober, rational terms. I do believe Utah can benefit from a public bank, but that Utah ought to design and charter its bank with its own particular needs in mind. Here's the Massachusetts' study:  
[https://www.academia.edu/21383166/The\\_Bank\\_of\\_North\\_Dakota\\_A\\_Model\\_for\\_Massachusetts\\_and\\_Other\\_States](https://www.academia.edu/21383166/The_Bank_of_North_Dakota_A_Model_for_Massachusetts_and_Other_States)

I am very concerned that our Summit County Board is becoming the left hand of Park City. We need good Republicans to run for the board. How about the other great candidates who ran against you in the last election?

The best for the state would be to completely get rid of the State Income tax and then just slightly increase the state sales tax. This would equalize the tax payments for the new economy as well as save the State and the Citizens time and money. The State would not have to employ so many people to process and review income taxes and could sell the building and all the operational costs that go into owning a building for the processing and storage of the income taxes. It will also save time for and attract new businesses to our state, increasing higher paying jobs and in turn increasing sales taxes. This is a chance for our State to change our tax system into a more efficient and more effective system that will help out the Citizens. Looking at the growth that Texas and other States with no income taxes are experiencing should be enough to show that if Utah was to follow in their foot steps we would have the same growth in businesses, jobs, and Sales taxes.

Please don't raise our taxes. I feel like we have no guarantee that this will come with a tax hike, across all kinds of taxes. Adding taxes to services feels like a tax hike, no matter how much officials talk about "broadening the base and lowering the rate." We aren't getting pay raises and our local property taxes are going up all the time already."

Please stop trying to tax groceries and tax legalized regulated cannabis. Prepare Utah for the global 2024 market. We're behind. Is a \$48 billion industry just in America. Cannabis is global now. Fund roads, renewable energy, criminal justice reform, and tax reform. Stop letting yore false stigmatized personal beliefs about cannabis from preventing the rest of in Utah from benefiting. Ignorance about cannabis should not stop us from legalizing, regulating, and taxing cannabis. A grocery tax....STOP IT! I demand we set the legal



infrastructure up now. I don't wanna be playing catchup well into 2040 because folks are ignorant. I cast no stones and cannabis has always been medicine.

I recognize the difficult position the legislature is in to balance the tax structure. I also recognize and am very concerned that the funding for education remains inadequate. Without adequate funding being allocated to local districts, we find it difficult to keep up with the increased costs of educating our youth as well as the inflation costs. I am often asked what "adequate funding" looks like which is a valid question. Perhaps we should set more thresholds than we currently have but we aren't meeting those that are in place. Transportation should be funded at 85% (and why not 100%). In code we are required to have a 1:350 counselor to student ratio but the national norms indicate this should be 1:250 with the growing social/emotional needs of students. Why not set a threshold of a 23:1 student to teacher ratio and then provide the funding to meet that ratio. Some districts are high effort and low yield areas so raising property tax even higher is not an option that will help. Please let's find a way to be fair and balanced in meeting the needs of our citizens without taking away the allocated funding source for education."

As a retired pediatrician, I have memories of families with limited incomes attempting to balance housing costs, food costs, and medical care. With very limited expansion of Medicaid the consideration and adoption of EITC will help many Utah families. We have adult relatives with disabilities who are able to perform some work but EITC assists them with additional income they would not otherwise have,

We can not count on the federal government to provide all of the supports and interventions to help families get out of poverty and thrive. We need a customized and consistent state EITC. It is a fair and proven and straightforward way to target resources to those most in need, who will benefit most. Helping families out of severe poverty is not just good for their children and future generations, but is good for all of us. Not only does society benefit in many ways that cover the costs of the EITC manyfold, but it is also simply the right thing to do for our struggling citizens.

Although I understand the concern that Sales Tax revenues are not growing as fast as the legislature would like, I oppose tax reform that is carried on the backs of our children. If all of the income tax were appropriated for educational purposes, it would barely fill the needs of our children and our teachers would still be underpaid. So any plan to cut income tax to make sales tax increases more palatable are frightening to me. Education has been underfunded for so many years that it can not absorb additional cuts even if it is for what seems like a worthy goal in tax reform.

