

How Utah Compares – FY2004 Taxes and Fees

Utah Taxpayers Association, June 2006



Utah continues to bear a higher than average state/local tax and fee burden according to an analysis by the Utah Taxpayers Association based on U.S. Census Bureau data.

Utah's state & local taxes and fees as a percent of total personal income (TPI) are 10.8% higher than the 50 state average, ranking 4th highest among the fifty states. When fees are excluded, Utah ranks 19th highest.

Utah individual income taxes as a percent of total personal income rank 16th highest, general sales taxes 13th highest, motor fuel taxes 11th highest, and property taxes 38th highest. Utah total fee revenue as a percent of total personal income is 5th highest in the nation. When tuition is excluded from fees, our fee ranking drops to 14th highest.

State & Local Taxes and Fees as a Percent of Total Personal Income Utah vs U.S., FY2004

	U.S.	Utah	Utah Ranking	Utah as % of U.S.
Taxes and Fees	13.82%	15.32%	4 th	10.8% higher
Taxes and Fees less Tuition ¹	13.06%	13.51%	14 th	3.5% higher
Taxes excluding Fees	10.75%	10.67%	19 th	0.7% lower
Individual Income Tax ²	2.29%	2.73%	16 th	19.1% higher
General Sales Tax ³	2.61%	3.21%	13 th	23.4% higher
Motor Fuel Tax	0.37%	0.55%	11 th	48.2% higher
Other Selective Sales Taxes	0.86%	0.70%	30 th	18.6% lower
Property Tax	3.39%	2.69%	38 th	20.6% lower
Other Taxes not listed above	1.24%	0.79%	43 rd	36.1% lower
Fees	3.07%	4.64%	5 th	51.2% higher
Fees excluding Tuition	2.31%	2.84%	14 th	23.0% higher

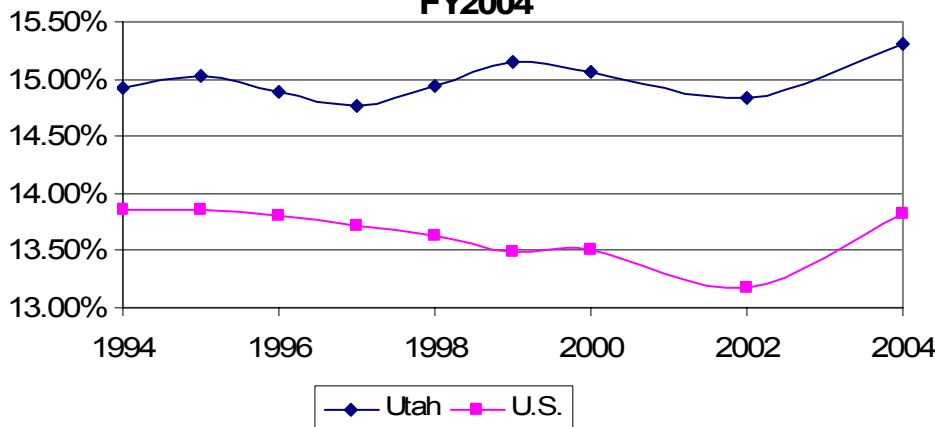
- Higher education tuition is a fee, and fees are a form of taxation. However, since Utah has a very large percent of its population attending public universities, tuition was excluded to demonstrate fee burden unrelated to higher education.
- U.S. individual income tax burden includes seven states – AK, FL, NV, SD, TX, WA, and WY – that do not impose taxes on ordinary income. Two other states – TN and NH – impose income taxes on interest and dividends.
- U.S. sales tax burden includes four states – DE, MT, NH, and OR -- that do not impose general sales tax. (AK does not impose a statewide sales tax, but many AK municipalities impose sales taxes.)

Calculations by Utah Taxpayers Association based on Census Bureau's *State and Local Government Finances for FY2004* (released May 2006); Bureau of Labor Statistics

