

# 2023 How Utah Compares Report

Fiscal Year 2021

A report by the Utah Taxpayers Association





# 2023 How Utah Compares

## Based on 2021 Federal Figures

### Purpose

Utah regularly ranks highly in reports on economic outlook, business friendliness, and affordability, leading many to believe that further improvements to tax policy are unnecessary. This report, by comparing the burden of various taxes and fees nationwide, demonstrates that there is still work to be done.

### Methodology

Using fiscal year 2021 data, this report displays the burden of various taxes and fees as a percentage of personal income in each of the 50 states. A full comparison is found on the final page of the report. When interpreting the rankings, note that a higher rank (lower number) indicates a higher percentage of personal income being paid toward a tax or fee.

### Sources

Personal Income Data: U.S. Bureau of Economic Analysis, Department of Commerce

Government Revenue: U.S. Census Bureau

Calculations: Utah Taxpayers Association



# Utah Compared to the U.S.

Compared to the US average, Utahns pay a **larger portion** of their personal income towards every tax other than property tax.

Utah’s three-legged stool, comprised of income tax, property tax and sales tax, allows for a broad base and low rate. However, the constitutional earmark on income tax revenues and the resulting need for greater revenues to the general fund have restricted the Legislature’s ability to lower taxes. Removal of the constitutional earmark and the resulting tax cuts which could follow would improve Utah’s standing.

State and Local Tax Burdens and Revenues as a Percent of Total Personal Income, FY21				
Measure	U.S.	Utah	Utah Rank	Utah as % U.S.
All state/local government revenue (incl. federal)	20.55%	22.95%	16	111.68%
State/local government revenue (excl. federal)	15.14%	18.09%	8	119.48%
Taxes and fees	12.92%	15.40%	5	119.23%
Taxes and fees less higher education charges	12.36%	14.11%	6	114.18%
Taxes	10.16%	10.47%	17	102.97%
Individual income tax	2.63%	3.70%	7	140.47%
General sales tax	2.31%	2.82%	14	122.34%
Motor fuel tax	0.26%	0.30%	23	115.67%
Property tax	3.05%	2.28%	38	74.74%

# Utah Compared to Neighboring States

Utahns also pay a larger portion of their personal income in taxes and fees overall than residents of neighboring states. Only New Mexico pays more in income taxes, and only Arizona pays more in sales tax. Several neighboring states pay less in property tax than Utah.

Overall tax burden is an important consideration for individuals and businesses looking to relocate. For example, Colorado’s Taxpayer Bill of Rights and Arizona’s revenue-triggered income tax cuts make these states competitors for investment and migration. In order to grow and compete, it is important for Utah to lower the burden placed on taxpayers.

Utah and Neighboring States Tax Burden Comparison, FY21								
State	Taxes and Fees		Individual Income Tax		General Sales Tax		Property Tax	
	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank
Arizona	10.40%	45	1.66%	38	3.39%	8	2.32%	36
Colorado	12.19%	35	2.60%	24	2.29%	26	3.05%	18
Idaho	12.04%	36	2.55%	26	2.63%	16	2.19%	40
Nevada	11.11%	42	2.67%	20	2.45%	21	2.11%	41
New Mexico	13.70%	15	4.73%	2	2.18%	27	1.91%	44
Utah	15.40%	5	3.70%	7	2.82%	14	2.28%	38
Wyoming	12.67%	26	-	-	2.12%	28	3.20%	15

