HOW UTAH COMPARES – FY2007 TAXES AND FEES

Utah State and Local Government Tax and Fee Burdens Still High in 2007

Utah state and local government tax and fee burden ranked 5th highest in FY2007, according to the Utah Taxpayers Association's annual calculation based on US Census Bureau data. Excluding higher education tuition, Utah's tax and fee burden ranked 7th highest. Utah's general tax burden, which excludes user fees, ranked 19th. FY2007 is the most recent year for which data are available.

State and Local Tax Burdens and Revenues as Percent Personal Income, FY2007

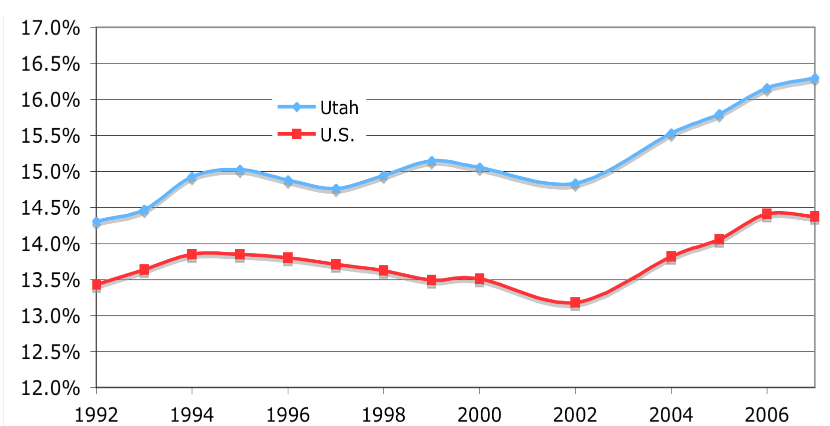
Measure	U.S.	Utah	UT Rank	UT as % U.S.
All state/local government revenue incl federal	27.10%	29.80%	12	109.90%
State/local government revenue excl federal	20.60%	23.20%	13	112.90%
State/local general revenue from own sources	16.50%	18.80%	7	114.30%
Taxes and fees	14.40%	16.30%	5	113.40%
Taxes/fees less higher education charges	13.60%	14.70%	7	108.40%
Taxes	11.30%	11.40%	19	101.50%
Individual income taxes	2.60%	3.30%	10	128.70%
General sales taxes	2.60%	3.30%	13	124.40%
Motor fuel taxes	0.30%	0.50%	11	146.50%
Property taxes	3.40%	2.60%	37	77.30%
Other taxes not listed above	2.40%	1.80%	41	74.60%

Calculations by Utah Taxpayers Association based on US Census Bureau and Bureau of Economic Analysis data

Gov. Huntsman and the Utah Legislature cut taxes by more than $400 million in recent years, which will reduce Utah's overall tax burden in the long run. However, tax burdens are also heavily impacted by economic conditions. Generally, tax burdens and government revenues as a percent of personal income increase during periods of economic growth as corporate profits, corporate purchases, dividends, consumer expenditures, and capital gains increase faster than total personal income. During recession, tax revenues decrease faster than total personal income.

The accompanying graphs show how tax and fee burdens in Utah and the U.S. have fluctuated during economic expansions and contractions, from low points during the recessions of the early 1990s and early 2000s to the high points of the expansions in the mid-1990s and mid-2000s, specifically 2004-2007. Despite the fluctuations, the trend in recent years has been upward.

State/Local Tax and Fee Burden as Percent of Total Personal Income



Calculations by Utah Taxpayers Association based on US Census Bureau and Bureau of Economic Analysis data

