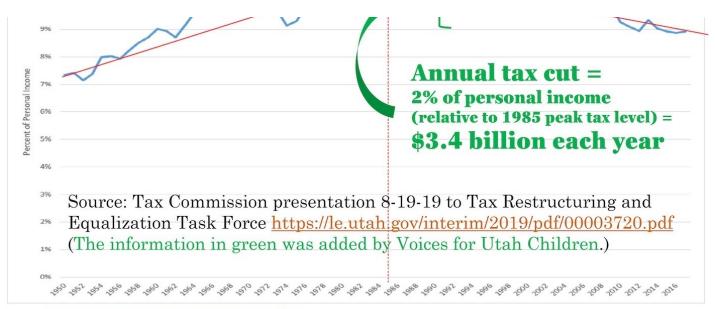
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Written by: Matthew Weinstein



Source: Utah State Tax Commissioner Larry Walters

Voices for Utah Children Statement on the News that the Legislature Is Considering a Constitutional Amendment to End the Education Earmark of Income Tax Revenue:

## A Constitutional Amendment Won't Help If Utah Keeps Cutting Taxes

It is understandable that Utah legislators would want greater flexibility in how they can use public revenues. But there is a much larger problem that increased flexibility would do nothing about and would even delay solving: the chronic public revenue shortages that afflict our state following decades of tax cutting.

Utah has been cutting taxes by an average of \$100 million annually for at least the last 35 years. According to <u>Tax Commission data</u> (see slide #8), this now adds up to about \$3.5 billion in revenue not available for Utah's annual state budget every year. As a result, public revenues are now lower than they've been in half a century relative to Utahns' incomes. The decisions in recent decades by Utah's Governors and Legislatures to give in to the tax cut temptation are at the root of Utah's chronic revenue shortages in nearly every imaginable area of public responsibility, as

## Voices Statement Re: Constitutional Amendment to End Education Earmar

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documented by the Invest in Utah's Future Coalition.

This year's decision to pass a \$164 million cut in the income tax rate from 4.95% to 4.85% (SB59 1st sub fiscal note) is an unfortunate example of this impulse toward thinking about short-term gain rather than the long-term needs of our state. This change gives a middle-class family of four a \$98 tax cut, but it also means that \$485 mill now not be invested in that family's two children in school. (\$164 million divided by 675,000 children in Utah's K-12 education system multiplied by two kids)

Every Utah family with children should ask the Governor and Legislative leaders, "Will you use this increased flexibility to enact even more tax cuts that deprive our children of the education that they need and deserve?" If our leaders are not prepared to answer that question unequivocally, then Utahns should know that such an amendment would just enhance budget writers' ability to "rob Peter to pay Paul" and not address the root cause of Utah's problem.