

Tax	99 Tax	00 Tax
Unemployment Comp.	\$62	\$69
Workers Comp.	\$406	\$427

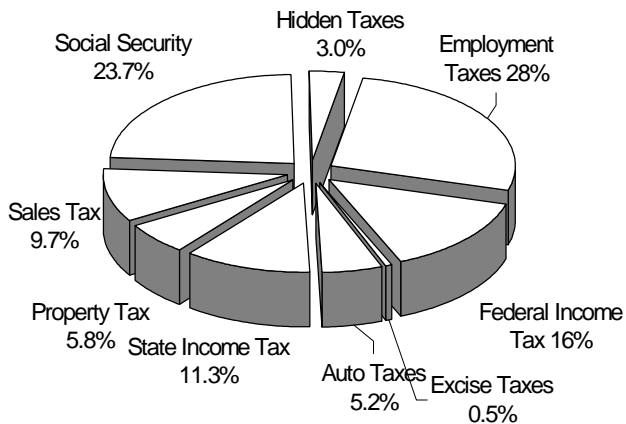
TOTAL TAXES

When Eugene and Eunice added up all the taxes paid in 2000, they found that their total direct tax bill came to \$11,856 or just under 23% of their entire income. Added to this are indirect taxes paid by their employers of \$4,484, or just under 8% of their income. Adding in other hidden business taxes of \$499 brings the Utah family's total tax bill to \$16,838, or \$1,403 per month.

Eugene and Eunice's tax burden is the largest item in their annual budget, 88% more than the amount of the second largest item, housing.

Total Taxes Paid in 2000

Property Taxes	\$974
Auto Taxes	\$874
State Income Taxes	\$1,903
Federal Income Taxes	\$2,396
Sales Taxes	\$1,638
Excise Taxes	\$82
Social Security	\$3,988
Employment Taxes	\$4,484
Hidden Taxes	\$499
TOTAL TAXES	\$16,838



TAXES CONSUME OVER 32 CENTS OF EVERY DOLLAR EARNED



The 2001 Eugene & Eunice Utah Family

Created by
The Utah Taxpayers Association

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.

This is the story of Eugene Utah and his family. Eugene, Eunice, and their children Utawna, Ulysses, and Ursala are like many tax-paying families in Utah. Their story is typical of taxes paid by citizens of our state.

Overall Taxes: An analysis of the Total Personal Income of Utah compared with the total federal, state and local taxes reveals that Utah's pay 32.3% 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 \$10,677, or 22.6% of the family's income for 2000.

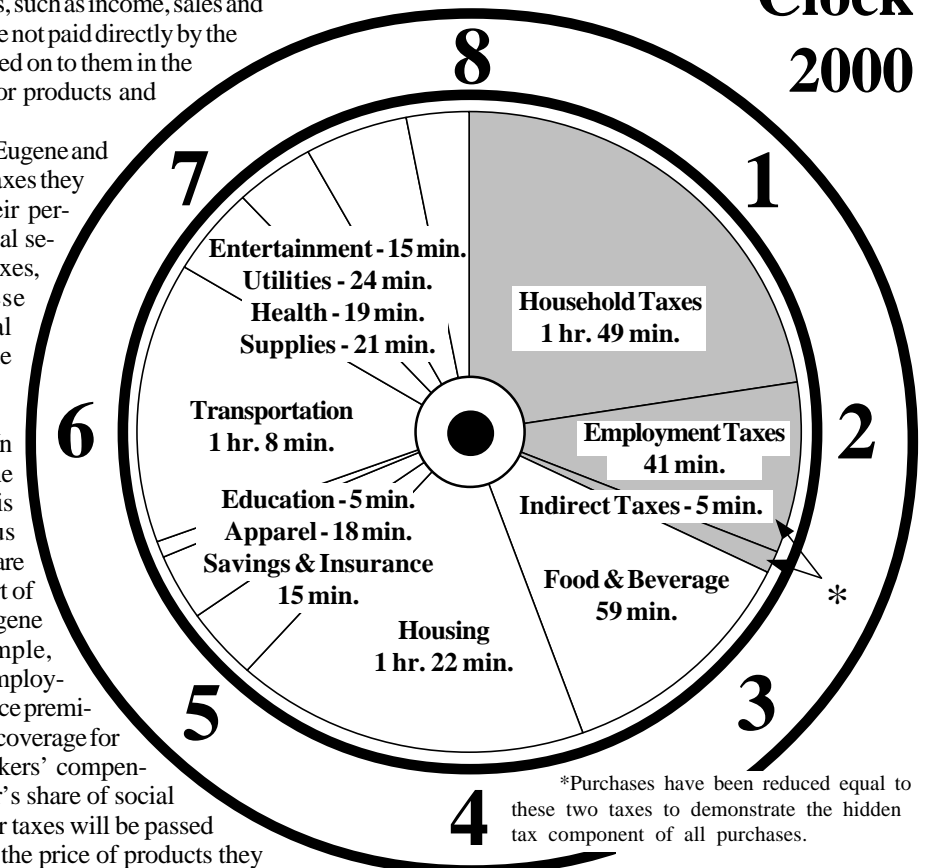
Hidden Taxes
Employment Taxes: In addition to these taxes, the Utah family's tax burden is comprised of numerous employment taxes which are paid by employers as part of the cost of employing Eugene and Eunice. For example, Eugene's and Eunice's employers paid taxes and insurance premiums of \$4,484 to provide coverage for unemployment and workers' compensation, and the employer's share of social security. These employer taxes will be passed on to the Utah family in the price of products they

