

Open Letter to the Utah Legislature

Tax Reform and Utah's Most Vulnerable Populations

February 23, 2017

Dear Senators and Representatives:

We, the undersigned organizations, urge you to consider the impact of any tax reform proposal on Utah's most vulnerable populations.

We wish to make two important points in this regard:

- 1) We support the additional public revenues that could result from tax reform because Utah would benefit from increasing our investment in our most vulnerable populations.
- 2) Tax reform that increases the burden on low-income sectors of our population will do more harm than good for people struggling to pay for the basic necessities of life.

New Revenues Are Needed

The Utah Foundation has found that Utah's overall tax burden is at a multi-decade low. As a result, funding for critically needed public services has suffered in many areas, including:

- K-12 education – where we remain last in the nation in per-pupil funding
- Pre-K – where Utah remains behind the nation in the percentage of at-risk children who have access to high-quality Pre-K.
- Higher education – where tuition continues to climb much faster than wages.
- Drug treatment and mental health – where underinvestment threatens to undermine criminal justice reform.
- Affordable housing – where state funding has not kept up with the effects of inflation, while rents rise faster than wages.
- Homelessness – though we are encouraged to see the emerging consensus on the urgency of action.
- Disability services – where starting wages for disabilities service workers remain below levels needed to reduce high turnover.
- Health care – where Utah children are uninsured at a higher rate than nationally and Hispanic children at a higher rate than any other state.

Low-Income Populations Should Be Held Harmless by Tax Reform

No one should be taxed into or deeper into poverty. So many of the individuals and families that we work with already struggle to keep a roof over their heads and food on the table. They already pay sales, payroll, and property taxes (either directly or indirectly through their rent), and many pay income taxes as well. To ask them to pay more, especially at a time of growing inequality and a minimum wage that loses value every year, is unfair and unjustifiable.

We urge the Legislature to consider the financial barriers faced by Utah's most vulnerable populations as you grapple with the difficult challenge of reforming Utah's tax structure.

Amer. Acad. of Pediatrics
AARP Utah
Catholic Diocese of SLC
Peace + Justice Comm.
Community Action
Partnership of Utah

Comunidades Unidas
Disability Law Center
League of Women Voters of Utah
Legislative Coalition for People
with Disabilities

NAMI - Utah
Utah Community Action
Utah Housing Coalition
Utahns Against Hunger
Voices for Utah Children