

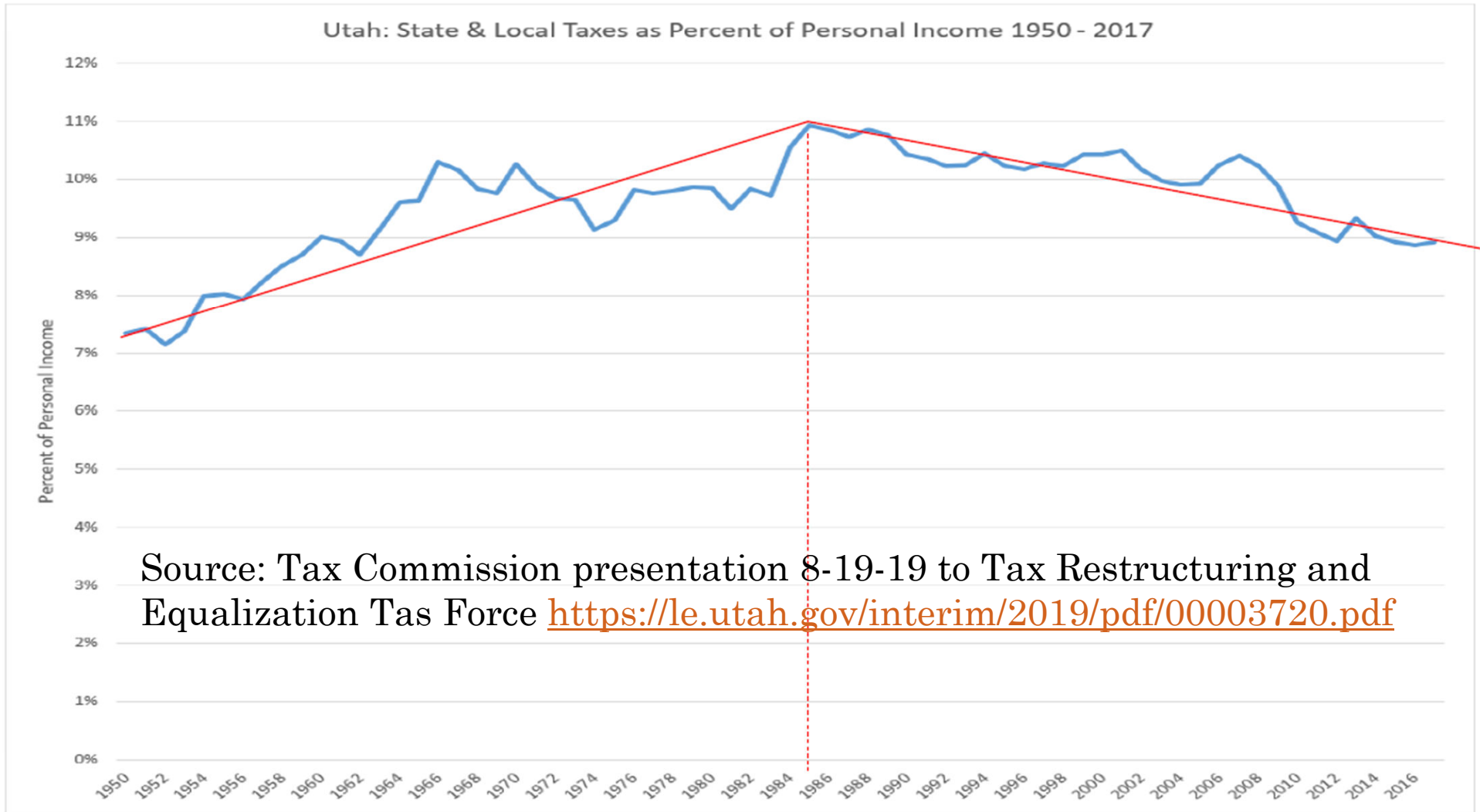
Voices for Utah Children concerns about SB 206: Tax Rate Amendments

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Overall Utah Tax Burden



Source: Utah State Tax Commissioner Larry Walters

How much have we cut Utah taxes?

Since 1995, we've passed tax breaks that now add up to \$2.4 billion each year – about one-sixth of Utah's \$14 billion in annual revenue.

In other words, if Utahns had paid 1995 tax rates – counting all state and local taxes – on their 2018 incomes, Utah state and local governments would have received an additional \$2.4 billion in revenue.

We all like paying lower taxes, but....