purchase.

Indirect Taxes: In addition to employment taxes, businesses also pay "hidden" or "indirect" taxes on their business income, as well as many of the same taxes individuals pay, such as fuel, property, and sales tax which are passed on to consumers. This accounts for an additional \$555 of The Utah's income.

The Utah family's income was \$52,131, the average adjusted gross income for families filing jointly in 2000. When all direct and indirect taxes are considered, the Utah's share of the billions of dollars paid by Utah taxpayers to county, state, and federal governments amounts to \$14,819 or just over 31% of their income.

8-Hour Workday Clock 2000



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THE UTAH'S INCOME

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

Eugene is an advertising agent at a local company and in 2000 earned \$38,577. Eunice works part time as a real estate agent earning \$13,554 in 2000. Their total income in 2000 was \$52,131. This is a 5.2% increase from the state average in 1999.

Based on this income and national and local expenditure patterns, the Utah family paid the following taxes:

PROPERTY TAX

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 2000 was \$140,900. This represents an increase of 2.2% over the home's value in 1999. This increase was due to reappraisal by the local county assessor.

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 .012566, the state average.

Market Value	\$140,900		
Residential Exemption	x 55%		
Taxable Value	\$77,495		
Entity	00 Rate	99 Tax	00 Tax
School District	(.006660)	\$509	\$516
County	(.002639)	\$202	\$204
Cities & Towns	(.001885)	\$144	\$146
Special Districts	(.001382)	\$106	\$107
TOTAL	(.011774)	\$852	\$853

AUTO TAXES

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 1995 Dodge Caravan and a 1998 Honda Accord. Eugene drives about 13,515 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 17,982 miles a year. The Accord, however, gets 27 miles to the gallon.

During 2000, they used a total of 1,310 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 2000 from \$0.50 to \$.085 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	99 Tax	00 Tax
Gasoline	\$562	\$562
Personal Property Tax	\$260	\$260
State Registration Fee	\$42	\$42
Driver's Education Fee	\$5	\$5
Uninsured Database Fee	\$2	\$2
Tire Recycling Fee	\$2	\$3.40
TOTAL AUTO TAXES	\$873	\$874

FEDERAL INCOME TAX

The second largest single direct tax paid by the Utah family is their federal income tax. This tax accounts for over 20% of the Utah family's total direct tax burden. The \$2,396 paid for 2000 federal income tax has been reduced significantly in recent years because of the child tax credit of \$500 per child is now available. This tax credit began in 1998 at \$400. The credit has the effect of raising state income taxes paid as less federal income taxes can be deducted.