50-State Tax Burden and Revenue Comparison, Fiscal Year 2007

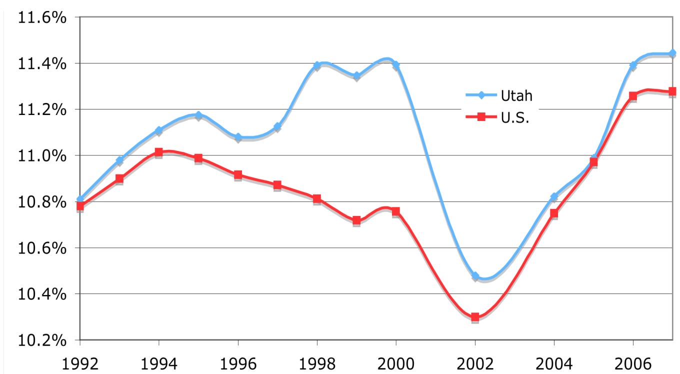
	Taxes and Fees		Taxes/Fees excl Tuition		Taxes		Individual Income Tax[1]		General Sales Tax[2]		Motor Fuel Tax		Property Tax		Total State/Local Revenue		Federal Revenues		Total Rev incl Federal	
	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank
United States	14.4%		13.6%		11.3%		2.56%		2.65%		0.34%		3.39%		20.6%		4.12%		27.1%	
Alabama	14.0%	29	12.9%	35	9.2%	48	2.09%	35	2.76%	21	0.44%	19	1.44%	50	21.4%	20	5.32%	12	27.8%	20
Alaska	22.7%	1	22.1%	1	18.6%	1	0.00%	44	0.67%	46	0.15%	48	3.89%	14	48.6%	1	9.46%	2	57.9%	1
Arizona	13.9%	33	13.1%	29	11.4%	20	1.83%	39	4.58%	6	0.38%	29	3.04%	28	20.2%	30	4.23%	29	25.1%	36
Arkansas	14.4%	27	13.3%	28	11.1%	23	2.63%	27	4.59%	4	0.56%	5	1.64%	48	21.4%	21	5.40%	11	27.3%	25
California	15.1%	16	14.6%	11	11.7%	14	3.59%	5	2.83%	17	0.23%	46	2.81%	34	20.9%	26	3.72%	34	31.5%	8
Colorado	13.1%	41	12.1%	42	9.6%	45	2.48%	31	2.62%	24	0.35%	31	2.93%	31	18.3%	42	2.94%	46	24.2%	39
Connecticut	12.7%	45	12.2%	40	11.3%	21	3.41%	9	1.63%	41	0.24%	45	4.34%	8	16.3%	49	2.44%	49	19.9%	49
Delaware	14.6%	20	13.0%	33	10.8%	27	3.18%	14	0.00%	47	0.35%	33	1.69%	47	22.6%	15	3.70%	35	27.3%	24
Florida	14.0%	32	13.5%	24	10.6%	35	0.00%	44	3.53%	12	0.46%	13	3.91%	13	19.5%	37	3.34%	42	25.2%	35
Georgia	14.0%	30	13.4%	26	10.7%	33	2.83%	19	3.18%	14	0.35%	32	3.06%	26	20.0%	32	4.42%	25	24.4%	38
Hawaii	16.6%	4	16.0%	4	13.5%	4	3.20%	13	5.25%	1	0.33%	36	2.33%	41	22.9%	14	4.52%	21	27.6%	21
Idaho	14.5%	25	13.7%	22	10.3%	39	3.05%	17	2.78%	20	0.51%	9	2.42%	40	20.4%	27	4.20%	31	26.7%	27
Illinois	12.9%	42	12.2%	41	10.8%	28	1.85%	38	1.80%	40	0.32%	37	4.02%	11	17.9%	45	3.32%	43	23.5%	42
Indiana	13.9%	34	12.5%	38	10.2%	41	2.53%	30	2.63%	23	0.43%	22	2.98%	29	20.2%	28	3.95%	33	23.8%	41
Iowa	15.3%	14	13.9%	18	10.9%	26	2.73%	22	2.31%	32	0.45%	17	3.60%	17	21.7%	18	4.50%	22	27.5%	22
Kansas	14.5%	23	13.4%	25	11.5%	16	2.79%	21	3.06%	15	0.44%	20	3.51%	19	19.6%	36	3.35%	41	23.9%	40
Kentucky	14.1%	28	13.0%	32	10.7%	31	3.17%	15	2.21%	34	0.45%	16	2.02%	44	21.1%	23	5.25%	14	26.5%	28