**Is it possible to have
too much of a good thing?**

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Unmet needs in critical areas of state responsibility:

- Education: Better bang for the buck than other states, yet....
 - High school grad rates below national when adj for demographics
 - Larger majority-minority gaps than nationally
 - College completion behind US among younger Utahns (age 25-34)
- Public Health:
 - 82,000 uninsured children pre-pandemic, rank near bottom of US for uninsured children (last place for uninsured Latino children)
- Infrastructure – billions in projected unfunded needs
- Poverty prevention through early intervention, affordable housing, pre-K, child care, etc.
- Social services like mental health and substance abuse treatment, disability services, domestic violence, seniors, etc.
- Air quality
- ...and the list goes on



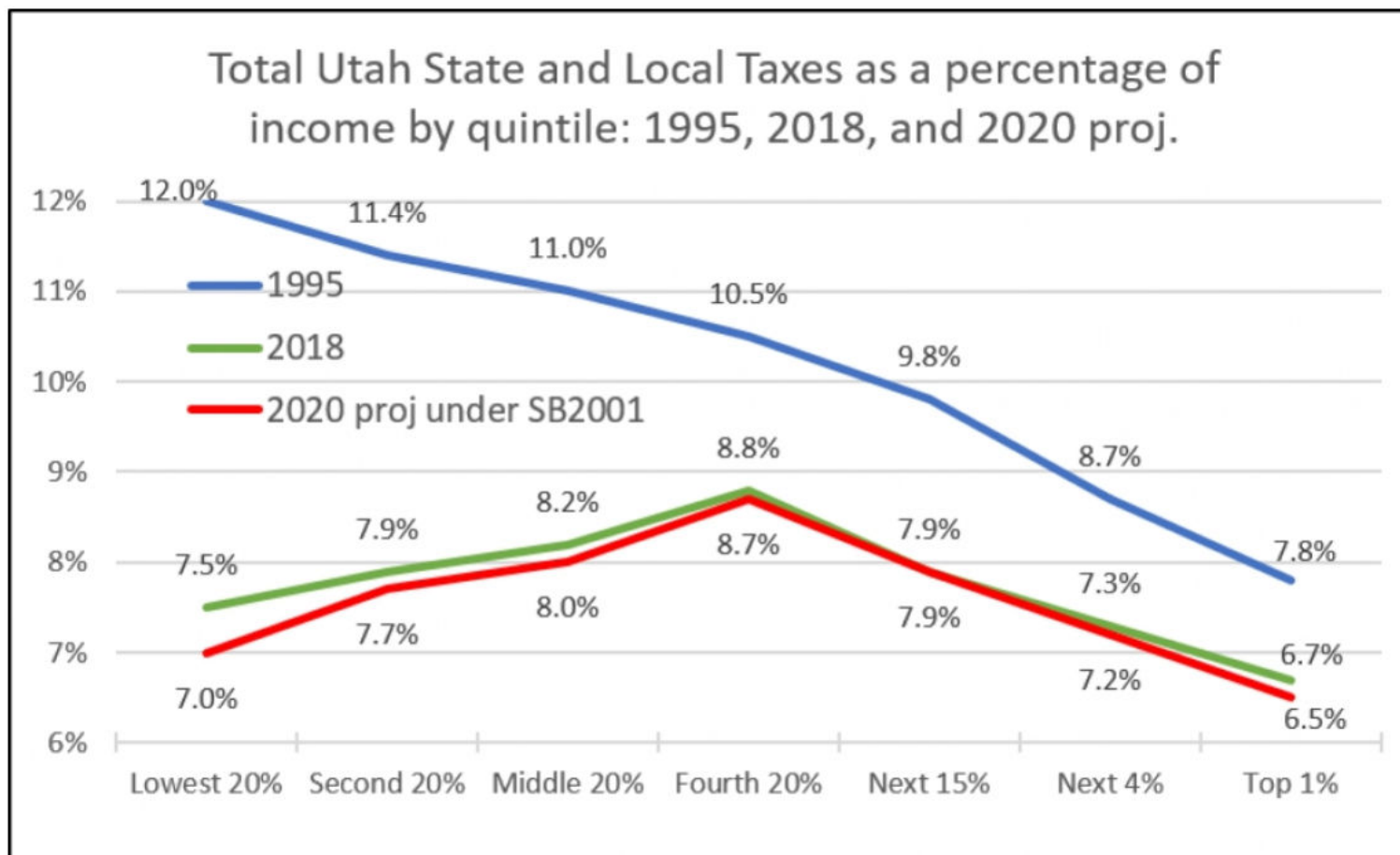
The role of the income tax in Utah's tax structure

- Our only non-regressive tax
- The three-fifths/one-fifth rule: Three-fifths of the income tax is paid by the top one-fifth of taxpayers, which lines up with Utah's income distribution.
- All other taxes are regressive in nature
 - Sales tax
 - Gas tax
 - Property tax

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Utah's overall tax structure is regressive – the highest income Utahns pay a lower overall rate



<https://www.utahchildren.org/newsroom/speaking-of-kids-blog/item/1029-utah-tax-history>



Reducing the income tax worsens the regressivity of Utah's overall tax structure

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