

# THE UTAH STATE TAX COMMISSION

A photograph of a natural rock arch in a desert landscape. The arch is made of layered sandstone and frames a view of a valley with a town and snow-capped mountains in the distance under a blue sky with some clouds.

**ANNUAL REPORT**

**FISCAL YEAR 2004-2005**

# Utah State Tax Commission

## Annual Report

Fiscal Year  
2004-2005

**Pam Hendrickson**

Commission Chair

**R. Bruce Johnson**

Commissioner

**Palmer DePaulis**

Commissioner

**Marc Johnson**

Commissioner

**Rodney G. Marrelli**

Executive Director

Access to various in-depth Utah State Tax Commission  
information, economic and revenue reports and  
previously published annual reports is available at

**[www.tax.utah.gov](http://www.tax.utah.gov)**

# A Message to the Reader

## Our Mission

Collect revenue for state and local governments, and to equitably administer tax and assigned motor vehicle laws.

## Our Vision

We are enthusiastically committed to a standard of excellence that exceeds customer expectations.

We continuously focus on courtesy, accuracy, efficiency, consistency and professionalism.

## Our Values

We must uphold our **public trust**.

We value **quality**, which is the balance of efficiency and effectiveness.

We value **job expertise** and knowledge with consistent and dependable application of laws, rules, practices, and procedures.

We value **integrity**, including honesty, trust, and respect for self and others.

We value clear, meaningful, and concise **communication** with customers.

We value **self-motivated employees** and environments that encourage initiative.

We value **empowered employees** with their attendant accountability.

The purpose of this annual report is to document revenue collections for the State of Utah during fiscal year 2004-2005. The report highlights some of the details of state taxes and informs people where and for what purposes Utah taxes are allocated.

Information about the Tax Commission's mission, functions, operations and resources are included. It gives an overview of the agency's performance, accomplishments and improvements. Interesting statistical information and highlights of economic conditions during the past fiscal year are included.

Each Tax Commission division and administrative efforts are noted. Various state fund revenues, including what statewide programs are funded with tax dollars, are outlined. It presents statistical information regarding the State's three largest sources of tax revenue: sales, property, and income taxes. Legislative bills dealing with tax issues and approved by the 2005 State Legislature are summarized. In summary, this report provides valuable tax-related information to Utah taxpayers, State Legislators, businesses, community leaders, and those who are considering moving to Utah.

The Tax Commission remains steadfast in serving the people of Utah through fair administration and quality service. Our commitment is to the highest standards of performance and integrity. We take great pride in striving to provide equitable, efficient, productive and courteous service to Utah taxpayers every day, all year long.

We encourage you to access additional tax related bulletins, reports, and statistics at our on-line library at [www.tax.utah.gov](http://www.tax.utah.gov).

Sincerely,

Pam Hendrickson,  
Chair

Rodney G. Marrelli,  
Executive Director

Utah State Tax Commission

# Table of Contents

A Message To The Reader . . . . .	i
Table of Contents . . . . .	ii
Executive Summary . . . . .	1
Tax Commission Overview . . . . .	2
Commission Responsibilities . . . . .	3
Division Duties . . . . .	4
Tax Administration . . . . .	5
Tax Policy . . . . .	7
Tax Revenues . . . . .	8
Major Tax Revenue Sources . . . . .	11
Revenue Collection By Fund . . . . .	12
Net Revenue Comparison (TC-23) . . . . .	13
General Fund and Uniform School Fund . . . . .	16
Trust and Agency Fund and Transportation Fund . . . . .	17
Sales Tax . . . . .	18
Taxable Retail Sales, Services and Businesses Purchases by County . . . . .	21
Taxable Retail Sales, Services and Businesses Purchases by Industry . . . . .	22
Sales Tax Exemptions . . . . .	23
Direct Sales for Selected Cities . . . . .	24
Distribution of Local Sales and Use Taxes . . . . .	25
Distribution of Special Local and Sales and Use Taxes . . . . .	32
Property Tax . . . . .	36
Value of and Taxes Charged on Utah Property . . . . .	37
Centrally Assessed Property. . . . .	38
Property Tax Relief . . . . .	39
Income Tax . . . . .	40
Income Tax Statistics by Tax Line . . . . .	41
Income Tax Liability by County and Residency . . . . .	41
Legislative Summary . . . . .	42

# Executive Summary

The Utah State Tax Commission kept pace in the past fiscal year with our growing Utah population, healthy economy, and changes in complex tax laws by implementing technological improvements through highly motivated agency employees.

In fiscal year 2004, the Tax Commission collected gross receipts of \$6.02 billion. After refunds and other adjustments, this amounted to net deposits totaling \$5.54 billion. The Tax Commission budget was \$58.3 million, approximately 1 percent of the total revenues collected. Along with the revenue deposits, the Commission processed 2.67 million tax documents and another 2.73 million motor vehicle transactions.

Automation, electronic filing, process improvements, and employee productivity allow the agency to keep costs down while the Utah taxpayer base continues to grow.

## Fiscal Year 2004-2005 Highlights

The Tax Commission keeps on track with the burgeoning electronic-information age by offering increased on-line service options. In calendar year 2004, 48.3 percent of Utah income tax returns were filed electronically, an 8 percent increase. We registered our one millionth vehicle through “Renewal Express,” our on-line motor vehicle registration system. The number of vehicle renewals registered on-line increased to 19 percent, and the number of on-line sales tax returns doubled. We also added on-line registration for motor carriers, commonly referred to as trucking companies.

Upgrades to our technology allowed us to obtain new efficiencies without increasing the number of employees. We began to replace outdated microfilm storage of tax returns with a new imaging capacity that was tested for income tax and will be expanded in future

years to motor vehicle and other taxes.

A new audit support system was developed, providing greater flexibility in selecting audit candidates. This system allows more information to be available on-line to the auditors, and improves the tracking of cases and workflow. We had our best year on record in clearing delinquent tax accounts, with an increase of over 4 percent from the prior year. The direct result was over \$150 million in past due taxes collected by the agency.

The Tax Commission develops on-line research tools to make tax information easier to access by the public and our employees. The “fill-in forms,” which have been available for three years, make tax compliance easier and provide an alternative to manually filling out paper forms. The 2-D bar code continues as a viable option for some larger tax preparers who do not file electronically for their clients.

## Streamlined Sales Tax

The Tax Commission is prepared for full implementation of the Streamlined Sales Tax (SST) agreement. SST aims to standardize sales and use tax systems nationwide to keep up with changes in technology and the explosion of Internet commerce. This is vital because sales and use taxes generate a significant amount of the states’ budgets.

Important segments of this legislation were added to our processes this year and more are anticipated in the future. This complex legislation makes changes in the sales tax law. Its implementation includes extensive revisions to our computer systems, forms, processes, and training employees and the public on the changes.

# Tax Commission Overview

## Who We Are

Our mission is to collect revenue for the state of Utah and local governments and to equitably administer tax and assigned motor vehicle laws.

## What We Do

We collect taxes and administer or oversee the following programs:

- Sales tax, including numerous local option taxes
- Motor vehicle registration programs
- Income tax
- Fuel tax
- Corporate tax
- Withholding tax
- Property taxes
- Miscellaneous taxes

The Tax Commission has the following organizational areas of responsibility:

- **Processing** of revenue, returns and updating taxpayer information
- **Auditing** of returns and other information to check accuracy and compliance
- **Collecting** delinquent taxes
- **Assisting** taxpayers with compliance and resolving account issues
- **Oversight** of local property tax assessments and administration of centrally assessed valuations
- Motor vehicle and Motor Carrier **registration**
- Motor Vehicle **Enforcement**, including motor vehicle fraud, stolen vehicles, and regulation of the automobile sales industry

Technology Management and Administration provides **computer systems and administration support**

## How We Serve You

The Tax Commission plays a key role in the day-to-day lives of Utah citizens, as well as city, county, and other state government agencies. The commission collects and distributes revenues that allow the State of Utah to fund schools, highways, public safety, parks, and other public services that the state and local governments provide to our citizens.

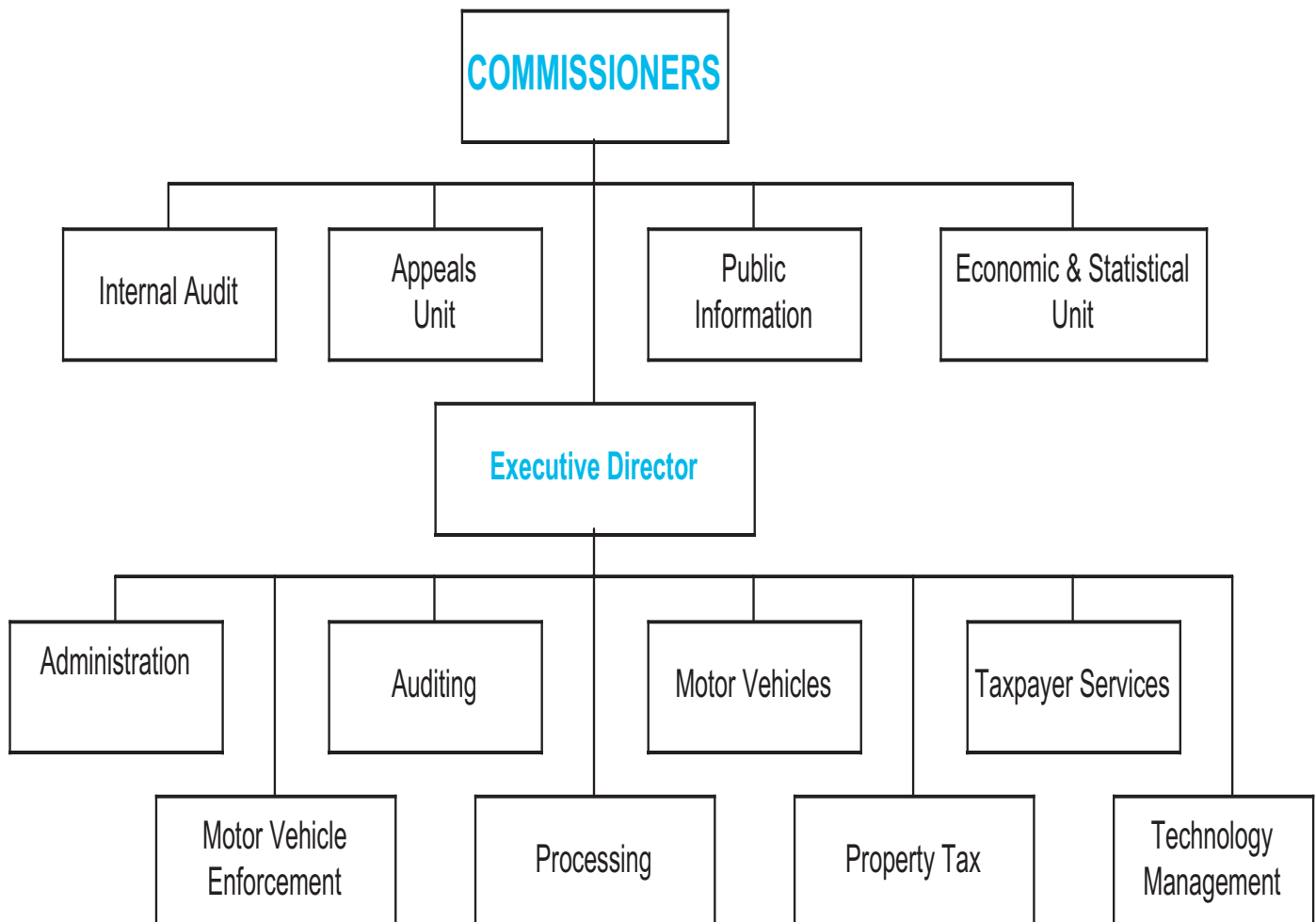
# Commission Responsibilities

The Utah State Tax Commission administers State tax laws and collects tax revenue for the state and its local governments. It collects and distributes revenue from over 40 taxes, surcharges and fees. The Commission also registers automobiles and regulates the automobile industry.

The Utah Constitution mandates that the Governor, with concurrence from the Senate, appoint four Commissioners to serve four-year terms. No more than two Commissioners may be from a single political party.

The Commissioners administer and supervise the state's tax laws, rule on appeals, set policy, promulgate rules, issue private letter rulings, and sit as the State Board of Equalization. The Commission's Economic and Statistical unit forecasts state revenues and provides economic and statistical analyses from various data sources. The Appeals unit coordinates all appeals brought before the Commission. An Internal Audit unit assures agency operations are efficient and comply with the law. The public information officer supports media and community relations.

The Tax Commissioners, in consultation with the governor, hire an executive director to administer the day-to-day functions of the agency's eight divisions.



# Duties by Division

## Administration

- Provides general agency support
- Drafts legislation and implements laws
- Develops and manages the department's budgeting and accounting functions
- Provides human resource functions for the agency
- Provides centralized oversight of the management of all tax monies
- Works with agency staff to identify tax fraud and develop criminal cases for prosecution
- Distributes revenues to local governments

## Motor Vehicle Division

- Collects over \$300 million in taxes and fees
- Annually processes more than 2.73 million vehicle title and registration transactions
- Trains staff of the counties that contract to administer motor vehicle programs for the state
- Provides vehicle identification services to law enforcement and evidence of vehicle ownership to individuals and financial institutions

## Auditing

- Audits all taxes except property tax
- Determines that taxes due have been properly reported
- Educates taxpayers as to proper tax accounting techniques and interpretation of laws and rules
- Enhances voluntary taxpayer compliance through selective audit examination and discovery of non-filers

## Technology Management

- Acquires, installs, maintains and supports the infrastructure on which tax applications run
- Develops, acquires, implements, supports and maintains application software that is used for the specific business functions of the agency

## Motor Vehicle Enforcement

- Investigates auto theft and other vehicle-related crimes
- Protects Utah citizens from fraud related to motor vehicle commerce
- Regulates the automobile industry to foster a fair and honest sales environment

## Property Tax

- Administers Truth-in-Taxation law designed by the Legislature to ensure full accountability for local property tax rates and budgeting
- Works with local officials who have direct statutory responsibility for operating local property tax systems to assure equitable and accurate assessment and taxation
- Appraises and audits natural resource properties, as well as companies whose properties cross county or state lines. These include airlines, motor carriers, railroads, mines, and utilities.

## Processing

- Designs and prints tax publications and forms
- Deposits \$5.54 billion in net revenues that come through the Tax Commission
- Processes, enters data, microfilms and archives 2.67 million paper and electronic tax returns annually

## Taxpayer Services

- Maintains front-line contact with the public on tax issues, provides customer service, collects delinquent taxes and encourages future compliance
- Manages bankruptcy claim filings
- Administers waiver of penalty/interest and offer-in-compromise programs
- Offers tax education classes on state taxes to businesses and presents workshops jointly with other state and federal agencies



# Tax Administration

## On-Line Services

The Tax Commission continues to utilize technological advancements to improve services. As a result, Commission employees are more efficient in carrying out their responsibilities, services to our citizens are faster and more accurate, and the costs of services are kept low.

On-line options are available for the majority of taxes collected by the Tax Commission. These include income tax, sales tax, and motor vehicle renewals. On-line systems also include the special events registration, and One Stop Business registration system. On-line options make filing easier for the public, save on paper handling, reduce mailing and printing costs, and reduce errors.

Last year, 48.8 percent of the income tax filers, and 26 percent of the motor vehicle renewals used electronic filing options. The number of sales tax returns received electronically increased to 309,937.

“Payment Express,” the state’s on-line tax payment system, continues to make things easier for taxpayers who want to keep current on tax payments on the web. Fiscal year 2005 is the second full year of its operation. This service, combined with the other existing

services, means that most tax payments and motor vehicle renewal fees can now be made on-line.

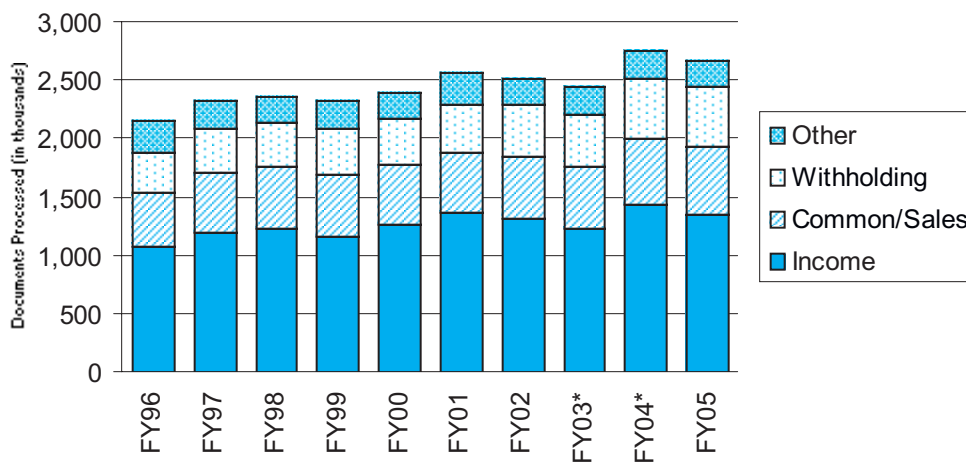
The public and employees may access tax information easier now through several on-line research tools. We constantly improve our website, [www.tax.utah.gov](http://www.tax.utah.gov), with new information and improved search options. “Fill in Forms” posted on the Commission website allow most tax forms to be completed electronically, providing a faster, more efficient alternative to manually filling out paper forms.

Citizens expecting an income tax refund can check the status on the Internet. This secure Internet option complements the refund status telephone system that is in use.

## Training

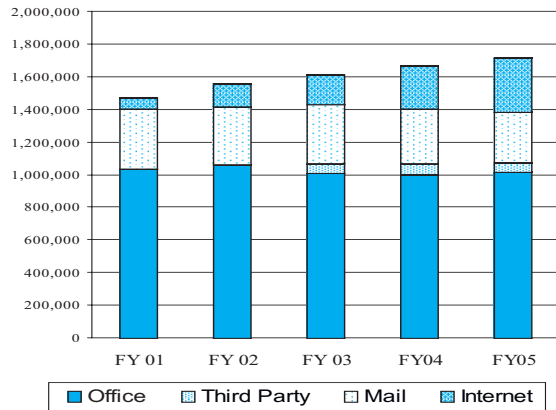
The dynamic nature of Utah tax laws and policies necessitates constant training of agency employees. For example, the Tax Commission conducted 18 property tax training courses last year. These classes included 544 students for a total of 752 teaching hours. Employees in all divisions increased their performance and skills by attending 15,600 hours of employee training classes.

## Total Tax-Related Documents Processed



\*FY2003 shows a lower than normal trend and FY2004 higher due to timing differences of processing schedules that overlapped fiscal years.

## Motor Vehicle Renewal Transactions



## Improved Customer Service

Our collection call center received an increase of 62,348 calls last year. The number of customer service phone calls increased to 215,695, an increase of 5.3 percent. The Division of Motor Vehicles handled a record high 483,665 calls.

The Division of Motor Vehicles continues to make improvements to assist the growing number of people who own and operate vehicles in Utah. Payment by debit and credit cards continues to grow in popularity.

Last year 621,358 motor vehicle transactions occurred with credit or debit cards. This was more than double the previous year. These types of payment options are available at the counter, by mail, and on the Internet.

