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THE UTAH TAXPAYER

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If Congress Acts, What Will Federal Tax Reform Look Like?

With Congress's failure to repeal and replace the Affordable Care Act, attention in Washington, D.C. appears to be turning towards federal tax reform. This is a needed change as the United States has not seen any comprehensive tax reform since 1986. The nation's economy has evolved since the 1980's and the tax code needs to be reformed to match the economic activity of today's world.

Currently the federal tax code imposes high marginal rates on both businesses and individuals. According to the Washington, D.C. based Tax Foundation, the United States has one of the highest corporate income tax rates in the world. Significant tax reform would be targeted at lowering those rates. The struggle for the reform will be how to do it such that it best benefits the United States overall.

The U.S. tax system is complex. The Tax Foundation has stated that individuals spent *8.9 billion hours* complying with the Internal Revenue Tax Code in 2016 and figures that the total cost for tax compliance in 2016 *was $409 billion*.

Making any change to this system will be difficult because of the complexities involved with our current system.

One key goal for Congress in this reform should be to find a way to simplify the code so that individuals are spending less time figuring out how to comply… *(continued on page 4)*

Save the Date for the Taxes Now Conference and "Teed Off on Taxes" Golf Tournament

The Utah Taxes Now Conference is scheduled **Thursday, May 18th, 2017** at the Grand America Hotel, beginning at 8 am. You can keep updated on the speakers for this event at www.utahtaxpayers.org.

Next, "Teed Off On Taxes" Golf Tournament on **Thursday, June 8, 2017** at the Eaglewood Golf Course in North Salt Lake. Sponsorship opportunities are available.

Space is limited at both of these events. Contact Bren Robinson at bren@utahtaxpayers.org, click here to register by clicking here, or call (801) 972-8814 for details, and to reserve your spot!

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My Corner: Employed by Utah's Tax Watchdog Organization for 40 Years

Association President Howard Stephenson

This year marks my 40th year of employment at the Utah Taxpayers Association which I began on April 1, 1977. I was hired fresh out of BYU's master of public administration program. Since Memorial Day was coming up, my boss, Jack Olson, assigned me to do research on the cost of burial at Salt Lake County's cemeteries. We released the report on Memorial Day weekend and Jack assigned me to do all of the press interviews on the report. I remember seeing my name in the newspaper stories and hearing my voice on the radio and realized for the first time the weight of the Taxpayers Association's role in looking out for taxpayers.

One of our first battles involved opposing Salt Lake City's 8 percent utility franchise tax. The Association fought the proliferation of utility franchise taxes, achieving legislation, which placed a 6 percent cap on this new backdoor approach to taxation.

During the 70s we also took on sometimes bitter battles with local entities trying to pass bond proposals or tax increases on the ballot. The Association's tax alert system proved itself in getting informed grassroots involvement in local issues.

Each year at local budget time, I would travel the entire state visiting with county officials in November and school district officials in May and June. At that time, there was no rhyme or reason in state law as to how property tax rates were to be set by local taxing entities. I worked with my boss Jack Olson to get legislation to tie property tax rates to budgeted property tax revenues. However, this did not stop local governments from simply budgeting for more property tax revenues, yielding massive windfalls as property tax values reflected the inflation of the 80s.

In 1986, the Association was successful in passing Utah's current Truth-In-Taxation law to bring property taxes under control. This law requires the certified property tax rate to be calculated based on the prior year's actual revenue with no adjustment for inflation. When a taxing entity chooses to exceed the certified rate, they must send a mailed notification to each taxpayer, print a quarter-page "tombstone" newspaper ad and hold a public hearing in which elected officials are required to take the heat from citizens regarding their proposed property tax hikes.

This law has done more to curtail irresponsible property tax increases like I had seen in the early 80s than anything in Utah's history. At the time the law was passed, Utah ranked 24th highest among the 50 states in the percent of personal income taken by property taxes at 3.54%. Today, we rank 34th at 2.64%.

In 1987 in the wake of a budgetary crisis, the biggest state tax increase in Utah's history was passed with the support of Governor Bangerter and the Republican legislature. This $202 million tax increase was brought on by unsustainable spending growth, accompanied by a downturn in Utah's economy. These tax increases caused a taxpayer revolt, that led to three separate tax related ballot initiatives being proposed. Your Taxpayers Association threw its support behind Initiative A, which would have imposed a meaningful spending limitation law. All proposed measures failed due to a promise made by Governor Bangerter that if re-elected, he would see that tax limitation would be enacted by the legislature. The spending limit has been modified over the years to be virtually meaningless.

