UEA Issue Brief
Utah State Tax Restructuring and Equalization

While revenues for education are up (Education Fund), the state has experienced much slower growth in revenues for other services (General Fund). Failed attempts to address General Fund shortfalls led the 2019 Legislature to pass HB495, creating a “Tax Restructuring and Equalization Task Force” charged to “study state and local revenue systems with the purpose of making recommendations to address structural imbalances among revenue sources.”

On behalf of Utah’s dedicated public school teachers and their students, the UEA requests legislators keep the following in mind as they develop and consider tax reform proposals...

1) Education powers our economy
   - Tax policies must deliver sustainable and growing education investments in individualized student attention, the state’s critical teacher shortage, student health and safety, and equitable opportunities for every student no matter where they live.
   - Besides providing a better education for our children, each dollar invested in education provides greater economic returns than equal investments in corporate subsidies or tax cuts.

2) Any cut to the income tax hurts students
   - The income tax that is constitutionally guaranteed to fund public education has not kept pace with student needs.
   - Just a .05% reduction in the income tax rate, as we saw in 2018, means about $55 million less available for our students each year.
   - We must safeguard and expand long-term resources available for public education such as provided by the Utah constitutional guarantee directing income tax to education.
   - We simply can’t afford to leave any child’s potential unrealized.

3) Transportation shortfalls require a transportation fix
   - General Fund revenue gaps exist largely because the state has been unable to keep up with growing transportation demands.
   - Don’t attempt to solve a transportation funding problem on the backs of school children.

4) The state has a revenue problem
   - The needs of Utah’s citizens are growing while tax burdens are falling.
   - There is clearly a need to continue to grow education investment, adjust sales tax collection for a 21st century economy and increase transportation revenue for a growing population.
   - It is not enough to simply maintain or “hold harmless” education funding. Our students need secure sustainable and growing education revenue sources.