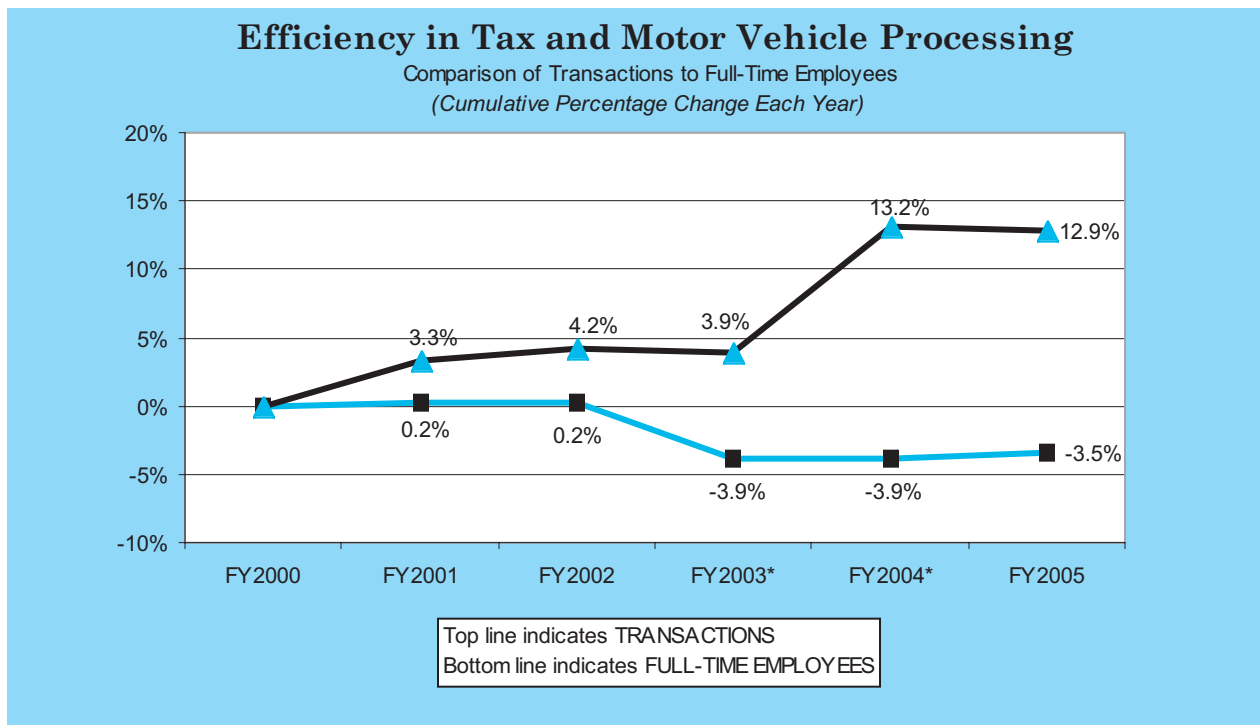
## Other Efforts

The Tax Commission closed 58,960 delinquent income tax accounts, an increase of 4.1 percent from the previous year. The Taxpayer Services Division works directly with citizens to bring their accounts current.

For the third consecutive year, improvements in payment processing resulted in money being deposited faster in the bank, and work being sorted and organized quicker.

Police investigators in the Motor Vehicle Enforcement Division recovered 448 stolen vehicles during the year with an estimated value of \$3,478,965.

The criminal investigation unit opened 26 new investigations against those not complying with tax law. The Utah Attorney General's office filed eight tax-related criminal charges last year.



Note: A year-end processing difference occurred between FY03 and FY04 that impacted both of those years' numbers. Those two years could be averaged to normalize the trend.

# Tax Policy

## Tax Reform

Utah's tax system has been critically reviewed the past three years as our elected leaders gather information and opinions on a wide range of tax issues. Gov. Jon M. Huntsman, Jr., is actively involved in the tax reform process and has made reform a key initiative. The Legislative Task Force on Tax Reform, created in 2005, held dozens of meetings throughout Utah gathering facts and opinions on Utah's tax system. Pam Hendrickson, Chair of the Utah State Tax Commission, served on this committee as one of Gov. Huntsman's representatives.

The Task Force made recommendations that will be discussed, debated and decided by the 2006 Utah Legislature. Any reforms adopted by the Legislature will directly impact Utah citizens and businesses.

## Streamlined Sales Tax (SST)

The State Tax Commission continues its extensive efforts in assisting the development of Streamlined Sales Tax (SST).

SST is a national effort by state governments, local governments, and the private sector to simplify and standardize the collection and administration of sales and use tax. SST aims to standardize the sales and use tax to keep up with technological changes and the explosion of Internet commerce. This is vital because sales and use taxes generate almost one-third of state budgets nationwide. As a taxpayer this means funding for public safety, corrections, human services, and supplemental funding for higher education.

SST developed uniform applications so businesses selling to out-of state buyers will have consistency in how they are taxed. SST intends to simplify the collection of sales tax

across state lines. It will provide a more level playing field for Main Street businesses and remote sellers as Internet purchases continue to rise.

Effective July 1, 2006, Utah sellers that make deliveries will experience the greatest impact from SST because of the change in "sourcing" rules. A seller's process of tracking and recording sales will also change. Sellers will need to keep a record of where the items are received by the purchaser. For example, if the purchaser takes possession of the item in your store, sales tax is sourced to your store location. If a purchaser has the item delivered, sales tax is sourced to the delivery location.

## Commission Leadership

Utah Tax Commissioners and our Executive Director serve in various prominent national and state leadership positions.

### **Commission Chair Pam Hendrickson**

President, Federation of Tax Administrators

### **Commissioner Bruce Johnson**

Chair, Multi-State Tax Commission and  
Co-Chair of Streamlined Sales Tax  
Implementing States

### **Commissioner Palmer DePaulis**

Alternative Dispute Resolution Committee

### **Commissioner Marc Johnson**

Individual Income Tax and Corporate  
Franchise and Income Tax Task Force

### **Executive Director Rod Marrelli**

President, Western States Association  
Of Tax Administrators - 2005

# Tax Revenues

Major state revenue sources responded to an expanding Utah economy in fiscal year 2004-05. Net tax revenues collected by the Tax Commission jumped 12.1 percent from \$4.94 billion to \$5.54 billion during a year where personal income rose 6.7 percent. Since the tax system idealistically should grow with the amount of money people earn, the additional revenue growth suggests other, one-time, or cyclical surges occurred which stimulated revenues beyond personal income growth.

In fact, a commodity price surge and construction boom occurred simultaneously to provide additional income, sales and severance taxes in fiscal year 2004-05. Commodity prices began firming up and then spiraling upward as early as 2003. For example, natural gas prices in Utah rose 21, 28 and 25 percent respectively in 2003, 2004 and 2005. Oil prices rose 12 percent in 2003, 39 percent in 2004 and another 31 percent in 2005. Similarly, Utah copper prices rose 13 percent in 2003, 61 percent in 2004, and 22 percent more in 2005. Tight world supplies, in partial response to growing demand from the United States and China, created price run-ups.

## Construction Boom

The second factor behind the surge in revenues was the boom in the construction sector. Continued low interest rates, enhanced by creative lower interest instruments, in addition to the necessary foundation of an expanding job market and rising home prices led to a continued surge in home, office and industrial building. Booming conditions were evident in the Southwestern region of the state, as well as in Salt Lake, Utah and Tooele counties. Residential construction values, which rose nearly 17 percent in 2004, are expected to rise another 21 percent in 2005, pushing revenue growth into fiscal year 2005-06. Non-residential construction, which rose a healthy 7 percent in 2004, should be followed by a nearly 20 percent increase in 2005.

<b>Utah Commodity Prices</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<i>Oil Price/barrel</i>	\$23.90	\$28.90	\$39.40
<i>Natural Gas/mil. cubic feet</i>	1.99	4.11	5.26
<i>Copper/pound</i>	0.71	0.81	1.30

Source: Economic Report to the Governor

## Economic Expansion

Other evidences of economic expansion were the following: 1) Demand for Utah exports improved 15 percent in 2004 and should grow about 20 percent more in 2005. 2) Sales tax outlets rose from 102,600 in 2004 to 107,000 in 2005, an increase of 4 percent. 3) Utah population, which was expected to grow just over 2 percent in 2005, is now estimated to have grown 3.2 percent to 2.55 million people. 4) The big surprise - net migration - jumped from an expected 23,000 people to over 40,000 people in 2005.

The nine major tax revenue sources (sales, income, corporate franchise, insurance, beer, cigarette, tobacco, oil and mining severance taxes) comprise 95 percent of the General and Uniform School Fund. These major revenues exceeded February 2005 adopted estimates by more than \$172 million in fiscal year 2004-05. The expected strong 7.5 percent forecast gain was surpassed by a 12.4 percent growth rate at the end of fiscal year 2004-05. Compared to the estimates made in February 2004, these major source revenues were up \$375 million.

Individual income taxes, which rose almost 14 percent, were up \$103 million over February 2005 estimates. Sales taxes were up almost \$45 million over the last Legislative estimates. Corporate franchise taxes jumped 28 percent in fiscal year 2004-05, exceeding the February 2005 estimate of 18 percent and bringing in \$9 million more than expected. Severance taxes jumped 52 percent, boosting revenues by \$14 million more than expected. Partially due to the expanding economy and still flat to decreasing trend in gasoline miles per gallon, motor fuel taxes managed to increase 0.7 percent.

Higher gasoline prices, which rose from \$1.98 per gallon in May of 2004 to \$2.22 per gallon by May of 2005 did not produce the 2 percent decline that was expected in gasoline consumption. Indeed, special (mostly diesel) fuel taxes rose nearly 9 percent due primarily to the construction and mining booms. The three major Transportation Fund sources were up almost \$10 million over estimates.

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# Tax Revenues

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## Income Tax

Following two years of decline in fiscal years 2001-02 and 2002-03, individual income taxes have rebounded with almost 8 percent and 14 percent consecutive increases in fiscal years 2003-04 and 2004-05. FY 2004-05 net collections of \$1.93 billion were well beyond the original estimate of \$1.71 billion and also ahead of the February 2005 estimate of \$1.83 billion. The 13.8 percent increase in fiscal year 2004-05 was significantly above personal income growth of 6.7 percent in calendar year 2004. Hence, the other components of income must have risen at higher rates:

- 1) Capital gains rose 45.6 percent from \$1.47 billion to \$2.14 billion,
- 2) Partnership income rose 21 percent from \$2.18 billion to \$2.63 billion,
- 3) Sole proprietor income rose 11 percent from \$983 million to \$1.05 billion, and
- 4) Taxable social security income rose 13 percent to \$657 million.

From a tax payment basis, withholding taxes, which should mirror wage growth (up 6.4 percent), rose 7.6 percent. Since withholding taxes constitute 90 percent of individual income taxes, this 1.2 percent gap is another reason income taxes beat forecasts. Mirroring the increase in capital gains and partnership income, final payments were up 27

percent from \$432 million in FY2003-04 to \$550 million in FY2004-05. Meanwhile, refunds to taxpayers, at \$365 million, were up only \$7 million, about 2 percent.

## Sales and Individual Income Tax Comparisons



## Sales Tax

State sales taxes also rose at a growth rate more than double that in fiscal year 2003-04. Following 4 percent growth in fiscal year 2003-04, state sales taxes rose almost 9 percent to \$1.63 billion in fiscal year 2004-2005. The mining and construction booms, in addition to the generally expansive economy, led to double-digit rates in taxable purchases by most of Utah's business sectors. Mining purchases were up 19 percent in fiscal year 2004-05. Similarly, taxable purchases by construction contractors were up 31 percent. Wholesale durable goods dealers reported a 17 percent increase in final sales.

Retail Trade sales rose nearly 8 percent in fiscal year 2004-05. Generally, strong sales, consistent with the 6.7 percent gain in personal income, were evident in most of the retail trade's non-durable goods stores:

- 1) General Merchandise and Apparel store sales, up 6.7 percent,
- 2) Eating and Drinking sales, up 6.7 percent,
- 3) Miscellaneous Shopping Goods store sales, up 6.1 percent,
- 4) Food Store sales were up only 3.8 percent.

Food Store sales have been under pressure from large, big-box General Merchandise stores for the past five years.

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# Tax Revenues

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Reflecting the boom in residential, and to a certain extent, non-residential construction, Building, Garden and Furniture store sales rose nearly 16 percent in fiscal year 2004-05. Many of the construction purchases were also felt in the Manufacturing and Wholesale Durable Goods sectors as well.

The Taxable Service sector finally reported sales consistent with an economic expansion, reporting a 9 percent increase in fiscal year 2004-05. For example, in the final quarter of the fiscal year, Hotel sales rose 14 percent, Auto Rentals and Repair rose 8.5 percent and Business Services, the slowest sector to rebound from the 2001 recession, reported a sales increase of 24 percent. These numbers suggest that the tourist sector continued to improve into 2005.

## Corporate Franchise Tax

Following fiscal year 2003-04's disappointing 2 percent rise (especially given the fact that U.S. before-tax profits rose from 15 percent gain), Utah corporate franchise taxes jumped 28 percent in fiscal year 2004-2005. This was twice the growth rate of national before-tax profits in calendar year 2003. Utah has been in a major economic expansion and its proportion of payroll, property, and sales to the U.S. were increasing for large, nationwide corporations. In addition, our mix of commodity and service industries probably fared well. The end of bonus depreciation also aided in the early pre-payments due in March and June for 2005 taxable year business.

## Severance and Other Excise Taxes

The two severance taxes, Mining (metals) and Oil and Gas, together rose \$23 million more than they did in the previous fiscal year, an increase of 52 percent. These revenues beat forecasts by \$14 million, which anticipated an 18 percent gain. The Oil and Gas Severance tax rose almost 46 percent from \$37 million in fiscal year 2003-04 to \$53 million, mostly from the increase in the price of crude oil, which rose from \$29 per barrel to \$39 per barrel.

With respect to growth, however, the Mining Severance tax experienced the largest rate of growth. Mining Severance taxes rose from \$6 million to \$11.4 million, an increase of 90 percent. Copper prices rose from \$0.81 cents per pound in 2003 to \$1.66 per pound in 2005. Despite the fact that beer, cigarette and tobacco taxes together fell 1.4 percent, they did not fall the forecasted 4.5 percent, so revenues increased almost \$2 million beyond expectations. Of the three taxes, only tobacco (chew and cigars) increased over the prior year (up 12 percent). Increasing earmarks for "prevention" or "enforcement and treatment" programs, in addition to a decline in consumption, reduced cigarette and beer revenues to the General Fund.

## Summary

A general economic expansion boosted revenue growth to almost double the growth in personal income during fiscal year 2004-05. General and Uniform School Fund revenues rose more than 12 percent, close to twice the 6.7 percent growth in personal income. Not only did employment and average wages team up for a 6.4 percent increase, but a 46 percent jump in capital gains and a 21 percent increase in partnership income boosted federal taxable income for individual income tax purposes. A construction boom, which increased residential construction permit values by 17 percent in 2004 and then jumped again by 24 percent in 2005 teamed with commodity-price led mining investments to lead taxable sales (and sales taxes) to a near 9 percent gain. In summary, the top nine revenue sources were \$172 million ahead of February 2005 forecasts, \$375 million above February 2004 forecasts. Although we doubt that the tax system can generate another 12 percent gain, the current economic expansion wave proved much larger and longer lasting than predicted.

# Major Tax Revenue Sources

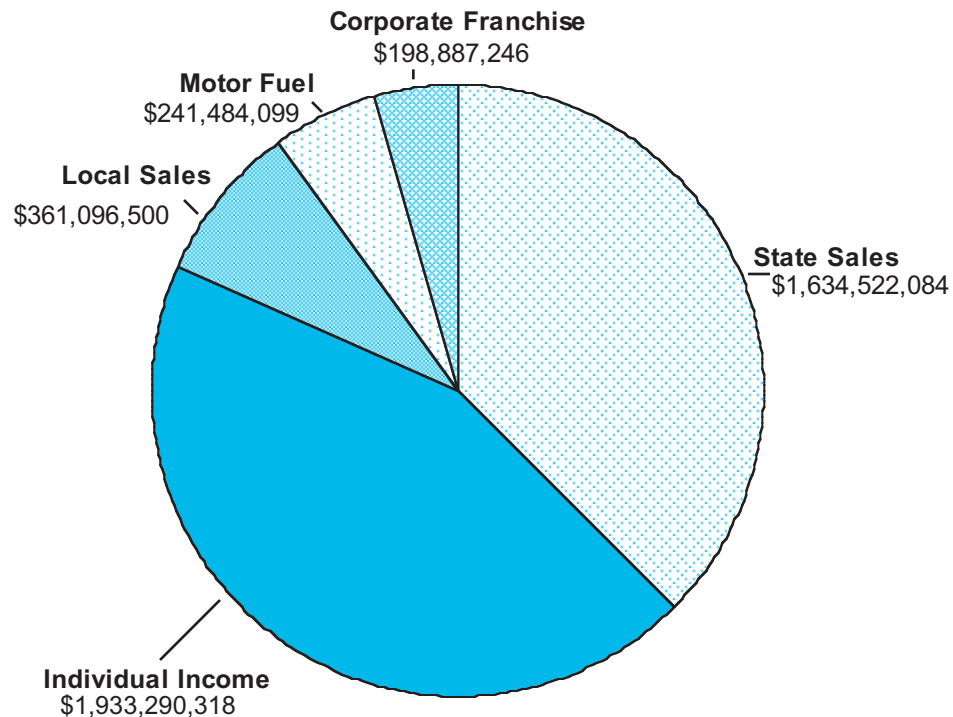
In Millions of Dollars

<b>FISCAL YEAR</b>	<b>STATE SALES/USE<sup>1</sup></b>	<b>INDIVIDUAL INCOME<sup>2</sup></b>	<b>LOCAL SALES/USE</b>	<b>MOTOR FUEL</b>	<b>CORPORATE FRANCHISE<sup>3</sup></b>
1995	\$1,055.1	\$1,026.9	\$212.6	\$155.5	\$153.5
1996	1,162.5	1,139.1	225.6	163.2	168.4
1997	1,252.1	1,237.3	258.1	168.4	182.9
1998	1,251.8	1,377.6	263.5	217.7	189.0
1999	1,316.4	1,463.9	284.5	225.2	184.3
2000	1,369.6	1,654.9	301.7	237.6	179.6
2001	1,431.4	1,713.1	314.3	229.4	174.4
2002	1,441.3	1,610.6	318.0	237.9	118.9
2003	1,444.0	1,575.4	325.2	236.6	152.5
2004	1,501.9	1,699.2	331.6	239.9	155.4
2005	1,634.5	1,933.3	361.1	241.5	198.9

<sup>1</sup> Beginning July 1, 1997, this excludes the annual amount of Sales and Use tax generated by 1/8 of 1 percent tax rate for water and transportation projects as prescribed by statute.

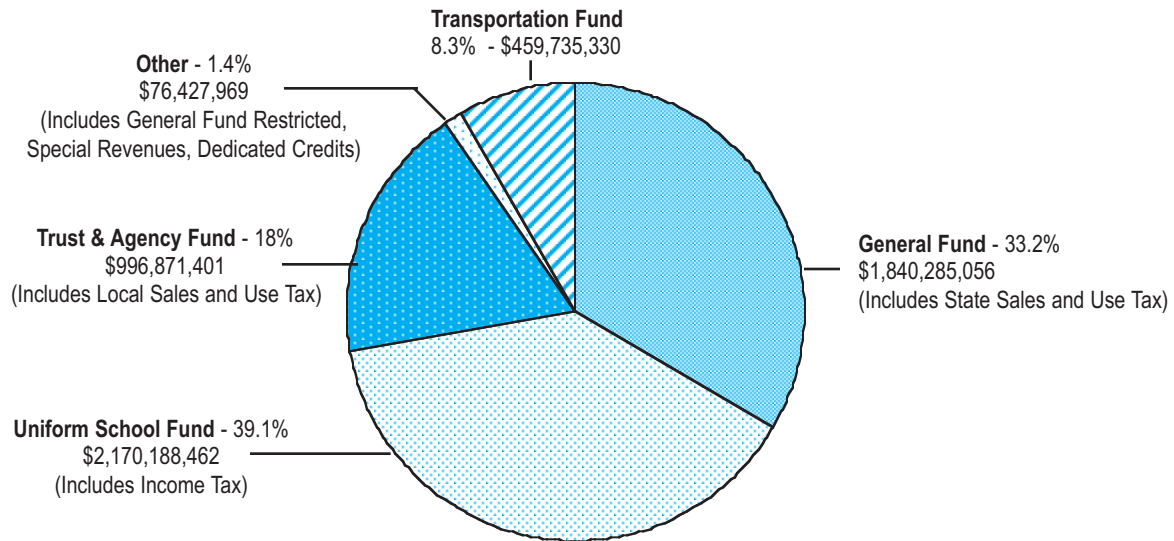
<sup>2</sup> Includes 40 percent of mineral production withholding tax.

<sup>3</sup> Includes 60 percent of mineral production withholding tax.