Louisiana	15.3%	13	14.6%	10	12.0%	9	2.20%	34	4.82%	3	0.42%	23	1.79%	45	27.0%	5	9.09%	3	32.0%	7
Maine	15.5%	11	14.7%	8	12.9%	6	3.12%	16	2.42%	29	0.53%	7	4.72%	6	23.5%	10	5.75%	10	28.3%	16
Maryland	12.8%	44	11.9%	44	10.7%	34	4.23%	3	1.36%	44	0.30%	42	2.58%	38	17.2%	48	3.17%	44	21.2%	48
Massachusetts	12.5%	47	11.8%	46	10.5%	37	3.71%	4	1.33%	45	0.22%	47	3.59%	18	17.9%	46	3.46%	40	22.9%	45
Michigan	14.7%	19	13.4%	27	10.9%	25	2.04%	36	2.35%	31	0.30%	41	4.28%	9	21.5%	19	4.22%	30	27.3%	26
Minnesota	14.6%	21	13.7%	20	11.5%	18	3.50%	8	2.20%	35	0.31%	39	2.96%	30	20.1%	31	3.53%	38	26.3%	29
Mississippi	15.7%	8	14.7%	9	10.8%	29	1.74%	40	3.91%	8	0.57%	4	2.73%	35	29.3%	3	11.98%	1	36.5%	2
Missouri	12.9%	43	11.9%	45	9.9%	43	2.66%	25	2.58%	25	0.38%	28	2.71%	36	19.3%	38	4.45%	23	25.6%	34
Montana	14.0%	31	12.6%	37	10.7%	32	2.72%	23	0.00%	47	0.69%	1	3.61%	16	23.3%	12	6.49%	7	30.0%	10
Nebraska	15.1%	17	14.0%	14	11.5%	17	2.66%	24	2.80%	19	0.52%	8	3.85%	15	21.9%	17	4.32%	28	29.8%	11
Nevada	13.5%	38	13.1%	30	10.5%	36	0.00%	44	3.57%	11	0.42%	25	2.90%	32	18.0%	44	2.48%	48	23.4%	43
New Hampshire	11.0%	50	10.0%	50	8.9%	50	0.20%	42	0.00%	47	0.24%	44	5.44%	2	16.0%	50	3.14%	45	19.4%	50
New Jersey	14.5%	22	14.0%	16	12.3%	8	2.81%	20	2.07%	38	0.13%	49	5.15%	3	18.8%	41	2.82%	47	22.8%	46
New Mexico	15.6%	10	14.7%	6	12.7%	7	2.01%	37	4.59%	5	0.42%	24	1.72%	46	27.8%	4	7.59%	5	35.7%	4
New York	18.0%	3	17.5%	3	15.3%	2	4.87%	1	2.51%	27	0.06%	50	4.35%	7	25.4%	7	5.15%	16	33.4%	5
North Carolina	14.5%	24	13.6%	23	11.0%	24	3.58%	6	2.41%	30	0.54%	6	2.47%	39	21.0%	24	4.79%	18	25.6%	33
North Dakota	15.9%	7	14.1%	13	12.0%	10	1.46%	41	2.63%	22	0.64%	3	3.23%	22	24.6%	8	6.03%	9	29.1%	14
Ohio	15.2%	15	14.0%	15	11.9%	11	3.55%	7	2.43%	28	0.46%	14	3.45%	20	21.9%	16	4.69%	19	31.4%	9
Oklahoma	13.2%	40	12.0%	43	9.9%	44	2.29%	33	2.81%	18	0.33%	35	1.59%	49	19.9%	34	4.67%	20	25.0%	37
Oregon	13.7%	37	12.8%	36	10.0%	42	4.40%	2	0.00%	47	0.34%	34	3.10%	25	21.0%	25	4.37%	27	32.7%	6
Pennsylvania	13.9%	35	13.1%	31	11.1%	22	2.84%	18	1.89%	39	0.46%	15	3.30%	21	19.9%	33	4.04%	32	25.9%	32
Rhode Island	13.8%	36	12.9%	34	11.6%	15	2.64%	26	2.13%	37	0.32%	38	4.78%	5	21.4%	22	5.09%	17	27.3%	23
