A Century of Sound Tax Policy

Presented by Howard Stephenson

Utah Taxpayers Association
Legislative Outlook Conference

January 12, 2022

1896 Utah Granted Statehood

- 1896 Election 83% voted for William Jennings Bryan who supported free coinage of silver
- William McKinley won national vote by less than 1% margin
- Utah Legislature: 3 Republicans in the House, none in the Senate – Senator Martha Hughes Cannon was a Democrat

From 1996 Statehood to 1922

- Economy was primarily Agriculture & Mining

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- Property Taxes were the primary source for funding state and local government.
- Progressives were pressuring states to enact sales taxes and income taxes.
- This motivated business leaders in western states to create Taxpayers Associations

1920 General Election

- Whereas in 1916 only one Republican was elected to the Utah House, in 1920 only one Democrat was elected to the House
- Republicans controlled the Utah Senate eleven to seven.

Gemmell, R. C.
U. Utah Copper
Salt Lake City

1c. Paid.
Salt Lake City, Utah.
Permit No. 75.

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

=UTAH= TAXPAYER

DEVOTED TO THE INTERESTS OF UTAH TAXPAYERS

VOLUME ONE | SALT LAKE CITY, UTAH, JANUARY 18, 1923 | NUMBER ONE

From the Official Records

A pyramid showing the total taxes collected for all state purposes covering a period from 1916 to 1922 inclusive:

1916	8,857,095
1917	10,699,492
1918	11,721,097
1919	13,943,165
1920	18,311,967
1921	18,153,589
1922	17,183,949

In 1916 the per capita tax was $21.08

In 1922 the per capita tax was $37.06

That means that in 1922 the tax burden, if equally distributed would have required of every man, woman and child in this state a payment of $15.98 more in 1922 than in 1916 for the purpose of keeping the State government in operation.

The tax apportionment to the average family of five in 1922 would be $79.90 higher in 1922 than in 1916.

How far did you, as tax payer, participate in authorizing this added burden?

The Utah Tax Payer will tell you in its next issue where this money goes.

Where the Money Goes

The following tabulation shows the distribution of taxes levied in this state in 1922 as compared with 1916:

	1916	1922
State Gen. Fund "Net"	$ 766,001	$ 1,098,473
U. of U.—U. A. C.—B. A. C.	297,868	427,061
Dist. and High Schools	4,052,371	8,473,891
Cities and Towns	1,922,129	3,684,278
County	1,279,148	1,586,471
Roads	454,113	1,927,280
Bounty (Decrease)	85,465	22,495
Total	$8,857,095	$17,183,949

Increase in tax levy in 1922 over 1916 ..... $8,326,854

If you are an average tax payer, you paid for each member of your family, for each of the purposes designated the following amounts:

	1916	1922
State Gen. Fund	$1.82	$2.37
U. of U.—U. A. C.—B. A. C.	.71	.92
District and High Schools	9.64	18.20
Cities and Towns	4.58	7.94
County	3.05	3.42
Roads	1.08	4.16
Bounty	.20	05

An increase per capita in 1922 over the amount levied in 1916 of $37.06

Here are the increases for each purpose:

	Percent	Amount
State General Fund	30.2	$ 332,472
U. of U.—U. A. C.—B. A. C.	29.5	129,193
District and High Schools	88.7	4,385,520
Cities and Towns	73.3	1,762,149
County	12.1	307,323
Roads	285.1	1,473,167
Bounty (Decrease)	75.0	62,970

Comparing 1922 with 1916 the increase per capita of the taxes levied FOR ALL PURPOSES was 75.8%

Are you convinced that a more intimate knowledge of taxation on the part of Utah taxpayers is necessary?

The next issue of the Utah Tax Payer will tell you how these tax levies are made.

Postmaster: Return Postage Guaranteed by the Utah Taxpayers Association, Salt Lake City, Utah.

1c. Paid.
Salt Lake City, Utah.
Permit No. 75.

ECONOMY IN THE EXPENDITURE OF PUBLIC MONEY

=UTAH= TAXPAYER

DEVOTED TO THE INTERESTS OF UTAH TAXPAYERS

OFFICIAL ORGAN, UTAH TAXPAYERS ASSOCIATION

VOLUME ONE | SALT LAKE CITY UTAH, NOVEMBER, 1923 | Number Twelve

Press and Public Officials Endorse Utah Taxpayers Association

(Tribune)
October 17, 1923
A UNIVERSAL PROBLEM

State-wide support of the Utah Taxpayers' Association, now in process of organization, is earnestly recommended. Taxation in this country has become a paramount economic problem. The statistics are startling. A recent statement of the National Industrial Conference board shows that one person out of every twelve over the age of 17 and gainfully employed in the United States is on the public payroll. The board finds that 2,700,000 persons, excluding pensioners, are on national, state and municipal payrolls, and that the annual salary bill is nearly $4,000,000,000. The chairman of the house committee on territories declares that 40 per cent of all the white people in Alaska are on public payrolls. Secretary Mellon declares that taxes in the United States are heavier than in Great Britain despite the stupendous British war burden.

Such statements as these confirm the observation and experience of all taxpayers. There must be a check on mounting public expenditures or government will consume itself.

Taxpayers' organizations have been formed in various states in recent years. It is time for one in Utah, and we are glad to note that the initial steps have been taken. The new organization announces itself as "in the interest of all taxpayers of this state, to assist in bringing about economy consistent with efficiency in administration of our public affairs." We understand its program is to invite the active participation of every taxpayer in the state and, through extensive local organization, to scrutinize tax levies and proposed public expenditures in every governmental unit, as well as to consult and advise with taxation and disbursement officials.

The general committee contains selected representatives of agriculture, livestock, home and building owners, banking, manufacturing, mining, public utilities, railroads and merchandising, with provision for the addition of other classes of taxpayers. The personnel of the committee indicates that the movement will be initiated with intelligence and fairness. Ultimate results will be measured exactly by the extent to which all taxpayers, large and small, rally to the support of an organization formed in their interest.

State of Utah
Executive Office
Salt Lake City

Utah Taxpayers Association:

November 9, 1923

Gentlemen:

As a public official, it has been a source of keen satisfaction to me to note the disposition on the part of the taxpayers of this state to meet in common council on problems affecting this eternal question of taxation.

I observe that the directing forces of the Utah Taxpayers Association are comprised of men who can speak with authority on the different elements of the tax problem—the farmer, the banker, the railroad operator, the manufacturer, the merchant, the public utility operator, the mine operator, the home owner, etc.; this in itself guarantees the independence of the organization from undue influence by any one group.

I observe, too, that it is non-political and non-sectional and that the efforts of this organization will be confined to the careful study and analysis of proposed expenditures.