# Revenue Collections By Fund

Fiscal Year 2005



## \$5,543,508,218

Total Net Revenue Collected By  
The Utah State Tax Commission - Fiscal Year 2005

## Agencies and Organizations Receiving Funds from Taxes and Fees

### General Fund

Administrative Services  
Corrections  
Human Services  
Economic Development  
Elected Officials  
Environmental Quality  
Health  
Higher Education  
Human Services  
Legislature  
Local Property Tax on Vehicles  
Public Safety  
Workforce Services  
Tax Commission  
Natural Resources

### Transportation Fund

Department of Transportation  
Public Safety  
Finance  
Tax Commission

### \*Trust and Agency Fund

Local Sales and Use Tax  
(Includes County, Tourism, Transient Room Tax, etc.)  
Utah Transit Authority  
*\*Many of these programs are supplemented with federal and other funds.*

### Uniform School Fund

Public Education  
Higher Education  
Tax Commission

### Other

Administrative Fees/  
Dedicated Credits  
General Fund-Restricted



# Net Revenue Comparison Fiscal Years 2004 and 2005

<b>Reporting Category Source &amp; Distribution</b>	2005	2004	Net Amount	Net
	Net Revenue	Net Revenue	Change	Change %
<i>Admin. Allowance Service Charge: Sales Tax</i>	8,680,020	7,640,024	1,039,996	13.6%
<i>MV Regist/Plate Fees: Plate, Admin Fee</i>	2,483,757	2,390,042	93,716	3.9%
<i>Off Highway Vehicle Reg. Fees</i>	490,676	483,841	6,835	1.4%
<i>Federal Revenues &amp; Grants</i>	707,100	611,125	95,975	15.7%
<i>Ded. Cred: Electronic Payments Offset Fee</i>	52,886	12,086	40,801	337.6%
<i>Ded. Cred: DNR Plants/Animal Protect: Sales</i>	2,450,000	2,450,000	0	0.0%
<i>Ded. Cred: Electronic Conv. Fees - Pmt Express</i>	2,322,540	2,835,895	(513,355)	-18.1%
<i>Misc. Dedicated Credits: Tax Comm.</i>	1,249,015	1,121,027	127,987	11.4%
<i>Misc. Dedicated Credits: Other Agencies</i>	168,764	142,446	26,318	18.5%
<i>County Property Tax Transaction Fees</i>	2,017,491	1,977,743	39,749	2.0%
<i>Driving Under Influence Impound Fees</i>	254,850	265,240	(10,390)	-3.9%
<i>30-Day Motor Veh Reg Permit</i>	2,049,760	1,887,522	162,238	8.6%
<i>Private Organ Donation Contributions</i>	72,541	61,487	11,054	18.0%
<i>Water &amp; Wastewater Proj: Div of Water Rights</i>	175,000	175,000	(0)	0.0%
<b>Dedicated Credits Total</b>	<b>23,174,402</b>	<b>22,053,477</b>	<b>1,120,926</b>	<b>5.1%</b>
<i>Land Grant Management Fund Reg. Fees</i>	130,211	-	130,211	
<b>Enterprise Funds Total</b>	<b>130,211</b>	<b>-</b>	<b>130,211</b>	
<i>State Sales And Use Tax</i>	1,634,522,084	1,501,937,738	132,584,345	8.8%
<i>Insurance Premium Tax: Admitted Insurers</i>	67,353,901	62,424,496	4,929,406	7.9%
<i>Cigarette Taxes</i>	46,512,461	47,655,824	(1,143,363)	-2.4%
<i>Inheritance Tax</i>	2,951,780	9,674,489	(6,722,709)	-69.5%
<i>Oil And Gas Severance Tax</i>	53,484,320	36,659,808	16,824,512	45.9%
<i>Beer Tax</i>	8,918,275	9,367,478	(449,203)	-4.8%
<i>Mining Severance Tax</i>	11,447,429	6,026,484	5,420,945	90.0%
<i>Tobacco Products Tax</i>	6,510,897	5,790,075	720,822	12.4%
<i>Motor Vehicle Bus. Regulation Fees: MVED</i>	1,942,692	2,010,381	(67,689)	-3.4%
<i>DUI Impound Fees</i>	913,972	941,726	(27,754)	-2.9%
<i>Energy Savings Tax Credit</i>	101,302	(242,462)	343,764	-141.8%
<i>Property Tax Relief Credits: Circuit Breaker</i>	(6,050,659)	(5,390,123)	(660,535)	12.3%
<i>Cigarette Licenses &amp; Fees</i>	24,255	22,070	2,185	9.9%
<i>Multi-Channel Video or Audio Service Tax</i>	11,652,346	-	11,652,346	
<b>General Fund Total</b>	<b>1,840,285,056</b>	<b>1,676,877,984</b>	<b>163,407,072</b>	<b>9.7%</b>
<i>Cigarette Tax - Tobacco Prevention - Rstrctd</i>	8,410,558	8,216,794	193,764	2.4%
<i>Ins. Premium &amp; Other - Restricted</i>	1,345,921	1,103,008	242,913	22.0%
<i>Water &amp; Wastewater Proj: Sales - Restricted</i>	14,875,000	14,402,000	473,000	3.3%
<i>Fire Academy Support Fund - Restricted</i>	5,410,595	4,751,878	658,717	13.9%
<i>Inc. Tax Contrib: Organ, Homeless, Wolf - Rstrct</i>	116,943	362,479	(245,537)	-67.7%
<i>Lubricating Oil Fee: Used Oil - Restricted</i>	579,534	543,453	36,082	6.6%
<i>Oil &amp; Gas Conservation Fee - Restricted</i>	3,631,963	2,696,250	935,713	34.7%
<i>Other Misc. - Restricted</i>	917,264	870,728	46,536	5.3%
<i>Boat Registration Fees - Restricted</i>	620,055	641,632	(21,577)	-3.4%
<i>Boat Fuel Tax - Restricted</i>	2,778,251	2,849,606	(71,355)	-2.5%
<i>Off Highway Vehicle Reg. Fees - Restricted</i>	1,808,503	1,453,607	354,897	24.4%
<i>Snowmobile Registrations - Restricted</i>	305,124	237,370	67,755	28.5%
<i>Off Highway Vehicle Fuel Tax - Restricted</i>	1,050,055	1,050,000	55	0.0%
<i>Alcohol Beverage Enforce/Treatment - Restrct</i>	3,133,777	2,525,666	608,111	24.1%
<i>Statewide Unified E-911 Emergency Services</i>	3,688,386	-	3,688,386	
<b>Gen'l Restricted Total</b>	<b>48,671,929</b>	<b>41,704,471</b>	<b>6,967,458</b>	<b>16.7%</b>

# Net Revenue Comparison Fiscal Years 2004 and 2005

<b>Reporting Category Source &amp; Distribution</b>	2005 <u>Net Revenue</u>	2004 <u>Net Revenue</u>	Net Amount <u>Change</u>	Net <u>Change %</u>
<i>Motor Fuel Tax</i>	241,484,099	239,924,815	1,559,283	0.6%
<i>Special Fuel Tax</i>	93,836,149	86,163,124	7,673,026	8.9%
<i>Motor Vehicle Registration Fees</i>	30,689,653	29,390,563	1,299,090	4.4%
<i>Proportional Registration Fees</i>	12,121,908	11,829,945	291,963	2.5%
<i>Proportional Registration: Highway Use Tax</i>	8,421,109	8,148,486	272,623	3.3%
<i>Aviation Fuel Tax - Restricted</i>	6,156,152	5,712,855	443,297	7.8%
<i>Motor Vehicle Control Fees</i>	4,757,020	4,514,635	242,385	5.4%
<i>Uninsured Motorist Fees - Restricted</i>	2,469,130	2,542,416	(73,287)	-2.9%
<i>DUI Impound Fees - Restricted</i>	852,392	895,484	(43,092)	-4.8%
<i>Motorcycle Safety Fees - Dedicated Credit</i>	241,421	218,133	23,288	10.7%
<i>Transportation Projects: Sales Tax - Restricted</i>	18,968,668	17,515,518	1,453,150	8.3%
<i>Public Trans Sys Tax Hwy: Sales - Restricted</i>	10,476,368	8,831,233	1,645,134	18.6%
<i>Motor Vehicle Rental Tax - Restricted</i>	3,320,001	2,852,060	467,941	16.4%
<i>Centennial Highway MV Registration Fee</i>	20,390,645	19,603,766	786,879	4.0%
<i>Centennial Highway 1/64% Sales Tax</i>	5,518,659	4,574,158	944,502	20.6%
<i>Clean Fuel Incentive Surcharge</i>	31,955	29,155	2,800	9.6%
<b>Transportation Total</b>	<b>459,735,330</b>	<b>442,746,347</b>	<b>16,988,983</b>	<b>3.8%</b>
<i>Local Sales And Use Tax</i>	361,096,500	331,554,140	29,542,360	8.9%
<i>Transient Room Tax</i>	18,105,021	17,521,252	583,768	3.3%
<i>Municipality Transient Room Tax</i>	900,145	761,964	138,181	18.1%
<i>Resort Communities Tax</i>	9,737,552	7,882,031	1,855,521	23.5%
<i>Tourism, Recreation, Cultural, Convention Tax</i>	36,255,996	34,037,735	34,037,735	6.5%
<i>County Option Zoo, Arts Parks</i>	19,916,601	18,448,162	18,448,162	8.0%
<i>Public Transit Tax</i>	120,563,263	111,983,867	8,579,396	7.7%
<i>Rural County Hospital Tax</i>	5,060,736	4,172,178	888,558	21.3%
<i>Highways Sales &amp; Use Tax</i>	8,432,989	7,151,822	1,281,167	17.9%
<i>County Option Sales &amp; Use Tax</i>	89,475,269	82,569,380	6,905,888	8.4%
<i>Town Option Sales &amp; Use Tax</i>	32,812	29,845	2,967	9.9%
<i>Municipal Energy Sales &amp; Use Tax</i>	3,726,302	3,380,786	345,516	10.2%
<i>MV County Collections - MVA</i>	173,364,340	169,450,528	3,913,812	2.3%
<i>Waste Tire Recycling Fees</i>	2,848,607	2,535,468	313,140	12.4%
<i>Employers Reins. &amp; Uninsured Employers</i>	47,175,376	39,518,345	7,657,030	19.4%
<i>Environmental Surcharge On Petroleum</i>	5,681,904	6,056,756	(374,852)	-6.2%
<i>Fireman's Pension Fund</i>	10,823,428	9,500,901	1,322,527	13.9%
<i>Car &amp; Bus Tax</i>	6,013,451	5,378,624	634,827	11.8%
<i>Local Sports / Recreational Bonding (1/64)</i>	185,498	173,047	12,451	7.2%
<i>Collegiate License Plate Fees</i>	195,081	148,166	46,915	31.7%
<i>Illegal Drug Stamp Tax: Law Enforcement</i>	450	130	320	246.2%
<i>Municipal Telecommunications License Tax</i>	30,580,552	-	30,580,552	
<i>Emergency Services Phone Charge</i>	22,449,218	13,714,091	8,735,127	63.7%
<i>Inc. Tax Contributions: Education</i>	52,752	46,965	5,787	12.3%
<i>Inc. Tax Contributions: Election Campaign</i>	148,780	137,070	11,710	8.5%
<i>Motor Vehicle Blindness Prevention Checkoff</i>	24,338	19,025	5,313	27.9%
<i>Childrens License Plate Fees</i>	40,962	39,541	1,421	3.6%
<i>Boy Scout License Plate Fees</i>	9,257	8,949	308	3.4%
<i>Other License Plate and Contributions</i>	56,302	44,588	11,714	26.3%
<i>Tax Commission Suspense</i>	23,917,919	318,544	23,599,375	7408.5%
<b>Trust &amp; Agency Total</b>	<b>996,871,400</b>	<b>866,583,900</b>	<b>130,287,500</b>	<b>15.0%</b>

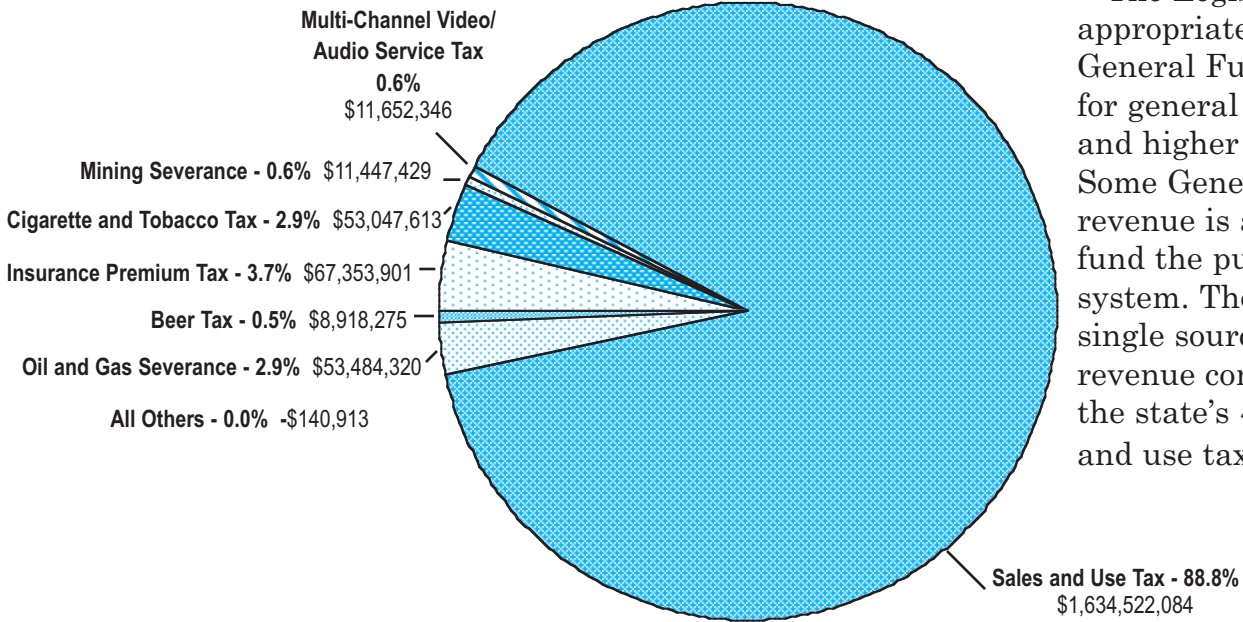
## Net Revenue Comparison Fiscal Years 2004 and 2005

<b>Reporting Category Source &amp; Distribution</b>	2005 Net Revenue	2004 Net Revenue	Net Amount Change	Net Change %
<i>Individual Income Tax: Withholding</i>	1,741,637,031	1,617,879,470	123,757,560	7.6%
<i>Individual Income Tax: Final Payments</i>	184,958,583	74,397,194	110,561,389	148.6%
<i>Corporate Franchise And Income Tax</i>	188,845,189	145,004,812	43,840,377	30.2%
<i>Mineral Production Tax Withholding</i>	16,736,761	17,266,409	(529,648)	-3.1%
<i>Gross Receipts &amp; Radioactive Waste Tax</i>	15,341,792	13,146,921	2,194,871	16.7%
<i>Driver Education Fees - Dedicated Credits</i>	4,545,996	4,416,044	129,952	2.9%
<i>Wine And Liquor Tax - Dedicated Credits</i>	18,123,110	16,803,534	1,319,576	7.9%
<b>Uniform School Total</b>	<b>2,170,188,463</b>	<b>1,888,914,385</b>	<b>281,274,078</b>	<b>14.9%</b>
<i>Uintah Basin Revitalization Fund</i>	3,000,000	3,000,000	-	0.0%
<i>Navajo Revitalization Fund</i>	1,451,427	1,216,045	235,382	19.4%
<b>Special Revenues Total</b>	<b>4,451,427</b>	<b>4,216,045</b>	<b>235,382</b>	<b>5.6%</b>
<b>Net Revenue</b>	<b>5,543,508,218</b>	<b>4,943,096,608</b>	<b>600,411,610</b>	<b>12.1%</b>

The preparation of this report, in accordance with generally accepted accounting principles, requires management to make estimates and assumptions that affect reported amounts.

## General Fund

Total Collections - \$1,840,285,056

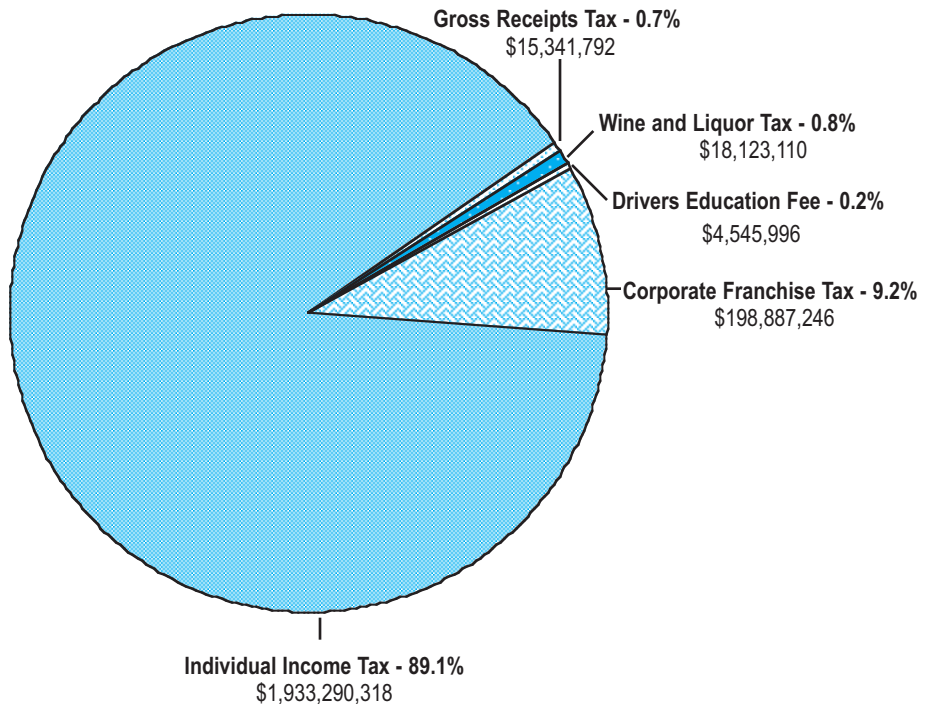


The Legislature appropriates from the General Fund monies for general government and higher education. Some General Fund revenue is also used to fund the public school system. The largest single source of revenue comes from the state's 4.75% sales and use tax.

## Uniform School Fund

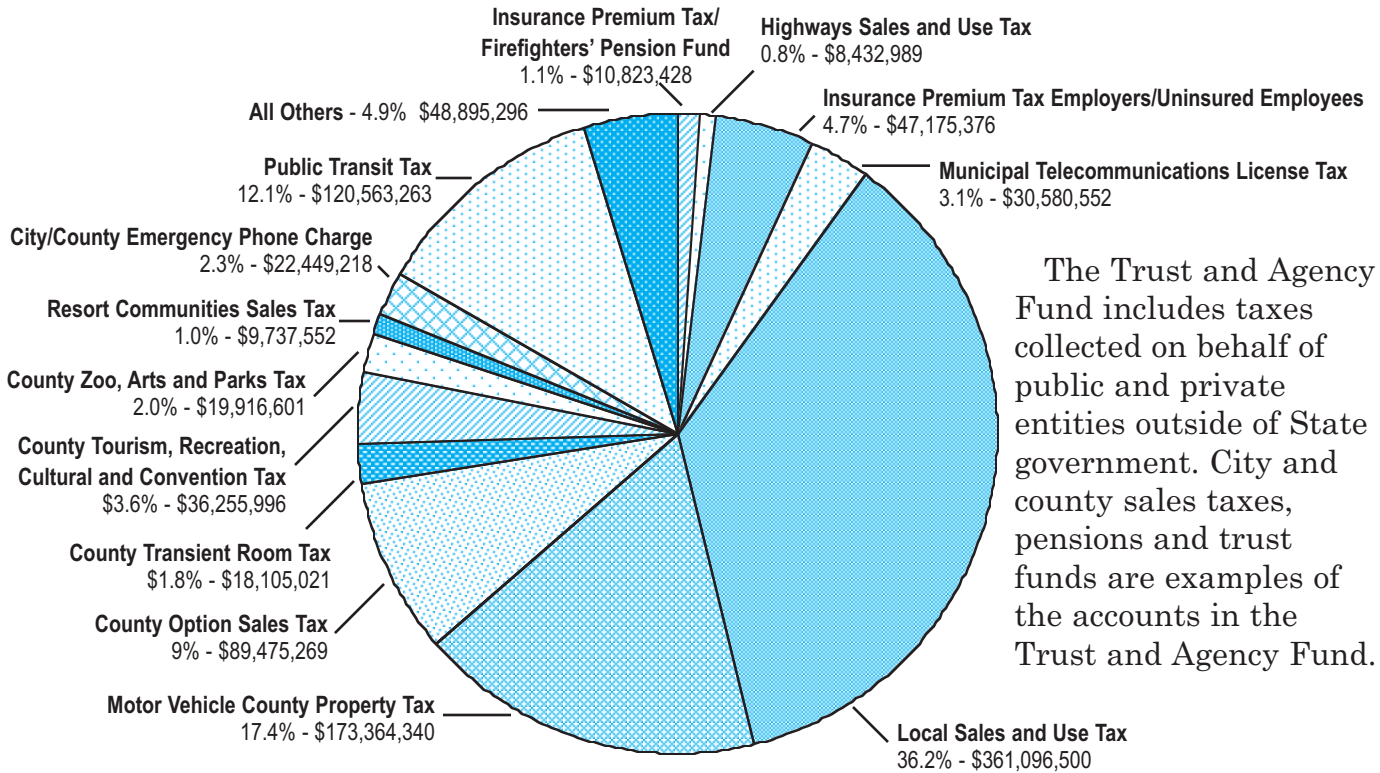
Total Collections - \$2,170,188,463

The Utah Constitution requires that the state income tax may only be used to fund the state's public education and higher education systems. As shown in this chart, the Uniform School Fund is largely composed of revenues generated by individual income and corporate franchise taxes.



