Hidden Taxes: Fines, Fees, and Tariffs



Most people don’t think of fines, fees, or tariffs as taxes–but they function like hidden taxes. When traditional public revenue sources like income tax are cut, governments often try to make up the difference with these hidden taxes. These charges often fall hardest on low- and middle-income families, even though they’re not officially called “taxes.”

What are Fines and Fees?

- Fines are penalties for breaking rules–like traffic tickets or late bill payments.
- Fees are charges for using public services–like court filing fees, licensing, or school activity costs.

While each charge may seem small, they can pile up.

Common examples in Utah include:

- Vehicle registration fees on cars, boats, and RVs
- School fees for classes, electives, sports, and transcripts
- Traffic and parking tickets

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- Recreation and library fees, public transit fares, and parking meters
- Business, court, and licensing fees
- Towing, garbage collection, 911 emergency fees, tolls, passport application fees, and more

Although many fees are technically “voluntary” because they’re only paid when an individual uses a specific service, most don’t feel optional–especially when related to school, transportation, or basic services.

What About Tariffs?

Tariffs are taxes placed on goods imported into the U.S. The U.S. businesses that receive those goods pay the tarrifs up front, but those costs usually get passed on to consumers through higher prices.

Historically, tariffs were the main way the federal government raised revenue until the income tax was introduced in 1913. Today, some leaders have suggested replacing income tax with tariffs, but this would dramatically increase the cost of living and disproportionately burden working families.

How Much Do Utahns Pay in Fines, Fees, and Tariffs?

It’s hard to calculate exact totals. These charges are spread across local, state, and federal governments, and are often categorized differently from sales or income taxes. Still, families end up paying hundreds or even thousands of dollars each year in hidden costs–from school fees to vehicle registrations, and utility fees.

When lawmakers cut high-profile taxes like income tax, they often lean on these hidden charges to fill the gap. For example:

- In 2024, fines for school-zone speeding jumped from $50 to $260, and running a school bus stop sign went from $250 to $1,000. Drivers might also have to pay for a $105 driving course. These charges are tough on families. While road safety is important, research shows steeper fines don’t necessarily improve safety.
- Across the country, more of the justice system’s costs are being pushed onto individuals through fees for probation, ankle monitors, and even prison stays.

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- On the federal level, proposed 2025 tariffs under the Trump administration are expected to raise household expenses by an estimated $3,800 per year, as import taxes get passed down through higher prices on everyday goods.

Sometimes, when public funding falls, the hidden costs become harder to ignore. In Utah, income tax cuts have left schools underfunded, pushing the state to last in per-pupil education spending. For years, families filled the gap through rising school fees. In 2021, lawmakers capped many of those fees after parent pushback–but without new funding, schools were forced to cut programs or absorb the cost.

How are Fines, Fees, and Tariff Revenue Spent?

In Utah, fines and fees fund a wide range of public services, including:

- **Transportation:** Fuel and registration fees fund roads, transit, and maintenance.
- **Water utilities:** Usage fees support infrastructure, treatment, and conservation.
- **Public safety and courts:** Court fines support court operations, police departments, and jails.
- **Education:** Some school fees directly support classroom materials and extracurricular activities.

At the federal level, tariff revenue goes into the general fund, used to–support everything from national defense to infrastructure and education.

Fines, fees, and tariffs can play a helpful role in a well-designed tax system, especially when tied to service use and adjusted based on someone's ability to pay. Modest park fees or targeted tariffs can help fund services or support fair trade. But when overused, these tools shift the cost of public goods onto those least able to afford them.

Do Fines, Fees, and Tariffs Affect Everyone Equally?

These revenue sources aren't as obvious as sales or income tax, but they hit working families just as hard. While some may seem minor, they can add up quickly, impacting low- and middle-income families much harder than wealthier households.

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For example:

- A $200 traffic ticket is a nuisance for a wealthy person–but a crisis for a family living paycheck to paycheck.
- Court fees can turn a minor infraction, such as violating a noise ordinance, into a mountain of debt.
- School fees, especially ones for sports or field trips, can exclude kids from low-income households.

As lawmakers continue cutting income taxes, they often shift costs elsewhere–quietly raising fees, fines, and other charges to fund services. The need for revenue doesn't go away, the tax burden just shifts more and more to low- and middle-income families.

Over time, this creates a tax system that protects the wealthy, while punishing people who don't have the same advantages. Some national leaders have even proposed replacing the federal income tax with tariffs, which would mean higher costs for basic goods that everyone needs, while letting the richest people hold back more wealth for themselves..

Fines, Fees, Tariffs, & Racial Equity

Because Black, Hispanic, and Indigenous households are disproportionately represented in lower-income groups due to historical and ongoing discrimination, fines, fees, and tariffs disproportionately burden communities of color.

Fines and fees are often imposed through the legal system, and communities of color are more likely to be over-policed and over-penalized. Black and Brown residents are more frequently exposed to the kinds of infractions–traffic stops, municipal violations, court appearances–that generate these hidden taxes.

Tariffs, like sales taxes, increase the price of everyday goods. Because lower-income families spend a greater share of their income on essentials, they feel the impact most. As a result, tariff-based tax structures also disproportionately burden communities of color.

Are There Any Fines, Fees, and Tariff Relief Programs?

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Yes, though they vary:

- **Court Fee Waivers & Community Service:** In some Utah cities (like Salt Lake City), people can perform community service instead of paying certain fines.
- **School Fee Waivers:** K–12 students from low-income families can qualify for fee waivers through the Utah State Board of Education.
- **Tariff Assistance for Businesses:** Some federal programs offer relief for Utah businesses impacted by tariffs–especially in agriculture.

A Visual Guide to Tax Modernization in Utah (Kem C. Gardner Policy Institute)

Annual Tax Reports (Utah State Tax Commission)

How Local Governments Raise Revenue – and What it Means for Tax Equity (Institute on Taxation and Economic Policy)

Local governments collected $9 billion in fines and fees in 2020 (Reason Foundation)

Punitive Fines and Fees Are an Invisible Cost of State Tax Cuts (Institute on Taxation and Economic Policy)

State-By-State Court Fees (NPR)

Taxation by Citation (ACLU)

Utah Compendium of Budget Information (Utah State Legislature)

Utah: Who Pays 7th Edition (Institute on Taxation and Economic Policy)

Fines and Fees, State Rankings (National Center for Access to Justice)

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