I heartily commend the efforts of these citizens in this organized capacity and feel safe in predicting that they will wield an influence and power for good in this state.

As Chief Executive, I assure them of my hearty cooperation in any movement calculated to bring about every possible economy compatible with efficiency in the administration of public affairs.

Very truly yours,

CHARLES R. MABEY,
Governor.

(Deseret News)
October 19, 1923
UTAH TAXPAYERS ASSOCIATION

The question of taxation is one that commands constant interest as well as anxiety to every household and institution in the land. Therefore, any attempt to bring about a solution of the difficulties and problems associated with taxation if it hopes to succeed should enlist the support and co-operation of all elements in the community or state working to improve the tax situation.

A considerable and important movement has been inaugurated in this state in the form of the Utah Taxpayers Association. The general committee of this organization is made up of representatives of each of the principal classes of taxpayers: farmers, bankers, merchants, manufacturers, building owners, home owners, public utilities, railroads, mines, livestock, etc. This general committee will in turn be responsible for the appointment of tax committees in each county and eventually tax committees in each community.

The purpose of the Utah Taxpayers Association is announced as "a desire to assist in bringing about economies consistent with efficiency in the administration of public affairs." The gentlemen composing the general committee and the administrative body stand high in the estimation of the people of this state and while their problem is a stupendous one, they should find the taxpayers of Utah ready to respond to their call. It is the purpose of the organization to study, analyze and scrutinize proposed expenditures in the form of levies, bond issue, etc. It should be of outstanding value to public officials to know that in each county and in the state at large there is such a representative body who can speak authoritatively as to the value of these proposed expenditures and who can clearly reflect public sentiment. By representing all classes of taxpayers they should be able to speak intelligently and with authority on the subject of how far we can go in spending money.

Being non-political and non-sectional, the Utah Taxpayers Association will undoubtedly enter upon its work with the best wishes of every citizen of this state. It is the purpose of those who are doing this voluntary service to enlist the co-operation of all taxpayers as members of the organization. The "Utah Taxpayer" will be the official organ and will continue to give tax facts as a means of educating its thousands of readers. The Utah Taxpayers Association has a big problem. It can be of great benefit to the state and in its efforts to serve the people it should have the co-operation of all citizens.

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December, 1923

UTAH TAXPAYER

Published by the Utah Taxpayers Association

DECEMBER, 1923

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Chairman ..... H. H. Rolapp
Vice-Chairman ..... E. T. Capener
Secretary ..... A. C. Rees
Treasurer ..... O. W. Adams

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Ogden

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Utah State Farm Bureau
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Salt Lake City

Banking
O. W. Adams
Utah State Nat'l Bank
Salt Lake City

Home and Building Owners
R. C. Treanor
Building Owners & Mngrs. Ass'n
Salt Lake City

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Mt. Pleasant

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Utah Soap Co.
Salt Lake City

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W. H. Wright & Sons Co.
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Utah Chapter American Mining Congress
Salt Lake City

Public Utilities
O. J. Hyde
Mountain States Telephone Company
Salt Lake City

Railroads
Geo. H. Smith
Oregon Short Line Railroad
Salt Lake City

Address all Communications to The Editor, Utah Taxpayer, Kearns Bldg., Salt Lake City.

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BOX ELDER COUNTY—J. E. Halverson, Brigham City.
CACHE COUNTY—Fred P. Champ, Logan.
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DAGGETT COUNTY—Peter G. Wall, Manila.
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SUMMIT COUNTY—Dr. L. C. Snow, Park City.
TOOELE COUNTY—C. R. McBride, Tooele.
UINTAH COUNTY—Ernest Eaton, Vernal.
UTAH COUNTY—LeRoy Dixon, Provo.
WASATCH COUNTY—J. W. Clyde, Heber.
WASHINGTON COUNTY—Albert E. Miller, St. George.
WAYNE COUNTY—W. H. McClellan, Loa.
WEBER COUNTY—J. A. Howell, Ogden.

Western States Taxpayers' Association

On June 21-22d in Salt Lake City there assembled a group of earnest men representing eleven western states. They came as a result of a call from the Utah Associated Industries (publishing the Utah Taxpayer) to come together and discuss in an informal way the tax problems common to the western states; for these men stood high in their respective states in the knowledge of taxation affairs. They were representatives of the Taxpayers' Associations that are now operating in several of the western states. It was a novel undertaking, without precedent as far as the West was concerned, and some came with misgivings as to the probable results to be attained at such a gathering. But never was a more serious minded group assembled and never were misapprehensions so quickly dispelled, for almost immediately following the opening of the session there was a determination on the part of the conferees to establish some permanent means of perpetuating their contact with each other. Out of it was born the Western States Taxpayers' Association with headquarters at Salt Lake City.

Honorable Rudolph Kuchler of Phoenix, Arizona, a man with broad experience in taxation matters and who stands at the

with taxing bodies in the political subdivisions of the states. By a close analysis of certain proposed levies it was discovered that expenditures that were thought necessary were denied without impairing the efficiency of that particular activity and really adding to its effectiveness by careful observance and checking up of details. In Nevada alone, the school budget was cut so materially that one million dollars was reduced in one year from the total state assessment.

Superintendent G. N. Child, Salt Lake City Schools, cited a particularly illuminating instance of what caution and care can produce in the examination of expenditures of public money. Without lowering the wages of school teachers and without placing undue burden upon them, he was in a position to reduce by 50 the number of teachers required for the schools under his supervision. This one act alone saved the taxpayers of Salt Lake City $85,000. Instances of similar savings were related by representatives of organizations from other states. All told the same story. It was the conception of those present that, as taxpayers, we presume too much upon the ability of the taxing officials to have a clear understanding of the needs of all

but rather to the units within the State for protection against the rising tide of inflated taxation.

President Kuchler, in an able paper, laid a sure foundation for the analysis of taxation. In connection with the other able remarks, Mr. Kuchler's paper will appear in full in pamphlet form which will give the proceedings of the conference and will be distributed from the offices of the Utah Taxpayer.

The evening session was in the form of a dinner meeting which was attended by two hundred leading business men of the State. Honorable Reed Smoot, in his characteristic plain, but forceful manner, raised the curtain on the taxation problem which confronted not only the United States but the world at large. While he painted a somewhat gloomy picture it was not without its bright spots, for it was his contention that by organizing the intelligence of this nation in a study of the tax problems a solution can be reached. He warned against all forms of extravagance and maintained that the wild experiments as well as the disposition of groups to put the tax burden upon others, must be vigorously opposed. His final appeal was that our object should be

California Taxpayers Association founding meeting in Dec 1925.

Representatives from the Utah Taxpayers Association attended and played a role in advising the organizers on best practices learned in Utah, and recommendations on how to form the new group.

