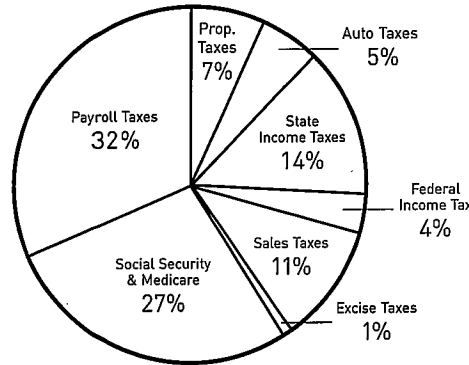


Total Taxes (\$15,585)

When Eugene and Eunice added up all the taxes paid in 2003, they found that their total direct tax bill came to \$10,674, 17.5% of their entire income. Added to this are the indirect taxes paid by their employers of \$4,911, or just over 8% of their income. Adding household and employer taxes, the Utah family's total tax bill amounts to \$15,585, or \$1,299 per month.

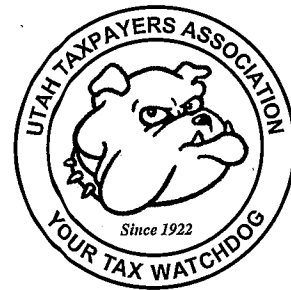
Eugene and Eunice's tax is the largest item in their annual budget, 14% more than the amount of the second largest item, housing and utilities.



TOTAL TAXES PAID IN 2003

Property Taxes (7%)	\$1,047
Auto Taxes (5%)	\$852
State Income Taxes (14%)	\$2,141
Federal Income Taxes (4%)	\$554
Sales Taxes (11%)	\$1,689
Excise Taxes (1%)	\$113
Social Security/Medicare (27%)	\$4,277
Payroll/Employee Taxes (32%)	\$4,911
Total Taxes (100%)	\$15,585

Meet The Utah Family



Taxes consume almost 26 cents of every dollar earned!

Sponsored by ZIONS BANK®

THE TAX BURDEN OF THE EUGENE & EUNICE UTAH FAMILY

The Eugene and Eunice Utah family is a family of five designed to help illustrate the annual tax burden of a "statistical" Utah family.

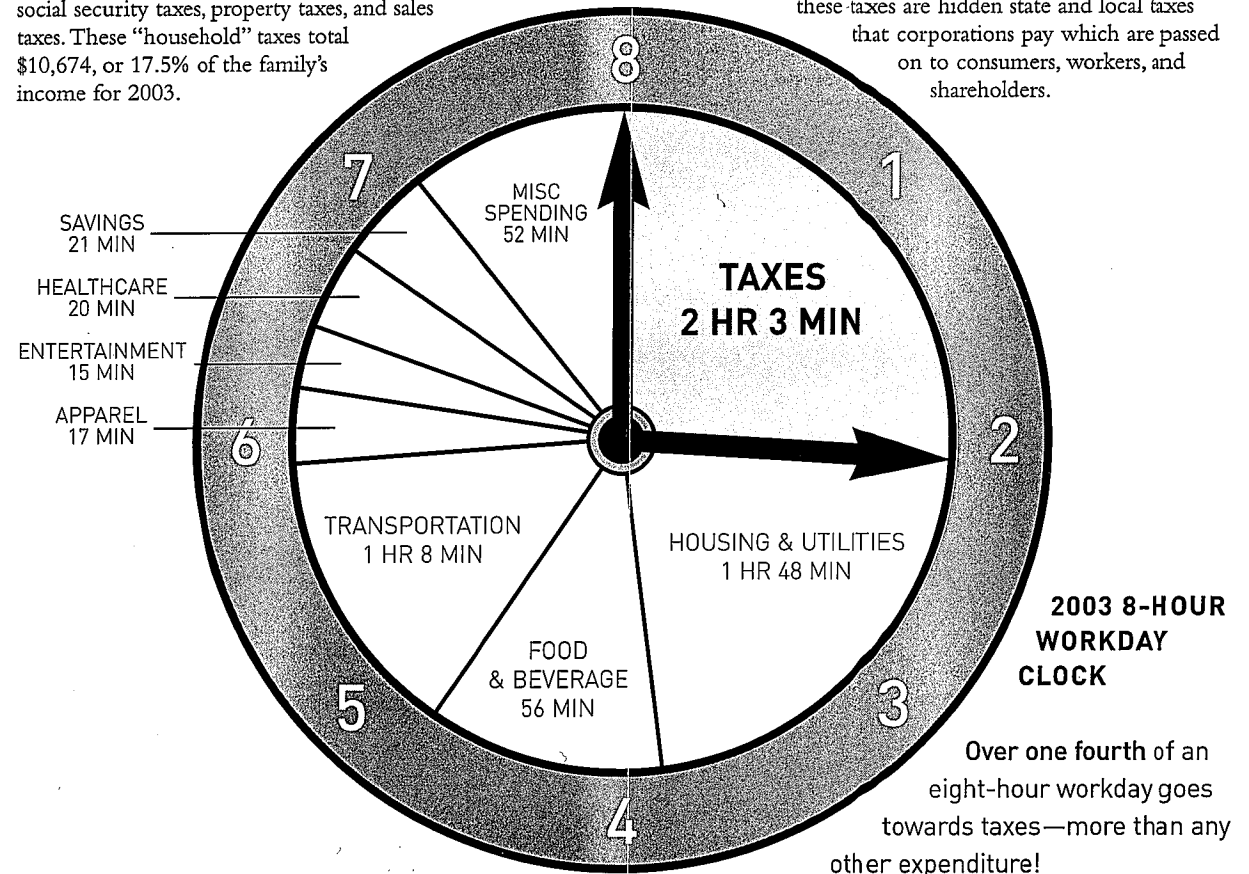
This statistical family has been created using data from the U.S. Census Bureau and several publications by the Utah State Tax Commission. Income and spending patterns have been taken from both locally and nationally collected data.

