

Deseret Morning News, Wednesday, June 21, 2006

Chamber proposes tax hike for TRAX

It would give Utah third-highest total tax burden in U.S.

By [Nicole Warburton](#)

Deseret Morning News

The Salt Lake Chamber of Commerce wants voters to approve a sales-tax hike this fall that would raise the tax amount dedicated to transportation to a total of 1 percent in Salt Lake Davis, Weber and Utah counties.

The money would be used to more than double the amount of transit along the Wasatch Front. But it also would give those Utah residents the third-highest total tax burden in the United States.

The chamber's proposal comes just three months after lawmakers reduced the state's portion of sales tax on food by two percent, or \$70 million.

Leaders of the chamber, which is Utah's largest business association, said that building transit projects now is critical to the state's economy. On Tuesday, chamber leaders and a group called the 2015 Transportation Alliance unveiled their plan to increase sales tax in order to help build projects like four planned TRAX extensions in Salt Lake County and commuter rail to Utah County.

Their plan is substantially more ambitious than one being floated by the Utah Transit Authority to raise property taxes in Salt Lake County in order to fund just the four TRAX extensions.

Groups like the Utah Taxpayers Association and some lawmaker have already lined up to oppose the chamber's plan. But the chamber leaders say they're ready for the challenge.

"In the long term, this affects more people than the Olympics did," said Chamber President Lane Beattie. "To keep the economy growing, we must keep goods and people flowing."

Increase in taxes

The chamber's proposed sales-tax increase devotes funds to transportation in Salt Lake, Davis, Weber and Utah counties. The money would:

- Help finance the construction of four new lines in a \$1.2 billion expansion of the TRAX light-rail system.
- Help pay to extend commuter rail into Utah County.
- Raise an average of \$213 million a year in the four counties.
- Help pay for bus rapid-transit lines and other transportation improvements.

SOURCE: Salt Lake Chamber of Commerce

Deseret Morning News graphic

To get the sales-tax increase on the ballot this November, the chamber must go through a two-step process. First, it must get Gov. Jon Huntsman Jr. to call a special session of the Utah Legislature to approve a bill authorizing counties to put the sales-tax increase on the ballot. Second, it must get county governments to also vote to put the increase on the ballot.

Huntsman spokesman Mike Mower said Tuesday that "there are no plans to call a special session at this time." But the governor is interested in reviewing the chamber's proposal and "continuing discussions with legislative leadership and the Chamber of Commerce about the transit proposal," Mower said.

Senate President John Valentine, R-Orem, said Tuesday that he plans to discuss the proposal with Republican senators during caucus meetings today. Opinions are already mixed.

"Some of them are pretty warm to the idea and some are pretty cool," he said. "I feel somewhat schizophrenic, because we just reduced the sales-tax base, and now there's a call for a big sales-tax increase."

As for House Republicans, Speaker Greg Curtis, R-Sandy, said a bill authorizing a sales-tax increase would be better suited for a general session of the Legislature. "That is, if the proposal doesn't require an urgency in the sense of doing it right now," he said.

Both the chamber and the Utah Transit Authority say there is an urgency. UTA still plans to move forward with discussions with Salt Lake County to put a property-tax hike on the ballot this fall to build four new TRAX lines. That increase would mean taxpayers would pay about \$95 more in property tax on a \$180,000 home. The revenues would bring \$895 million to pay for a 30-year bond issued by the county.

Members of the Salt Lake County Council have said that bonding for \$895 million is a little too much to request. Both Republicans and Democrats on the council say they support the chamber's proposal.

"That's the best mechanism," said council chairman Cort Ashton. "If we do any bond at all, it's not going to be for \$895 million. It's going to be a number that makes sense."

UTA spokesman Justin Jones said: "I think the most important thing is that voters vote on this issue this fall, whether it's a property-tax increase or a sales-tax increase. I think the two efforts are not contradictory."

For more information about the chamber's sales-tax proposal, log on to: www.2015Utah.com.

Later this summer, the chamber also plans to unveil a highway funding plan. That plan is likely to include recommendations for a gas-tax increase.

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