

COMPARING THE LEADING 2017 REVENUE PROPOSALS

| Proposal | Total New Revenue | How hard does it hit the lowest... | | | Share from Top 20% | Best Offset for Low-Income |
|--|-------------------|---|---|--|--|---|
| | | 20% (income < \$25k) | 40% (income < \$43k) | 60% (income < \$70k) | | |
| Raise Income Tax Rate for Incomes >\$250/500k to 7% (SB 141) | \$321m | 0% of total \$0/hh (avg) Total impact: \$0 | 0% of total \$0/hh (avg) Total impact: \$0 | 0% of total \$0/hh (avg) Total impact: \$0 | 100% (94% from top 1%) | n/a |
| Increase Income Tax to 5.875% | \$750m | 2% of total \$58/hh (avg) \$135/hh for the 43% with a tax increase Total impact: \$14 million | 9% of total \$140/hh (avg) \$205/hh for the 62% with a tax increase Total impact: \$67m | 20% of total \$211/hh (avg) \$282/hh for the 68% with a tax increase Total impact: \$153m | 58% (about the same as share of all Utah income, accd to Tax Comm) | EITC: A 6% refundable EITC protects the bottom quintile completely and 1/5 of 2 nd quintile, IF they file (only 74-78% file for federal EITC in Utah). |
| Eliminate Personal Income Tax Exemption | \$373m | 6% of total \$98/hh (avg) \$195/hh for the 50% with a tax increase Total impact: \$24m | 24% of total \$189/hh (avg) \$261/hh for the 68% with a tax increase Total impact: \$91m | 50% of total \$259/hh (avg) \$339/hh for the 72% with a tax increase Total impact: \$188m | 20% | Maintain the personal exemption |
| Restore Full Sales Tax on Food | \$200m | 9% of total \$68/hh (avg) Total impact: \$17 million | 24% of total \$92/hh (avg) Total impact: \$47m | 44% of total \$114/hh (avg) Total impact: \$86m | 33% | <ul style="list-style-type: none"> • Idaho Refundable Grocery Tax Credit (\$100 per person) but only if they file (only 74-78% file for federal EITC in Utah)* • (EITC <u>not effective</u> to protect low-income Utahns from a food sales tax increase because only 37% of bottom quintile qualify for EITC and only 27% of 2nd quintile.) |
| Raise Gas Tax by 5 cents/gallon | \$75m | 9% of total \$22/hh (avg) Total impact: \$7m | 23% of total \$28/hh (avg) Total impact: \$17m | 42% of total \$35/hh (avg) Total impact: \$32m | 30% | Gas Tax Credit (refundable) on income tax return |

* See more about the Idaho Food Sales Tax Credit at <http://idahocfp.org/grocery-tax-credit-faqs/>

Which proposals most impact the poor:

- **Food Sales Tax**
- **Gas Tax**

Which proposals most impact the middle class and lower-middle?

- **Food Sales Tax**
- **Gas Tax**
- **Elimination of Personal Exemptions**

Which proposal most fairly matches Utah's income distribution?

- **5.875%**