# Trust and Agency Fund

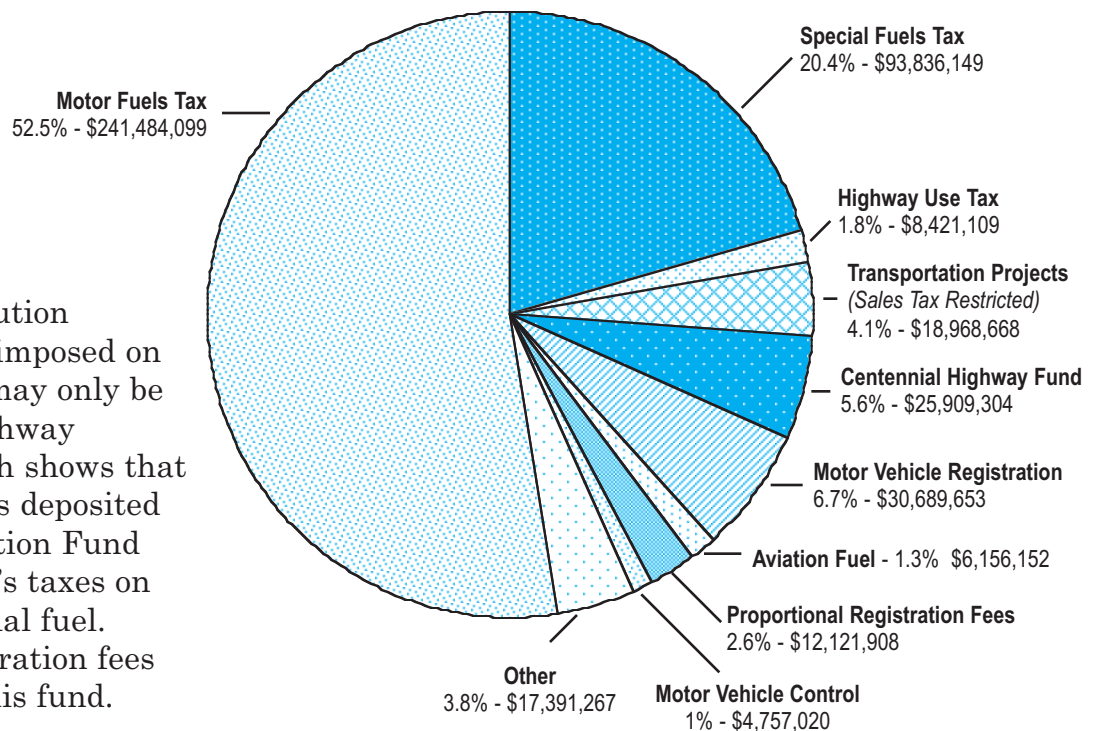
Total Collections - \$996,871,401



The Trust and Agency Fund includes taxes collected on behalf of public and private entities outside of State government. City and county sales taxes, pensions and trust funds are examples of the accounts in the Trust and Agency Fund.

# Transportation Fund

Total Collections - \$459,735,329



The Utah Constitution requires that taxes imposed on sales of motor fuel may only be used for specific highway purposes. This graph shows that most of the revenues deposited into the Transportation Fund come from the state's taxes on motor fuel and special fuel. Motor vehicle registration fees also contribute to this fund.

# Sales Tax

The sales tax was first introduced in Utah as a revenue source in 1933 when property tax collections dropped dramatically because of the Great Depression. The use tax was added in 1937 to complement the existing sales tax. The Utah State Tax Commission administers all state and local sales and use taxes.

## State Sales and Use Tax

Utah Code Ann. §59-12-101

Since July 1, 1997, the Utah sales and use tax rate has been 4.75 percent. The same rate applies to retail sales of meals, admissions to places of amusement, intrastate communication and passenger service, commercial electric, gas and heat utility service, hotel and motel accommodations and certain other services. The State Legislature has approved 67 exemptions over the years. Retailer licenses are issued without fee. Charges for residential use of electricity and fuel are taxed at a rate of 2 percent. Retailers are required to collect the tax from customers. The Tax Commission collects the tax from retailers. Use tax is imposed on taxable transactions where the purchaser remits the tax directly to the Tax Commission. The two taxes are compensating taxes, one supplementing the other, but cannot be applicable to the same transaction. The rate of tax is the same.

**FY2005 Revenues: \$1,634,522,084**

*State law designated an additional \$41,987,327 as dedicated credits and restricted funds. These included natural resource protection, wastewater, water, and transportation projects.*

## Local Sales and Use Tax

Utah Code Ann. §59-12-201

All counties, cities and towns in Utah have adopted ordinances to impose a 1 percent option of the Local Sales and Use Tax. This tax applies to the purchase price on the same transactions as the State Sales and Use Tax and is collected in the same way as the state sales tax.

**FY2005 Revenues: \$361,096,500**

## Public Transit Tax

Utah Code Ann. §59-12-501 and 502

The  $\frac{1}{4}$  of 1 percent Public Transit Tax applies to the purchase price on transactions subject to the state sales tax. This tax, however, applies only in localities where voters have approved the tax to finance public transportation service. The Legislature authorized an additional  $\frac{1}{4}$  of 1 percent Public Transit Tax to fund a fixed guideway and expand the transportation system. Salt Lake, Davis, and Weber counties have approved this additional public transit tax.

**FY2005 Revenues: \$120,563,263**

## County Option Sales and Use Tax

Utah Code Ann. §59-12-1102

A County that reduces its certified property tax rate by the same amount it expects to gain in sales tax, may impose a county option sales and use tax of  $\frac{1}{4}$  of 1 percent of the purchase price on a transaction subject to the state sales and use tax. Hearings, advertising and voter approval are required. Retailers are liable to collect the tax under the same conditions as the sales and use tax. The Tax Commission acts as the agent for the participating localities. All counties – with the exception of Emery, Kane and Millard – have imposed this tax.

**FY2005 Revenues: \$89,475,269**

## Tourism, Recreation, Cultural and Convention Tax

Utah Code Ann. §59-12-603

The Tourism, Recreation, Cultural, and Convention Facilities Tax permits counties to impose any or all of the following options:

*Restaurant* – a tax of up to 1 percent on all sales of prepared foods and beverages sold by a restaurant for immediate consumption.

*Leasing* – A tax of up to 3 percent on all short-term leases and rentals of motor vehicles not exceeding 30 days, except when the rental vehicle is replacing a motor vehicle that is being repaired pursuant to a repair or insurance agreement. Counties who have imposed the motor vehicle short-term lease and rental tax may impose an additional 4 percent tax on these vehicles.

*Room Rental* – A tax of up to ½ of 1 percent of the rent for every occupancy of a suite, room or rooms in motels, hotels, inns or similar public accommodations. Only Salt Lake County imposes this tax.

**FY2005 Revenues: \$36,255,996**

## ‘Z.A.P.’ etc. (Botanical, Cultural and Zoological)

Utah Code Ann. §59-12-701 and §59-12-1401

The Botanical, Cultural and Zoological Tax – often referred to as “ZAP” and various other acronyms – may be imposed at the rate of 1/10 of 1 percent of the purchase price on transactions taxed under the state’s sales and use tax laws. This tax may be adopted in any county or city in which voters have approved the tax to fund recreational facilities and botanical, cultural and zoological organizations. Retailers are liable to collect the tax under the same conditions as applicable for sales and use tax. The Tax Commission acts as the agent for the participating localities. On April 1, 2005, Tooele City, Davis County, and Weber County began applying this tax. Salt Lake, Summit, Cache, and Uintah counties previously enacted the tax.

**FY2005 Revenues: \$19,916,601**

## Transient Room Taxes

Utah Code Ann. §59-12-301

The Transient Room Tax is applied to the rental charge for any suite, room or rooms, in a motel, motor court, inn, campground or similar public accommodation for fewer than 30 consecutive days. This tax is in addition to the applicable sales tax. The Tax Commission acts as the agent for the counties, but 1990 legislation allows counties to elect to collect the tax themselves. The following counties in Utah collect their own Transient Room Tax: Davis, Duchesne, Emery, Grand, and Utah. Rich County began collecting its own tax on July 1, 2005. The tax rate is up to 3 percent of the rental charge as fixed by county ordinance. All counties assess the 3 percent maximum rate.

**FY2005 Revenues: \$18,105,021**

## Municipal Highways Tax

Utah Code Ann. §59-12-1001

A municipality in which the Public Transit Tax is not levied may impose a sales and use tax of ¼ of 1 percent of the purchase price on transactions subject to the state sales tax. Voter approval may be required under certain circumstances. Revenues from this tax must be used for the construction and maintenance of highways under the jurisdiction of the municipality. Retailers are liable to collect the tax under the same conditions as the sales and use tax. The Tax Commission collects and distributes this tax for participating localities.

**FY2005 Revenues: \$8,432,989**

## Resort Communities Tax

Utah Code Ann. §59-12-401

A municipality may levy the Resort Communities Tax if the municipality's transient room capacity is greater than or equal to 66 percent of its census population. Qualifying municipalities may impose a tax levy of up to 1 percent of the purchase price on a transaction to the state sales tax. An additional ½ percent may be imposed upon voter approval, or, if a municipality imposed a license fee or tax based on gross receipts under Section 10-1-203 on or before January 1, 1996, and meets certain statutory criteria, the municipality may impose the additional ½ percent without voter approval. Retailers are liable for the tax collection. The Tax Commission collects and distributes the tax for local governmental units.

**FY2005 - \$9,737,552**

## Rural Hospital Tax

Utah Code Ann. §59-12-801

A county of the fourth, fifth, or sixth class - or a city within those classes of counties - may impose a sales tax of up to 1 percent to fund rural county or city health care facilities. Facilities located in fourth (population 11,000 to 31,000), fifth (population 4,000 to 11,000) or sixth class (population less than 4,000) counties that are not in "standard metropolitan statistical areas" are eligible to impose the tax. Garfield, Kane, and Uintah counties as well as Beaver City utilize the tax.

**FY2005 Revenues: \$5,060,736**

## Municipality Transient Room Tax

Utah Code Ann. §59-12-352 and 353

A city or town may impose a Municipality Transient Room Tax of up to 1 percent of the rents charged for any suite, room or rooms in a motel, hotel, motor court, inn or similar public accommodation for fewer than 30 days. A municipality may also impose an additional Transient Room Tax of up to ½ of 1 percent if it meets specific bond indebtedness requirements before January 1, 1996.

**FY2005 Revenue: \$900,145**

## Town Option Sales and Use Tax

Utah Code Ann. §59-12-1301

A town may impose a tax of up to 1 percent if a town imposed a license fee or business gross receipts tax on or before January 1, 1996. Only the town of Snowville imposed this tax in fiscal year 2005.

**FY2005 Revenues: \$32,812**



# Retail Sales, Services and Business Equipment Purchases

## By County

<u>COUNTY</u>	<u>CY2000</u>	<u>CY2001</u>	<u>CY2002</u>	<u>CY2003</u>	<u>CY2004</u>
BEAVER	\$59,533,738	\$57,150,257	\$78,643,822	\$78,321,295	\$42,100,390
BOX ELDER	388,463,051	387,021,110	397,597,890	414,494,710	414,721,757
CACHE	881,748,639	936,524,543	991,873,325	1,029,987,061	1,103,940,836
CARBON	346,715,900	361,995,352	351,112,861	333,785,502	379,035,713
DAGGETT	13,701,974	14,635,105	14,748,590	11,692,322	8,850,106
DAVIS	2,561,945,556	2,690,459,983	2,759,164,731	2,795,943,681	3,026,293,503
DUCHESNE	152,667,814	163,956,901	145,071,558	157,009,682	217,723,687
EMERY	78,516,158	102,774,219	106,343,423	104,310,439	128,437,780
GARFIELD	73,145,377	66,630,018	67,872,943	68,752,485	77,648,666
GRAND	162,911,808	166,019,643	174,635,577	163,637,016	180,031,694
IRON	417,168,360	420,501,521	457,128,755	480,123,467	456,541,704
JUAB	73,826,705	69,528,286	104,467,036	99,188,624	81,415,135
KANE	107,426,955	101,852,245	99,787,339	97,504,725	100,715,909
MILLARD	107,366,842	120,662,495	128,805,095	128,822,920	135,398,480
MORGAN	55,091,635	55,255,017	48,655,061	49,300,117	54,461,648
PIUTE	5,742,323	5,672,633	6,183,485	6,617,576	6,186,763
RICH	16,731,346	16,224,980	17,302,794	18,373,609	18,482,439
SALT LAKE	15,941,513,323	15,864,887,932	15,706,919,505	15,445,006,387	16,576,588,112
SAN JUAN	89,321,720	87,476,582	88,823,783	85,238,249	86,002,913
SANPETE	143,234,506	158,395,663	158,154,750	162,116,042	162,631,076
SEVIER	219,208,375	219,577,652	229,937,800	225,887,000	252,351,206
SUMMIT	742,862,484	830,104,320	862,281,570	854,703,303	972,492,127
TOOELE	330,279,699	363,273,243	408,234,189	325,233,649	418,310,455
UINTAH	439,786,724	497,920,681	452,556,426	484,733,738	663,674,391
UTAH	4,170,665,617	4,326,455,093	4,394,333,416	4,433,228,375	4,791,033,296
WASATCH	171,726,889	174,016,839	186,566,663	184,211,496	190,080,778
WASHINGTON	1,237,822,795	1,376,922,982	1,503,264,367	1,626,273,410	1,958,528,256
WAYNE	23,460,239	23,595,162	23,570,949	27,607,530	30,348,445
WEBER	2,456,562,991	2,510,725,246	2,552,414,748	2,599,184,450	2,758,768,928
OUT OF STATE USE TAX	175,863,321	255,972,886	(4,301,122)	68,753,302	18,078,794
	<b>\$31,645,012,864</b>	<b>\$32,426,188,589</b>	<b>\$32,512,151,329</b>	<b>\$32,560,042,162</b>	<b>\$35,310,874,987</b>

# Retail Sales, Services And Business Equipment Purchases By Major Industry

<u>MAJOR INDUSTRY</u>	<u>STANDARD INDUSTRY CODES</u>	<u>TAXABLE SALES CY 2000</u>	<u>TAXABLE SALES CY 2001</u>	<u>TAXABLE SALES CY 2002</u>	<u>TAXABLE SALES CY 2003</u>	<u>TAXABLE SALES CY 2004</u>
AG., FORESTRY & FISHING	111-973	32,173,236	35,595,845	37,667,039	41,251,134	44,956,671
MINING	1011-1499	202,157,429	207,660,044	157,344,140	141,246,125	195,448,300
CONSTRUCTION	1521-1799	407,856,957	368,364,019	315,094,656	305,795,047	368,876,094
MANUFACTURING	2011-3999	1,543,233,662	1,587,075,123	1,369,020,754	1,392,412,189	1,691,532,844
TRANSPORTATION	4011-4789	149,218,212	144,105,928	96,433,958	89,823,361	128,218,065
COMMUNICATIONS	4812-4899	1,414,682,448	1,557,601,739	1,439,856,405	1,446,259,789	1,560,694,394
ELECTRIC & GAS	4911-4971	1,177,945,781	1,409,269,559	1,523,791,251	1,387,049,181	1,519,636,453
WHOLSALE-DURABLE GOODS	5012-5099	2,758,919,796	2,591,677,094	2,458,353,020	2,485,790,553	2,943,218,295
WHOLSALE-NONDURABLE	5111-5199	685,693,896	686,598,109	641,636,112	619,210,678	668,254,422
RETAIL-BUILDING & GARDEN	5211-5271	1,425,559,543	1,458,472,365	1,486,673,553	1,614,034,048	1,959,691,410
RETAIL-GENERAL MERCHANDISE	5311-5399	2,797,186,682	3,109,893,216	3,598,471,630	3,820,217,212	4,171,005,342
RETAIL-FOOD STORES	5411-5499	3,640,536,562	3,517,793,412	3,202,859,198	3,053,660,897	3,121,582,430
RETAIL-MOTOR VEHICLES	5511-5599	3,389,594,545	3,576,619,896	3,734,294,586	3,812,401,318	4,042,713,773
RETAIL-APPAREL & ACCESSORIES	5611-5699	789,357,871	803,017,539	831,991,715	853,364,222	928,206,743
RETAIL-FURNITURE	5712-5736	1,371,175,631	1,312,754,439	1,366,026,299	1,392,367,544	1,532,701,879
RETAIL-EATING & DRINKING	5812-5826	1,906,402,061	1,945,537,598	2,013,284,690	2,067,533,612	2,245,103,115
RETAIL-MISCELLANEOUS	5912-5999	1,958,130,477	2,023,516,976	2,122,603,483	2,195,189,258	2,350,223,997
FIN., INSURANCE & REAL ESTATE	6011-6799	469,097,328	442,356,771	457,361,171	390,056,751	355,011,751
SERVICES-HOTEL & LODGING	7011-7041	583,185,128	599,113,092	673,868,602	599,476,406	660,606,509
SERVICES-PERSONAL	7211-7299	199,675,659	208,377,275	211,603,992	210,602,858	211,340,243
SERVICES-BUSINESS	7311-7389	1,222,524,698	1,147,354,992	1,004,714,224	973,215,323	989,789,029
SERVICES-AUTO & REPAIR	7513-7699	1,239,304,060	1,263,276,206	1,210,831,322	1,173,559,316	1,213,454,019
SERVICES-AMUSE. & RECREATION	7812-7999	714,250,902	727,114,423	731,443,202	729,539,514	748,018,822
SERVICES-HEALTH	8011-8099	93,273,606	96,294,844	104,390,004	113,895,618	110,630,799
SERVICES-EDUCATION	8111-8999	224,240,125	225,477,466	220,365,347	205,385,830	245,415,595
PUBLIC ADMINISTRATION	9111-9721	66,505,087	67,042,504	77,846,186	93,453,103	83,973,082
PRIVATE MOTOR VEHICLE SALES		605,250,028	613,687,363	597,281,597	668,029,261	578,562,468
OCCASSIONAL RETAIL SALES		71,489,138	110,828,394	96,476,568	82,742,924	84,057,902
NONDISCLOSABLE\ NONCLASSIFIABLE		31,164,065	36,437,854	34,312,624	26,724,022	19,571,811
PRIOR-PERIOD PAYMENTS & REFUNDS		475,228,264	553,274,506	696,253,973	575,755,083	538,378,712
		<b>\$31,645,012,877</b>	<b>\$32,426,188,591</b>	<b>\$32,512,151,301</b>	<b>\$32,560,042,177</b>	<b>\$35,310,874,969</b>

# Sales Tax Exemptions

Utah law exempts certain purchases from the sales and use tax. The following are exemptions by legal category and estimated sales tax exemption amounts for Fiscal Year 2005. See Utah Code Ann. 59-12-104.