To whom it may concern, I wanted to voice my opinion on the matter of taxing services. Just recently our family budget was hit with a large increase in the property tax rate for UT county. Our city also increased taxes on us. Inflation (the silent market tax) has accelerated beyond my annual merit increases and school fees keep increasing. In short, cost of living is increasing all around and I am starting to have to work second and third jobs to make ends meet. Those other jobs are in the services area. Imposing a tax on services would greatly hurt my ability to provide for my family. A tax like this would directly, negatively impact us immediately. Chief Justice John Marshal once said "... the power to tax involves the power to destroy; that the power to destroy may defeat and render useless the power to create.." A service tax will kill off incentive for people to innovate and start businesses because it's

getting so darn hard to start one and/or keep it going without the Federal and State governments wanting their ever increasing pounds of flesh. I ask you to reconsider your options and find better ways to use what we have. Innovate without hurting families. Laying heavier tax burdens on us will only yield increased discontent and dissent. The people of France hit their tipping point. I wonder what will be ours? "

What I would like to see happen? Incentivize Utah Companies to set their employees up to work from home, i.e.. high speed internet. Many who commute each day between Utah and Salt Lake Counties, leave home and their computers in the morning, and drive for an hour to sit at a computer in a cubicle, foolishness and requires infrastructure maintenance - freeway expansion, fuel consumption, wasted man hours, loss of connection to family, air quality problems. Secondly, many who move in from out of state, will end up with 3-4 homes, that they purchase and then rent out. There should be a tiered tax rate for those who own more than one home as housing costs are skyrocketing for the locals. Use that extra tax base for education as well as all the savings on infrastructure, road construction etc. We don't need more physical buildings, if people were to work from home, so much money, resource could be saved, and families would be stronger for it, quality of life would be better, air pollution would diminish. I've been living this work pattern for a decade, its a better way.  
Respectfully.

1. Tax on Fuel Efficient Vehicles or Electric Vehicles. Over the years much has been said about the environment, i.e. how do we decrease our dependence on foreign oil; how do we decrease our pollution; how do we decrease our carbon foot print and thereby lessen the potential for global warming. I bought a Chevrolet Volt to answer those questions in my own way. I paid substantially more than a comparable gas vehicle. Please don't single me out for higher road use taxes when I have sought to decrease the impact on on the general funds for pollution and environmental impacts. It would be fairer to increase gas taxes and put more incentive on those who continue to drive the gas guzzlers. 2. I am a divorce attorney. I am asked constantly to give probono services to make legal representation available to lower income individuals. If legal services are to be taxed, I believe there should be a sliding scale based on income as to an appropriate tax base. 3. In the material I have seen on this website, it appears that the income tax is growing with the only beneficiary being education. As sources of tax revenue shift, I think that income tax expenditures of the income tax revenue should also shift to help with expenses of the general fund. 4. Before taxing services like medical, legal or social and counseling services, there should be implemented sales tax on goods purchased on the internet.

Stop screwing with people's livelihood and money. Fix the problem at hand instead of increasing tax burden on people. If 100% of my income tax goes to education and 67% of my property tax to the school district but education has never enough money, ISN'T THERE SOMETHING FUNDAMENTALLY WRONG? I am no expert at this but that is your job. That's why people voted for you. TO FIND SOLUTIONS TO THESE PROBLEMS without screwing us over. Good luck and all the best!

Many people and organizations have legitimate need for funding and can make a good case for why the government should be the source for their needs. However, it is not the governments job to fund every public and social need. Much of this funding should come from charitable contributions and other sources, not from public taxes. The proper role of

government is outlined in the state constitution. Let us look more closely at reducing our expanded view of what the government should spend revenue on and make cuts based on appropriate spending rather than on the perceived need. I understand that it is hard to reduce spending and to turn down heavily lobbied funding requests but that is the hard job that elected officials are supposed to do. We can't fund every good cause. We need to have fewer government programs and spend less on the legitimate government programs and let people take care of each other. Another major problem with government spending is ever expanding agencies and programs. I only see bureaucracies justifying their existence and need for expansion. There is a disincentive to solve problems because the problem is the reason for their existence. I understand this is an oversimplification of the problem however, the principle is valid and a very large factor in government spending.

