

2026 Legislative Updates: Tax & Budget

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Written by: Jenna Williams



The 2026 Utah Legislative Session is expected to advance additional income tax cuts and fiscal policies that reduce long-term state revenue, disproportionately benefit high-income earners, and shift costs to local governments and families. These choices risk undermining stable funding for schools, child care, health care, and other investments critical to children and families.

This blog will be updated as information becomes available. Last updated 1/16/26.

[HB 235/SB 60](#): Income Tax Rate Amendments

Legislators are proposing a sixth income tax cut in 2026, reducing the rate from 4.5% to 4.45%, which will sacrifice another \$83.6M in revenue annually that could otherwise support our schools, expand child care, or improve health services. Only half of Utah households will benefit from the cut, with an average [\\$130](#) savings per

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year, while the wealthiest earners will save \$584 per year. Cumulatively, the five previous tax cuts have saved the top 1% of wealthiest Utahns almost [\\$20,000 per year](#), while saving a middle-class family only \$200-500 annually. Legislative leaders have [confirmed](#) their goal of eliminating the income tax which would save the wealthy \$121,514 per year. [Learn more about income tax elimination here.](#)

[SB 116](#): Income Tax Rate Modifications

[education funding undermines](#)

[fees](#) [even lower](#)

[SB 65](#): Minimum Basic Tax Rate Amendments

Governor Cox [vetoed a similar bill last year](#), citing transparency concerns.

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[HB 210](#): Tax Penalties Amendments

This legislation repeals [Utah's Earned Income Tax Credit](#) (EITC), a proven tool that promotes work, reduces poverty, and strengthens financial stability for low- and moderate-income households. The creation of Utah's EITC in 2022 was a major policy victory for Voices for Utah Children because of its direct impact on working families struggling to make ends meet. While the bill also addresses marriage penalties in certain tax credits, an effort we support, it simultaneously increases the taxpayer tax credit only for married filers, creating a new inequity by disadvantaging families who are not married.

[SB 97](#): Property Tax Rate Amendments

["truth in taxation" property tax](#)

[more pressure](#)

[putting](#)

[fee](#)

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