



Vote YES on HB282 (Newbold) Exempting Unprepared Food Purchases from “Boutique” Sales Taxes

HB282 would exempt unprepared food and food ingredients from local sales taxes such as mass transit, transportation, and ZAP. County-option sales taxes (0.25%) and city/local-option sales taxes (1.0%) will not be impacted by this change.

Fiscal impact is about \$17 million. A 0.85 percentage point reduction in food sales tax in Salt Lake County would reduce taxes by about \$40 to \$50 per year for a middle-income four-person family.

Counties with rural hospital taxes will be held harmless by a state general fund transfer. Cities and towns with resort communities sales tax will be allowed to raise the resort communities tax rate from 1.0% to 1.1% to offset the reduction in tax base.

“Boutique” sales taxes are bad tax policy to begin with. Dedicating general tax revenues for specific purposes is bad tax policy because government funding priorities need to compete against each other for prioritization. This ensures that tax dollars are spent most efficiently. Therefore, reducing boutique sales tax revenues by exempting food purchases is a step in the right direction.

Please vote YES on HB282