In 1992, I received permission from the Association's board of directors to run for the Utah State Senate. I was in a gerrymandered district left from redistricting that went all the way from Cedar Hills in Utah County up through Alpine, Highland, Lehi, Draper, Sandy and finally ended at Midvale Center Street. A 10-year incumbent House member decided to run as my Republican challenger five minutes before the filing deadline. The Utah Education Association (UEA) and the Utah Public Employees Association (UPEA) assured him financial backing and a guaranteed victory. In those days a candidate needed 70% of the delegate votes at convention to avoid a primary. I got 69.5% of the vote and had to face a grueling primary contest, where I won by a similar percentage as the convention result. The district was heavily Republican, so I won in the November election.

Once elected, one of the first bills I passed was what

later came to be known as "Paycheck Protection." This law would prohibit state and local government from collecting political contributions for public employee and teacher unions. The American Legislative Exchange Council adopted my proposal as model legislation. A few states enacted "Paycheck Protection" statutes, including Utah, but the unions got the laws struck down in federal courts. Your Taxpayers Association filed an Amicus brief in an Idaho case which was before the U.S. Supreme Court. The Supreme Court finally ruled that government has no business collecting PAC money for public employee and teacher unions. Consequently, the UEA political action committee, which was once the largest contributor to governor and legislative races is not even in the top ten contributors now, giving elected officials less fear of the union.

Having worked to fight tax proposals on the ballot I wondered why local governments and school boards could set special elections on any day of the year. So I worked to get legislation passed which would limit special elections to five specific dates each year including the regular November election day. A freshman legislative colleague was critical of the fact that we allowed more than the November regular election date, he later sponsored legislation and was successful in limiting these questions to the November election. From this experience, I learned the Association should not rest its laurels after a hard-fought victory but keep pushing for taxpayer friendly policy changes.

In 1994, I sponsored a bill, supported by the Taxpayers Association, to remove sales taxes on the tools of production in the manufacturing process. This was a new idea to most and even the Utah Manufacturers Association initially opposed the measure. I believed that if we wanted a strong state economy, we should not tax the tools that make employees more productive ie: we should not tax business inputs, we should tax the outputs. We were able to get the bill through the Senate and Association lobbyists Howard Headlee and Gregg Fredde, on the final night of the session had convinced even the Democrats in the House that this was a jobs program and essential to Utah's economic vitality.

Unfortunately, the UEA urged then-Governor Mike Leavitt to convince House leadership to pull the measure from consideration. The governor agreed, and the bill was essentially killed. The following session I brought the bill back and was able to have it passed. A microchip company from Boise, Idaho was looking at locating a major plant in either Utah or Nebraska, and eliminating the manufacturing sales tax on inputs was essential to Utah winning that bid. This brought the Micron facility to Utah. Unfortunately, the legislature later eliminated the exemption on machinery and replacement parts which last less than three years. Since then, many states have followed Utah's lead but don't impose the three-year-life penalty. Your Association continues the work of convincing the legislature that this penalty must be eliminated to ensure Utah is competitive.

For its 95 years and my 40 years, the Association has been a supporter of keeping government out of the business of business, encouraging privatization of government services and working to defeat proposals for government to engage in enterprises which can be found in the Yellow Pages. We have worked to limit the failed UTOPIA experiment by 11 cities to provide fiber networks, competing with the private sector. We continually are amazed that many elected officials didn't seem to get the memo that the Berlin Wall came down in November of 1989 and the grand Soviet experiment in government ownership of business enterprises failed.

> "But most of all, I am grateful to our many members' whose support over the years has sustained the Association and allowed us to continue to do this important work."

The Association has also supported user fees instead of general taxes for those services which the user can regulate their use of, such as congestion pricing on highways through HOV lanes and the cost of water use being paid by fees rather than general taxes.

Over the years, the Association has fought Redevelopment Agencies misuse of Tax Increment Financing (TIF). We have especially focused on preventing these property tax subsidies from being used to empower cities to battle for the location of retail malls and auto dealerships at the expense of Utah school property taxes. We are continually amazed at how local school boards complain about state funding of education while voting to give hundreds of millions of dollars to developers.