	<u>Exempt Revenue</u>	<u>Reliability Level</u>		<u>Exempt Revenue</u>	<u>Reliability Level</u>
<b>A. ECONOMIC DEVELOPMENT</b>					
1. a. Manufacturing machinery and equipment 3-year life, including replacements	\$51,488,000 <sup>1</sup>	2	20. Sales of natural gas, electricity, coal, fuel, oil for industrial use	\$28,440,000	3
2. Airline food	280,000	5	21. Telephone service from prepaid calling card	27,000	5
3. Airline equipment	175,000	5	22. Tangible personal property shipped out of the state which becomes part of real property in another state	n/a	
4. Aerospace tools	406,000	5	23. Pawnbroker repurchases or redemptions	n/a	
5. Motion picture rentals & radio broadcast tapes	30,000 20,000	5 5	<b>SUBTOTAL ECONOMIC EFFICIENCY</b>	<b>\$242,394,000</b>	
6. Machinery and equipment purchases used by non-live motion picture and television programs, music videos, commercials or documentaries	250,000	5	<b>C. GOVERNMENTAL</b>		
7. Intrastate movement of freight by common carrier or people by taxicabs	2,413,000	5	1. State government purchases	\$17,646,000	1
8. Farm machinery and irrigation equipment	12,270,000	2	Local government purchases	20,652,000	1
9. Commercial sprays & insecticides	625,000	5	2. Fares charged to persons transported by public transit	922,000	1
10. Sales of hay	2,845,000	3	3. Admissions to college athletic events	481,000	5
11. Sales of aircraft manufactured in Utah	0	3	4. Sales by state & local photocopies or copies of records	10,000	5
12. Electricity sales to ski resorts for all lifts	74,000	2	5. Sales by the Heber Creeper Railroad	10,000	5
13. Ski resort equipment	502,000	2	<b>SUBTOTAL: GOVERNMENTAL</b>	<b>\$39,721,000</b>	
14. Steel mill non-durable equipment	100,000	5	<b>D. SOCIAL SERVICE, HEALTH, CHARITABLE &amp; OTHER</b>		
15. Semiconductor manufacturing	<1,255,000	2	1. Food stamps	\$6,389,000	1
16. Renewable energy production facilities	n/a		2. WIC program food purchases	1,638,000	1
17. Waste energy production facilities	n/a		3. Meals served by schools, churches Meals served by nursing homes & hospitals	496,000 484,000	5 5
18. Biomass energy production facilities	n/a		4. Pollution control	151,000	2
19. Media machinery and equipment	\$1,631,000	3	5. Prescription drugs	57,674,000	4
<b>SUBTOTAL ECONOMIC DEVELOPMENT:</b>	<b>\$74,366,000</b>		6. Oxygen & stoma supplies	51,000	5
<b>B. ECONOMIC EFFICIENCY</b>					
1. a. Motor & special fuels	\$131,670,000	1	7. Religious or charitable sales > \$1,000 & purchases < \$1,000	5,323,000 4,435,000	3 3
b. Aviation fuel	12,940,000	1	8. Newspaper sales or subscriptions	2,535,000	3
2. Vending machine sales < \$1 of food or beverages	1,006,000	5	9. Leases to authorized carriers	1,500,000	3
3. Coin-operated Laundromats	263,000	5	10. School & fund raising sales	50,000	5
4. Coin-operated car washing	556,000	5	11. Home medical equipment and prosthetic	521,000	5
5. Nonresident vehicles	5,586,000	5	12. Hearing aids	330,000	5
6. Nonresident boats	161,000	5	13. Sales by area aging services	1,000	5
7. Occasional sales	2,602,000	5	14. Wind, geothermal, solar energy sales	n/a	
8. Tangible personal property trades	n/a		15. Water in a pipe, conduit, ditch or reservoir	n/a	
9. Exclusive sales of locally grown farm produce	1,425,000	5	16. Currency or coinage which is legal tender in U.S.	n/a	
10. Containers, labels, casings	22,223,000	3	17. Gold, silver, platinum ingots, bars medallions	n/a	
11. Property stored in the state for resale	n/a		18. Prescribed prosthetic devices	2,000,000	3
12. Property brought in by a nonresident for use	3,135,000	3	19. Manufacturers' rebates for new vehicles	500,000	3
13. Property purchased for resale or as an ingredient or component part of manufactured products	30,357,000 <sup>2</sup>	3	20. Direct mail electronic databases	877,000	3
14. Property upon which sales tax was paid to another state	n/a		<b>SUBTOTAL: SOCIAL SERVICES, HEALTH &amp; CHARITABLE</b>	<b>\$84,928,000</b>	
15. Sales of transportation, interstate telephone, telegraph, or fuel for use in compounding a taxable service	15,393,000	3	<b>TOTAL STATE SALES TAX:</b>	<b>\$441,409,000</b>	
16. Personal property shipped out of state & incorporated into real property	284,000	5	<b>ESTIMATED LOCAL SALES TAX</b>	<b>\$166,787,000</b>	
17. Coin-operated amusement devices	694,000	5	<b>GRAND TOTAL STATE &amp; LOCAL SALES TAXES</b>	<b>\$608,196,000</b>	
18. 45% of new and 100% of used manufactured homes	1,000,000	3			
19. Intrastate transportation to an employer's employee	\$25,000	5			

Continued on next column

<sup>1</sup>Reported amounts were \$24,377,000 for FY05

<sup>2</sup>Excludes sales for resale at \$1.0 billion

### RELIABILITY LEVEL

Level 1: Based on net collections data with applied tax rates or prices  
Level 2: Based on tax return information adjusted for audit

compliance ratios

Level 3: Based on average marginal tax rates applied to aggregate statewide data

Level 4: Based on national expenditure data shared down to Utah

Level 5: Based on old fiscal note estimates adjusted for inflation

## Direct Retail Sales for Selected Cities

<u>CITY</u>	<u>CY2000</u>	<u>CY2001</u>	<u>CY2002</u>	<u>CY2003</u>	<u>CY 2004</u>
AMERICAN FORK	\$290,590,399	\$312,547,631	\$313,095,337	\$366,115,948	\$444,946,407
BEAVER CITY	22,773,949	23,636,531	26,515,923	27,885,055	30,563,748
BLANDING					23,302,922
BOUNTIFUL	332,872,184	340,579,276	347,385,682	368,306,030	376,189,728
BRIGHAM CITY	170,978,355	174,435,088	150,449,577	179,966,711	158,776,176
CEDAR CITY	310,125,308	317,131,290	326,129,004	367,737,710	387,351,986
CENTERVILLE	191,736,527	193,069,956	197,927,845	205,825,143	258,861,264
CLEARFIELD	135,309,615	131,269,874	134,635,780	139,992,545	160,158,372
DELTA	43,883,423	43,634,273	44,441,299	46,202,234	47,384,577
DRAPER	291,072,049	293,431,237	319,664,451	329,519,829	387,895,117
FARMINGTON	84,541,591	73,725,251	70,531,446	76,017,573	74,997,637
HEBER	99,100,615	101,597,760	112,363,847	108,378,377	116,428,986
HOLLADAY		190,447,723	191,174,814	230,272,140	234,044,773
HURRICANE	63,954,727	64,711,294	69,197,778	77,651,882	95,760,929
KANAB	40,985,852	38,656,384	39,387,115	44,081,162	46,956,385
KAYSVILLE	114,024,166	111,994,597	124,996,740	146,561,438	150,239,810
LAYTON	839,242,190	874,673,526	920,202,551	959,281,670	1,030,687,281
LEHI	138,047,627	153,979,551	152,790,171	175,218,788	167,087,359
LINDON	136,503,722	151,179,624	163,332,713	188,545,035	241,094,202
LOGAN	513,301,338	530,254,786	544,441,404	610,163,077	652,373,891
MIDVALE	600,410,342	591,737,581	510,746,440	478,697,001	526,831,928
MOAB	102,955,883	100,125,413	104,381,809	111,905,550	120,930,080
MONTICELLO					15,030,407
MURRAY	1,350,168,497	1,343,277,399	1,288,622,091	1,427,407,898	1,510,284,737
NAPLES	48,552,744	62,069,533	51,141,151	66,772,399	130,079,369
NEPHI	44,582,782	45,357,582	49,719,302	46,400,354	51,659,864
NORTH SALT LAKE	117,547,694	147,486,321	140,991,709	146,216,755	172,416,530
OGDEN	1,141,415,731	1,113,602,751	1,071,559,259	1,080,222,273	1,148,518,071
OREM	1,360,012,536	1,340,057,284	1,392,852,462	1,445,548,785	1,571,989,866
PARK CITY	351,827,986	365,172,183	397,724,619	393,996,700	450,101,993
PAYSON	80,099,139	76,886,304	83,571,470	91,889,730	133,231,511
PLEASANT GROVE	80,770,519	81,935,127	100,884,439	122,357,728	136,401,549
PRICE	197,530,859	194,342,709	195,870,565	200,145,102	210,672,914
PROVO	1,006,077,142	1,014,519,522	957,531,474	979,382,417	1,013,559,220
RICHFIELD	134,897,213	132,665,139	138,328,828	145,462,573	173,447,314
RIVERDALE	416,936,510	422,747,136	481,201,011	564,224,288	572,136,611
RIVERTON	84,726,216	87,268,535	85,556,958	104,265,248	107,468,366
ROOSEVELT	69,947,295	73,601,955	68,725,743	72,585,819	89,922,324
ROY	157,659,499	150,747,812	157,081,952	182,720,814	187,866,222
SALT LAKE CITY	4,051,965,794	3,998,395,466	3,908,158,466	4,054,943,034	4,366,531,264
SANDY	1,263,621,860	1,379,238,412	1,462,847,896	1,540,871,084	1,634,356,530
SOUTH JORDAN	84,221,427	97,341,504	120,871,584	187,039,949	213,058,735
SOUTH OGDEN	132,029,834	132,540,452	125,634,555	128,317,429	163,168,757
SOUTH SALT LAKE	1,233,253,637	1,218,047,076	1,155,604,656	1,176,476,281	1,291,713,056
SPANISH FORK	228,768,138	219,420,180	205,970,481	213,064,178	227,595,952
SPRINGDALE	22,314,272	21,218,798	23,131,538	26,568,901	29,952,415
SPRINGVILLE	111,535,951	165,259,833	202,071,023	246,155,671	247,595,445
ST. GEORGE	914,153,147	952,774,348	1,011,001,516	1,145,353,381	1,365,046,357
TAYLORSVILLE	486,831,972	447,731,959	407,993,552	416,576,123	427,097,698
TOOELE	206,530,011	218,003,716	223,047,702	255,277,449	265,617,159
TREMONTON	69,856,787	74,272,279	72,589,239	79,881,564	79,200,813
VERNAL	251,732,405	267,248,161	245,607,751	257,492,641	310,294,790
WEST BOUNTIFUL	64,830,502	73,374,026	76,351,892	71,921,254	76,328,682
WEST JORDAN	634,700,528	685,154,381	842,758,864	974,823,363	1,028,970,717
WEST VALLEY	1,291,644,448	1,240,832,499	1,278,001,396	1,284,065,597	1,462,869,341
WOODS CROSS	160,289,601	183,142,096	190,959,179	193,285,846	211,970,219
	<b>\$22,373,442,538</b>	<b>\$22,838,551,124</b>	<b>\$23,077,756,049</b>	<b>\$24,560,037,526</b>	<b>\$26,809,018,356</b>

# Local Sales and Use Tax Distribution

Tax	Community	FY 2003	FY 2004	FY 03-FY04	FY 2005	FY 04-FY 05
		Jul 02 - Jun 03	Jul 03 - Jun 04	% Change	Jul 04 - Jun 05	% Change
Sales	<b>Beaver County</b>	\$131,208.28	\$113,327.42	-14%	\$113,650	0%
Sales	Beaver City	558,365.94	339,695.85	-39%	312,017.48	-8%
Sales	Milford	201,123.84	157,209.71	-22%	180,660.78	15%
Sales	Minersville	80,678.29	65,031.40	-19%	66,516.85	2%
	Total County and Cities	971,376.35	675,264.38	-30%	672,845.11	0%
	Total Cities and Towns	840,168.07	561,936.96	-33%	559,195.11	0%
Sales	<b>Box Elder County</b>	\$700,139.91	\$779,463.42	11%	\$765,574.17	-2%
Sales	Bear River	53,014.77	55,809.96	5%	59,900.70	7%
Sales	Brigham	2,003,539.83	2,227,152.79	11%	2,176,762.96	-2%
Sales	Corinne	58,288.89	68,251.20	17%	73,651.32	8%
Sales	Deweyville	20,380.39	21,563.95	6%	23,728.04	10%
Sales	Elwood	50,027.36	55,870.78	12%	60,584.12	8%
Sales	Fielding	34,758.29	35,254.23	1%	38,054.03	8%
Sales	Garland	142,906.69	150,539.60	5%	161,746.29	7%
Sales	Honeyville	88,357.09	95,116.68	8%	100,709.56	6%
Sales	Howell	29,979.45	15,244.29	-49%	18,085.93	19%
Sales	Mantua	53,188.21	55,640.55	5%	60,034.03	8%
Sales	Perry	492,733.80	382,956.15	-22%	578,242.23	51%
Sales	Plymouth	31,308.15	35,039.58	12%	38,779.62	11%
Sales	Portage	16,877.47	18,485.48	10%	18,713.21	1%
Sales	Snowville	28,175.22	28,718.48	2%	29,909.10	4%
Sales	Tremonton	816,755.79	875,609.20	7%	891,200.29	2%
Sales	Willard	150,464.28	146,762.41	-2%	178,685.18	22%
	Total County and Cities	4,770,895.59	5,047,478.75	6%	5,274,360.78	4%
	Total Cities and Towns	4,070,755.68	4,268,015.33	5%	4,508,786.61	6%
Sales	<b>Cache County</b>	\$472,499.93	\$553,908.35	17%	\$573,432.48	4%
Sales	Amalga	35,470.84	31,997.00	-10%	42,181.01	32%
Sales	Clarkston	46,804.28	46,745.40	0%	50,082.40	7%
Sales	Cornish	19,156.70	19,024.23	-1%	20,342.34	7%
Sales	Hyde Park	308,509.01	289,867.28	-6%	346,072.66	19%
Sales	Hyrum	521,088.85	546,534.38	5%	594,690.48	9%
Sales	Lewiston	147,657.44	146,893.78	-1%	159,690.35	9%
Sales	Logan	6,000,673.39	6,309,440.96	5%	6,788,022.56	8%
Sales	Mendon	64,975.23	68,830.40	6%	75,213.79	9%
Sales	Millville	115,505.92	120,565.55	4%	132,940.43	10%
Sales	Newton	47,370.29	49,887.14	5%	53,202.75	7%
Sales	North Logan	1,328,493.30	1,356,651.26	2%	1,419,898.35	5%
Sales	Paradise	54,358.22	54,476.84	0%	58,068.48	7%
Sales	Providence	334,339.16	393,705.98	18%	433,541.43	10%
Sales	Richmond	154,810.09	163,340.22	6%	173,068.34	6%
Sales	River Heights	98,062.18	102,155.90	4%	107,341.28	5%
Sales	Smithfield	719,890.44	755,899.57	5%	839,624.27	11%
Sales	Wellsville	200,566.92	210,228.60	5%	225,810.14	7%
Sales	Trenton	31,315.58	31,875.80	2%	33,467.27	5%
Sales	Nibley	147,034.38	168,310.46	14%	184,903.74	10%
	Total County and Cities	10,848,582.15	11,420,339.10	5%	12,311,594.55	8%
	Total Cities and Towns	10,376,082.22	10,866,430.75	5%	11,738,162.07	8%
Sales	<b>Carbon County</b>	\$716,055.36	\$769,370.17	7%	\$750,043.29	-3%
Sales	Helper	255,442.94	240,015.75	-6%	280,892.21	17%
Sales	Price	1,720,799.97	1,784,174.26	4%	1,863,281.21	4%
Sales	Scotfield	2,872.14	2,719.93	-5%	2,442.10	-10%
Sales	Sunnyside	40,549.16	39,850.44	-2%	40,977.37	3%
Sales	Wellington	247,058.10	239,300.17	-3%	243,607.13	2%
Sales	E Carbon	97,570.86	94,919.19	-3%	101,799.20	7%
	Total County and Cities	3,080,348.53	3,170,349.91	3%	3,283,042.51	4%
	Total Cities and Towns	2,364,293.17	2,400,979.74	2%	2,532,999.22	5%

# Local Sales and Use Tax Distribution

Tax	Community	FY 2003	FY 2004	FY03-FY04	FY 2005	FY04-FY05
		Jul 02 - Jun 03	Jul 03 - Jun 04	% Change	Jul 04 - Jun 05	% Change
Sales	<b>Daggett County</b>	\$87,141.50	\$83,518.93	-4%	\$82,003.14	-2%
Sales	Manila	41,911.38	34,604.61	-17%	38,160.43	10%
	Total County and Cities	129,052.88	118,123.54	-8%	120,163.57	2%
	Total Cities and Towns	41,911.38	34,604.61	-17%	38,160.43	10%
Sales	<b>Davis County</b>	\$463,217.82	\$722,801.36	56%	\$682,202.52	-6%
Sales	Bountiful	4,722,805.41	4,802,997.16	2%	4,938,164.76	3%
Sales	Centerville	2,160,833.00	2,214,649.63	2%	2,464,101.64	11%
Sales	Clearfield	2,469,301.83	2,534,700.04	3%	2,727,479.50	8%
Sales	Fruit Heights	346,665.13	350,144.55	1%	373,250.24	7%
Sales	Farmington	1,187,903.08	1,261,957.54	6%	1,327,419.34	5%
Sales	Kaysville	2,078,652.44	2,180,856.18	5%	2,343,716.47	7%
Sales	Layton	9,213,275.67	9,459,414.50	3%	10,249,747.47	8%
Sales	North Salt Lake	1,423,706.57	1,456,409.67	2%	1,682,458.58	16%
Sales	South Weber	350,480.56	417,563.37	19%	472,539.65	13%
Sales	Sunset	508,375.11	506,463.27	0%	519,704.16	3%
Sales	Syracuse	980,086.74	1,177,147.51	20%	1,348,825.98	15%
Sales	West Point	409,833.02	431,590.85	5%	470,226.72	9%
Sales	Woods Cross	1,591,981.49	1,602,601.47	1%	1,703,381.38	6%
Sales	Clinton	972,162.71	1,192,180.15	23%	1,613,847.64	35%
Sales	West Bountiful	735,302.67	705,883.81	-4%	727,886.31	3%
	Total County and Cities	29,614,583.25	31,017,361.06	5%	33,644,952.36	8%
	Total Cities and Towns	29,151,365.43	30,294,559.70	4%	32,962,749.84	9%
Sales	<b>Duchesne County</b>	\$651,306.68	\$774,977.63	19%	\$975,870.18	26%
Sales	Altamont	30,437.18	31,775.85	4%	43,674.35	37%
Sales	Duchesne	187,639.68	182,001.79	-3%	197,855.46	9%
Sales	Myton	38,686.00	42,455.76	10%	70,764.62	67%
Sales	Roosevelt	742,885.07	805,946.59	8%	966,271.39	20%
Sales	Tabiona	11,375.60	11,796.14	4%	12,960.67	10%
	Total County and Cities	1,662,330.21	1,848,953.76	11%	2,267,396.67	23%
	Total Cities and Towns	1,011,023.53	1,073,976.13	6%	1,291,526.49	20%
Sales	<b>Emery County</b>	\$144,808.36	\$41,935.48	-71%	\$191,568.73	357%
Sales	Castle Dale	211,802.07	211,423.38	0%	267,525.64	27%
Sales	Clawson	11,998.78	11,757.32	-2%	12,430.90	6%
Sales	Cleveland	55,418.47	53,492.23	-3%	62,665.82	17%
Sales	Elmo	27,585.84	25,848.09	-6%	30,457.05	18%
Sales	Emery City	24,707.23	21,886.84	-11%	26,255.65	20%
Sales	Ferron	142,800.11	127,087.78	-11%	151,024.53	19%
Sales	Green River	125,789.36	181,712.17	44%	211,677.83	16%
Sales	Huntington	317,101.18	329,666.97	4%	341,018.99	3%
Sales	Orangeville	154,825.37	134,403.16	-13%	159,985.00	19%
	Total County and Cities	1,216,836.77	1,239,213.42	2%	1,454,610.14	17%
	Total Cities and Towns	1,072,028.41	1,097,277.94	2%	1,263,041.41	15%
<i>Note: Effective 04/01/2003, the portion of Green River City previously located in Grand County was annexed into Emery County.</i>						
Sales	<b>Garfield County</b>	\$296,320.71	\$317,007.21	7%	\$333,996.25	5%
Sales	Antimony	10,475.20	11,181.51	7%	12,026.81	8%
Sales	Boulder	21,302.54	23,564.01	11%	26,515.65	13%
Sales	Cannonville	17,837.82	15,869.74	-11%	16,989.29	7%
Sales	Escalante	80,715.62	81,230.27	1%	85,967.76	6%
Sales	Hatch	12,994.53	13,221.32	2%	16,545.39	25%
Sales	Henrieville	10,738.37	11,281.04	5%	11,018.85	-2%
Sales	Panguitch	173,814.67	178,873.88	3%	190,269.36	6%
Sales	Tropic	49,060.11	48,544.90	-1%	65,382.10	35%
	Total County and Cities	673,259.57	700,773.88	4%	758,711.46	8%
	Total Cities and Towns	376,938.86	383,766.67	2%	424,715.21	11%

