



HOW UTAH COMPARES – FY2017 TAXES AND FEES

Utah’s State and Local Government Tax Burden Falls Below National Median

Utah’s state and local government tax and burden ranked 30th highest in the U.S. and below the national average during Fiscal Year (FY) 2017, according to the Utah Taxpayers Association’s annual calculations. Tax burden is expressed as the percentage of total personal income (FY 2019) consumed by state and local taxes (FY 2017). Data is sourced from the U.S. Census Bureau’s Census of State and Local Government Finances and personal income data from the Bureau of Economic Analysis are used to calculate the burden of various taxes in all fifty states.

Two of the major taxes examined in this report (individual income and property) decreased in tax burden, while two (sales and motor fuel) increase in overall tax burden from the prior year. Overall, Utahns tax and fee burden (excluding higher education costs) decreased 0.26% from FY 2016.

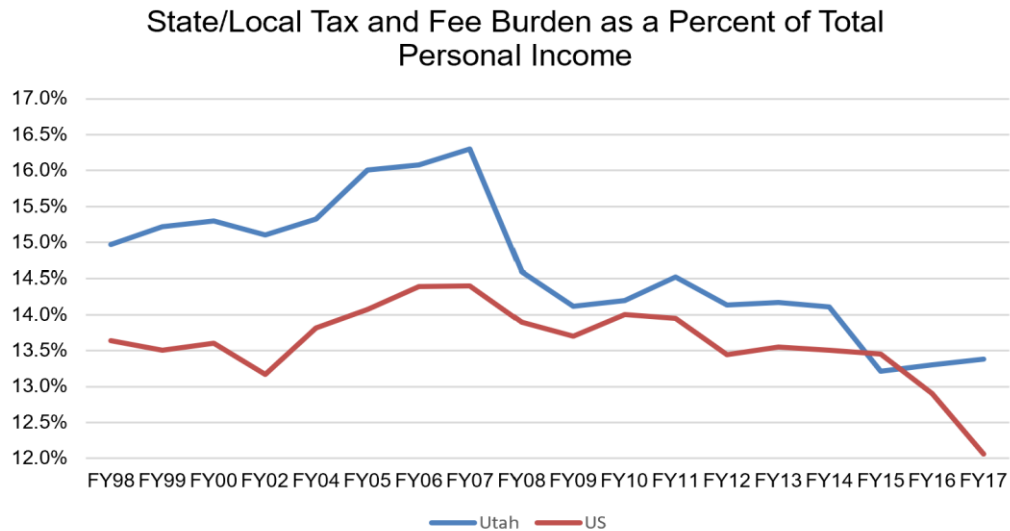
State and Local Tax Burdens and Revenues as a Percent of Total Personal Income, FY17

Measure	U.S.	Utah	UT Rank	UT as % U.S.
All state/local government revenue (inc.l federal)	18.19%	19.46%	19	106.98%
State/local government revenue (excl. federal)	14.26%	16.10%	11	112.90%
Taxes and fees	12.06%	13.88%	9	115.09%
Taxes and fees less higher education charges	11.40%	13.38%	9	117.37%
Taxes	9.14%	8.46%	30	92.56%
Individual income tax	2.13%	2.43%	15	114.08%
General sales tax	2.16%	2.23%	20	103.24%
Motor fuel tax	0.26%	0.33%	21	126.92%
Property tax	2.92%	2.16%	39	73.97%

The chart below shows how tax and fee burdens in Utah and the U.S. have fluctuated during economic expansions and contractions, from low points during the recessions of the 2000s, to the high points of the expansions in the mid-2000s, specifically 2004-2007. The chart also shows a significant drop in Utah’s tax and fee burden following 2007. This decrease is reflective of aggressive tax reforms by the Utah Legislature and Governor Huntsman in 2007, which cut taxes by nearly \$400 million. This includes the lowering of the individual income tax rate, from 7% to a rate of 5%.

Americans, generally, saw a dramatic decrease in their overall tax and fee burden from FY 2016. This is primarily due to a significant increase in personal income that outpaced Utah’s.