As with their state income tax return, Eugene and Eunice filed a joint return with \$12,151 in itemized deductions. Their personal and dependency exemptions totaled \$14,000. When all deductions and exemptions were subtracted from their gross income, the Utah family paid income tax of the remaining \$25,980

Deductions	1999	2000
Adjusted Gross Income	\$49,554	\$52,131
Total Exemptions	- \$13,750	-\$14,000
Itemize Deductions	- \$11,420	-\$12,151
Taxable Income	\$24,384	\$25,980
Taxes	\$3,656	\$3,896
Child Tax Credit	-\$1,500	-\$1,500
TOTAL FED. TAX DUE	\$2,156	\$2,396

UTAH INCOME TAX

Although the tax rates for the state income tax are significantly lower than those for the federal income tax, the amount of tax the Utah family has to pay still makes up a large part of their tax burden.

Eugene and Eunice filed jointly, reporting an adjusted gross income of \$47,241. The Utah family reported itemized deductions of \$12,151, two personal exemptions and three dependency exemptions totaling \$10,500. They are also allowed to claim as an exemption one-half of their federal tax paid. When all deductions and exemptions were subtracted from their gross income, the Utah family paid income tax of the remaining \$30,185.

Deductions	1999	2000
Adjusted Gross Income	\$49,554	\$52,131
Personal Exemptions	- \$10,313	- \$10,500
State Income Tax Add-in	\$1,787	\$1,903
Itemize Deductions	- \$11,420	- \$12,151
1/2 Federal Tax Paid	- \$1,078	- \$1,198
Taxable Income	\$28,531	\$30,185
TOTAL STATE TAX DUE	\$1,787	\$1,903

STATE SALES TAXES

During 2000, the Utah family spent \$24,372 on purchases subject to state and local taxes. Utah's sales tax is 6.25%--4.75% for the state, 1% local option, .25% for public transportation, and a .25% county option. The sales tax on utilities, however, is only 3.25%.

Unlike many states, Utah continues to collect sales tax on food. This tax accounted for the largest part or 31% of the Utah family's sales taxes.

Item	00 Expenditure	99 Tax	00 Tax
Food	\$6,839	\$406	\$427
Utilities	\$2,959	\$91	\$96
Furnishings	\$1,510	\$90	\$94
Vehicle Pur.	\$3,795	\$235	\$237
Vehicle Misc.	\$1,478	\$88	\$92
Apparel	\$2,185	\$130	\$137
Entertainment	\$1,835	\$109	\$115
Other Supplies	\$3,772	\$236	\$224
TOTAL	\$24,372	\$1,364	\$1,435

Sales tax on other purchases were as follows:

Food purchased outside the home, i.e., at restaurants, was subject to an additional restaurant tax of 1.0%. Utilities (gas, electricity, telephone, and cable) are also subject to a city-im-

posed utility franchise tax of up to 6.0%.

Tax	99 Tax	00 Tax
Direct Sales Tax	\$1,364	\$1,435
Restaurant Tax	\$25	\$26
Utility Franchise Tax	\$169	\$178
TOTAL SALES TAXES	\$1,557	\$1,638

EXCISE TAXES

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 \$69 in state and federal specific excise taxes in 1998.

Tax	99 Tax	00 Tax
Liquor	\$10	\$10
Beer	\$8	\$8
Tobacco	\$66	\$64
TOTAL EXCISE TAXES	\$84	\$82

SOCIAL SECURITY

Almost everyone who works must contribute to the Social Security Fund. The amounts withheld from Eugene's and Eunice's paychecks have continued to rise over the years. In 2000, the Utah family's salaries were subject to a 7.65% tax. Eugene paid \$2,951 in social security/medicaid taxes, while Eunice paid \$1,037.

In addition to this, employers must match their employees' contributions to the fund.

The Utah family paid more social security/medicaid taxes in 2000 than any other direct or indirect tax. These taxes accounted for 33.6% of all direct taxes paid by the Utah family and 47.4% of their entire tax burden.

Taxpayer	99 Tax	00 Tax
Employers	\$3,988	\$3,791
Eugene & Eunice	\$3,988	\$3,791
TOTAL SOC. SEC. TAXES	\$7,582	\$7,976

EMPLOYMENT TAXES

Unemployment Compensation Insurance is paid by employers to cover employees in the event they lose their jobs. The average estimated rate in 2000 was .34% against a maximum wage base of \$20,200. Therefore, Eugene's and Eunice's employers paid \$69 altogether in 2000 for Unemployment Compensation coverage.

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 employee's job is. Because both Eugene and Eunice have less