



## **Vote NO on HB126 (Buttars)**

HB126 would allow Box Elder, Cache, and Sanpete counties to impose a voter-approved 1/8% sales tax increase with revenues earmarked for open space preservation. HB126 is a so-called “temporary pilot project” tax increase. HB126 has several serious problems.

### **HB126 increases difficulty of implementing Streamlined Sales Tax (SST).**

To comply with the national SST agreement, Utah will be implementing a point-of-delivery-based system. To avoid additional compliance burdens resulting from this change for retailers that deliver goods and services, Utah will be implementing a uniform statewide sales tax rate.

*HB126 makes achieving a uniform statewide sales tax rate – and therefore implementation of SST without adversely impacting retailers-- even more difficult. Support for SST and support for HB126 are mutually exclusive.*

### **Sales taxes are regressive**

Sales taxes are especially harmful to low income families because low income families spend a higher percent of household income on taxable goods and services. Utah’s overall state and local tax burden – including sales, property, and income taxes – is regressive due to Utah’s high reliance on sales taxes.

### **Sales taxes lack visibility**

Utah’s state and local sales tax burden as a percent of personal income is 35% higher than the national average and is 10<sup>th</sup> highest in the nation, largely due to Utah’s large sales tax base which includes food and most repairs to personal property. Spending groups prefer to increase sales taxes instead of property and income taxes because most taxpayers are unaware of how much sales taxes they pay. Unlike property and income taxes, taxpayers do not receive government notices indicating how much they have paid or are required to pay in sales taxes. Most taxpayers would be surprised to learn that they pay 60% to 70% more in sales taxes than they do in property taxes.

### **A local control solution already exists**

Local governments have several options when addressing open space preservation

- Use existing revenues, including existing sales and property tax revenues
- Increase property taxes by going through the Truth-in-Taxation process
- Issue general obligation bonds approved by voters backed with property taxes, as West Jordan and Draper have recently done.

Local governments through out Utah have been preserving open space by the above methods for several years. HB126 is especially bad tax policy and is not needed for open space preservation.

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Utah Taxpayers Association

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