Proposal for a
Uniform Statewide Sales and Use Tax
Rep. Wayne A. Harper

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Under this proposal, a statewide uniform sales and use tax rate* would consist of the following rates:

Name of Tax	Rate (%)	Disposition/Distribution	Food in the Base?	Other Provisions
State Sales and Use Tax - General	4.65	General Fund	No	
State Sales and Use Tax - Food	1.75	General Fund	Yes	
Local Option Sales and Use Tax	1	No change	Yes	
County Option Sales and Use Tax	.25	No change	Yes	2007 General Session S.B. 223 enacted Section 59-12-1802 that provides if a county does not impose the County Option Sales and Use Tax, a state sales and use tax rate of .25% is imposed in that county. Current law provides that a county that imposes the County Option Sales and Use Tax is required to reduce its property tax revenue to achieve revenue neutrality.
Local Option Transportation Sales and Use Tax – Basic Rate	.3	Point of sale distribution for transit or transportation	No	If a jurisdiction does not impose both the Local Option Transportation Sales and Use Tax – Basic Rate and the Local Option Transportation Sales and Use Tax – Additional Rate, a state sales and use tax is imposed with revenued deposited into the General Fund.
Local Option Transportation Sales and Use Tax – Additional Rate	.25	Point of sale distribution for transit or transportation	No	If a jurisdiction does not impose both the Local Option Transportation Sales and Use Tax – Basic Rate and the Local Option Transportation Sales and Use Tax – Additional Rate, a state sales and use tax is imposed with revenued deposited into the General Fund. With a commensurate reduction in property taxes by some jurisdictions to remain revenue neutral.

Name of Tax	Rate (%)	Disposition/Distribution	Food in the Base?	Other Provisions
State Sales and Use Tax – Transportation	.25	**With regards to revenue generated in a county of the first class:** 20% is designated for state highway projects in that county; 25% is designated for corridor preservation in that county; and 55% is designated for grants to transit districts that operate in that county. **With regards to revenue generated in a county of the second class:** 25% is designated for corridor preservation in the county where the revenue is raised; and 75% is designated for grants to the county where the revenue is raised for a regionally significant transportation facility. **With regards to revenue generated in all other counties:** Revenue generated from all other counties is deposited into the Transportation Investment Fund.	No	The distribution formula for revenue generated in a county of the first class is meant to preserve the revenue to the Utah Transit Authority as provided in 2007 General Session S.B. 223 and H.B. 226

Name of Tax	Rate (%)	Disposition/Distribution	Food in the Base?	Other Provisions
County Option Sales and Use Tax - General Fund Purposes and Cultural, Recreational, and Zoological Organizations or Facilities	.1%	Point of sale	No	In counties of the first and second class, revenue must be used for cultural, recreational, and zoological organizations or facilities. The allocation requirements for counties of the first class now in law would continue. In all other counties, revenue may be used for general fund purposes. In a county that, on December 31, 20007, did not impose the ZAP/RAP sales and use tax under Part 7, require a commensurate net reduction in property tax revenue. (No net increase in taxes.) In a county with a municipality that, on December 31, 2007 imposed a ZAP/RAP sales and use tax under Part 14, require that the sales and use tax revenue generated within that city by the tax be transferred to that city through an inter-local agreement. If a county does not impose this tax, a state sales and use tax of .1% is imposed with revenued deposited into the General Fund.
Total Sale and Use Tax Rate – Food: 3%				
Total Sale and Use Tax Rate – Non food: 6.8%				

* Except in those municipalities that impose resort community taxes.

Under this proposal the following local option sales and use taxes are modified or repealed:

Name of Local Option Sales and Use Tax	Replaced by:
Public Transit - Basic Rate (Section 59-12-501)	Local Option Transportation Sales and Use Tax – Basic Rate

Name of Local Option Sales and Use Tax	Replaced by:
Public Transit - Additional Rate (Section 59-12-502)	Local Option Transportation Sales and Use Tax – Additional Rate A county or municipality imposing the Local Option Transportation Sales and Use Tax – Additional Rate that, on April 1, 2008, did not impose a tax under either Section 59-12-502 or was within a county that imposed the tax under Chapter 12, Part 15, would be required to make a commensurate reduction in property tax revenue to achieve revenue neutrality.
Municipal Option Roads and Mass Transit (Part 10)	Local Option Transportation Sales and Use Tax – Basic Rate
County Option Transportation (Part 17)	Replaced by the State Sales and Use Tax – Transportation. Only Salt Lake county imposes this tax. Voters in Davis and Weber counties will be asked to approve the imposition of this tax at the election on November 6, 2007.
County Option for Highways, Fixed Guideways, or Mass Transit (Part 15)	Local Option Transportation Sales and Use Tax – Additional Rate. Only Utah county imposes this tax.
Resort Community (Basic and Additional)	No change
County ZAP (Part 12)	County Option Sales and Use Tax - General Fund Purposes and Cultural, Recreational, and Zoological Organizations or Facilities
Municipal ZAP (Part 14)	County Option Sales and Use Tax - General Fund Purposes and Cultural, Recreational, and Zoological Organizations or Facilities
Town Option (Part 13)	Repeal - replace with change to 1% local tax distribution formula ($35,000)
Rural County and Rural City Health Care Facility	2007 General Session S.B. 223 enacted Section 26-9-4 that authorizes the Department of Health to make grants to counties and municipalities to replace foregone revenue due to the removal of food and food ingredients from the base of the rural county and rural city health care facilities sale and use taxes. These two local options sales and use taxes would be repealed and the revenue replaced by increased funding for this grant program.