In 1956 your Taxpayers Association worked to achieve equalized funding of education regardless of the relative tax wealth of a school district. The Weighted Pupil Unit (WPU) ensured equitable funding of schools throughout the state. However, there is still a significant discrepancy in funding per student from the local property tax. For example, Alpine School District generates only $450 per student from a high local property tax rate while Park City School District generates $4,500 per student on a much lower tax rate.

Your Taxpayers Association supports efforts to correct this inequity over time by using a portion of the growth in education funding for the equalization of per student funding.

In its 95 years of operation, I have had the longest tenure of any employee at the Utah Taxpayers Association, but I am indebted to my forbears who created this Association to be the "Tax Watchdog" in the State of Utah. I also am grateful to the dozens of dedicated employees who have worked by my side over the years. But most of all, I am grateful to our many members' whose support over the years has sustained the Association and allowed us to continue to do this important work.

If Congress Acts, What Will Federal Tax Reform Look Like? (continued)

with U.S. tax laws so they have more time to run their businesses or be with their families.

What is currently being proposed?

The major proposal that appears to be getting the most attention from lawmakers is the House Republican Leadership tax proposal that was released in June of 2016. It is called the "Better Way" proposal, also known as the GOP Blueprint. This proposal has not been placed into bill form yet in Congress but is believed to be the starting point for reform.

Individual income tax changes

The Better Way proposal calls for the country to consolidate its current seven tax brackets in the individual income tax rate into three rates of 12%, 25% and 33%. The plan combines the widths of the old rate system. The breakdown of how the rates and widths are combined can be seen in the accompanying chart.

Standard deductions and personal exemptions would also change. The standard deduction would almost double from the current $6,300 for singles and $12,600 married filing jointly, to $12,000 for individuals filing single and $24,000 for married filing jointly. The standard deduction for heads of household would also nearly double from $9,300 to $18,000. The plan would also change the personal exemption into a $500 dollar nonrefundable credit.

For investment income the House plan would tax capital gains, dividends, and interest as ordinary income. The plan does allow for a deduction of 50% of their investments against their taxable income. That would mean the top marginal rate for investment income would be half the statutory rate, or 16.5%.

The plan would also eliminate most itemized

Tax Brackets changes under House GOP plan				
Current Law	House GOP	Single Brackets	Married Brackets	Head of Household
10%	12%	$0 to $9,275	$0 to $18,550	$0 to $13,250
15%	12%	$9,275 to $37,650	$18,550 to $75,300	$13,250 to $50,400
25%	25%	$37,650 to $91,150	$75,300 to $151,900	$50,400 to $130,150
28%	25%	$91,150 to $112,500	$151,900 to $225,000	$130,150 to $168,750
28%	25%	$112,500 to $190,150	$225,000 to $231,450	$168,750 to $210,800
33%	33%	$190,150 to $413,350	$231,450 to $413,350	$210,800 to $413,350
35%	33%	$413,350 to $415,050	$413,350 to $466,950	$413,350 to $441,000
39.60%	33%	$415,050+	$466,950+	$441,000+

This table from the Washington, D.C. based Tax Foundation details the tax bracket changes under the House tax reform plan

deductions except for the home mortgage interest deduction and the charitable contributions deduction.

Proposed changes to business taxes

On the business side of the reform plan, a number of changes are being put forward. The plan would change the current corporate income tax to a "destination-based cash-flow tax" which would be levied at 20%. This change would mean businesses would now be taxed based on where they sell their products instead of where the product was produced. The proposal changes business taxes in four ways:

1. **Full expansion of capital investments.** Companies would be allowed to write off or deduct the full cost of capital investments in the year in which they were purchased instead of using a depreciation schedule.
2. **Elimination of the deduction for net interest expense.** The proposal would no longer allow businesses to deduct interest expense.
3. **No residual tax on foreign profits.** The U.S. would no longer tax corporations on their worldwide income brought back into the United States.
4. **Border adjustment.** This would disallow the deduction for import purchases and exempt revenue from export sales. This would switch the tax to a destination-based system, which would tax companies based on the location of their sales.

Additional changes

The House plan would also eliminate the federal estate tax and gift taxes.

What is the expected outcome of these changes?

The Better Way plan would reduce the amount of revenue that the federal government would raise over the next 10 years. The plan has been estimated to reduce revenue by $2.4 trillion, which is about a 6% cut to federal revenue. How each business or individual is impacted will vary. Often with tax reform, there are always winners and losers depending on the changes made.