Utah’s tax and fee burden increased over that same period, primarily due to the rapid growth in income tax, which is used to fund public education.



Calculations by Utah Taxpayers Association based on data from the US Census Bureau and Bureau of Economic Analysis (BEA).

50-State Tax Burden and Revenue Comparison, Fiscal Year 2017

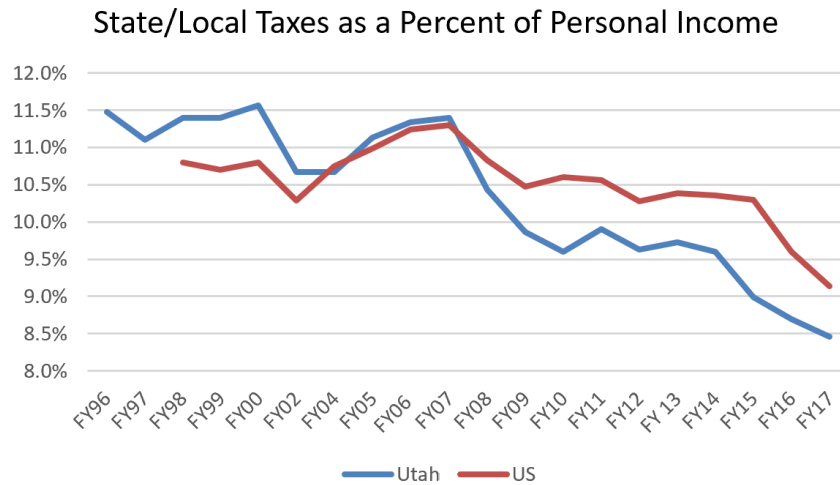
	Taxes and Fees		Taxes and Fees Exc. Tuition		Taxes		Individual Income Tax		General Sales Tax		Motor Fuel Tax		Property Tax		Total State/Local Revenue		Federal Revenue		Total Revenue incl. Federal	
	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank
United States	12.06%		11.40%		9.14%		2.13%		2.16%		0.26%		2.92%		14.26%		3.92%		18.19%	
Alabama	12.83%	17	11.57%	20	7.86%	42	1.79%	34	2.42%	17	0.33%	19	1.36%	50	15.39%	16	5.25%	11	20.64%	13
Alaska	10.54%	43	10.10%	40	6.85%	50	-	-	0.53%	46	0.10%	49	3.55%	11	19.28%	1	7.95%	2	27.23%	1
Arizona	9.74%	48	8.85%	50	7.57%	46	1.07%	40	2.99%	9	0.27%	30	2.40%	33	12.49%	43	4.92%	13	17.42%	34
Arkansas	12.01%	27	11.23%	27	9.13%	21	2.10%	28	3.45%	6	0.37%	12	1.69%	48	14.04%	27	6.20%	7	20.25%	16
California	12.88%	15	12.40%	9	9.53%	16	3.30%	5	1.92%	29	0.19%	43	2.48%	31	15.00%	19	3.95%	26	18.95%	21
Colorado	11.11%	36	10.22%	38	8.09%	36	2.00%	30	2.22%	21	0.19%	42	2.56%	29	13.30%	35	2.80%	49	16.11%	44
Connecticut	11.17%	35	10.68%	34	9.89%	10	2.89%	8	1.54%	41	0.18%	45	3.91%	8	12.18%	48	2.94%	45	15.12%	49
Delaware	12.00%	28	10.71%	33	9.10%	22	2.42%	16	-	-	0.25%	34	1.72%	47	15.83%	15	4.75%	16	20.58%	14
Florida	10.05%	47	9.72%	44	7.09%	49	-	-	2.57%	15	0.33%	20	2.58%	28	12.40%	45	2.90%	47	15.30%	47
Georgia	10.49%	44	9.97%	43	7.87%	41	2.22%	22	1.88%	31	0.35%	14	2.44%	32	12.39%	46	3.30%	40	15.69%	46
Hawaii	15.30%	2	14.79%	2	11.91%	2	2.64%	9	4.36%	1	0.21%	40	2.22%	37	18.34%	2	3.90%	27	22.24%	8
Idaho	11.04%	38	10.43%	36	8.15%	34	2.12%	26	2.12%	27	0.45%	2	2.24%	36	12.31%	47	3.52%	35	15.84%	45
Illinois	12.03%	26	11.51%	21	10.10%	7	1.82%	33	1.98%	28	0.21%	41	3.92%	7	13.87%	30	3.13%	42	17.00%	37
Indiana	11.54%	33	10.47%	35	8.14%	35	1.90%	31	2.37%	18	0.27%	29	2.18%	38	13.49%	33	4.74%	17	18.23%	28
Iowa	14.55%	5	13.37%	5	9.81%	12	2.35%	17	2.22%	22	0.42%	5	3.21%	15	16.73%	7	4.17%	23	20.90%	12