# Local Sales and Use Tax Distribution

Tax	Community	FY 2003	FY 2004	FY03-FY04	FY 2005	FY04-FY05
		Jul 02 - Jun 03	Jul 03 - Jun 04	% Change	Jul 04 - Jun 05	% Change
Sales	<b>Grand County</b>	405,018.31	421,412.24	4%	482,541.98	15%
Sales	Castle Valley	23,685.69	24,183.32	2%	27,187.94	12%
Sales	Moab	944,439.53	985,989.87	4%	1,069,820.13	9%
Sales	East Green River	90,179.76	1,147.82	-99%	165.09	-86%
	Total County and Cities	1,463,323.29	1,432,733.25	-2%	1,579,715.14	10%
	Total Cities and Towns	1,058,304.98	1,011,321.01	-4%	1,097,173.16	8%
Note: Effective 04/01/2003, the portion of Green River City previously located in Grand County was annexed into Emery County						
Sales	<b>Iron County</b>	472,130.77	504,881.25	7%	554,242.73	10%
Sales	Cedar City	3,565,679.11	3,413,301.71	-4%	3,847,900.04	13%
Sales	Enoch	233,640.22	256,607.01	10%	284,288.42	11%
Sales	Kanarraville	24,632.53	22,985.40	-7%	27,228.89	18%
Sales	Paragonah	36,137.65	37,874.94	5%	41,286.72	9%
Sales	Parowan	249,327.33	240,415.47	-4%	256,892.98	7%
Sales	Brian Head	127,977.14	101,821.95	-20%	125,752.75	24%
	Total County and Cities	4,709,524.75	4,577,887.73	-3%	5,137,592.53	12%
	Total Cities and Towns	4,237,393.98	4,073,006.48	-4%	4,583,349.80	13%
Sales	<b>Juab County</b>	91,679.78	77,158.73	-16%	664,474.74	761%
Sales	Eureka	65,194.09	56,162.48	-14%	59,211.88	5%
Sales	Levan	57,714.29	55,073.57	-5%	59,773.29	9%
Sales	Mona	70,349.48	70,848.51	1%	51,389.64	-27%
Sales	Nephi	999,131.83	611,426.45	-39%	666,250.35	9%
Sales	Rocky Ridge	40,442.00	35,079.16	-13%	36,538.37	4%
	Total County and Cities	1,324,511.47	905,748.90	-32%	1,537,638.27	70%
	Total Cities and Towns	1,232,831.69	828,590.17	-33%	873,163.53	5%
Sales	<b>Kane County</b>	368,423.24	331,311.20	-10%	331,822.91	0%
Sales	Alton	8,932.89	9,590.69	7%	9,986.72	4%
Sales	Glendale	24,256.34	25,817.58	6%	26,367.62	2%
Sales	Kanab	458,089.37	484,187.72	6%	513,148.16	6%
Sales	Orderville	66,622.61	70,314.74	6%	73,609.50	5%
Sales	Big Water	36,329.81	34,760.47	-4%	36,683.93	6%
	Total County and Cities	962,654.26	955,982.40	-1%	991,618.84	4%
	Total Cities and Towns	594,231.02	624,671.20	5%	659,795.93	6%
Sales	<b>Millard County</b>	356,717.91	600,860.03	68%	448,221.81	-25%
Sales	Delta	526,804.91	527,923.10	0%	538,210.23	2%
Sales	Fillmore	329,008.39	323,170.09	-2%	319,220.44	-1%
Sales	Hinckley	46,896.20	51,383.10	10%	55,915.22	9%
Sales	Holden	29,710.36	29,319.33	-1%	31,139.66	6%
Sales	Kanosh	35,328.61	35,332.97	0%	43,423.08	23%
Sales	Leamington	14,543.39	14,618.77	1%	15,480.31	6%
Sales	Lynndyl	10,639.62	11,167.03	5%	11,518.64	3%
Sales	Meadow	21,838.16	22,762.00	4%	24,588.52	8%
Sales	Oak City	44,789.42	44,603.57	0%	47,867.09	7%
Sales	Scipio	27,150.48	25,145.06	-7%	28,296.62	13%
	Total County and Cities	1,443,427.45	1,686,285.05	17%	1,563,881.62	-7%
	Total Cities and Towns	1,086,709.54	1,085,425.02	0%	1,115,659.81	3%
Sales	<b>Morgan County</b>	369,338.29	407,211.28	10%	446,768.48	10%
Sales	Morgan	334,079.77	336,367.14	1%	352,856.17	5%
	Total County and Cities	703,418.06	743,578.42	6%	799,624.65	8%
	Total Cities and Towns	334,079.77	336,367.14	1%	352,856.17	5%

# Local Sales and Use Tax Distribution

Tax	Community	FY 2003	FY 2004	FY 03-FY04	FY 2005	FY04-FY05
		Jul 02 - Jun 03	Jul 03 - Jun 04	% Change	Jul 04 - Jun 05	% Change
Sales	<b>Piute County</b>	\$18,077.67	\$18,730.67	4%	\$19,543	4%
Sales	Circleville	45,574.86	42,445.72	-7%	44,839.60	6%
Sales	Junction	14,381.91	15,134.51	5%	14,629.58	-3%
Sales	Kingston	9,727.28	9,359.83	-4%	10,177.36	9%
Sales	Marysvale	35,006.43	35,201.30	1%	37,654.31	7%
	Total County and Cities	122,768.15	120,872.03	-2%	126,843.85	5%
	Total Cities and Towns	104,690.48	102,141.36	-2%	107,300.85	5%
Sales	<b>Rich County</b>	\$58,563.84	\$63,442.75	8%	\$68,189.94	7%
Sales	Garden City	77,602.14	78,515.16	1%	78,626.94	0%
Sales	Laketown	21,823.20	19,399.95	-11%	22,745.10	17%
Sales	Randolph	44,080.43	45,269.10	3%	46,506.41	3%
Sales	Woodruff	19,043.27	20,339.12	7%	21,985.00	8%
	Total County and Cities	221,112.88	226,966.08	3%	238,053.39	5%
	Total Cities and Towns	162,549.04	163,523.33	1%	169,863.45	4%
Sales	<b>Salt Lake County</b>	\$21,240,574.10	\$21,478,596.90	1%	\$22,770,753.41	6%
Sales	Alta	254,681.10	262,023.39	3%	303,713.44	16%
Sales	Bluffdale	397,211.69	458,659.58	15%	520,621.06	14%
Sales	Draper	3,595,704.50	3,863,654.08	7%	4,454,259.29	15%
Sales	Herriman	136,877.79	362,440.40	165%	513,000.68	42%
Sales	Holladay	2,373,915.30	2,609,245.20	10%	2,693,588.64	3%
Sales	Midvale	4,662,769.38	4,600,795.88	-1%	4,943,460.24	7%
Sales	Murray	11,014,840.52	11,855,714.04	8%	12,413,234.31	5%
Sales	Riverton	2,143,396.64	2,414,726.73	13%	2,583,949.23	7%
Sales	Salt Lake City	34,274,192.13	35,657,053.90	4%	38,078,950.24	7%
Sales	Sandy	14,623,446.84	15,018,633.27	3%	15,687,181.47	4%
Sales	South Jordan	2,767,735.31	3,194,898.84	15%	3,566,851.48	12%
Sales	South Salt Lake	9,834,747.69	9,788,900.45	0%	10,731,619.78	10%
Sales	Taylorsville	6,230,916.31	6,278,197.90	1%	6,487,198.04	3%
Sales	West Jordan	10,502,385.56	11,088,162.13	6%	12,237,434.77	10%
Sales	West Valley	14,471,758.42	15,081,775.21	4%	16,598,465.71	10%
	Total County and Cities	138,525,153.28	144,013,477.90	4%	154,584,281.79	7%
	Total Cities and Towns	117,284,579.18	122,534,881.00	4%	131,813,528.38	8%
Sales	<b>San Juan County</b>	\$784,691.36	\$763,739.43	-3%	\$802,347.69	5%
Sales	Blanding	366,289.03	354,124.52	-3%	381,301.17	8%
Sales	Monticello	218,446.30	212,572.81	-3%	241,859.90	14%
	Total County and Cities	1,369,426.69	1,330,436.76	-3%	1,425,508.76	7%
	Total Cities and Towns	584,735.33	566,697.33	-3%	623,161.07	10%
Sales	<b>Sanpete County</b>	\$257,353.22	\$283,550.22	10%	\$308,795.43	9%
Sales	Centerfield	84,914.58	87,710.43	3%	92,963.64	6%
Sales	Ephraim	644,455.58	687,401.72	7%	711,936.34	4%
Sales	Fairview	117,382.22	114,643.73	-2%	125,625.42	10%
Sales	Fayette	13,850.16	14,915.34	8%	17,681.32	19%
Sales	Fountain Green	66,788.33	68,589.05	3%	72,846.20	6%
Sales	Gunnison	258,811.40	263,257.52	2%	278,626.13	6%
Sales	Manti	257,474.19	263,534.97	2%	276,563.32	5%
Sales	Mayfield	29,563.50	28,917.45	-2%	32,410.70	12%
Sales	Moroni	109,699.57	115,560.70	5%	122,474.15	6%
Sales	Mount Pleasant	311,135.12	312,771.40	1%	328,991.93	5%
Sales	Spring City	69,223.79	68,629.09	-1%	73,408.89	7%
Sales	Sterling	27,666.80	25,703.81	-7%	24,654.62	-4%
Sales	Wales	14,950.47	15,785.56	6%	17,182.76	9%
	Total County and Cities	2,263,268.93	2,350,970.99	4%	2,484,160.85	6%
	Total Cities and Towns	2,005,915.71	2,067,420.77	3%	2,175,365.42	5%



# Local Sales and Use Tax Distribution

Tax	Community	FY 2003	FY 2004	FY03-FY04	FY 2005	FY04-FY05
		Jul 02 - Jun 03	Jul 03 - Jun 04	% Change	Jul 04 - Jun 05	% Change
Sales	<b>Sevier County</b>	\$285,559.01	\$283,472.36	-1%	\$304,485.83	7%
Sales	Annabella	47,713.33	45,859.15	-4%	50,931.67	11%
Sales	Aurora	87,596.15	85,843.57	-2%	100,506.89	17%
Sales	Elsinore	54,725.42	54,156.26	-1%	58,523.46	8%
Sales	Glenwood	30,920.69	29,579.64	-4%	32,178.53	9%
Sales	Joseph	21,485.10	20,673.62	-4%	22,531.42	9%
Sales	Koosharem	19,608.84	25,306.60	29%	28,672.61	13%
Sales	Monroe	143,431.49	143,768.16	0%	150,720.48	5%
Sales	Redmond	65,932.24	63,541.66	-4%	76,704.96	21%
Sales	Richfield	1,243,244.19	1,306,008.38	5%	1,461,305.24	12%
Sales	Salina	338,650.48	340,310.64	0%	346,895.13	2%
Sales	Sigurd	36,497.38	30,212.46	-17%	33,039.30	9%
	Total County and Cities	2,375,364.32	2,428,732.50	2%	2,666,495.52	10%
	Total Cities and Towns	2,089,805.31	2,145,260.14	3%	2,362,009.69	10%
Sales	<b>Summit County</b>	\$2,900,709.70	\$3,271,643.96	13%	\$3,694,162.91	13%
Sales	Coalville	150,669.18	153,954.92	2%	164,006.37	7%
Sales	Francis	56,205.68	55,320.73	-2%	61,362.60	11%
Sales	Henefer	51,606.73	55,675.92	8%	60,085.34	8%
Sales	Kamas	179,554.54	189,311.54	5%	216,428.91	14%
Sales	Oakley	85,548.72	85,777.16	0%	99,865.18	16%
Sales	Park City	3,213,566.54	3,400,609.73	6%	3,892,100.64	14%
	Total County and Cities	6,637,861.09	7,212,293.96	9%	8,188,011.95	14%
	Total Cities and Towns	3,737,151.39	3,940,650.00	5%	4,493,849.04	14%
Sales	<b>Tooele County</b>	\$834,379.90	\$944,438.17	13%	\$1,060,677.12	12%
Sales	Grantsville	485,569.51	537,583.42	11%	622,503.42	16%
Sales	Ophir	1,481.32	1,542.16	4%	1,721.75	12%
Sales	Stockton	31,367.47	37,308.49	19%	41,384.07	11%
Sales	Tooele	2,849,267.86	3,221,448.30	13%	3,564,708.01	11%
Sales	Vernon	18,165.21	16,995.72	-6%	19,681.96	16%
Sales	Wendover	145,178.84	147,759.20	2%	153,800.81	4%
Sales	Rush Valley	31,598.85	32,295.92	2%	36,195.78	12%
	Total County and Cities	4,397,008.96	4,939,371.38	12%	5,500,672.92	11%
	Total Cities and Towns	3,562,629.06	3,994,933.21	12%	4,439,995.80	11%
Sales	<b>Uintah County</b>	\$1,250,253.43	\$1,379,574.33	10%	\$1,593,255.32	15%
Sales	Naples	500,585.11	790,340.40	58%	1,380,488.01	75%
Sales	Vernal	2,298,499.28	2,514,853.02	9%	3,162,191.65	26%
Sales	Ballard	108,948.33	112,545.83	3%	145,921.77	30%
	Total County and Cities	4,158,286.15	4,797,313.58	15%	6,281,856.75	31%
	Total Cities and Towns	2,908,032.72	3,417,739.25	18%	4,688,601.43	37%

# Local Sales and Use Tax Distribution

Tax	Community	FY 2003	FY 2004	FY 03-FY04	FY 2005	FY04-FY05
		Jul 02 - Jun 03	Jul 03 - Jun 04	% Change	Jul 04 - Jun 05	% Change
Sales	<b>Utah County</b>	\$966,933.74	\$1,132,685.17	17%	\$1,140,615.12	1%
Sales	Alpine	510,310.52	577,091.57	13%	620,709.09	8%
Sales	American Fork	3,354,306.16	3,659,897.75	9%	4,225,068.08	15%
Sales	Cedar Fort	26,424.58	25,925.00	-2%	33,807.37	30%
Sales	Draper City South	-	276.87	N.A.	14,498.62	N.A.
Sales	Eagle Mountain	243,199.99	410,299.23	69%	497,212.49	21%
Sales	Genola	78,042.65	73,002.86	-6%	87,545.32	20%
Sales	Goshen	58,694.24	59,015.06	1%	62,779.90	6%
Sales	Lehi	2,184,802.68	2,342,409.04	7%	2,608,031.64	11%
Sales	Lindon	1,562,004.67	1,635,728.22	5%	2,218,891.61	36%
Sales	Mapleton	454,938.71	490,330.86	8%	534,861.83	9%
Sales	Orem	13,736,440.66	13,897,477.01	1%	15,162,912.94	9%
Sales	Payson	1,341,631.97	1,495,233.69	11%	1,823,073.35	22%
Sales	Pleasant Grove	2,192,780.54	2,241,092.99	2%	2,484,660.42	11%
Sales	Provo	12,477,560.48	12,434,374.07	0%	13,161,259.42	6%
Sales	Salem	344,317.15	393,945.99	14%	456,111.99	16%
Sales	Santaquin	365,702.13	406,509.30	11%	452,350.57	11%
Sales	Saratoga Springs	78,811.91	294,273.94	273%	352,802.83	20%
Sales	Highland	710,613.86	895,080.98	26%	1,006,103.52	12%
Sales	Spanish Fork	2,520,231.29	2,707,153.03	7%	2,898,441.73	7%
Sales	Springville	2,623,790.07	2,815,541.74	7%	2,988,692.63	6%
Sales	Vineyard	24,463.85	43,577.05	78%	64,131.53	47%
Sales	Cedar Hills	211,179.40	308,291.33	46%	353,227.89	15%
Sales	Elk Ridge	124,936.52	139,922.00	12%	151,691.49	8%
Sales	Woodland Hills	63,179.28	73,697.46	17%	86,479.94	17%
	Total County and Cities	46,255,297.05	48,552,832.21	5%	53,485,961.32	10%
	Total Cities and Towns	45,288,363.31	47,420,147.04	5%	52,345,346.20	10%

Note: Effective 01/01/2004, Draper City annexed a portion of Utah County. The section of Draper City that is located in Utah County is called Draper City South.

Sales	<b>Wasatch County</b>	\$464,306.01	\$519,011.08	12%	\$569,092.37	10%
Sales	Charleston	64,608.24	67,874.69	5%	76,753.96	13%
Sales	Heber	1,137,430.11	1,182,661.75	4%	1,281,158.91	8%
Sales	Midway	239,070.85	261,704.17	9%	278,008.87	6%
Sales	Park City East	-	267.07	N.A.	302.36	13%
Sales	Wallsburg	20,617.16	20,407.42	-1%	24,392.49	20%
	Total County and Cities	1,926,032.37	2,051,926.18	7%	2,229,708.96	9%
	Total Cities and Towns	1,461,726.36	1,532,915.10	5%	1,660,616.59	8%

Note: Effective Jan. 1, 2004, Park City annexed a portion of Wasatch County. The portion of Park City located in Wasatch County is called Park City East.

Sales	<b>Washington County</b>	\$508,586.61	\$579,135.21	14%	\$638,505.15	10%
Sales	Apple Valley	-	-	N.A.	2,815.16	N.A.
Sales	Enterprise	110,933.63	112,987.58	2%	131,268.16	16%
Sales	Hurricane	943,214.97	1,051,266.26	11%	1,228,967.00	17%
Sales	Ivins	358,265.85	419,238.12	17%	490,287.21	17%
Sales	La Verkin	292,712.04	283,540.12	-3%	324,210.07	14%
Sales	Leeds	45,245.65	48,607.55	7%	56,059.61	15%
Sales	New Harmony	14,847.76	18,314.04	23%	18,813.70	3%
Sales	Rockville	17,493.78	17,767.94	2%	19,522.18	10%
Sales	St George	9,087,837.61	10,158,951.67	12%	11,848,249.38	17%
Sales	Santa Clara	339,911.61	384,318.26	13%	450,402.76	17%
Sales	Springdale	191,048.26	216,098.21	13%	250,778.77	16%
Sales	Toquerville	61,929.94	66,485.35	7%	75,433.07	13%
Sales	Virgin	31,168.49	34,588.62	11%	38,585.28	12%
Sales	Washington	1,438,002.77	1,672,622.45	16%	2,106,710.93	26%
Sales	Hildale	166,278.98	183,442.08	10%	195,650.74	7%
Sales	Total County and Cities	13,607,477.95	15,247,363.46	12%	17,876,259.17	17%
	Total Cities and Towns	13,098,891.34	14,668,228.25	12%	17,234,938.86	17%

Note: Effective 04/01/2005, Apple Valley incorporated as a town and imposed the local option sales and use tax.