It is expected that the state government may see an increase in revenue from the proposed changes. The plan dramatically expands the federal base for income taxes. Since the state of Utah bases its income tax off of federal standards, Utah would be poised to see an increase in funds because of the base expansion. State legislators should be aware of this potential windfall and work to adjust accordingly when and if Congress implements these changes.

Based on the current climate in Washington it is hard to predict what will pass or fail as tax reform is discussed. Your Taxpayers Association will work with Utah's federal delegation to ensure that Utah Taxpayers are protected throughout the process and that sound tax policy is implemented.

2017 General Session: A Mixed Bag with Tax Increases, Progress on Utah 2.0, Taxpayer Transparency

Now that the whirlwind known as the 2017 General Session is finally in the books, it's time to evaluate the damage of the storm.

The Legislature made some pretty significant changes to how citizens come to understand taxes and fees, communications with different levels of government involving taxes, and some changes to policy ranging from the gas tax to expanding sales tax exemptions for clean fuel production.

The biggest topic that dominated this year's session was tax reform. While ideas in reforming Utah's tax structure were discussed, few made it through the legislative process.

These proposals included making Utah's income tax more flat. Lawmakers had been looking at various scenarios that would phase out credits and deductions and lower the overall rate for individuals. If it were done correctly, this could play a role in attracting new business to the state of Utah, while keeping more money in Utahns' wallets.

Additionally, legislative leaders discussed expanding the single sales factor apportionment for corporate income tax, which would have moved nearly all businesses to calculating their income tax based on in-state sales only, rather than the combination of in-state sales, payroll, and property. The Association has led efforts to ensure this

expansion is targeted to protect businesses that add great value to the state and implemented to prevent winners and losers from being created in the tax code.

Possibly the most discussed proposal would have aligned the sales tax on food with the general statewide sales tax. Utah charges 4.7% sales tax on all purchases, but a reduced 1.75% rate on unprepared food. Legislative leaders had floated the idea of increasing the tax charged on food but lower the overall rate to make the change revenue neutral to the state.

Unfortunately, all these proposals failed to pass the Legislature. However, tax reform discussions will be held throughout the year, and your Taxpayers Association is wholly engaged in ensuring legislators understand the benefits of strong, stable, and equitable tax policy.

As part of these tax reform discussions, changes to Utah's gas tax were proposed, and have been passed. In 2015, the Legislature increased the gas tax by five cents, and also put in place an index that allows the tax to rise an additional ten cents as the price of gas increases. The Legislature lowered that threshold to allow for the index to start sooner so to allow the gas tax to increase.

Now onto legislation that your Taxpayers Association worked to get passed. Here are some of our biggest accomplishments:

Senate Bill 197 (Adams)

This legislation is part of the Association's Utah 2.0 proposal, which is our legislative initiative that promotes using sound tax policy to incentivize economic development, while ensuring Utah's students are prepared for a 21st Century workforce.

This bill expands the elimination of the sales tax penalty for inputs that last less than three years. The bill would apply to refineries in order to incentivize the production of Tier 3 fuels in Utah. If Tier 3 fuel production is not met by 2021, a non-compliant refinery would lose the exemption.

House Bill 255 (McCay)

When an initiative to increase a tax is placed on the ballot, as well as during the signature gathering process, the dynamic impact rate change must be clearly explained to the voters. Currently, the initiative only has to explain the static change in the rate.

For example, if a proposal seeks to increase the individual income tax from 5% to 6%, language explaining that it would be a 20% increase to the current rate must be disclosed on the ballot.

House Bill 164 (J. Moss)

In the event that a city transfers enterprise funds (excess utility fees) to subsidize its general fund, cities are required to mail a notice informing ratepayers about the transfer, and hold a separate public hearing during the budget process to disclose to taxpayers the purpose and amount of the transfer.

Senate Bill 150 (Henderson)

When a government entity seeks voter approval for a bond measure, SB 150 mandates that the true cost of a bond, which may include a tax decrease if existing bonds were to expire, be placed directly underneath the question of whether or not to approve a bond. The change clearly explains to voters the amount in taxes a proposed bond will require.

Senate Bill 94 (Fillmore)

When proposing a property tax increase, a special service district must directly report and inform, in a public meeting, the measure to participating city and county councils. There is still plenty of work to be done on this issue; expect more on this in the coming year.