50-State Tax Burden and Revenue Comparison, Fiscal Year 2021

	Taxes and Fees		Taxes and Fees Excluding Tuition		Taxes (excl. fees)		Individual Income Tax		General Sales Tax		Motor Fuel Tax		Property Tax		Total State/Local Revenue		Federal Revenue		Total Revenue Including Federal	
	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank
United States	12.92%		12.36%		10.16%		2.63%*		2.31%‡		0.26%		3.05%		15.14%		5.41%		20.55%	
Alabama	14.17%	10	13.03%	14	8.80%	38	2.07%	34	2.83%	13	0.41%	5	1.37%	50	16.82%	14	6.99%	15	23.81%	11
Alaska	9.87%	48	9.55%	48	6.53%	50	-	-	0.56%	46	0.12%	46	3.62%	11	18.35%	3	11.87%	2	30.22%	2
Arizona	10.40%	45	9.64%	47	8.58%	42	1.66%	38	3.39%	8	0.21%	38	2.32%	36	13.00%	44	6.98%	16	19.98%	31
Arkansas	12.73%	24	11.86%	29	9.90%	24	2.34%	32	3.82%	5	0.40%	6	1.70%	48	14.59%	25	7.53%	12	22.12%	20
California	15.48%	3	15.10%	3	12.29%	4	4.98%	1	2.03%	32	0.26%	32	2.80%	23	17.79%	7	4.89%	35	22.68%	18
Colorado	12.19%	35	11.46%	35	9.44%	29	2.60%	24	2.29%	26	0.16%	45	3.05%	18	14.29%	32	4.15%	46	18.44%	41
Connecticut	12.86%	22	12.45%	19	11.66%	6	3.50%	9	1.79%	40	0.16%	44	4.05%	6	13.86%	37	4.41%	41	18.27%	44
Delaware	14.13%	11	13.10%	13	11.58%	7	3.69%	8	-	-	0.21%	39	1.91%	45	17.42%	10	9.14%	4	26.56%	3
Florida	9.99%	47	9.73%	46	7.35%	49	-	-	2.61%	17	0.28%	25	2.72%	25	12.54%	48	3.98%	48	16.53%	48
Georgia	11.14%	41	10.71%	40	8.46%	43	2.43%	30	2.06%	29	0.31%	20	2.58%	33	12.86%	46	4.98%	33	17.83%	46
Hawaii	15.69%	2	15.31%	2	13.09%	2	3.91%	6	4.23%	3	0.17%	43	2.71%	27	18.78%	1	7.18%	13	25.96%	4
Idaho	12.04%	36	11.55%	32	9.07%	34	2.55%	26	2.63%	16	0.42%	3	2.19%	40	13.28%	42	5.59%	24	18.86%	36
Illinois	12.89%	21	12.49%	18	11.23%	9	2.63%	23	1.89%	38	0.30%	21	3.77%	9	14.69%	24	4.40%	42	19.09%	35
Indiana	13.29%	18	12.36%	20	9.80%	25	3.16%	11	2.49%	20	0.41%	4	2.21%	39	15.24%	20	6.17%	19	21.41%	24
Iowa	15.46%	4	14.46%	4	10.66%	13	2.46%	29	2.51%	19	0.38%	8	3.48%	12	17.58%	9	5.15%	29	22.73%	17
Kansas	14.61%	8	13.81%	7	10.30%	19	2.72%	17	2.83%	12	0.26%	30	3.10%	16	16.94%	13	4.20%	45	21.14%	25
Kentucky	12.74%	23	12.04%	26	9.42%	30	3.08%	14	2.04%	31	0.31%	19	1.95%	43	14.48%	28	8.62%	9	23.09%	15
Louisiana	11.96%	37	11.28%	37	9.16%	33	1.61%	39	3.75%	6	0.26%	31	1.88%	46	13.87%	36	8.76%	7	22.62%	19
Maine	13.98%	12	13.58%	9	12.00%	5	2.66%	21	2.45%	22	0.30%	22	5.01%	1	15.09%	22	6.49%	18	21.57%	22
Maryland	12.38%	30	11.85%	30	10.61%	15	4.09%	5	1.30%	45	0.24%	34	2.66%	31	13.58%	40	5.12%	30	18.70%	38
Massachusetts	11.47%	39	11.06%	38	9.92%	23	3.45%	10	1.36%	43	0.12%	48	3.43%	13	13.21%	43	5.26%	28	18.47%	40
Michigan	12.33%	33	11.39%	36	8.96%	36	2.27%	33	2.00%	33	0.24%	35	2.99%	20	14.24%	33	5.80%	23	20.04%	30
Minnesota	13.92%	13	13.42%	10	11.54%	8	4.11%	4	1.92%	36	0.23%	36	2.89%	22	16.10%	18	4.79%	38	20.89%	26
Mississippi	14.70%	7	13.71%	8	9.94%	22	1.91%	36	3.21%	9	0.35%	14	2.70%	28	16.45%	15	8.56%	10	25.01%	7
Missouri	11.11%	43	10.50%	41	8.58%	40	2.46%	28	2.31%	25	0.21%	41	2.47%	35	13.46%	41	4.87%	36	18.33%	43
Montana	11.18%	40	10.46%	43	9.20%	32	3.08%	13	-	-	0.45%	2	3.32%	14	12.70%	47	9.00%	5	21.71%	21