South Carolina	16.1%	6	14.8%	5	10.3%	38	2.43%	32	2.51%	26	0.40%	26	3.22%	23	23.4%	11	5.26%	13	29.5%	13
South Dakota	11.3%	49	10.4%	49	8.9%	49	0.00%	44	3.60%	10	0.46%	12	3.05%	27	19.0%	40	5.19%	15	26.2%	30
Tennessee	12.4%	48	11.8%	47	9.2%	47	0.13%	43	4.22%	7	0.44%	21	2.24%	42	19.2%	39	4.44%	24	26.1%	31
Texas	12.5%	46	11.6%	48	9.6%	46	0.00%	44	2.97%	16	0.36%	30	4.01%	12	18.3%	43	3.61%	37	22.9%	44
Utah	16.3%	5	14.7%	7	11.4%	19	3.29%	10	3.29%	13	0.49%	11	2.62%	37	23.2%	13	4.42%	26	29.8%	12
Vermont	15.7%	9	13.9%	17	13.0%	5	2.58%	29	1.51%	42	0.39%	27	5.47%	1	24.2%	9	6.31%	8	28.1%	19
Virginia	13.4%	39	12.4%	39	10.3%	40	3.26%	11	1.50%	43	0.29%	43	3.19%	24	17.5%	47	2.37%	50	22.4%	47
Washington	14.5%	26	13.7%	21	10.8%	30	0.00%	44	5.13%	2	0.44%	18	2.89%	33	19.6%	35	3.48%	39	28.3%	17
West Virginia	15.4%	12	14.1%	12	11.8%	13	2.62%	28	2.18%	36	0.67%	2	2.19%	43	25.6%	6	6.56%	6	28.6%	15
Wisconsin	14.9%	18	13.9%	19	11.8%	12	3.20%	12	2.25%	33	0.50%	10	4.25%	10	20.2%	29	3.62%	36	28.2%	18
Wyoming	18.4%	2	17.7%	2	13.8%	3	0.00%	44	3.91%	9	0.31%	40	5.09%	4	30.0%	2	7.80%	4	36.1%	3
Utah in 1995	15.0%	11	13.7%	14	11.2%	21	2.85%	13	3.60%	9	0.56%	20	2.78%	36	22.9%	5	4.52%	17	27.4%	8
Utah in 1996	14.9%	13	13.6%	14	11.1%	18	2.94%	13	3.66%	9	0.53%	21	2.60%	36	22.1%	10	4.93%	13	27.0%	9
Utah in 1997	14.8%	13	13.5%	17	11.1%	17	2.94%	13	3.68%	10	0.52%	24	2.61%	36	23.9%	6	4.33%	19	28.2%	5
Utah in 1998	15.0%	13	13.7%	14	11.4%	14	3.03%	14	3.55%	9	0.68%	5	2.61%	36	24.3%	6	4.13%	21	28.5%	6
Utah in 1999	15.2%	8	13.8%	13	11.4%	11	3.03%	15	3.66%	9	0.65%	7	2.47%	37	23.2%	6	4.34%	18	27.6%	5
Utah in 2000	15.1%	10	13.7%	13	11.4%	12	3.20%	14	3.57%	9	0.64%	7	2.53%	35	24.8%	7	4.21%	20	29.0%	6
Utah in 2002	14.8%	6	13.3%	9	10.5%	16	2.79%	15	3.43%	10	0.59%	11	2.47%	38	19.4%	6	4.54%	22	24.0%	12
Utah in 2004	15.5%	3	13.7%	12	10.8%	19	2.77%	16	3.26%	13	0.56%	9	2.73%	38	25.7%	6	5.27%	19	30.9%	8
Utah in 2005	15.8%	5	14.2%	10	11.0%	20	2.90%	16	3.28%	13	0.53%	10	2.70%	36	24.0%	9	4.84%	21	28.9%	9
Utah in 2006	16.2%	8	14.6%	9	11.4%	21	3.13%	15	3.33%	13	0.49%	13	2.58%	38	23.7%	12	4.84%	19	28.6%	12

