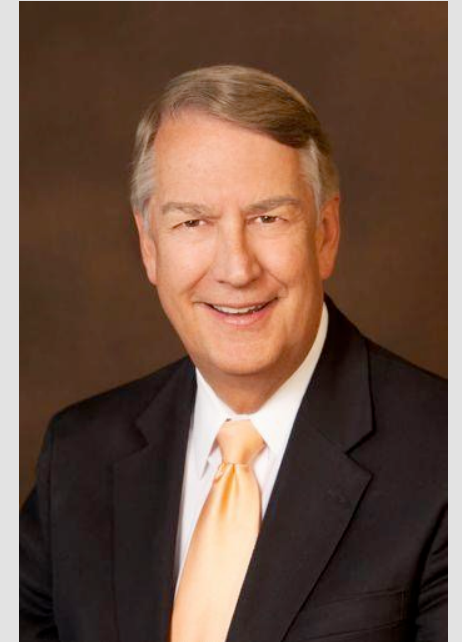




UTAH TAX COMMISSION 2023 LEGISLATIVE PRIORITIES

JANUARY 10, 2023



Chairman John L.
Valentine

Utah State Tax
Commission

PROPERTY TAX

2022

PERFECT
STORM

- MARKET ACTIONS
- STATE ACTIONS
- LOCAL GOVERNMENT ACTIONS
- CENTRALLY ASSESSED TAXPAYERS ACTIONS
- GOVERNMENT INACTION

Tax Assessment Amendments

HB56

- Widespread technical changes to the Tax Code.
- Repeals expired tax credits.

- BUT WAIT . . . THERE IS MORE!

HB 56

Continued

Local Assessment Issues

- Provides access by USTC to County assessment data
- Examination of County Data
 - Annual updates
 - Five year inspections
 - Expanded Authority to supervise County assessments
 - Funding for database services
 - Funding for specialist and mass appraisal modeling
 - More timely information to Tax Commission of assessment roles.

HB 56 Continued

Pass- Through Enties

- Withholding requirement applicable to Amended Returns
- IRS auditing to address “TAX GAP”

Tax Modifications

HB 58

- Addresses burden of proof for qualified Real Property
- Conforms tax statute to Court Rule on garnishments
- Other technical corrections
 - Title 59 (Tax Code) “activated/unactivated” tax language
 - Repeals old sales and use tax earmarks
 - Tax Review Distribution responsibilities between USTC and Division of Finance
 - Repeal of corporate and individual income tax credits that are no longer active

Customer
Service and
Outreach

GROWTH

	FY 2007	FY 2022	% change
Utah Population	2.5 Million	3.4 Million	36%
Revenue Collected	\$7.1 Billion	\$16.8 Billion	137%
Tax Returns Processed	1.2 Million	3 Million	150%
Motor Vehicle Registrations	2.7 Million	3.58 Million	33%
Tax Commission Employees	850	710	(16%)

Rate reductions, credits and rebates

- Income Tax Rate Reductions.
- As well as reductions to the income tax rate, there are discussions around credits, rebates and reductions to target certain sectors.
- Individuals on lower incomes and federal benefits are most affected by increases to cost of living.

Property Tax Relief

- Proposal to Amend the Utah Constitution – Revenue and Taxation proposes that 45% be the minimum residential exemption amount.
- Also prohibits the state from imposing a tax on the transfer of real property.
- If passed, likely future increase to the residential exemption.
Possible move to a disclosure state?
- There have been other discussions about the disabled veteran's exemption.
- There have been bills the last two sessions on property tax deferrals.
- Rate reductions in state Basic Rate.

Sales tax on food reductions

- The sustained increase in inflation has caused concern in the legislature.
- Possible reduction or elimination on state sales taxes on some or all food items?
- Local sales taxes would likely still apply (HOPEFULLY).

New state flag



CITIZEN INITIATIVES

- DEADLINE FOR OPENING CITIZEN INITIATIVES IS TODAY AT 5:00
- PROPOSALS MUST BE FILED WITH THE LIEUTENANT GOVERNOR'S OFFICE

Endings are
hard...so here
are some
pictures of my
dog