Overall Taxes: An analysis of the total personal income of Utah compared with the total federal, state and local taxes reveals that Utahns pay 25.6% of their income in taxes. Some of the Utah family's taxes are obvious, such as income, sales and property taxes. Others are not paid directly by the Utah family but are passed on to them in the higher prices they pay for products and services.

Household Taxes: Eugene and Eunice are aware of the taxes they pay directly such as their personal income taxes, social security taxes, property taxes, and sales taxes. These "household" taxes total \$10,674, or 17.5% of the family's income for 2003.

Employment Taxes: In addition to these taxes, the Utah family's tax burden is composed of numerous employment taxes which are paid by employers as part of the cost of employing Eugene and Eunice. For example, Eugene's and Eunice's employers paid taxes and insurance premiums of \$4,911 to provide coverage for unemployment and workers' compensation, and the employer's share of Social Security and Medicare. These are paid indirectly by the Utah family.

The Utah family's total income was \$60,824, of which \$55,913 is reported as adjusted gross income and \$4,911 which is the amount employers pay for Social Security, Medicare, Workers Compensation, and Unemployment Insurance. Also, the Utah family earned \$1,800 that was paid into a 401(k) retirement program and is not included in the AGI and is not taxed until withdrawn during retirement. When all household and employer taxes are considered, the Utah family pays \$15,585 to county, state, and federal governments, or just under 26% of the family's total income. In addition to these taxes are hidden state and local taxes that corporations pay which are passed on to consumers, workers, and shareholders.



2003 8-HOUR WORKDAY CLOCK

Over one fourth of an eight-hour workday goes towards taxes—more than any other expenditure!



What is Utah Taxpayers Association?

Since 1922, the Utah Taxpayers Association has been Utah's leading independent authority on tax issues. Our membership now includes more than 2,500 businesses and individuals statewide. Over the years, we have prevented many ill-conceived or unnecessary tax proposals, and we have encouraged economy-building tax relief. As a result, we have saved Utah taxpayers many millions of dollars and helped businesses become leaders in their industries. To learn more, visit us at utahtaxpayers.org.

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HOW THE UTAH FAMILY'S INCOME IS TAXED

As is true of most families in Utah, Eugene and Eunice must both have jobs in order to comfortably support their family.

Eugene is an advertising agent at a local company and in 2003 earned \$42,494. Eunice works part time as a real estate agent earning \$13,419 in 2003.

Based on this income figure, as well as national and local expenditure patterns as determined in the Bureau of Labor Statistics' Consumer Expenditure Survey, the Utah family paid the following taxes:

Property Tax (\$1,047)

One of the direct taxes paid by the Utah family is the real property tax. The tax is based on a taxable value which is 55% of the assessed market value for residential property. The Utah family home's market value in 2003 was \$148,000.

Various taxing entities are permitted to assess property taxes. School districts account for the greatest part of the Utah family's property tax bill. Taxes levied by counties, cities, and special districts complete their final property tax bill.

The tax rate used to calculate the Utah family's property tax bill was .012860, the state average. Of this amount, 54.4% was paid to the local school district. The county received 19.1% while the city and special service district received 15.6% and 11.0% respectively.

Market Value	\$148,000	
Residential Exemption	x 55%	
Taxable Value	\$81,400	
Entity	'03 Rate	'03 Tax
School District	(.006996)	\$569
County	(.002452)	\$200
City	(.002004)	\$163
Special Districts	(.001408)	\$115
Total Property Tax	(.012860)	\$1,047

Auto Taxes (\$852)

The Utah family are among the state's majority of workers who travel to and from their jobs in a private automobile. They own two cars—a 1998 Dodge Caravan and a 2001 Honda Accord. Eugene drives about 13,915 miles a year in the Caravan, which gets about 19 miles a gallon. Because of her work as a real estate agent, Eunice drives about 18,582 miles a year. The Accord, however, gets 27 miles to the gallon.

During 2003, they used a total of 1,421 gallons of gasoline, paying 24.5 cents in state tax and 18.4 cents in federal tax per gallon.

Both vehicles are subject to a \$21 registration fee, a driver's education fee of \$2.50, and an uninsured database fee of \$1. The tire recycling fee increased in 2001 from \$0.85 to \$1.00 for each new or used tire purchased.