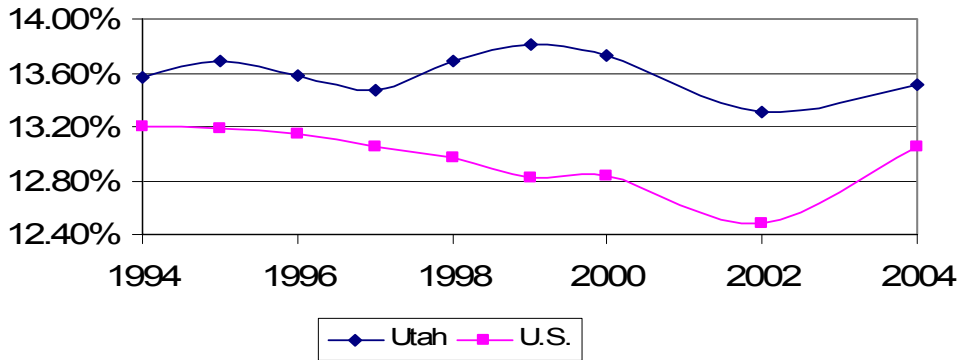
Utah Taxes and Fees, 1994 to 2004

The following charts illustrate Utah's state & local tax burdens from 1994 to 2004. Utah has consistently ranked higher than the U.S. average over the years, although Utah's tax burden excluding fees was slightly below the U.S. average in 2004.

State/Local Tax and Fee Burden as Percent TPI, FY2004

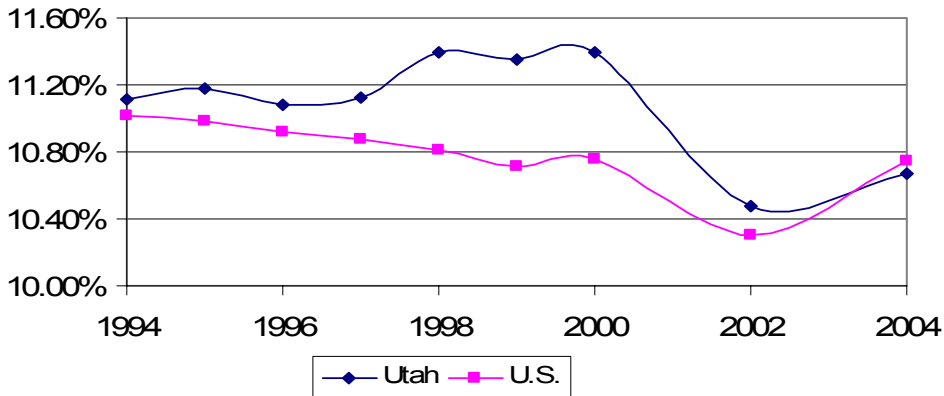


State/Local Tax and Fee Burden excl. Tuition as Percent TPI, FY2004



Calculations by Utah Taxpayers Association based on Census and BLS data

State/Local Tax Burdens as Percent TPI, FY2004



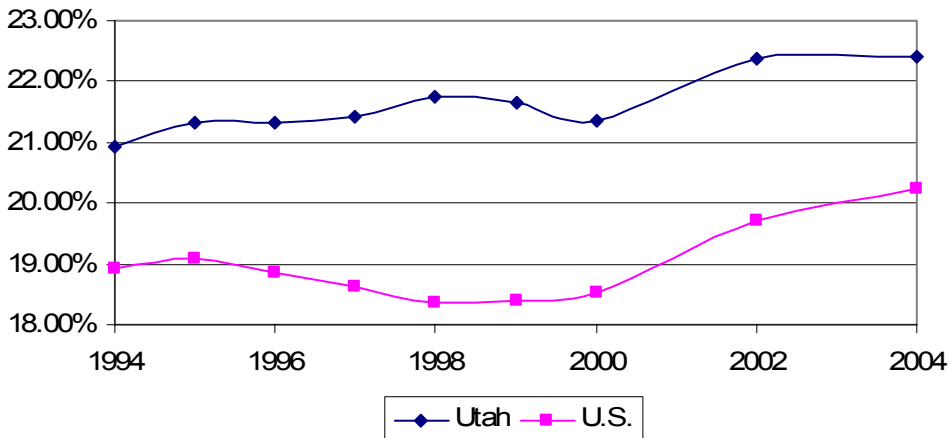
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Taxes and fees burdens as a percent of personal income fluctuate yearly for several reasons, including legislative decisions to raise or cut taxes and the state of the economy.

Expenditures

Utah's state and local government direct general expenditures (DGE) are 12th highest in the U.S. at 22.41% of personal income. DGE, which excludes municipal utilities and state insurance funds, exceeds state and local revenues because DGE includes federal dollars and because of bonding, which enables governments to increase spending immediately and collect revenues over a multi-year period. In FY2004, Utah DGE was \$13.9 billion. Including utilities and insurance funds, Utah state and local governments spent \$16.7 billion in FY2004.

Direct General Expenditures as %TPI, FY2004



Calculations by Utah Taxpayers Association based on Census Bureau and BLS data