UTAH TAXPAYER

Published by the Utah Associated Industries.

MARCH 22, 1923

ADVISORY COMMITTEE

Assisting the general tax committee of the Utah Associated Industries is a group of representative tax payers from the principal production lines of activity in this State.

Beaver County: J. F. Tolton, Beaver City.
Cache: J. W. Funk, Richmond.
Carbon: L. E. Whitmore, Price.
Daggett: Heber Bennion, Jr., Manila.
Duchesne: Ray Dillman, Roosevelt.
Juab: Thos. D. Rees, Nephi.
Emery: Lars P. Oveson, Castle Dale.
Kane: W. W. Seegmiller, Kanab.
Morgan: D. Heiner, Morgan.
Rich: H. J. Norris, Randolph.
San Juan: L. H. Redd, Blanding.
Sanpete: L. R. Anderson, Manti.
Summit: George Beard, Coalville.
Uintah: W. S. Henderson, Vernal.
Utah: J. Will Knight, Provo.
Wasatch: Hugh W. Harvey, Heber.
Washington: E. H. Snow, St. George.
Wayne: Joseph Eckersley, Loa.

Address all communications to The Editor, Utah Taxpayer, McIntyre Bldg., Salt Lake City.

THE NEVADA TAX REVIEW

Our neighbor state is to be congratulated upon the formation of the Nevada Public Economy League with headquarters at Reno. Its official medium, the Nevada Tax Review, is replete with valuable information giving in a comparative way the expenses of the different departments of state. Their graphs and statistics all indicate careful study of this important question.

Income Tax Hits Everybody

If we may accept the experiences of states who have tested out the income tax, we are safe in saying that state taxation of incomes means merely a new burden on the people. This burden is an addition to the taxes they are already bearing. Let us take the experience of Wisconsin. The original income tax law in that state contained a provision to prevent double taxation by allowing deduction of personal property taxes from amount collectable on incomes. The last word from the legislature of Wisconsin is that they are enacting a law to repeal that exception and to advance the income tax rates materially. Accordingly, many will be taxed twice on the same source—once on personal property and again on the income derived from the use of that income. But another obnoxious undertaking which is now becoming popular with some legislatures is to remove all secrecy from individual returns on the details of business. This permits a prying into the affairs of men which heretofore have been regarded as information sacred from the graze of the public and competitors.

Experience teaches that taxes are increased every time a new source of revenue is tapped. It has never yet been shown that there is any reduction of old taxes after a new one is introduced. There is always a way found to spend the additional money. It requires no prophetic power to state that that will be the case in this state. Whether national or state, the army of office holders always see that they are more and more fortified in their positions, that their departments are increased in personnel, and that a bigger allotment of money comes to them.

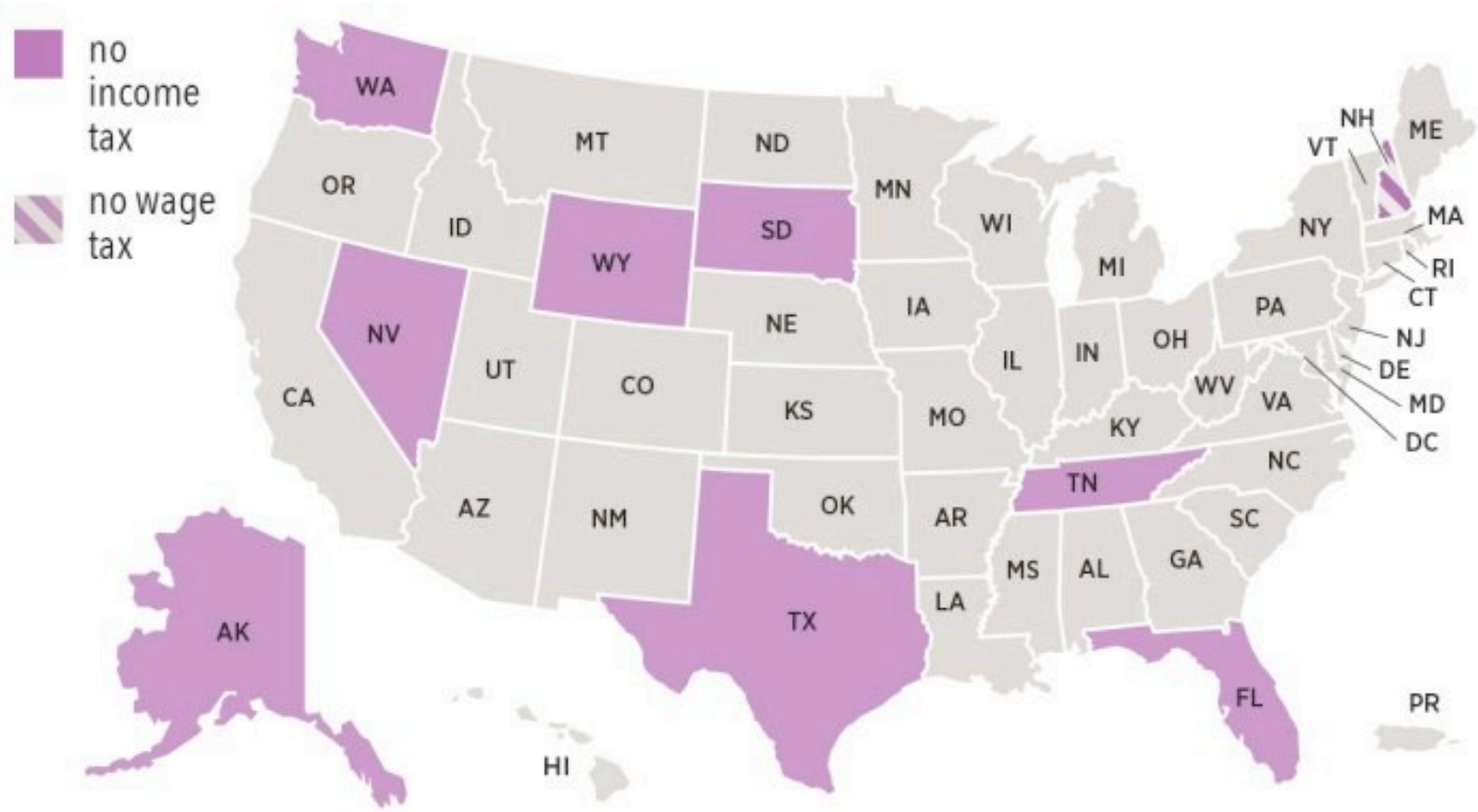
In the final analysis no one escapes taxation, even though he never receives a tax notice. One of the fallacies which still persist is that a big burden upon any business merely penalizes that business and that the masses escape taxation by that process. The fact is that the ultimate consumer pays everything and we are all ultimate consumers. The income tax will fall on many that never will make returns. They will pay it indirectly in the nature of higher rents, higher prices for groceries, meat and provisions, higher fees to the lawyer, the doctor and the dentist. There is no escape from taxation. .