# Local Sales and Use Tax Distribution

Tax	Community	FY 2003	FY 2004	FY03-FY04	FY 2005	FY04-FY05
		Jul 02 - Jun 03	Jul 03-Jun04	% Change	Jul 04 - Jun 05	% Change
Sales	<b>Wayne County</b>	\$92,636.06	\$124,173.20	34%	\$112,128.18	-10%
Sales	Bicknell	39,634.72	44,298.90	12%	51,411.27	16%
Sales	Hanksville	31,221.59	28,309.41	-9%	28,990.67	2%
Sales	Loa	75,942.16	77,276.61	2%	82,993.07	7%
Sales	Lyman	15,825.23	17,264.23	9%	54,303.52	215%
Sales	Torrey	30,154.81	25,446.18	-16%	25,266.32	-1%
	Total County and Cities	285,414.57	316,768.53	11%	355,093.03	12%
	Total Cities and Towns	192,778.51	192,595.33	0%	242,964.85	26%
Sales	<b>Weber County</b>	\$1,253,687.95	\$1,554,336.19	24%	\$1,579,914.30	2%
Sales	Farr West	394,319.48	428,500.39	9%	548,518.64	28%
Sales	Harrisville	795,379.02	856,349.91	8%	933,657.62	9%
Sales	Hooper	316,667.01	332,366.76	5%	350,723.50	6%
Sales	Huntsville	61,740.30	65,838.77	7%	71,117.26	8%
Sales	Marriott-Slaterville	248,469.13	235,953.01	-5%	271,795.13	15%
Sales	North Ogden	1,224,361.19	1,301,204.77	6%	1,408,050.46	8%
Sales	Ogden	11,286,071.57	11,396,651.18	1%	12,009,089.42	5%
Sales	Plain City	244,045.01	271,299.29	11%	327,247.40	21%
Sales	Pleasant View	435,619.61	472,081.33	8%	500,321.91	6%
Sales	Riverdale	4,169,847.50	4,440,111.73	6%	4,562,942.51	3%
Sales	Roy	3,083,025.23	3,282,534.08	6%	3,467,305.80	6%
Sales	South Ogden	1,686,870.21	1,727,061.79	2%	1,999,796.15	16%
Sales	Uintah	117,714.34	110,352.75	-6%	120,933.53	10%
Sales	Washington Terrace	599,344.72	619,779.01	3%	655,940.21	6%
Sales	West Haven	616,246.85	682,939.40	11%	848,083.93	24%
	Total County and Cities	26,533,409.12	27,777,360.36	5%	29,655,437.77	7%
	Total Cities and Towns	25,279,721.17	26,223,024.17	4%	28,075,523.47	7%
	<b>Grand Total County and Cities</b>	<b>\$312,252,006.09</b>	<b>326,906,759.47</b>	<b>5%</b>	<b>\$356,496,094.23</b>	<b>9%</b>
	<b>Grand Total Cities and Towns</b>	<b>\$275,609,686.64</b>	<b>287,911,085.13</b>	<b>4%</b>	<b>\$314,434,399.89</b>	<b>9%</b>

Note 1: These amounts are the net distribution after administrative costs.

Note 2: The fiscal year revenue amounts listed for the "Local Sales and Use Tax" on page 14 of this report are based on the amount of revenue earned during the fiscal period. The Distribution of Local Sales Tax amounts listed above are based on the actual cash payouts made during the fiscal period.

# Distribution of Special Local Sales and Use Taxes

<b>Tax</b>	<b>Community</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY03-FY04</b>	<b>FY 2005</b>	<b>FY04-FY05</b>
		<b>Jul 02 - Jun 03</b>	<b>Jul 03 - Jun 04</b>	<b>% Change</b>	<b>Jul 04 - Jun 05</b>	<b>% Change</b>
Transient Room	Beaver County	101,344.12	89,233.54	-12%	95,534.65	7%
Transient Room	Box Elder County	77,915.41	82,804.43	6%	80,068.05	-3%
Transient Room	Cache County	216,402.19	236,150.34	9%	256,837.97	9%
Transient Room	Carbon County	146,526.48	132,163.36	-10%	156,520.26	18%
Transient Room	Daggett County	53,091.18	55,027.21	4%	49,660.54	-10%
Transient Room	Davis County	516,274.09	487,143.39	-6%	355,983.59	-27%
Transient Room	Duchesne County	25,957.67	30,344.54	17%	30,133.10	-1%
Transient Room	Emery County	31,967.02	144,618.71	352%	117,867.68	-18%
Transient Room	Garfield County	434,018.73	462,931.61	7%	500,675.21	8%
Transient Room	Grand County	41.51	-	N.A.	909.30	N.A.
Transient Room	Iron County	424,294.67	445,533.35	5%	510,312.14	15%
Transient Room	Juab County	63,987.02	56,051.32	-12%	64,875.55	16%
Transient Room	Kane County	252,932.45	270,539.80	7%	317,169.90	17%
Transient Room	Millard County	86,558.64	81,263.03	-6%	82,378.58	1%
Transient Room	Morgan County	1,261.65	1,286.02	2%	1,462.62	14%
Transient Room	Plute County	6,102.67	7,654.09	25%	16,637.86	117%
Transient Room	Rich County	57,277.41	56,577.29	-1%	56,976.35	1%
Transient Room	Salt Lake County	7,542,645.36	7,493,756.05	-1%	7,815,193.00	4%
Transient Room	San Juan County	223,823.53	217,916.00	-3%	228,802.03	5%
Transient Room	Sanpete County	42,492.78	40,397.25	-5%	36,198.89	-10%
Transient Room	Sevier County	199,581.28	201,092.67	1%	206,587.57	3%
Transient Room	Summit County	3,209,744.80	3,270,085.81	2%	4,021,012.57	23%
Transient Room	Tooele County	119,527.36	117,189.98	-2%	134,804.25	15%
Transient Room	Uintah County	162,968.83	167,939.97	3%	207,206.24	23%
Transient Room	Utah County	907,956.82	934,563.32	3%	225,841.75	-76%
Transient Room	Wasatch County	202,343.41	209,326.16	3%	231,117.02	10%
Transient Room	Washington County	1,273,771.89	1,410,193.55	11%	1,539,508.52	9%
Transient Room	Wayne County	91,011.48	90,480.16	-1%	96,434.85	7%
Transient Room	Weber County	451,899.31	525,898.32	16%	508,846.04	-3%
<b>Total County Transient Room</b>		<b>16,923,719.76</b>	<b>17,318,161.27</b>	<b>2%</b>	<b>17,945,556.08</b>	<b>4%</b>
Muni-Transient	Milford	-	-	N.A.	350.26	N.A.
Muni-Transient	Brigham	13,587.17	15,035.51	11%	14,469.03	-4%
Muni-Transient	Price	45,018.33	37,562.04	-17%	48,951.65	30%
Muni-Transient	Layton	-	21,247.69	N.A.	106,659.15	N.A.
Muni-Transient	Roosevelt	5,626.74	6,312.43	12%	7,353.36	16%
Muni-Transient	Green River	7,282.42	45,787.26	529%	46,757.67	2%
Muni-Transient	Moab	270,696.80	315,203.83	16%	314,924.88	0%
Muni-Transient	E. Green River	40,547.63	-	-100%	-	N.A.
Muni-Transient	Holladay	27,222.11	30,387.48	12%	35,109.47	16%
Muni-Transient	South Salt Lake	18,009.56	24,637.21	37%	20,966.79	-15%
Muni-Transient	Blanding	15,544.59	13,988.28	-10%	15,795.31	13%
Muni-Transient	Monticello	10,557.08	10,002.05	-5%	12,707.26	27%
Muni-Transient	Tooele	-	7,477.34	N.A.	16,220.64	117%
Muni-Transient	Richfield	672.31	-	-100%	-	N.A.
Muni-Transient	Salina	192.78	-	-100%	-	N.A.
Muni-Transient	Lindon	505.53	348.57	-31%	-	-100%
Muni-Transient	Orem	45,007.49	49,255.02	9%	52,043.53	6%
Muni-Transient	Heber	13,901.55	18,819.20	35%	21,963.18	17%
Muni-Transient	Midway	34,313.63	34,890.73	2%	35,553.43	2%
Muni-Transient	Santa Clara	237.39	392.77	65%	316.75	-19%
Muni-Transient	Springdale	87,117.66	96,612.67	11%	115,565.40	20%
Muni-Transient	Hanksville	-	-	N.A.	299.26	N.A.
Muni-Transient	Marriott-Slaterville	16,467.61	17,374.15	6%	14,754.76	-15%
<b>Total Muni-Transient</b>		<b>652,508.38</b>	<b>745,334.23</b>	<b>14%</b>	<b>880,761.78</b>	<b>18%</b>

Note 1: Effective 04/01/2003, the portion of Green River City previously located in Grand County was annexed into Emery County.

Note 2: Richfield and Salina collect their own municipal transient room tax, the amounts listed in this report are primarily due to audits conducted by the Tax Commission.

# Distribution of Special Local Sales and Use Taxes

Tax	Community	FY 2003	FY 2004	FY03-FY04	FY 2005	FY04-FY05
		Jul 02 - Jun 03	Jul 03 - Jun 04	% Change	Jul 04 - Jun 05	% Change
Resort Communities	Green River	160,906.26	260,224.69	62%	277,204.00	7%
Resort Communities	Boulder	17,084.36	18,728.55	10%	29,173.55	56%
Resort Communities	Panguitch	98,450.82	109,483.05	11%	124,876.31	14%
Resort Communities	Tropic	34,787.59	37,739.26	8%	56,385.81	49%
Resort Communities	Moab	1,516,472.39	1,629,034.80	7%	1,825,073.48	12%
Resort Communities	E Green River	119,622.80	1.51	N.A.	-	N.A.
Resort Communities	Brian Head	180,589.27	186,417.49	3%	231,539.18	24%
Resort Communities	Kanab	373,723.95	391,372.53	5%	436,943.64	12%
Resort Communities	Orderville	39,596.31	52,274.27	32%	60,829.80	16%
Resort Communities	Garden City	60,549.60	73,231.60	21%	79,619.77	9%
Resort Communities	Alta	301,355.73	331,326.59	10%	545,784.39	65%
Resort Communities	Monticello	57,405.83	61,731.74	8%	68,007.85	10%
Resort Communities	Park City	4,052,223.80	4,054,760.76	0%	5,208,305.92	28%
Resort Communities	Park City East	-	156,949.64	N.A.	64,773.51	-59%
Resort Communities	Springdale	360,226.06	400,810.85	11%	470,177.00	17%
<b>Total Resort Communities</b>		<b>7,372,994.77</b>	<b>7,764,087.33</b>	<b>5%</b>	<b>9,478,694.21</b>	<b>22%</b>

Note 1: Effective 04/01/2003, the portion of Green River City previously located in Grand County was annexed into Emery County.

Note 2: Effective 01/01/2004, Park City annexed a portion of Wasatch County. The section located in Wasatch County is called Park City East

Mass Transit	Brigham	398,404.24	487,835.73	22%	438,884.53	-10%
Mass Transit	Perry	140,115.86	91,507.75	-35%	163,769.40	79%
Mass Transit	Willard	20,426.27	19,344.59	-5%	28,874.33	49%
Mass Transit	Cache County	8,334.81	6,595.24	-21%	5,775.09	-12%
Mass Transit	Hyde Park	53,638.92	49,991.05	-7%	67,308.69	35%
Mass Transit	Hyrum	67,761.96	76,534.04	13%	86,394.85	13%
Mass Transit	Logan	1,530,462.29	1,652,040.07	8%	1,736,429.13	5%
Mass Transit	Millville	10,235.17	12,550.77	23%	15,621.60	24%
Mass Transit	North Logan	408,246.35	427,009.14	5%	434,539.22	2%
Mass Transit	Providence	32,737.90	45,213.62	38%	49,780.78	10%
Mass Transit	Richmond	14,518.38	19,184.23	32%	19,056.89	-1%
Mass Transit	River Heights	7,156.23	5,475.17	-23%	4,904.81	-10%
Mass Transit	Smithfield	115,797.62	125,225.65	8%	142,687.44	14%
Mass Transit	Nibley	9,375.99	15,602.54	66%	19,370.47	24%
Mass Transit	Davis County	13,411,587.88	14,012,533.07	4%	15,055,952.98	7%
Mass Transit	Salt Lake County	64,854,233.57	67,761,908.88	4%	72,489,754.33	7%
Mass Transit	Summit County	-	-	N.A.	663,317.75	N.A.
Mass Transit	Park City	1,078,083.25	1,166,405.36	8%	1,332,386.95	14%
Mass Transit	Tooele County	109,508.11	136,289.18	24%	175,480.67	29%
Mass Transit	Tooele	656,621.00	680,135.46	4%	722,092.00	6%
Mass Transit	Utah County	35,715.10	39,182.66	10%	48,702.99	24%
Mass Transit	Alpine	41,122.90	51,811.31	26%	53,339.67	3%
Mass Transit	American Fork	884,094.71	1,026,867.95	16%	1,067,906.68	4%
Mass Transit	Lehi	449,703.22	442,584.88	-2%	501,641.33	13%
Mass Transit	Lindon	509,109.07	512,648.10	1%	721,156.20	41%
Mass Transit	Mapleton	44,256.05	52,027.15	18%	61,560.10	18%
Mass Transit	Orem	3,680,797.96	3,838,296.11	4%	4,142,349.35	8%
Mass Transit	Payson	259,772.92	279,118.85	7%	378,144.81	35%
Mass Transit	Pleasant Grove	331,181.46	347,084.37	5%	378,588.41	9%
Mass Transit	Provo	2,622,753.32	2,631,040.83	0%	2,735,300.84	4%
Mass Transit	Salem	36,036.00	43,045.71	19%	52,607.06	22%
Mass Transit	Highland	93,830.37	132,700.24	41%	129,408.24	-2%
Mass Transit	Spanish Fork	558,054.99	588,925.29	6%	739,787.81	26%
Mass Transit	Springville	587,681.34	645,803.40	10%	668,375.21	3%
Mass Transit	Cedar Hills	13,082.09	17,952.80	37%	21,800.58	21%
Mass Transit	Park City East	-	190.75	N.A.	4,831.61	N.A.
Mass Transit	Weber County	12,414,071.29	12,937,504.86	4%	13,719,804.47	6%
<b>Total Mass Transit</b>		<b>105,488,508.59</b>	<b>110,378,166.80</b>	<b>5%</b>	<b>119,077,687.27</b>	<b>8%</b>

Note 1: Effective 01/01/2004, Park City annexed a portion of Wasatch County. The section of Park City that is located in Wasatch County is called Park City East.

Note 2: Effective 07/01/2004, Summit County created the Snyderville Basin Public Transit District.

# Distribution of Special Local Sales and Use Taxes

Tax	Community	FY 2003	FY 2004	FY 03-FY04	FY 2005	FY04-FY05
		Jul 02 - Jun 03	Jul 03 - Jun 04	% Change	Jul 04 - Jun 05	% Change
Restaurant	Beaver County	51,935.21	58,167.92	12%	64,319.01	11%
Restaurant	Box Elder County	280,959.40	299,876.38	7%	308,270.05	3%
Restaurant	Cache County	635,669.17	677,729.05	7%	786,764.00	16%
Restaurant	Carbon County	161,268.61	168,270.56	4%	165,810.96	-1%
Restaurant	Daggett County	13,441.28	15,114.80	12%	11,431.91	-24%
Restaurant	Davis County	1,854,104.36	1,948,293.48	5%	2,084,633.56	7%
Restaurant	Duchesne County	69,962.88	74,201.30	6%	79,861.07	8%
Restaurant	Garfield County	107,605.23	116,056.04	8%	129,758.46	12%
Restaurant	Grand County	224,649.69	221,603.91	-1%	220,234.64	-1%
Restaurant	Iron County	327,525.88	334,116.84	2%	392,425.56	17%
Restaurant	Juab County	71,799.29	75,965.08	6%	79,485.55	5%
Restaurant	Kane County	76,964.70	86,343.27	12%	84,780.35	-2%
Restaurant	Morgan County	20,750.72	24,467.55	18%	25,605.83	5%
Restaurant	Rich County	32,901.55	31,558.17	-4%	-	-100%
Restaurant	Salt Lake County	11,395,381.56	11,804,791.38	4%	12,514,136.80	6%
Restaurant	Sanpete County	76,448.39	74,949.59	-2%	85,401.04	14%
Restaurant	Sevier County	146,284.88	137,113.92	-6%	150,327.13	10%
Restaurant	Summit County	969,593.11	1,099,972.24	13%	1,243,204.30	13%
Restaurant	Tooele County	230,599.75	284,750.20	23%	301,065.55	6%
Restaurant	Uintah County	183,806.65	200,861.00	9%	216,281.55	8%
Restaurant	Utah County	2,878,898.58	3,031,540.96	5%	3,278,770.02	8%
Restaurant	Wasatch County	196,832.99	199,581.43	1%	207,350.58	4%
Restaurant	Washington County	1,031,259.57	1,132,036.47	10%	1,334,010.64	18%
Restaurant	Wayne County	35,253.10	38,066.95	8%	33,101.63	-13%
Restaurant	Weber County	1,658,988.12	1,798,714.36	8%	1,825,916.39	2%
<b>Total Restaurant</b>		<b>22,732,884.67</b>	<b>23,934,142.85</b>	<b>5%</b>	<b>25,622,946.58</b>	<b>7%</b>
Short-Term Leasing	<b>Davis County</b>	329,062.81	321,656.21	-2%	279,548.07	-13%
Short-Term Leasing	Duchesne County	-	1,629.34	N.A.	548.21	N.A.
Short-Term Leasing	Grand County	30,266.99	14,418.91	-52%	19,234.06	33%
Short-Term Leasing	Morgan County	7,174.58	6,998.11	-2%	6,029.52	-14%
Short-Term Leasing	Salt Lake County	7,632,884.63	7,516,023.71	-2%	7,640,003.55	2%
Short-Term Leasing	Sevier County	19,527.18	20,191.46	3%	19,654.32	-3%
Short-Term Leasing	Uintah County	3,353.23	2,386.79	-29%	2,182.33	-9%
Short-Term Leasing	Utah County	-	22,921.01	N.A.	501,900.65	N.A.
Short-Term Leasing	Washington County	182,222.86	214,338.94	18%	220,832.92	3%
Short-Term Leasing	Weber County	255,897.99	252,797.12	-1%	228,298.72	-10%
<b>Total Short Term Leasing</b>		<b>8,460,390.27</b>	<b>8,373,361.60</b>	<b>-1%</b>	<b>8,918,232.35</b>	<b>7%</b>
<i>Note: Effective 04/01/2004, Utah County imposed the Tourism Short Term Leasing tax.</i>						
MV Rental	State-Wide MV Rental	3,186,784.04	3,150,820.25	-1%	3,287,398.28	4%
<b>Total MV Rental</b>		<b>3,186,784.04</b>	<b>3,150,820.25</b>	<b>-1%</b>	<b>3,287,398.28</b>	<b>4%</b>
Hospital	Beaver City	310,993.43	318,391.90	2%	328,301.85	3%
Hospital	Garfield County	646,178.28	697,133.28	8%	754,207.26	8%
Hospital	Kane County	986,609.73	979,272.19	-1%	995,649.50	2%
Hospital	Uintah County	1,762,358.07	2,094,508.58	19%	2,869,714.64	37%
<b>Total Hospital</b>		<b>3,706,139.51</b>	<b>4,089,305.95</b>	<b>10%</b>	<b>4,947,873.25</b>	<b>21%</b>

# Distribution of Special Local Sales and Use Taxes

Tax	Community	FY 2003	FY 2004	FY03-FY04	FY 2005	FY04-FY05
		Jul 02 - Jun 03	Jul 03 - Jun 04	% Change	Jul 04 - Jun 05	% Change
Arts & Zoo	Cache County	73,988.93	1,036,483.18	N.A.	1,087,086.35	5%
Arts & Zoo	Salt Lake County	14,982,052.28	15,646,194.68	4%	16,602,492.10	6%
Arts & Zoo	Summit County	805,289.51	881,580.37	9%	1,015,349.33	15%
Arts & Zoo	Tooele City			N.A.	24,427.05	N.A.
Arts & Zoo	Uintah County	442,220.64	524,058.48	19%	716,930.82	37%
Arts & Zoo	Weber County	-	-	N.A.	210,764.29	N.A.
<b>Total Arts &amp; Zoo</b>		<b>16,303,551.36</b>	<b>18,088,316.71</b>	<b>11%</b>	<b>19,657,049.94</b>	<b>9%</b>

Note 1: Effective 04/01/2003, Cache County imposed the zoo, arts and parks tax.

Note 2: Effective 04/01/2005, Weber County and Tooele City imposed the zoo, arts and parks tax.

