

Tax Cuts Hurt Kids

Published: Thursday, 17 August 2023 20:36

Written by: Jenna Williams



Why Voices Opposes Proposed Income Tax Cuts

Over the past four years, Utah's Legislative Leadership has consistently prioritized tax cuts above the needs of Utah's families. Despite a \$400 million tax cut passed last year that [benefited the most wealthy Utahns](#), and now fearmongering about a supposed [\\$130 million budget shortfall](#), Legislative Leadership is yet again pushing for another [\\$170 million in tax cuts](#).

As the 2024 Legislative Session unfolds, many legislators will claim a need to curb spending and tighten purse strings - that we can't afford to fully fund social services or any new programs. The question arises: How can we afford \$160 million in tax cuts when many crucial needs remain unmet? In a time when working families are struggling to afford groceries, granting more tax cuts to the wealthy is a step in the wrong direction.



The proposed tax cut will help the richest 1% more than anyone. Our analysis shows the proposal will save the bottom 80% of Utah earners between \$24 and \$107. While

Tax Cuts Hurt Kids

Published: Thursday, 17 August 2023 20:36

Written by: Jenna Williams

the top 1% of Utah earners will save a whopping \$2,676. These tax cuts will not provide real help to working families.

Out of the proposed \$170 million tax cut, \$40 million will go to the top 1% of Utah's wealthiest individuals. In contrast, the bottom 80% will split about \$61 million.



Note: This image was updated to reflect the changed fiscal note for SB69, increasing the estimate from \$160 Million to \$170 Million on 2/23/24.



Contrary to the argument that the top 1% pays more in taxes, the reality is that low- and middle-income families bear a [higher tax burden](#). Families making less than \$29,900 per year pay 9.8% of their total income in state and local taxes, while the top 1% pays an effective tax rate of only 6.4%.

Why Voices Opposes the Proposed Income Tax Cuts

Voices for Utah Children opposes the proposed tax cuts due to the unmet needs of children and families in Utah. Our income tax should be used to increase funding for education, child care, nutrition, mental health programs, and other services with long-term societal benefits.

The appeal of tax cuts fades when we realize it means losing essential services. Children need us to be their voice, and we need to show up and advocate for their future. It's not just the right thing to do for them; it's a move that benefits all of Utah. Here's why investing in children pays off:

- **Investment in the future:** Children are the future, and investing in their well-being leads to positive long-term outcomes. Early childhood interventions improve educational attainment, job prospects, and overall health, benefiting society as a whole. This includes supporting our child care system, which is facing a loss of nearly \$600 million in federal support this year.
- **Promoting equality:** Programs for children often target low-income families and disadvantaged communities, narrowing the gap in opportunities and

Tax Cuts Hurt Kids

Published: Thursday, 17 August 2023 20:36

Written by: Jenna Williams

promoting a fairer society. Access to quality education, healthcare, and essential services can break the cycle of poverty, creating an even playing field for every child.

- **Stimulating the economy:** A healthy, educated population contributes to a stronger economy. Investments in children's programs create a ripple effect, boosting productivity, encouraging innovation, and fostering economic growth in the long run.

We need to hit pause on tax cuts and instead acknowledge that investing in children is the better path to follow. It will lead to a stronger and more prosperous Utah, and those benefits will far outweigh any tax cut currently being considered.