Finally, the Utah family automobiles are taxed as personal property. In 1999, vehicles changed over from being taxed as a percent of their market value to an age-based assessment.

Tax	'03 Amount
Gasoline	\$609
Personal Property Tax	\$190
State Registration Fee	\$42
Driver's Education Fee	\$5
Uninsured Database Fee	\$2
Tire Recycling Fee	\$4
Total Auto Taxes	\$852

Federal Income Tax (\$554)

The seventh largest direct tax paid by the Utah family is the federal income tax. This tax accounts for almost 4% of the Utah family's total tax burden. The \$554 paid in 2003 for federal income tax is a significant reduction from previous years because of the child tax credit of \$1,000 per child is now available. This tax credit began in 1998 at \$400.

The \$1,000 credit has the effect of raising state income taxes paid by \$35 per child as less federal income taxes can be deducted.

As with their state income tax return, Eugene and Eunice filed a joint return with \$12,301 in itemized deductions. Their personal and dependent exemptions totaled \$15,250. When all deductions and exemptions were subtracted from their gross income, the Utah family paid income tax of the remaining \$28,362.

Deductions	2003
Adjusted Gross Income	\$55,913
Total Exemptions	-\$15,250
Itemized Deductions	-\$12,301
Taxable Income	\$28,362
Taxes	\$3,554
Child Tax Credit	-3,000
Total Federal Income Tax	\$554

Utah Income Tax (\$2,141)

Tax rates for the state income tax are significantly lower than those for the federal income tax, but the Utah family pays more state income tax than federal income tax due to federal child tax credits.

Eugene and Eunice filed jointly, reporting an adjusted gross income of \$55,913. The Utah family reported itemized deductions of \$12,301, two personal exemptions and three dependent exemptions totaling \$11,438. They are also allowed to claim as an exemption one-half of their federal tax liability. When all deductions and exemptions were subtracted from their gross income, the Utah family paid income tax of the remaining \$34,038.

Deductions	2003
Adjusted Gross Income	\$55,913
Personal Exemptions	-\$11,438
State Income Tax Add-in	\$2,141
Itemized Deductions	-\$12,301
1/2 Federal Tax Liability	-\$277
Taxable Income	\$34,038
Total State Income Tax	\$2,141

State Sales Tax (\$1,689)

During 2003, the Utah family spent \$24,746 on purchases subject to state and local taxes. Utah's sales tax is 6.35%—4.75% for the state, 1% local option, 0.25% for public transportation, 0.25% county option, and 0.10% for arts and recreation. The sales tax on utilities, however, is only 3.5%.

Unlike many states, Utah continues to collect sales tax on food. This tax accounted for the largest part, 30%, of the Utah family's general sales taxes.

Item	'03 Expenditure	'03 Tax
Food	\$7,051	\$448
Utilities	\$3,033	\$106
Furnishings	\$2,720	\$173
Vehicle Purchase	\$3,849	\$244
Vehicle Misc.	\$2,723	\$173
Apparel	\$2,111	\$134
Entertainment	\$1,960	\$124
Other Supplies	\$1,317	\$84
Total	\$24,764	\$1,486

Sales taxes on other purchases were as follows:

Food purchased at restaurants was subject to an additional tax of 1.0%. Utilities (gas, electricity, telephone, and cable) are also subject to a city-imposed utility franchise tax of up to 6.0%.

Tax	'03 Amount
Direct Sales Tax	\$1,486
Restaurant Tax	\$21
Utility Franchise Tax	\$182
Total Sales Taxes	\$1,689

Excise Taxes (\$113)

There are specific excise taxes on some items such as liquor and tobacco. They are easily overlooked, since they are not listed separately from the selling price.

The Utah family paid a total of \$113 in specific state excise taxes in 2003.

Item	'03 Tax
Liquor	\$23
Beer	\$15
Tobacco	\$75
Total Excise Taxes	\$113

Social Security (\$8,554)

Almost everyone who works must contribute to the Social Security and Medicare Funds. The amounts withheld from Eugene's and Eunice's paychecks continue to rise over the years. In 2003, the Utah family's salaries were subject to a 7.65% tax. Eugene paid \$3,251 in Social Security and Medicaid taxes, while Eunice paid \$1,027. In addition to this, employers must match their employees' contributions to the funds.

The Utah family paid more Social Security and Medicare taxes in 2003 than any other indirect tax.

Taxpayer	'03 Tax
Employers	\$4,277
Eugene and Eunice	\$4,277
Total Social Security Taxes	\$8,554

Employment Taxes (\$633)

Unemployment Compensation Insurance is paid by employers to cover employees in the event they lose their jobs. The average estimated rate in 2003 was 0.70% against a maximum wage base of \$22,700.

Workers Compensation provides insurance coverage for employees who are injured on the job. The cost of coverage to the employer depends upon how hazardous the job is. Eugene is taxed at 90 cents per \$100 of income. Eunice is self-employed and does not pay the tax.

Tax	'03 Tax
Unemployment Compensation	\$251
Workers Compensation	\$382