Once start some new form of taxation in this state and we start the snowball rolling and there is no telling what size it will ultimately attain. Fortunately the people of Utah are now making a close study of the tax question and it is quite conceivable that no new form of taxation will be accepted until, in the opinion of the thinking people, such an additional burden is justifiable. People are no longer deluded by the glowing promises that by some new form of taxation their burden is to be reduced. Experience proclaims the contrary.

The Fight Against Income Taxes and Sales Taxes was soon lost

- Utah Income Tax Began in 1931
- Utah Sales Tax Began in 1933

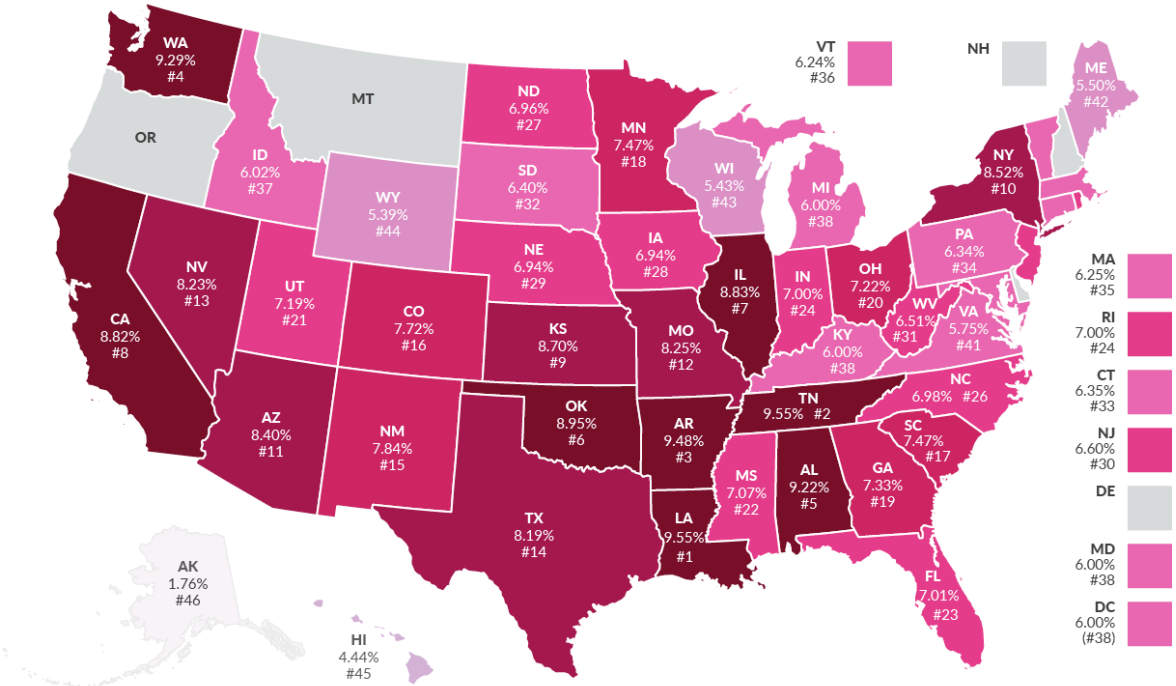
Nine States without an Income Tax



Data source: Tax Foundation

How High are Sales Taxes in Your State?

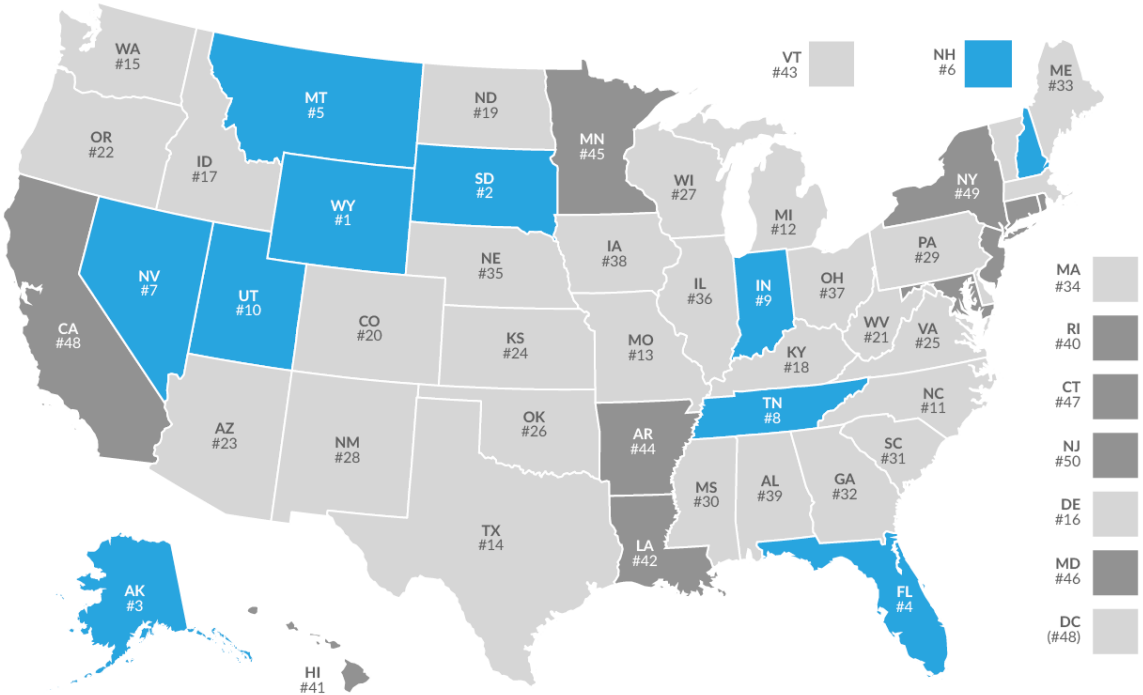
Combined State & Average Local Sales Tax Rates, July 2021



City, county and municipal rates vary. These rates are weighted by population to compute an average local tax rate. The sales taxes in Hawaii, New Mexico and South Dakota have broad bases that include many business-to-business services. D.C's rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.

Sources: Sales Tax Clearinghouse; Tax Foundation calculations; State Revenue Department websites.