It wasn't all good news. The Legislature did pass bills that increased taxes and fees. Here are the lowlights:

Senate Bill 198 (Harper)

Increases taxes and fees for telephone customers to support the expansion of radio emergency services through the Utah Communications Authority (UCA). The bill also removed a user fee for rural areas accessing certain services provided by the UCA and compensates for that loss in revenue to a general fee on all phone users in the state.

In October of last year, the Washington, D.C. based Tax Foundation released a study on wireless taxation in the United States and found Utah has the 16th highest tax rate placed on wireless bills with a rate of 12.73%. When combining federal, state and local taxes and fees Utahns pay a rate of 19.37% on their wireless purchases.

Nationally, the average of taxes and fees on wireless service is 18.6% in combined federal, state and local taxes and fees.

This bill is expected to generate an additional

$16.7 million in taxes in FY 2019.

Expect your phone bill to see some major significant increases in the coming months.

Senate Bill 264 (Okerlund)

Another bill that increases taxes, specifically those to be earmarked for outdoor recreation development. The bill increases the statewide transient room tax in order to pay for this development, primarily in rural Utah.

However, all hotels across the state are mandated to collect and now increase the tax on visitors to our state.

This bill allows for the Utah Outdoor Recreation Grant Advisory Committee, under the Governor's Office of Economic Development, to circumvent the legislative appropriations process by allowing it to allocate the generated revenue.

This bill is expected to generate around $5 million in additional taxes.

And now, some things for next year:

House Bill 377 (McCay)

This legislation is part of the Association's Utah 2.0 proposal, which is our legislative initiative that promotes using sound tax policy to incentivize economic development, while ensuring Utah's students are prepared for a 21st Century workforce.

HB 377 expands the industries that could calculate their corporate franchise tax using the single sales factor. Single sales factor is an apportionment that businesses use to calculate their corporate income tax burden. Essentially, businesses that are currently able to file under single sales factor are only taxed on their sales made within the state, rather than on sales, payroll, and property in the state.

This bill got tied up in the income tax reform discussion, and legislative leaders opted to not push the bill through without a larger discussion on how to reform the individual and corporate income tax rate.

The Legislature will be discussing this idea during the interim study session, and your Taxpayers Association will be at the forefront ensuring that legislators understand the positive economic value that single sales factor apportionment will have on the state.

Senate Bill 110 (Bramble)

Another highly discussed topic at this year's session was the need to enforce collection of sales taxes on out-of-state purchases.

Senate Bill 110 would have created a model for the collection of these already due taxes.

The first would be an economic nexus model would have required that when a seller reaches a certain threshold amount of sales in Utah, the retailer would be required to collect sales taxes at the point of sale.

The second provision would have built an affiliate nexus model, which would create a presence in the state if it has affiliates selling within the state. An affiliate could be defined as someone who has their own personal website or blog and then advertises products for a business on their website.

While this bill did not make it through the House, you can expect this issue to be back next year.

And there you have it. Taxpayers can be sure that progress was made in keeping their taxes low and their government transparent, and that more work is already starting to reform taxes in the 2018 Session.

2017 Legislative Scorecard Released, 34 Of 104 Earned "Friend of the Taxpayer" Award

Each year, the Utah Taxpayers Association releases a legislative scorecard, ranking Utah's legislators on their votes of the most important tax-related bills during the most recent legislative session. This year, legislators were ranked on a combined 13 bills. You can take a look at these bills by clicking here.

Additionally, the Association gives out annual awards to those legislators that score a 90% or higher on our Scorecard. The "Friend of the Taxpayer" award will be given to 34 of Utah's 104 legislators at our annual Taxes Now Conference, held on May 18. To RSVP, click here.

Let's begin in the Senate. No senator received a perfect score, with the average score being 80.9%, out of 12 bills scored.

Of the total votes cast in the Senate, 82% of those were in support of the Taxpayers Association's position.

Thank you to our Senate Friend of the Taxpayers:

Sens. Howard Stephenson - 91.7% (R-Draper)
Stuart Adams - 90% (R-Layton)
Wayne Harper - 90% (R-Taylorsville)
Deidre Henderson - 90% (R-Spanish Fork)

Onto the House, where fourteen representatives received a perfect 100%! The average score for the House is 81.2%,.

80.7% of all votes cast on 12 bills were with the Association's recommended position.