Kansas	13.28%	10	12.30%	11	8.95%	27	1.54%	37	2.85%	11	0.30%	23	2.99%	18	15.88%	14	2.92%	46	18.80%	22
Kentucky	12.36%	20	11.51%	22	9.05%	25	3.05%	6	1.82%	36	0.37%	13	1.93%	44	14.09%	25	5.91%	10	20.00%	17
Louisiana	12.94%	13	12.27%	12	9.32%	20	1.45%	39	3.60%	5	0.29%	24	1.93%	43	14.00%	28	5.97%	9	19.98%	18
Maine	12.93%	14	12.43%	8	10.67%	5	2.31%	20	2.17%	23	0.38%	10	4.30%	5	14.05%	26	4.61%	19	18.66%	25
Maryland	11.74%	32	11.07%	29	9.81%	11	3.72%	3	1.19%	43	0.28%	27	2.53%	30	12.89%	40	3.63%	33	16.52%	40
Massachusetts	10.71%	39	10.17%	39	8.97%	26	2.93%	7	1.24%	42	0.15%	47	3.33%	13	12.80%	42	3.42%	36	16.21%	41
Michigan	12.15%	24	11.00%	30	8.55%	29	2.05%	29	1.89%	30	0.25%	35	2.89%	20	13.94%	29	4.67%	18	18.61%	26
Minnesota	13.10%	12	12.49%	7	10.56%	6	3.36%	4	1.87%	32	0.28%	26	2.73%	23	15.11%	18	3.59%	34	18.70%	24
Mississippi	14.82%	4	13.78%	4	9.63%	15	1.61%	36	3.09%	8	0.40%	8	2.66%	27	16.35%	10	7.48%	3	23.83%	4
Missouri	10.70%	40	9.97%	42	7.89%	40	2.22%	23	2.16%	26	0.24%	37	2.15%	40	12.97%	38	4.04%	25	17.01%	36
Montana	10.35%	45	9.46%	45	8.03%	39	2.32%	19	-	-	0.37%	11	3.25%	14	11.93%	49	6.45%	6	18.38%	27
Nebraska	12.55%	19	11.73%	17	9.51%	17	2.16%	25	2.17%	25	0.34%	18	3.63%	9	18.00%	4	3.35%	38	21.35%	9
Nevada	11.07%	37	10.71%	32	8.84%	28	-	-	3.63%	4	0.35%	15	1.99%	42	12.90%	39	3.69%	30	16.59%	38
New Hampshire	9.60%	50	8.87%	49	7.82%	44	0.08%	43	-	-	0.18%	44	5.28%	1	10.97%	50	2.88%	48	13.85%	50
New Jersey	11.95%	29	11.42%	25	10.09%	8	2.27%	21	1.56%	40	0.09%	50	4.74%	3	13.51%	32	3.07%	44	16.58%	39
New Mexico	12.87%	16	12.14%	14	9.74%	13	1.51%	38	3.79%	3	0.27%	28	1.87%	45	16.79%	6	8.37%	1	25.17%	2
New York	15.48%	1	15.19%	1	13.08%	1	4.15%	1	2.24%	19	0.12%	48	4.18%	6	18.24%	3	4.88%	14	23.12%	5
North Carolina	12.24%	22	11.45%	24	8.38%	31	2.49%	12	2.17%	24	0.40%	7	2.06%	41	14.27%	23	3.80%	29	18.06%	29
North Dakota	14.91%	3	13.88%	3	11.90%	3	0.76%	41	2.63%	14	0.45%	3	2.95%	19	17.71%	5	4.81%	15	22.52%	7
Ohio	12.65%	18	11.73%	18	9.49%	18	2.45%	13	2.71%	13	0.34%	16	2.67%	26	14.68%	20	4.51%	20	19.19%	20
Oklahoma	10.55%	42	9.44%	46	7.55%	47	1.69%	35	2.53%	16	0.26%	33	1.56%	49	13.32%	34	4.15%	24	17.47%	33
Oregon	13.48%	8	12.56%	6	9.09%	23	3.88%	2	-	-	0.26%	32	2.86%	21	16.02%	12	4.99%	12	21.02%	11