2022 *State Business Tax Climate Index*



Note: A rank of 1 is best, 50 is worst. D.C.'s score and rank do not affect other states. The report shows tax systems as of July 1, 2021 (the beginning of Fiscal Year 2022).
Source: Tax Foundation

10 Best Business Tax Climates

10 Worst Business Tax Climates

Dr. M. Hyrum Harris

Executive Vice President

Served ~ 1935 – 1968

Jack A. Olson

Research Analyst

1964 - 1968

Executive Vice President

1968 - 1990

UTA Announces Addition of an Analyst to Staff

The Utah Taxpayers Association is proud to announce the addition to the staff of an analyst — Holden-born Howard Stephenson, now of Salt Lake City. He began his duties April 1 and is expected to provide valuable information for the continued services of the association.

Howard was reared in various parts of the state — Ferron, Cedar City and Vernal, for example. He attended high school in Fredonia, Ariz., and served a mission to England for the Church of Jesus Christ of Latter-Day Saints.

Howard received his bachelor's degree in psychology from Brigham Young University in 1975. He then entered the Y's Graduate School of Management to earn a master's degree in public administration with emphasis on state and local government finance.

He interned in the State Training School finance department and the Bureau of Community Development at the University of Utah. His work has included an extensive study of the "double taxation" issue in Salt Lake county and a study of business licensing by Utah cities and towns.

The analyst is married to the former Julie Snow of Salt Lake City. They have a son.

Howard Stephenson

LEGISLATURE

(Continued from page 1)

pay only 1 cent state tax and another penny in local taxes — an improvement of three cents on the dollar overall.

—Amend the double taxation package for a "Bandaid" or immediate solution to county problems. The bill to hike the mill ceiling under law from 16 to 18 mills died.

Howard Stephenson

Research Analyst

1977 – 1990

President

1990 - 2021

Utah Property Tax Limitation

- 1978 – Tax Rate Must Relate to Budget

Tax Rate Formula

$$\frac{\text{Revenue}}{\text{Taxable Property Values}} = \text{Tax Rate}$$

Utah Property Tax Limitation

- 1978 – Tax Rate Must Relate to Budget
- 1978-80 Reappraisal Prompts Tax Revolt

NO MORE TAXES
TAX US LIKE ROME DO
GADIANT ROBBERS GO HOME

NO MORE TAXES
GADHAFI'S ROBBERS GO HOME

Utah Property Tax Limitation

- 1978 – Tax Rate Must Relate to Budget
- 1978-80 Reappraisal Prompts Tax Revolt
- 1980 – 106% Property Tax Revenue Limit

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- 1982 – 45% Primary Residence Exemption

Utah Property Tax Limitation

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- 1980 – 106% Property Tax Revenue Limit
- 1982 – 45% Primary Residence Exemption
- 1985 – Truth-in-Taxation Enacted

NOTICE OF TAX CHANGES

TAXING ENTITY	2019 IF TAX INCREASE APPROVED		2019 IF NO BUDGET CHANGE		2019 CHANGE IF INCREASE APPROVED		2018		BE HEARD A public meeting will be held
	RATE	TAX	RATE	TAX	TAX	%	RATE	TAX	Date/Time/Place
GRANITE SCHOOL DISTRICT	.005836	881.73	.005836	881.73			.006059	809.12	
STATE BASIC SCHOOL LEVY	.001661	250.95	.001661	250.95			.001666	222.48	
UT CHARTER SCHOOL-GRANITE	.000129	19.49	.000129	19.49			.000097	12.95	
SALT LAKE COUNTY	.001933	292.05	.001933	292.05			.002025	270.42	
WEST VALLEY CITY	.003490	527.29	.003490	527.29			.003681	491.56	AUG 13 6:30 PM 3600 S CONSTITUTION BLVD
WEST VALLEY CITY JDG	.000018	2.72		.00	2.72	100 %	.000025	3.34	AUG 13 6:30 PM 3600 S CONSTITUTION BLVD
SL COUNTY LIBRARY	.000536	80.98	.000536	80.98			.000559	74.65	
MAGNA MOSQUITO ABATEMENT	.000072	10.88	.000040	6.04	4.84	80 %	.000041	5.48	HEARING HELD IN DEC 2018
JORDAN VALLEY WATER CONS	.000383	57.87	.000383	57.87			.000400	53.42	
GRANGER HUNTER IMPROVEMNT	.000485	73.28	.000485	73.28			.000519	69.31	
CENTRAL UT WATER CONSERV	.000400	60.43	.000378	57.11	3.32	6 %	.000400	53.42	AUG 12 6:00 PM 1426 E 750 N #400 OREM
MULTI COUNTY ASSESS/COLL	.000009	1.36	.000009	1.36			.000009	1.20	
COUNTY ASSESS/COLL LEVY	.000216	32.63	.000216	32.63			.000225	30.03	
TOTAL	.015168	2,291.66	.015096	2,280.78			.015706	2,097.38	

VALUES DO NOT INCLUDE TAX RELIEF, DELINQUENT TAXES, PERSONAL PROPERTY

REACHING HIGHER

IRON COUNTY SCHOOLS

CREATING A BETTER TOMORROW FOR ALL

2077 W. Royal Hunte Dr. • Cedar City, Utah 84720
(435) 586-2804 • Fax (435) 586-2815 • **irondistrict.org**

NOTICE OF SPECIAL HEARING OF THE BOARD OF EDUCATION OF IRON COUNTY SCHOOL DISTRICT

PUBLIC NOTICE is hereby given that the Board of Education of Iron County School District will hold a Special Hearing at the offices of the Board at 2077 West Royal Hunte Drive, Cedar City, Utah, commencing at **6:00 p.m.** on **Tuesday, August 6, 2019**. The agenda for the meeting consists of the following:

Special Meeting of the Board of Education:

6:00 p.m. A. Prayer and Pledge of Allegiance

1. Truth in Taxation Hearing

Kent F. Peterson, Business Administrator

Superintendent Shannon Dulaney **Business Administrator** Kent F. Peterson
Board Members: **President** Stephen Allen • **Vice President** Michelle Lambert • Michelle Jorgenson-Jones • Mary Ann Kemp • Dale Brinkerhoff

Iron County School District is committed to a policy of equal employment opportunity and does not discriminate in the terms, conditions, or privileges of employment on account of race, age, color, sex, national origin, physical or mental disability, or religion, or otherwise as may be prohibited by federal and state law.

NOTICE OF PROPOSED TAX INCREASE
IRON COUNTY SCHOOL DISTRICT

The IRON COUNTY SCHOOL DISTRICT is proposing to increase its property tax revenue.

- The IRON COUNTY SCHOOL DISTRICT tax on a $222,000 residence would increase from $535.77 to $564.59, which is $28.82 per year.

- The IRON COUNTY SCHOOL DISTRICT tax on a $222,000 business would increase from $974.14 to $1,026.53, which is $52.39 per year.