Congratulations to the 30 Friend of the Taxpayer award winners this year:

Reps. Brad Daw - 100% (R-Orem)
Keith Grover – 100% (R-Provo)
Mike Kennedy - 100% (R- Alpine)
Karianne Lisonbee – 100% (R-Clearfield)
Cory Maloy – 100% (R-Lehi)
Marc Roberts – 100% (R-Salem)
Norm Thurston – 100% (R-Provo)
Gage Froerer – 100% (R-Huntsville)
Dan McCay – 100% (R-Riverton)
Paul Ray – 100% (R-Clearfield)
Kim Coleman – 100% (R-West Jordan)
John Knotwell – 100% (R-Herriman)
Jim Dunnigan – 100% (R-Taylorsville)
Brian Greene – 100% (R-Pleasant Grove)
Kay Christofferson – 91% (R-Lehi)
Steve Eliason – 91% (R-Sandy)
Justin Fawson – 91% (R- N. Ogden)
Adam Gardiner – 91% (R-West Jordan)
Steve Handy – 91% (R-Layton)
Mike McKell – 91% (R-Spanish Fork)
Jeff Moss – 91% (R-Saratoga Springs)
Val Peterson – 91% (R-Orem)
Dixon Pitcher – 91% (R-Ogden)
Susan Pulsipher – 91% (R- So. Jordan)
Tim Quinn – 91% (R-Heber)
Curt Webb– 91% (R-Logan)
Timothy Hawkes – 90% (R-Centerville)
Ken Ivory – 90% (R-West Jordan)
Doug Sagers – 90% (R-Tooele)
Scott Sandall – 90% (R-Tremonton)

To see the bills scored, and how your legislators scored, click here.

Utah's Income Tax Rate Ranks Second Highest Compared to Neighboring States

April 18th, 2017. Tax Day.

Typically, Tax Day falls on April 15. But this year, thanks to April 15th falling on a Saturday, and due to a holiday on Sunday, you get an extra three days to file.

Let's take a quick look at what you're paying. Income taxes are the taxes paid from any income that is made by an individual over the course of a year. In many circumstances, income taxes are taken directly from a person's paycheck.

FUN FACT: Even income from criminal activities must be disclosed when filing.

Income taxes are collected by both state and federal government. According the Washington, D.C. based Tax Foundation, individual income taxes are a major source of state government revenue, accounting for 36% of state tax collections.

Some states, like our neighbor Nevada, do not have an income tax. Neither does Wyoming. There are five other states across the country to not collect any state income taxes.

The income tax rate multiplied by the tax base determines how much taxes are owed. Utah's income tax rate is a flat 5% rate for everyone. However, not everyone pays 5% of their income to the state. Due to credits and exemptions, Utah's average effective tax rate is 3.7%.

Take a look at the map on the next page, which details the highest income tax rate for each state. All of our neighboring states, with the exception of Idaho, have lower income tax rates than Utah.

As you can see, the highest individual income tax rate is California's 13.3%. The lowest income tax rate in nation is Pennsylvania, at 3.07%.

For your national income tax rate, the Internal Revenue Service uses the Consumer Price Index (CPI) to calculate the past year's inflation and adjusts income thresholds, deduction amounts, and credit values accordingly.

For estimated tax rates for 2017, courtesy of the Tax Foundation the rates range from 10% to 39.6%! That's a lot of variation.

Keep in mind, this only applies to single filers.

The income brackets change significantly if a person is married and files jointly.

It's not just individuals and families that pay income taxes, businesses also pay income tax.