1. Excluding personal income from states that do not impose taxes on ordinary individual income (AK, FL, NH, NV, SD, TN, TX, WA, WY), U.S. average increases to 3.18%. NH and TN impose income taxes on interest and dividends
2. Excluding personal income from states that do not impose state and local sales tax (AK, DE, MT, NH, OR), U.S. average increases to 2.71%. Alaska does not impose a state sales tax, but many local governments impose sales taxes.
Calculations by Utah Taxpayers Association based on data from US Census Bureau and Bureau of Labor Statistics

Utah traditionally has had a higher-than-average tax and fee burden, primarily due to Utah's age demographics. The percent of Utah's total population that is enrolled in public schools is about 22% higher than the national average, and the percent of Utah's population that is enrolled in higher education is 31% higher than the national average (in both Utah and the U.S., enrollment is largely in public institutions).

Utah's general tax burden excluding fees is just slightly above the national average as the accompanying graph shows. Some argue that user fees aren't really taxes and should not be included because they are "voluntary". However, while user fees are frequently a sound method to fund government, government can simply increase reliance on fees to avoid tax increases. As a result, taxpayers end up paying more dollars for the same service. When the Utah Taxpayers Association advocates for higher fees, such as user fees for water and congestion pricing on highways, it also advocates for reducing general taxes.

State/Local Taxes as Percent of Total Personal Income



Calculations by Utah Taxpayers Association based on Census Bureau and Bureau of Economic Analysis data

Utah Tax Burden Still Higher Than Neighboring States

Utah's total tax burden of 16.3 percent of total personal income still ranks among the highest in the country and among neighboring states. With sales and income tax rates above the national average, Utah has moved from having the eighth highest tax burden in 2006 to the fifth highest tax burden in 2007. (Higher rankings indicate higher tax burdens.) The only neighboring state with a greater burden is Wyoming, ranking second in the country with a total tax burden of 18.4 percent of total personal income.

Contributing to its high total ranking is Utah's income tax rate as a percentage of total personal income, increasing from 3.13 percent in 2006 to 3.29 percent in 2007. As a result, Utah's income tax ranking went from fifteenth to tenth highest in the country. In addition, Utah's percentage of total income paid in sales taxes (3.29) is the thirteenth highest in the country.

Many of Utah's neighbors also show high tax rates. New Mexico and Arizona pay sales tax percentages of total personal income that are approximately 28 percent higher than Utah. Wyoming's percentage of total personal income spent on property tax (5.09) is almost double Utah's (2.62). And Idaho's income tax as a percentage of total personal income (3.05) is well above the national average (2.56). However, New Mexico, Arizona and Idaho have lower total tax burdens than Utah due to significantly lower tax rates in other categories. For example, despite its high sales tax rate as a percentage of total personal income, Arizona pays less than the national average in percentage of total personal income in property and income taxes.

Most impressive of Utah's neighbors is Colorado, which has maintained low rates in most tax categories. Colorado's total tax burden as a percentage of total personal income (13.1) ranks forty-first in the country. Colorado's sales tax as a percentage of total personal income (2.62) is the lowest of Utah's neighboring states. In addition, Colorado's income, sales, property and total tax burden as percentages of total personal income are all below the national average.

Utah and Neighboring States Tax Burden Comparison, Fiscal Year 2007

State	Total Tax	Rank	Sales Tax	Rank	Income Tax	Rank	Property Tax	Rank
Arizona	13.9%	33	4.58%	6	1.83%	39	3.04%	28
Colorado	13.1%	41	2.62%	24	2.48%	31	2.93%	31
Idaho	14.5%	25	2.78%	20	3.05%	17	2.42%	40
Nevada	13.5%	38	3.57%	11	0.00%	44	2.90%	32
New Mexico	15.6%	10	4.59%	5	2.01%	37	1.72%	46
Utah	16.3%	5	3.29%	13	3.29%	10	2.62%	37
Wyoming	18.4%	2	3.91%	9	0.00%	44	5.09%	4
U.S.	14.4%	-	2.65%	-	2.56%	-	3.39%	-

Calculations by Utah Taxpayers Association based on data from US Census Bureau and Bureau of Labor Statistics