



**Kate Bradshaw**

Director of Government Affairs  
801.799.5711  
Salt Lake City  
kabradshaw@hollandhart.com



**Nate Runyan**

Partner  
801.799.5934  
Salt Lake City  
nrunyan@hollandhart.com

# Utah Tax Restructuring and Equalization Task Force Releases Draft of Tax Restructuring Policy Proposal

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In an effort to address Utah's structural tax revenue imbalance, the Utah Tax Restructuring and Equalization Task Force released a draft of its tax restructuring policy proposal (Proposal). The Proposal is authored by Senator Lyle Hillyard (R-Logan) and Representative Francis Gibson (R-Mapleton) and outlines a tax structure that would provide the Legislature increased flexibility in deciding how to fund state programs and address policy concerns. The Proposal is a result of feedback the Task Force received from eight listening tours it hosted throughout the State and four issue study sessions. It will be the subject of the next Task Force meeting on October 22 at 4:30 pm.

Highlights of the Proposal include:

- An overall income tax cut of approximately \$75 million (affecting both corporations and individuals)
- Restoring full sales tax to unprepared food (with offsets for low income)
- Limited expansion of sales tax to services
- Removal of some sales tax exemptions
- Additional sales tax to gas and assessed at the distributor level
- Transitioning to direct user fees for transportation costs

Holland & Hart's Government Affairs and State & Local Tax teams are available to discuss the proposal in more detail and its potential effects on businesses and individuals.

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