- If the proposed budget is approved, IRON COUNTY SCHOOL DISTRICT would increase its property tax budgeted revenue by 6.64% above last year's property tax budgeted revenue excluding eligible new growth.

All concerned citizens are invited to a public hearing on the tax increase.

PUBLIC HEARING

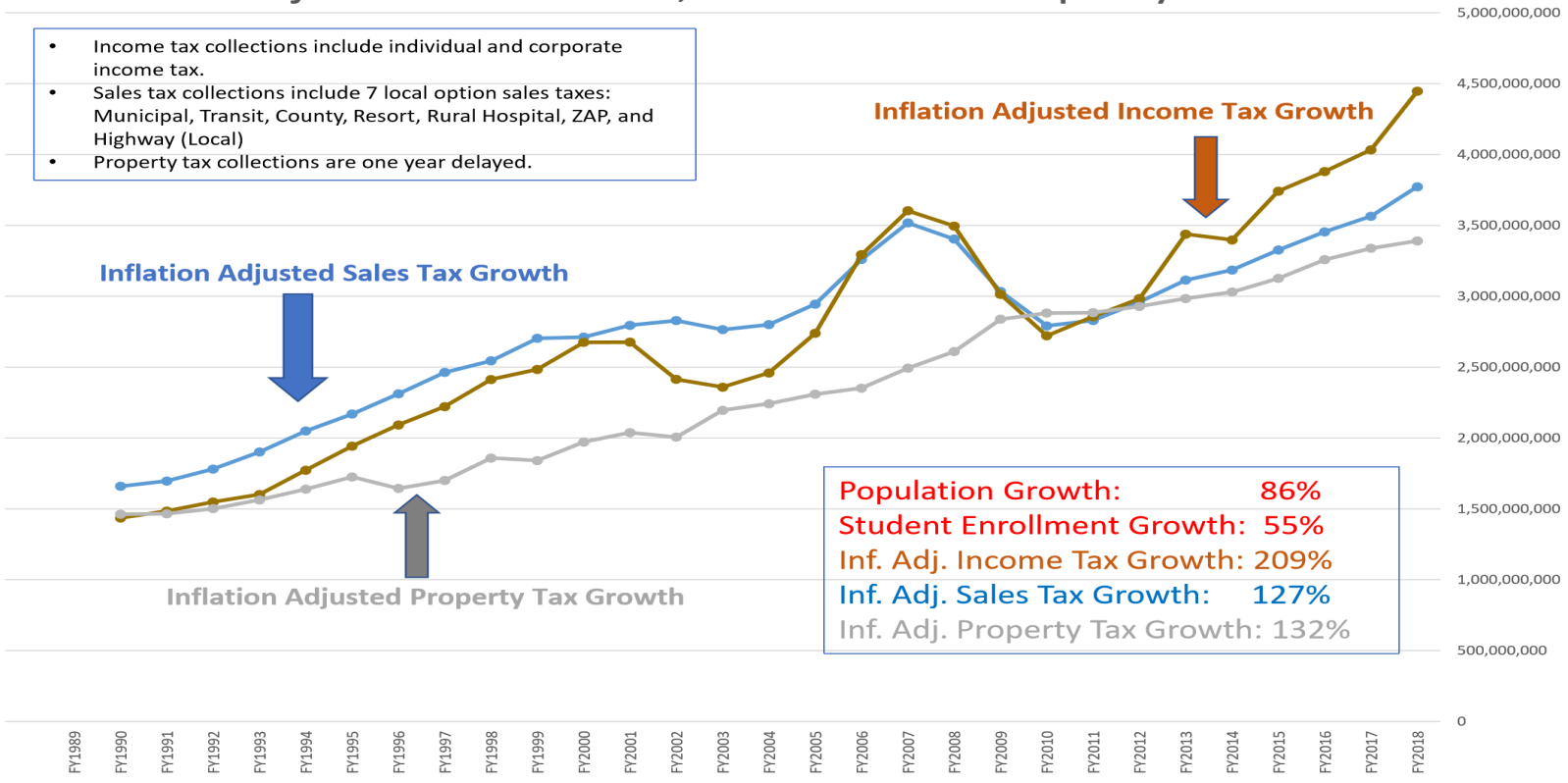
Date/Time: 8/6/2019 6:00 p.m.

Location: Iron School District Offices Board Room
2077 W Royal Hunte Drive
Cedar City

To obtain more information regarding the tax increase, citizens may contact IRON COUNTY SCHOOL DISTRICT at 435-586-2804.

Inflation Adjusted Utah Sales, Income and Property Tax 1989-2018

- Income tax collections include individual and corporate income tax.
- Sales tax collections include 7 local option sales taxes: Municipal, Transit, County, Resort, Rural Hospital, ZAP, and Highway (Local)
- Property tax collections are one year delayed.



Population Growth: 86%
Student Enrollment Growth: 55%
Inf. Adj. Income Tax Growth: 209%
Inf. Adj. Sales Tax Growth: 127%
Inf. Adj. Property Tax Growth: 132%