As you consider reform, just make sure it's fair. If a sales tax increase is required, make it across the board to all industries, not just penalizing service providers. And, make sure sales tax is collected on online sales to make it fair to local businesses. Also-why not increase taxes on those who are extracting natural resources from the state--such as Rio Tinto? They are damaging our environment and leaving us with a huge mess to clean up, and should pay their fair share. Finally, do not decrease the funds allocated to education. That's the vital engine for our future and especially k-12 education has been underfunded for far too long.

If an Earned Income Tax Credit (EITC) benefits the citizens who are at or below poverty level or on a fixed income like me with Social Security, then do it!

So, if the legislature is worried about gas taxes not keeping up with transportation infrastructure needs,are they planning on raising the tax? And what about electric cars? They pay no gas tax,yet are using the roads. Also, why do I see almost every big semi-trailer that is owned by a Utah company, being pulled by a semi-tractor owned by a company with an office in Utah,that has a Utah plate on it, why are those trailers allowed to be licensed and registered on Idaho? That loophole needs to be closed. As far as school funding, the state constitution needs to be changed, not the tax structure. How many times can you tax the same dollar? Income tax, sales tax, and now a tax on services? That's too damn much. Bring back the food tax, that was the best head tax we ever had. My property taxes go up a hundred or two hundred dollars a year for schools. I don't have any kids in school.

Thank you for the opportunity to add my voice to the tax reform discussion. As an operator of an equipment rental business in Utah County, I want to let you know how a sales tax on services will hurt local businesses and the State economy at large. Expansion of sales tax on services will cause an unfair competitive advantage for large national companies at the detriment of Utah companies. Local companies like mine hire local service businesses like accounting firms, law firms, public relation firms, and insurance companies. The national chains I compete directly against like Home Depot, United Rentals, Sunbelt Rentals, and Herc Equipment all have out-of-state accounting firms, law firms, and public relation firms. Because of this, they will not have to pay the sales tax on services that Utah companies will have to pay. To stay competitive, I wouldn't be surprised if Utah companies looked at hiring out-of-state accounting firms, law firms, and other support service businesses. Also, consider this. The construction industry profoundly impacts the equipment rental industry. As you are aware, we are currently having problems with affordable housing in Utah. A tax on services means additional costs on construction. The architect, plumber, electrician, painter,

landscaper, drywaller, roofer, and others will be adding sales tax to their services, which will make housing even more unaffordable. The solution to tax reform isn't a sales tax on services. If the legislature passes a sales tax on services, the Utah economy will slow considerably and may even stall. Local businesses will not be able to compete with larger out-of-state competitors. I ask you to find a different solution. A sales tax on services isn't a viable solution. Cordially.

Wanting to raise taxes is not always a good solution for working and retired families. Utah taxes food, Utah taxes Social Security, Utah has a high rate of taxes on gas. In the past when an initiative to raise taxes was voted against an increase has been implemented anyway. It seems to me that even though input is requested from the public it is not always heeded by politicians.

Solutions: 1) Increase the tax rate on income taxes from 5% to 6%. 2) Constitution amendment to allow all income tax to be used. Maintain a provision to keep the first 5% to go to education. Income a provision to allow the additional 1% to go into the general fund. 3) Reduce the amount of money that goes to higher education (college) maintaining the money that goes K-12. 4) increase the tax on sales tax 5) increase gas tax

From the looks of it reshuffling the way tax moneys are distributed will mean less money will go towards education and I do not support that. Supporting and funding education is an investment in our future. I do support removing the requirement that a percentage of the room tax is spent on tourism advertising. For Moab that advertising revenue is not needed and could be spent on projects that could improve Moab for the tourists and locals alike.

Fees for water are essentially \"taxes\" posed on citizens for the use of water owned by the State of Utah. \"Sales taxes\" on these fees would be taxing a tax Double taxation. Illegal?"