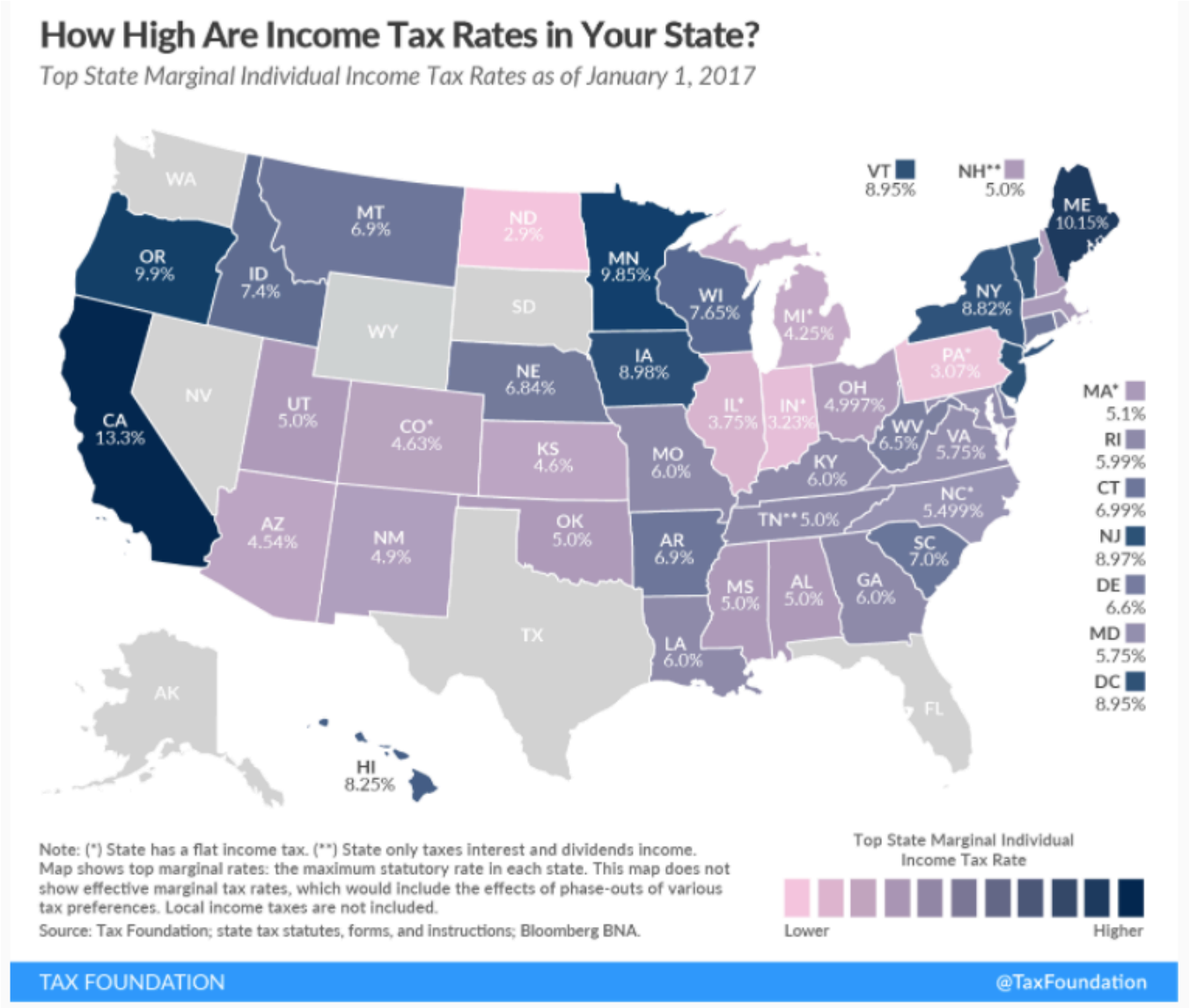
As with the individual rate, Utah's corporate income tax rate is a flat 5%. Utah's corporate income tax however, is calculated based on three different factors: in-state sales, payroll, and capital in the state. Using this combination, businesses can calculate their corporate income tax.

Only two states do not levy a corporate income tax of any kind, Wyoming and South Dakota.

Iowa's rate is highest in the nation at 12%, while North Dakota has the lowest rate at 4.31%.

By clicking here, you can learn more about the individual income tax comparison and the corporate income tax comparison.

To see the estimated income tax brackets for 2017, click here.



The Washington, D.C. based Tax Foundation compiled the top income tax rate in each state for January 1, 2017. Utah's rate remains at a flat 5%, while other states base the rate on certain income brackets.

Association Accomplishments During March:

- Began planning and advertised the Utah Taxes Now Conference
- Testified on behalf of sound tax policy and transparency during the 2017 Legislative Session
- Successfully won passage of Association priority bills in the final days of the Legislative Session
- Started planning regional tax boot camps for newly-elected officials
- Released the 2017 Legislative Scorecard
- Announced 34 winners of the "Friend of the Taxpayer" award

In the News:

- Legislative Scorecard
  - 2017 Utah Taxpayers Association legislative scorecard released. Utah Policy
- Other News
  - Utahns to see new fees on phones, cars, hotel rooms: KUER