Pennsylvania	11.74%	31	10.95%	31	9.06%	24	2.35%	18	1.57%	39	0.43%	4	2.68%	24	13.13%	36	4.41%	22	17.54%	31
Rhode Island	12.20%	23	11.47%	23	10.00%	9	2.11%	27	1.70%	37	0.15%	46	4.33%	4	14.31%	22	4.47%	21	18.77%	23
South Carolina	13.19%	11	12.15%	13	7.85%	43	1.84%	32	1.69%	38	0.26%	31	2.68%	25	16.40%	9	3.90%	28	20.30%	15
South Dakota	10.13%	46	9.39%	47	8.07%	37	-	-	3.12%	7	0.41%	6	3.07%	17	12.47%	44	3.68%	31	16.15%	43
Tennessee	9.69%	49	9.17%	48	7.10%	48	0.08%	42	2.90%	10	0.28%	25	1.83%	46	13.57%	31	3.66%	32	17.23%	35
Texas	10.66%	41	10.03%	41	8.03%	38	-	-	2.75%	12	0.24%	36	3.61%	10	13.07%	37	3.13%	43	16.19%	42
Utah	13.38%	9	11.63%	19	8.46%	30	2.43%	15	2.23%	20	0.33%	21	2.16%	39	16.10%	11	3.36%	37	19.46%	19
Vermont	13.63%	6	11.97%	15	10.98%	4	2.16%	24	1.14%	44	0.24%	38	4.85%	2	15.31%	17	5.99%	8	21.30%	10
Virginia	11.34%	34	10.42%	37	8.16%	33	2.62%	10	1.09%	45	0.22%	39	2.81%	22	12.88%	41	2.37%	50	15.25%	48
Washington	11.82%	30	11.17%	28	8.35%	32	-	-	3.87%	2	0.38%	9	2.34%	34	14.37%	21	3.30%	39	17.67%	30
West Virginia	13.57%	7	12.36%	10	9.69%	14	2.45%	14	1.86%	33	0.52%	1	2.32%	35	15.90%	13	7.04%	5	22.94%	6
Wisconsin	12.11%	25	11.32%	26	9.33%	19	2.57%	11	1.85%	34	0.34%	17	3.16%	16	14.23%	24	3.27%	41	17.50%	32
Wyoming	12.28%	21	11.79%	16	7.69%	45	-	-	1.83%	35	0.32%	22	3.42%	12	16.67%	8	7.33%	4	24.00%	3
Utah in 2008	14.60%	12	13.31%	15	10.43%	22	2.88%	15	2.91%	14	0.42%	13	2.47%	37	18.82%	9	4.28%	23	23.09%	12
Utah in 2009	14.12%	18	12.78%	23	9.86%	32	2.58%	18	2.60%	20	0.39%	17	2.74%	36	18.09%	9	4.83%	25	22.92%	14
Utah in 2010	14.20%	20	12.80%	24	9.60%	37	2.61%	18	2.63%	20	0.39%	17	2.61%	37	20.90%	21	4.88%	25	25.80%	20
Utah in 2011	14.53%	16	12.88%	21	9.86%	34	2.50%	18	2.66%	19	0.40%	16	2.78%	35	18.48%	8	5.49%	28	23.97%	13
Utah in 2012	14.14%	16	12.72%	19	9.63%	32	2.48%	20	2.52%	19	0.37%	15	2.70%	32	17.61%	9	5.19%	18	22.80%	13
Utah in 2013	14.17%	16	12.77%	21	9.73%	32	2.72%	17	2.42%	23	0.36%	17	2.64%	34	17.68%	10	4.66%	24	22.34%	14
Utah in 2014	14.11%	16	12.70%	20	9.60%	30	2.69%	15	2.33%	25	0.35%	19	2.66%	34	17.69%	10	4.41%	27	22.10%	14
Utah in 2015	13.21%	17	11.89%	26	8.99%	34	2.52%	18	2.18%	25	0.32%	19	2.49%	34	16.56%	12	4.13%	29	20.69%	18