Why is RAISING TAXES always the "Go To" for a budget solution? The growing population means more people working, which means more taxes paid/collected already. The answer is not to raise taxes! Instead, the answer is to CUT SPENDING. Teach people to earn what they spend! And only spend what they earn. Do this by cutting "Unearned" ENTITLEMENTS, with the acception of those "Unable to work". Limit food hand outs to cheaper cuts of meat and no junk food! I stood in line at the grocery store with my advertised chickens, behind a woman with her cart lined with six packs of soda pop, and full of steaks and seafood wrapped from the butcher, along with other items I only splurge on during holidays. I was outraged and felt taken advantage of when I realized that I, as a tax payer, was paying for her elaborate groceries; groceries I can't afford for my family! CUT and/or LIMIT handouts. Handouts are not meant to provide a high quality of life, but instead basic nutrition. The desire for more should motivate people to go earn for themselves. \*Give a work number to those who don't qualify for a social security number. I feel that I am penalized for being an American citizen. My taxes have increased to provide for undocumented immigrants (UI). I have met many sweet UI. But there is a growing distain in our country for them, because our laws don't allow them to provide for themselves. I believe it would be fair to expect UI to pay taxes, but not receive benefits; as their penalty for breaking the law by immigrating illegally. I would also like to see a cap put on realestate property tax, when a person retires and/or reaches senior citizens! No one should fear losing their home due to rising taxes. Thanks for taking the time to consider my concerns.

The State has a Property Tax that was capped many years ago. If it were allowed the natural growth that comes from housing and business growth, it would help even out the uneven shift in taxes. The growth in property tax is not constitutionally dedicated to education so spend it where needed.

Before any proposals (again) are submitted we need to verify what the impact of the new sales tax is for on-line sales. This was only mandatory effective January of 2019 so we have no current idea of what the revenue impact is going to be. Fact is - the population in Utah has grown tremendously over the past several decades - thus the amount of items being purchased has also grown. Food sales have grown tremendously but brick and mortar stores for others goods have seen a decline - as noted by the closure of many of these facilities. The on-line sales has grown exponentially but we have not collected sales tax on those items in the past - now we do. To add a sales tax to services is going to impact the older people on fixed incomes (retirement) since we are no longer able to do the maintenance tasks we used to when we were younger. Thus - again the older and retired people are going to see an excess burden placed on them - and we continue to be the ones that are targeted. No new proposals until we see the revenue stream from on-line sales. And the legislature needs to quit finding ways to spend more money every year on new laws and bills and programs that we have been able to do without in the past.

No special session. Tax reform must go through the regular legislative process so all legislators can fully understand it after hearing directly from their constituents. \* Finding something else to tax. If, as Senate President Adams says: "we have to find something to tax," how about the following voluntary purchases/donations. 1. Impose a state sales tax on all donations to Utah political campaigns. a. In 2018, at 4.85% which is the state sales tax rate, Mia Love and Ben McAdams would have jointly paid \$435,234.93 in state sales tax on \$8,973,916 in contributions raked in during 2018. b. In 2016, total contributions to all candidates was \$35,408,490. At 4.85% the state would have received \$1.7 million in sales tax revenue. i. At 4.85%, 2016 gubernatorial candidates would have paid around \$409,000 in sales taxes on contributions of 8,435,780 raked in in 2016. c. At 4.85%, Senator Adams would have paid \$35,000 in sales taxes on \$721,542 in contributions over 13 years. \* Control state spending to alleviate need for more tax revenue. \* During the past 20 years, state spending has increased by 146% while population only increased by 45%, inflation by 44% and median household income by 55%. § Limit spending increases to population growth plus inflation as measured by the annual Social Security increase. \* The governor and legislature need to act as the adults in the room and say "No!" to constant demands for more and more spending. \* Stop using taxpayer funds to push still more growth and focus on mitigating the impact that decades of unlimited growth has had on the state – inflated housing costs, reduced quality of life, etc. □ Review and eliminate sales tax exemptions. o The state tax commission estimates that there are at least \$650 million in sales tax exemptions. § Look at every exemption and justify it, otherwise get rid of it. § Consider doing away with all existing sales tax exemptions since this will immediately broaden the base. \* Utah has a trade surplus which means we sell more goods out of state than we import into the state. § Privileged businesses pay no sales taxes on inputs and when they sell their products out-of-state the state receives no sales tax income at all. · Low- and middle-income Utahns plus small businesses have to make up for those sales tax losses as privileged businesses social their costs and privatize their profits so