UTAH TAXPAYERS ASSOCIATION
SINCE 1922
YOUR TAX WATCHDOG

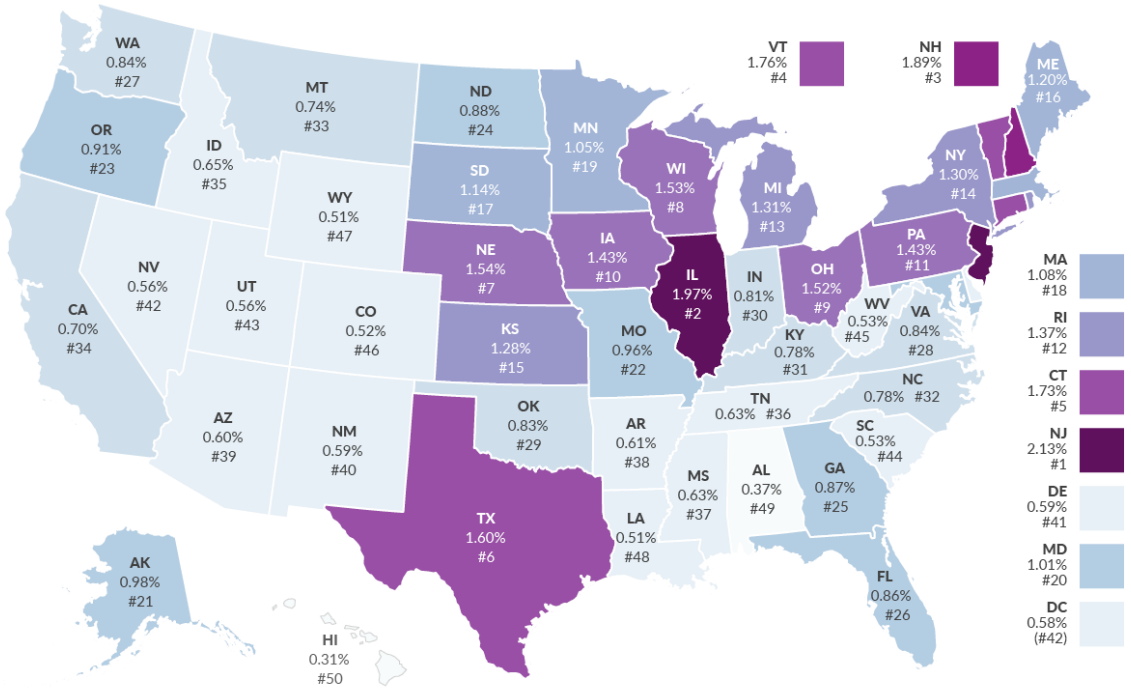
Utah Truth-in-Taxation Works

- 1985 – Utah Property Taxes Relative to Total Personal Income – 24th Highest

- 2018 – Utah Property Taxes 39th and with the 45% exemption, residences are 43rd

How High Are Property Taxes in Your State?

Property Taxes Paid as a Percentage of Owner-Occupied Housing Value, 2019



Note: The figures in this table are mean effective property tax rates on owner-occupied housing (total real taxes paid/total home value). As a result, the data exclude property taxes paid by businesses, renters, and others. D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.

Sources: U.S. Census Bureau, "2019 American Community Survey"; Tax Foundation calculations.

Buchi Elected Taxpayers Association Chairman

Mark Buchi, former Chairman of the Utah State Tax Commission, was elected Chairman of the Board of Directors of the Utah Taxpayers Association at the Association's annual meeting held November 7, 1991. Mr. Buchi who was first elected to the Board in November of 1989 replaces outgoing Chairman Larry Givan. Paul Dorius was elected Vice-Chairman and Philip Despain will remain Secretary-Treasurer. Howard Stephenson was re-appointed President and CEO of the Association.

Mr. Buchi has been Managing Partner of the law firm Holme Roberts & Owen since leaving the Tax Commission in 1986. "At first blush it may look like the transition from serving as Utah's chief tax administrator to serving as Chairman of Utah's tax watchdog group might be difficult," Mr. Buchi said, "but in reality the adjustment has been very easy because my underlying goal--to ensure that taxes in Utah are fair, manageable, and efficient--has not changed."

Mr. Buchi

"While working at the Tax Commission I became aware that the Utah Taxpayers Association is *not* a group of tax protest activists," Mr. Buchi continued, "On the contrary, the Association recognizes that taxes are a necessary part of life. The goal of the

(continued on back page)

My Corner: 26 Years of Accomplishments of Association Vice Presidents, Six Taxpayer Heroes

As my 26 years in the Utah Senate ends on December 31 of this year, I want to give credit to the six individuals who headed the lobbying effort of the Utah Taxpayers Association while I have served in the Senate. I enumerated the amazing things these "Taxpayer Heroes" accomplished during those 26 years at the recent Utah Taxes Now Conference. As I prepared that presentation, it became crystal clear that there is no group more responsible than these six men and the Taxpayers Association staff and members for Utah's designation as Best Economic Outlook for eleven years running (ALEC's Rich States Poor States), Best Place to Do Business, and 8th highest on the Tax Foundation's Business Climate Index. (Click here to listen to the full presentation at the Taxes Now Conference.)

Here are some of the highlights of the incredible work of the Association Vice Presidents:

Howard Headlee (1991-1997)

Howard Headlee won the fight against unlawful municipal business license fees. A number of Utah cities had begun imposing business license fees amounting to 1% of gross receipts, which was a subversive way of exceeding their sales tax authority.

He and Research Analyst Greg Fredde won a two-year battle to exempt sales taxes on manufacturing machinery and replacement parts. In 1994, in spite of surprising initial opposition from the Utah Manufacturers Association, they got the Senate bill to the House where it was primed for passage with bi-partisan support. Governor Leavitt was contacted by the UEA teacher union lobbyists who convinced him to

ask House leadership to take it off the board, which they did. When I heard the news I insisted the Speaker Rob Bishop put three of my bills at the top of the board. One of these was Senator Lyle Hillyard's bill to restore the citizens' right to referendum on local tax issues.

The following year Governor Leavitt actually helped get the manufacturing exemption through the 1995 session because Micron was looking to locate a huge manufacturing plant in Nebraska or Utah and the exemption suddenly was important to economic development.

Headlee worked to bring "truth" to local Truth-in-Taxation hearings where local entities were using bond retirement tax rate reductions to be totally absorbed by new taxes and then explaining to citizens that they were not increasing taxes. Significant income and property tax cuts were achieved in the 1995 and 1996 sessions.

Greg Fredde (1997-2000)

Greg Fredde headed the Association's lobbying efforts when we won passage of a total revamp of the tax appeal process including Utah Tax Court and Trial de Novo (new trial). Taxpayers' appeals to the courts had been limited a review of the record at the Tax Commission level of appeal. The trial de novo constitutional amendment passed by voters in 1998 allowed taxpayers to bring new evidence to the court which had not been considered at the Tax Commission.

What's more, because there had been no designated tax-trained judges, taxpayers on both sides of an appeal had to pay their attorneys to educate judges about tax law. Establishing a Tax Court at the district court level ensured the availability of tax-trained judges, saving both sides considerable expense and ensuring more sound rulings.

Greg also helped to win major victories against local property assessors and the Tax Commission Property Tax Division, which were continuing their attempt to impose property taxes on intangibles such as a company's good-will, going concern, and patents and trademarks. In spite of the courts repeatedly striking attempts to impose property taxes on intangibles, it finally took the legislature to ensure the practice would stop.

Because taxpayers had to pay the excess taxes on intangibles before they could have standing to sue, local taxing entities had spent the money and judgment levies had to be imposed on all taxpayers to pay back the excess taxes on intangibles. Fredde did yeoman work in educating legislators about the complexities of intangibles and judgment levies.

When revenue shortfalls occurred, legislators proposed to claw back 20% of the manufacturing and pollution control sales tax exemptions. Fredde helped to convince policymakers that Utah's business climate would be irreparably damaged from the change because no one could ever count on Utah keeping it's promise to taxpayers.

Wes Quinton (2001-2002)

Wes Quinton had served as a research analyst for the Association but had moved out of state. He returned to fill the vacancy left by Greg Fredde who was hired to be the President of the Utah Mining Association. Wes immediately defeated a legislative leadership proposal to exempt the statewide basic school tax from Truth-in-Taxation which would have given automatic inflationary increases to school property taxes.