1. 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 3.06%. NH and TN impose income taxes on interest and dividends.
2. Excluding personal income from states that do not impose state and local sales tax (AK, DE, MT, NH, OR), U.S. average increases to 2.48%. Alaska does not impose a state sales tax, but many local governments impose sales taxes.
All calculations by the Utah Taxpayers Association, based on FY2017 data from the US Census Bureau and FY 17 from the Bureau of Economic Analysis, which is the most recent data available.

Generally, tax burdens and government revenues as a percent of personal income increase during periods of economic growth as corporate profits, and capital gains increase faster than total personal income. During a recession, tax revenues decrease faster than total personal income. During the Great Recession, the Utah Legislature adapted to lower tax revenues and relied on an influx of federal revenues to fund programs.

While user fees are frequently a sound method to fund government, government can simply increase reliance of fees to avoid tax increases. As a result, taxpayers end up paying more dollars for the same services.

As a part of that, the state and local taxes and fee burden has increased, but state and local taxes have decreased in Utah. As we have seen, particularly with local entities seeking to raise revenue, they refuse to raise property taxes through Truth in Taxation because they perceive it to be difficult. They often choose to raise fees instead to fund government services, which is less transparent.



Calculations by Utah Taxpayers Association based on data from the US Census Bureau and BEA, and the Bureau of Economic Analysis.

Utah’s Tax Burden High Among Neighboring States

Utah’s total tax and fee burden of 13.38% of total personal income, which is highest among neighboring states. Utah’s income tax also ranked highest among states, however, both Nevada and Wyoming do not levy an income tax. The extraordinarily high income tax ranking can be attributed to exponential income tax growth, and leads the argument for additional income tax cuts, following the 4.66% income tax rate which will be enacted in 2020.

The general sales tax rate is lower than three of our neighboring states, which a sales tax burden compared to personal income of 2.23%. Arizona, Nevada, and New Mexico rank higher, and are some of the highest in the nation .

Utah’s property tax ranking continues to be one of the best in nation, but nearby states have an even lower burden. Utah, thanks to its Truth in Taxation law, ranks 39th highest in the nation. Only Nevada and New Mexico rank lower among neighboring states. Wyoming, at 3.42%, is the highest of the region.

Utah and Neighboring States Tax Burden Comparison, FY17

State	Taxes and Fees		Individual Income Tax ¹		General Sales Tax ²		Property Tax	
	Burden	Rank	Burden	Rank	Burden	Rank	Burden	Rank
Arizona	9.74%	48	1.07%	40	2.99%	8	2.40%	33
Colorado	11.11%	36	2.00%	30	2.22%	21	2.56%	29
Idaho	11.04%	38	2.12%	26	2.12%	27	2.24%	36
Nevada	11.07%	37	-	-	3.63%	4	1.99%	42
New Mexico	12.87%	16	1.51%	38	3.79%	3	1.87%	45
Utah	13.38%	9	2.43%	15	2.23%	20	2.16%	39
Wyoming	12.28%	21	-	-	1.83%	35	3.42%	12