Nebraska	13.34%	17	12.63%	17	10.65%	14	2.67%	20	2.45%	21	0.35%	12	3.64%	10	18.50%	2	5.12%	31	23.62%	13
Nevada	11.11%	42	10.82%	39	8.87%	37	-	-	3.93%	4	0.36%	11	2.11%	41	13.00%	45	4.28%	44	17.28%	47
New Hampshire	9.05%	49	8.52%	49	7.65%	47	0.15%	42	-	-	0.12%	47	4.68%	4	10.27%	50	3.90%	49	14.17%	50
New Jersey	12.68%	25	12.25%	24	11.10%	11	2.43%	31	1.85%	39	0.06%	50	4.73%	3	14.19%	34	3.75%	50	17.94%	45
New Mexico	13.70%	15	13.12%	12	10.59%	16	1.16%	40	4.27%	2	0.22%	37	1.91%	44	18.16%	5	12.18%	1	30.35%	1
New York	15.90%	1	15.65%	1	13.73%	1	4.73%	2	2.18%	27	0.10%	49	4.44%	5	18.20%	4	6.51%	17	24.70%	8
North Carolina	12.97%	20	12.33%	21	9.06%	35	2.79%	16	2.39%	24	0.37%	9	2.08%	42	14.86%	23	5.51%	25	20.36%	29
North Dakota	13.74%	14	12.81%	15	11.12%	10	0.91%	41	2.42%	23	0.35%	13	2.49%	34	17.30%	11	8.14%	11	25.44%	6
Ohio	12.30%	34	11.52%	34	9.56%	28	2.53%	27	2.57%	18	0.39%	7	2.78%	24	14.55%	26	5.99%	22	20.53%	27
Oklahoma	11.53%	38	10.47%	42	8.58%	41	1.81%	37	2.73%	15	0.28%	28	1.76%	47	14.42%	29	5.30%	27	19.72%	32
Oregon	14.95%	6	14.25%	5	10.87%	12	4.43%	3	-	-	0.26%	33	3.04%	19	17.69%	8	6.09%	21	23.78%	12
Pennsylvania	12.58%	28	11.86%	27	9.95%	21	2.69%	18	1.79%	41	0.37%	10	2.67%	29	14.30%	31	6.16%	20	20.47%	28
Rhode Island	12.52%	29	11.86%	28	10.38%	18	2.56%	25	1.95%	35	0.19%	42	3.94%	7	14.32%	30	9.62%	3	23.94%	10
South Carolina	13.61%	16	12.68%	16	8.70%	39	2.07%	35	2.06%	30	0.32%	18	2.72%	26	16.40%	17	5.09%	32	21.49%	23
South Dakota	9.05%	50	8.48%	50	7.42%	48	-	-	2.97%	10	0.34%	15	2.65%	32	11.18%	49	4.10%	47	15.28%	49
Tennessee	10.21%	46	9.81%	45	7.80%	45	0.05%	43	3.45%	7	0.32%	17	1.70%	49	13.64%	39	4.91%	34	18.55%	39
Texas	11.04%	44	10.45%	44	8.45%	44	-	-	2.92%	11	0.21%	40	3.85%	8	13.79%	38	5.49%	26	19.28%	34
Utah	15.40%	5	14.11%	6	10.47%	17	3.70%	7	2.82%	14	0.30%	23	2.28%	38	18.09%	6	4.86%	37	22.95%	16
Vermont	14.53%	9	13.22%	11	12.43%	3	3.15%	12	1.33%	44	0.28%	26	4.94%	2	16.43%	16	7.11%	14	23.54%	14
Virginia	12.33%	32	11.54%	33	9.60%	27	3.06%	15	1.46%	42	0.27%	29	2.97%	21	13.97%	35	4.43%	40	18.40%	42
Washington	12.65%	27	12.11%	25	9.34%	31	-	-	4.43%	1	0.28%	27	2.67%	30	15.13%	21	4.43%	39	19.56%	33
West Virginia	13.26%	19	12.31%	22	9.99%	20	2.69%	19	1.92%	37	0.48%	1	2.29%	37	15.86%	19	8.68%	8	24.53%	9
Wisconsin	12.35%	31	11.68%	31	9.79%	26	2.64%	22	2.00%	34	0.33%	16	3.06%	17	14.48%	27	4.37%	43	18.85%	37
Wyoming	12.67%	26	12.26%	23	7.71%	46	-	-	2.12%	28	0.28%	24	3.20%	15	17.00%	12	8.78%	6	25.78%	5

\* 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 3.36%. NH and TN impose income taxes on interest and dividends.

‡ Excluding personal income from states that do not impose state and local sales tax (AK, DE, MT, NH, OR), U.S. average increases to 2.37%. Alaska does not impose a state sales tax, but many local governments impose sales taxes.

All calculations by the Utah Taxpayers Association, based on FY2021 data from the US Census Bureau and FY2021 from the Bureau of Economic Analysis, which is the most recent data available.