The Association finally was able to get Paycheck Protection, or the Voluntary Contributions Act passed by the Utah Legislature, which ended government collection of political contributions by the unions. The UEA teachers union had been the single biggest PAC in the state, which made it difficult for many legislators to vote against school tax hikes and support school choice legislation. The law was challenged in court by the teacher union. Your Taxpayers Association joined with Idaho in appealing to the U.S. Supreme Court where even Justice Ruth Bader Ginsberg ruled in our favor. The teacher union PAC is now not even in the top 10 Utah PACs, giving legislators greater courage to vote their consciences.

Wes also assisted with the indexing of Utah's income tax and won passage of legislation severely limiting municipal broadband which resulted in only 11 of Utah's nearly 250 municipalities creating UTOPIA.

Wes also had the unique experience of being in Washington DC on September 11, 2001. He had been attending a National Taxpayers Conference when the tragedy occurred and found himself stuck in the nation's capital while these tragic events unfolded. He later penned an article for our newsletter about his experiences in D.C. on that day and that article touched the head of the Utah Farm Bureau so deeply that he immediately hired Wes away from us.

Mike Jerman (2002-2007)

If you look up in an encyclopedia the phrase "policy wonk" there would be a picture of Mike Jerman. During Mike's time at the Association he built up a reputation for being the one who would know the facts and figures on every issue the Association took on. In 2002, despite the state facing a $256 million revenue shortfall, he prevented proposals for tax increases. When the calculations by the Property Tax Division mistakenly miscalculated the certified tax rates he fought to make sure that error was corrected and that taxpayers were issued the proper tax bill.

In 2004 when pollsters said a bond to increase sales taxes to pay for open space in the state would pass, he led the charge to defeat it and won on Election Day. Mike also won in changing when bond elections could be held. Previously, the elections could take place on multiple days throughout the year, Mike worked with

the Legislature to limit those days to the June primary election date or the November general election day to ensure voter participation in these tax decisions.

Also under Mike's tenure we were able to enact double weighted sales factor for the corporate income. The Huntsman tax cuts that lowered Utah's income tax rate to 5% also took place during Mike's time with the Association. Mike left us to join Congressman Jason Chaffetz's staff in D.C.

Royce Van Tassell (2007-2013)

Royce Van Tassell fought vigorously to defeat a bill that was supposed to pass; the bill would have created a taxpayer funded hotel convention center. In the first session this bill came forward it was his efforts that prevented government from competing with the private sector and sent the message that this was not how things are done in Utah. The following year a similar bill came back. Recognizing the legislative leadership backing of the legislation, Royce was able to insert strict requirements into the bill that have essentially made it impossible for a taxpayer funded hotel and convention center from being built.

Royce's efforts also led to the defeat of the RDA that was being proposed to rebuild the Cottonwood Mall. Despite Granite School District wanting to give away millions to developers to assist in the construction of a retail center, he was able to quash the proposal and protect taxpayers from having their tax dollars given away to projects that don't create any new economic activity within the state.

Royce also was part of our multiple efforts to defeat Salt Lake City's proposal to build a new public safety building. Through his work we were able to get Salt Lake to scale down the project and build a building that fit the needs of the city and was taxpayer friendly. When we endorsed the final proposal headlines in the news read that "Hell had frozen over…" because we finally had supported the bond.

Royce also protected taxpayer by defeating Jordan School District's $500 million Taj Mahal school bond. While the district asked for a blank check from taxpayers, Royce brought out the vote to oppose the bond and send a message to the school district that taxpayers need to be included in school bond elections not treated as a bank account.

Perhaps no one knows more about the follies of municipal broadband than Royce. To overcome the momentum that was starting up for cities to again ride the UTOPIA train, he put together the data to show the pitfalls of when government tries to compete with the private sector. His efforts to protect taxpayers from the misguided UTOPIA project should go in the Association's hall of fame.

Billy Hesterman (2013-Present)

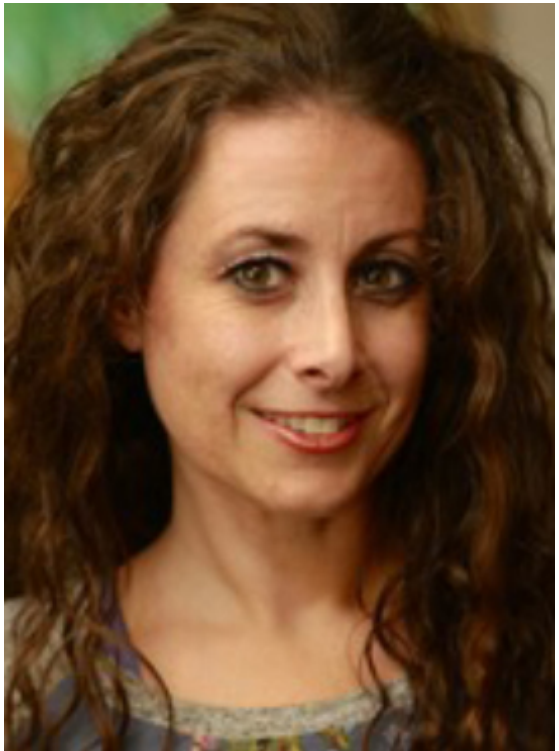
One of the first projects that Billy took on when he was hired was understanding centrally assessed properties and a ratcheting effect taking place in the certified property tax rate because of how centrally assessed property values are calculated. He was able to jump into the deep end and help pass legislation that protects taxpayers from having their property taxes increase because of a glitch that was in our property tax system at the time.

Billy also championed our efforts to bring a lawsuit against the state of Utah to protect our first amendment right to anonymous free speech. Our organization, along with the Libertas Institute, challenged and won a lawsuit that challenged the state law seeking to block free speech through disclosure requirements.

Most recently Billy was part of our Utah 2.0 effort to change Utah's corporate income tax to further include the single sales apportionment factor and to eliminate the sales tax penalty the state places on business inputs for manufactures and mines. Both of these items were able to pass in the legislature this past year because of his ability to keep these items in front of legislators throughout the years so that when it came time to make changes to the tax code, lawmakers already knew what to consider.

I truly believe Utah would not be in the great shape it is in today if not for these six watchdogs. They've been defenders at every turn in Utah on any major tax discussion. I'm grateful for the work they've done while I have served in the legislature. I'm also grateful to the many research analysts and office managers over this same time. Their contributions to the Association have been key in keeping Utah successful.

Creating the Second Century



UTAH TAXPAYERS ASSOCIATION
100 YEAR ANNIVERSARY
SINCE 1922
YOUR TAX WATCHDOG