get rid of these exemptions. □ Solve the structural imbalance between the income and property tax by implementing a reimbursable income tax filing fee. \* Collect the filing fee and deposit it in the general fund. \* Reduce the income tax paid by the amount of the filing fee. □ Stop shifting the tax burden to low- and middle income families o A reduction in the income tax rates primarily benefits high income Utahns the most. \* Lower the sales tax rate and broaden the base by: § Eliminate all sales tax exemptions on business inputs since they only apply to certain privileged, big businesses and are not extended to small businesses. § Require anyone in Utah purchasing goods to pay the sales tax on them – no exemptions for any groups, including non-profits. □ Stop suppressing sales tax collections while increasing income tax collections in order to create a tax imbalance. \* The governor and legislature have suppressed sales tax revenues on goods by granting over \$650 million in exemptions and by not including expected revenue from the online sales tax in their calculations. \* The governor and legislature elected to keep the income tax windfall that the state realized due to the federal tax legislation. That resulted in Utahns with large families paying up to \$1,200 more in additional income taxes and the state pocketed that money.

Thank you for the opportunity for input. I believe we need to start with a hard look at eliminating many of the 90 sales tax exemptions before taxing services. Sales tax revenues have increased an average of 3.4% since the low point of the recession and in the last 3 years have averaged a healthy 6.3% growth. Plus the Supreme Courts Wayfair decision will bring in additional revenue. So I\m not convinced of the need to tax services. In addition, with education being the state\'s top priority, I don\'t believe it\'s wise to open up the Uniform School Fund to non educational spending.

Rather than restructuring the whole system, the Utah Constitution should be changed/updated so money can be used as needed.

These families who receive the federal Earned Income Tax Credit (EITC) are working to try to raise children on low wages. Utah is one of the lower paying states on wages. Unless they are in the tech industry our wages cannot keep up with the costs of housing and general living expenses. I hope you will consider consider consider a state EITC as a hand up to aid these people a chance to do better!

Our lower and middle income people really need a state Earned Income Tax Credit (EITC) to help them provide for their families. It was immensely helpful to pay bills and property taxes when I was a single mom raising 2 kids.

Utah should have our own Earned Income Tax Credit (EITC) because the state should have a mandate to protect the least of its citizens and the more affluent citizens should be happy to pay slightly more tax for their substantially higher standard of living. I have never qualified for the EITC, and have no firsthand, family experience of it. But, I have had neighbors and my children\'s friends who probably did, and I am glad they had such a supported upbringing.

I am against taxing services; I keep hearing things like: “People stream instead of buy CD’s”, but guess what streaming is still subject to tax. I also hear it’s revenue neutral; I also disagree with that statement; maybe it’s revenue neutral at first but people are comfortable with a sales tax rate in the 6 percent range and I would bet anything the sales tax rate would creep right back up. This taxpayer is against the legislation to take more services.

I am an executive at a local tech consumer startup. I am concerned about the lack of an independent study on the effects of adding the types of taxes being proposed. I respectfully request that the committee commission an independent study of the impact of the new taxes and publish the results to the citizens of Utah. I am further concerned that my startup will have to be located outside of Utah where similar small and medium consumer tech businesses are not similarly burdened. We do not have the resources to hire attorneys and accounts to comply with several sales tax jurisdictions that exist in the state of Utah.

As you are restructuring the tax code, particularly the income tax code, please consider the families that were impacted by the new federal tax codes. As the federal government eliminated all exemptions, they made up for it in child tax credit, but the state did nothing. Personally I pay hundreds more per month and saw my state tax liability double last year, and I am considered in the middle of the middle class for income. We have a large family (5 kids) and people in a similar situation as mine already do a lot to boost the state economy as we feed our children, provide for their needs, and recreate. They also represent our future. In my opinion, we shouldn't hurt families, but give them some break for the good that they are doing. Please consider bringing back the exemptions at the state level or provide an alternative plan that will have a similar effect. I imagine a large reason for the tax surplus is because of people like me, so it seems like it would be possible to fit the change into the budget. Thank you!