Highw ays	Price	523,661.05	532,992.86	2%	562,064.10	5%
Highw ays	Wellington	58,018.00	58,736.91	1%	60,762.21	3%
Highw ays	Roosevelt	197,712.87	219,616.33	11%	269,439.97	23%
Highw ays	Green River	22,383.61	45,333.80	103%	47,946.50	6%
Highw ays	Moab	281,869.62	300,346.10	7%	323,234.06	8%
Highw ays	E Green River	26,593.14	49.54	N.A.	-	N.A.
Highw ays	Brian Head	30,306.37	31,752.25	5%	39,986.21	26%
Highw ays	Nephi	133,148.75	123,401.99	-7%	138,175.13	12%
Highw ays	Ephraim	157,370.33	162,800.93	3%	163,895.81	1%
Highw ays	Gunnison	48,741.57	50,059.00	3%	50,869.76	2%
Highw ays	Richfield	365,089.04	395,806.78	8%	452,547.34	14%
Highw ays	Salina	86,240.62	84,327.52	-2%	80,642.86	-4%
Highw ays	Vernal	688,821.53	778,532.84	13%	936,287.22	20%
Highw ays	Heber	294,053.53	288,588.51	-2%	312,675.70	8%
Highw ays	Hurricane	196,949.03	224,128.39	14%	300,064.96	34%
Highw ays	Ivins	35,524.05	42,244.71	19%	48,791.37	15%
Highw ays	La Verkin	34,863.86	29,533.18	-15%	54,071.33	83%
Highw ays	St George	2,701,847.13	3,114,963.31	15%	3,710,822.65	19%
Highw ays	Santa Clara	27,614.50	35,080.54	27%	42,963.61	22%
Highw ays	Washington	430,043.97	493,073.60	15%	668,202.51	36%
<b>Total Highways</b>		<b>6,340,852.57</b>	<b>7,011,369.09</b>	<b>11%</b>	<b>8,263,443.30</b>	<b>18%</b>

Note: Effective 04/01/2003, the portion of Green River City previously located in Grand County was annexed into Emery County.

County Option	Beaver County	232,901.60	175,546.66	-25%	168,764.81	-4%
County Option	Box Elder County	1,240,035.76	1,304,978.60	5%	1,372,012.17	5%
County Option	Cache County	2,833,931.63	2,981,625.84	5%	3,203,674.78	7%
County Option	Carbon County	782,516.38	800,123.96	2%	832,807.79	4%
County Option	Daggett County	71,920.03	74,029.59	3%	77,741.66	5%
County Option	Davis County	7,602,294.57	7,958,454.38	5%	8,577,242.52	8%
County Option	Duchesne County	432,923.87	477,005.38	10%	574,481.64	20%
County Option	Garfield County	164,401.26	169,098.51	3%	181,752.66	7%
County Option	Grand County	359,824.36	356,470.61	-1%	391,117.63	10%
County Option	Iron County	1,195,607.81	1,170,879.87	-2%	1,304,283.99	11%
County Option	Juab County	315,222.59	236,421.63	-25%	332,434.04	41%
County Option	Morgan County	185,807.02	195,282.12	5%	209,090.67	7%
County Option	Plute County	73,895.62	74,169.88	0%	75,151.86	1%
County Option	Rich County	74,087.87	74,361.72	0%	75,372.25	1%
County Option	Salt Lake County	34,545,479.68	35,877,373.79	4%	38,377,772.14	7%
County Option	San Juan County	363,669.54	351,996.11	-3%	372,646.60	6%
County Option	Sanpete County	596,943.22	617,682.01	3%	652,594.77	6%
County Option	Sevier County	613,630.71	628,003.82	2%	686,317.08	9%
County Option	Summit County	1,535,921.15	1,671,227.58	9%	1,886,046.80	13%
County Option	Tooele County	1,143,953.50	1,282,111.44	12%	1,422,458.36	11%
County Option	Uintah County	997,213.21	1,118,952.81	12%	1,396,940.44	25%
County Option	Utah County	11,860,593.30	12,456,172.34	5%	13,653,793.52	10%
County Option	Wasatch County	494,231.92	526,070.67	6%	570,940.09	9%
County Option	Washington County	3,460,960.39	3,874,657.53	12%	4,510,449.13	16%
County Option	Wayne County	74,071.03	81,032.27	9%	82,805.51	2%
County Option	Weber County	6,598,470.58	6,887,133.51	4%	7,347,663.39	7%
<b>Total County Option</b>		<b>77,850,508.60</b>	<b>81,420,862.63</b>	<b>5%</b>	<b>88,336,356.30</b>	<b>8%</b>

# Property Tax

Property taxes are levied at the local level, based on valuations established by elected county assessors and – in the case of certain properties – by the State Tax Commission Property Tax Division. The tax is collected by the counties and distributed to the taxing entities. All monies collected from property tax are distributed back to school districts, local government entities, and special districts.

## Real and Personal Property Taxes and Rates

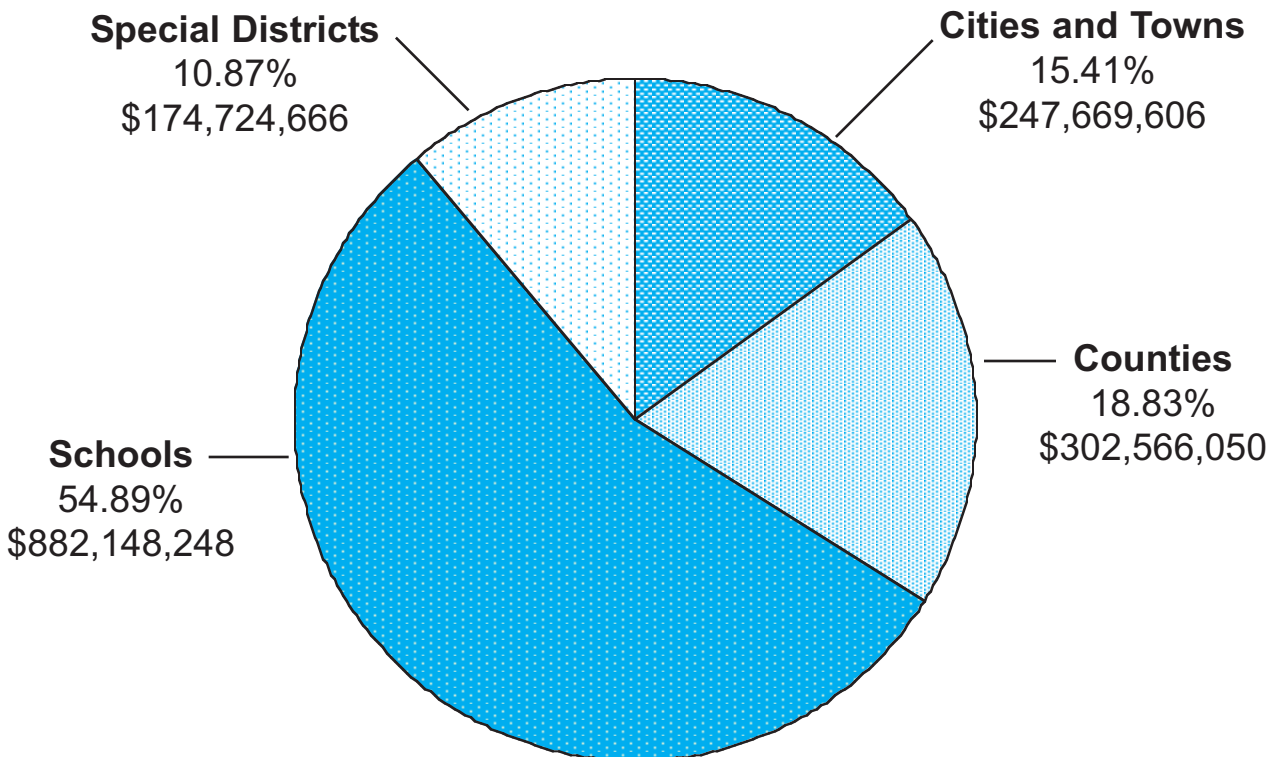
Property tax rates are set by local entities, such as counties, cities and towns, school districts and special taxing districts. A statewide rate also is levied to finance Utah’s schools through the Uniform School Fund. Those rates are applied against the taxable value of real and personal property, with the exception of motor vehicles.

## Motor Vehicle Fees

Utah motor vehicles - including boats, recreational vehicles and trailers – are subject to a fee-in-lieu of the personal property tax. Passenger vehicles are assessed using a fee schedule based on the age of the vehicle. Other vehicles continue to be subject to the statewide fee-in-lieu that is 1.5 percent of the vehicle’s fair market value. Beginning January 2006, most boats, trailers and recreational vehicles will be subject to fee schedules based on age or boat-length.

## Distribution of Property Taxes Charged

2004





# Utah Property Tax Values Charged

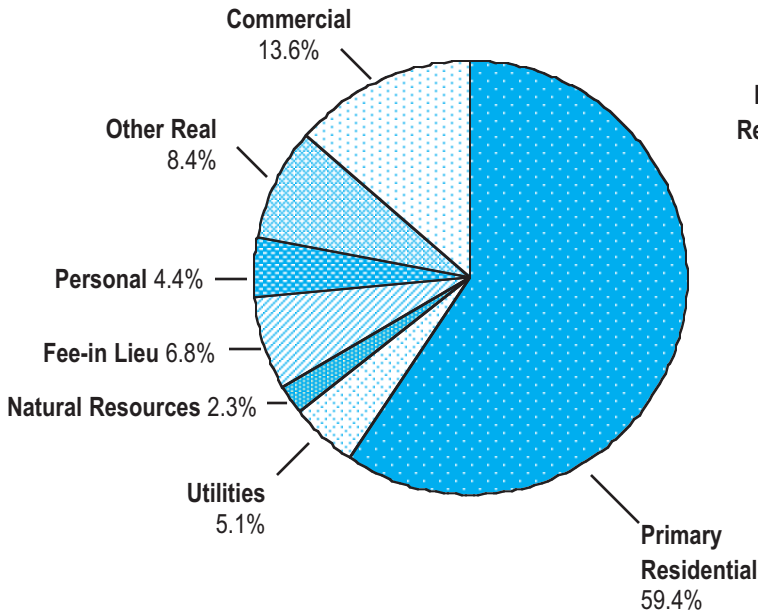
2004

<u>Class Of Property</u>	<u>Taxable Value</u>	<u>%</u>	<u>Market Value</u>	<u>%</u>	<u>Taxes Charged</u>	<u>%</u>
Primary Residential	60,635,462,669	44.6	110,246,295,762	59.4	810,420,683	45.1
Commercial	25,204,539,225	18.6	25,204,539,225	13.6	341,765,891	19.0
Other Real	15,622,104,219	11.5	15,622,104,219	8.4	181,930,475	10.1
Personal	8,027,014,353	5.9	8,209,642,321	4.4	106,037,030	5.9
Fee-In-Lieu	12,616,364,086	9.3	12,616,364,086	6.8	189,245,462	10.5
Natural Resources	4,211,778,705	3.1	4,211,778,705	2.3	48,881,099	2.7
Utilities	9,509,472,931	7.0	9,509,472,931	5.1	118,073,390	6.6
STATEWIDE	135,826,736,188	100	185,620,197,249	100	1,796,354,030	100

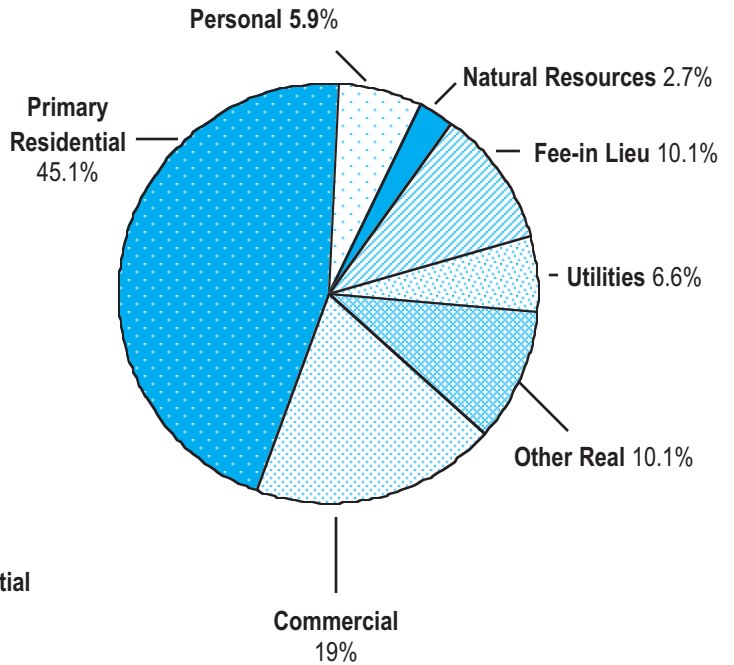
## Market Value Comparisons and Types of Taxes

2004

Market Value



Taxes Charged



## Centrally Assessed Property

The Property Tax Division is responsible for the valuation of mines, utilities, airlines, motor carriers, and rail carriers. The market value of multi-state utilities is determined by the "unit value" approach. This method values the entire intrastate or interstate operation as a unit, and then allocates the value to the State of Utah and then to the counties.

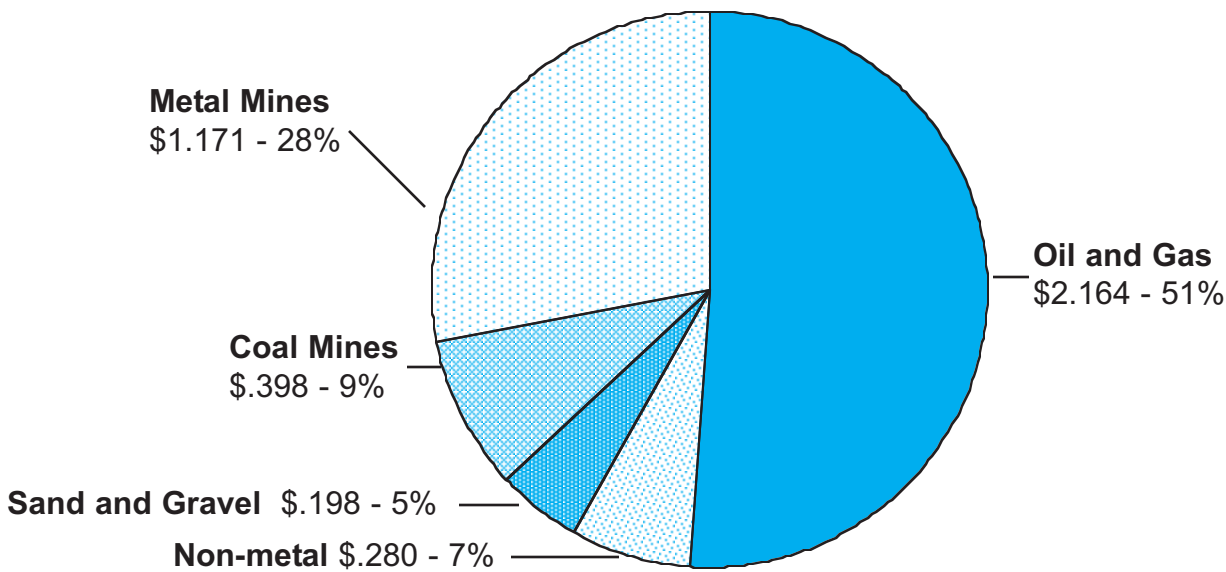
Properties of mining operations, gas and oil companies are physically valued to arrive at fair market value. Producing mines and oil and gas wells are valued by discounting future estimated cash flows to present value. Patented, but non-producing mining claims are valued based on the fair market value of the surface property.

## Statewide Taxable Values

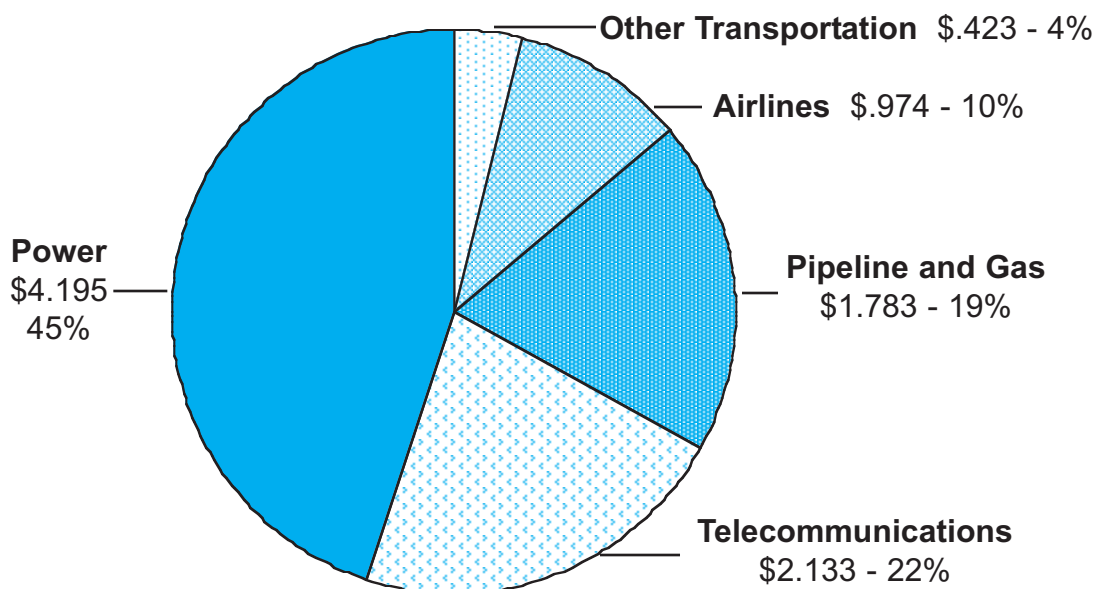
2004

Value in Billions of Dollars

### Natural Resources - \$4.2 Billion



### Utilities - \$9.5 Billion



# Property Tax Relief

The State of Utah and county governments provided \$13,487,265 in property tax relief to 44,531 individuals in 2004. The property tax exemption programs are listed below.

(Utah Code Ann. §59-2-1104 to 1109 and §59-2-1202 to 1220)

## Disabled Veteran Exemption

An exemption of up to \$82,500 in taxable value on a residence or personal property may be granted to a disabled veteran, to the veteran's unmarried widow or widower, and/or to minor orphans.

## Blind Exemption

Up to \$11,500 in taxable value of real and/or personal property owned by blind persons, their unmarried widow or widower, and/or minor orphans is exempt from property taxation.

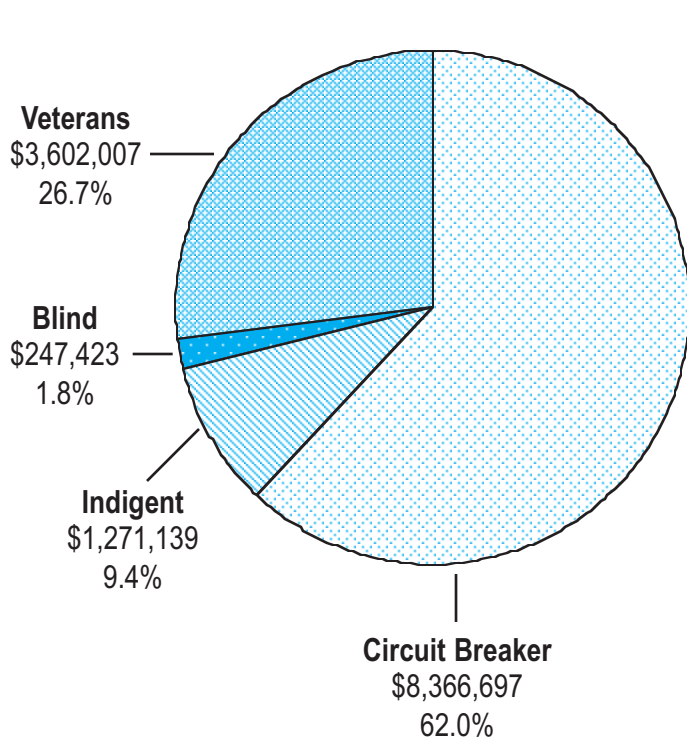
## Indigent (Poor) Abatement

An indigent or poor abatement may be granted in an amount of 50 percent of the taxes levied, not to exceed \$646 for 2004.

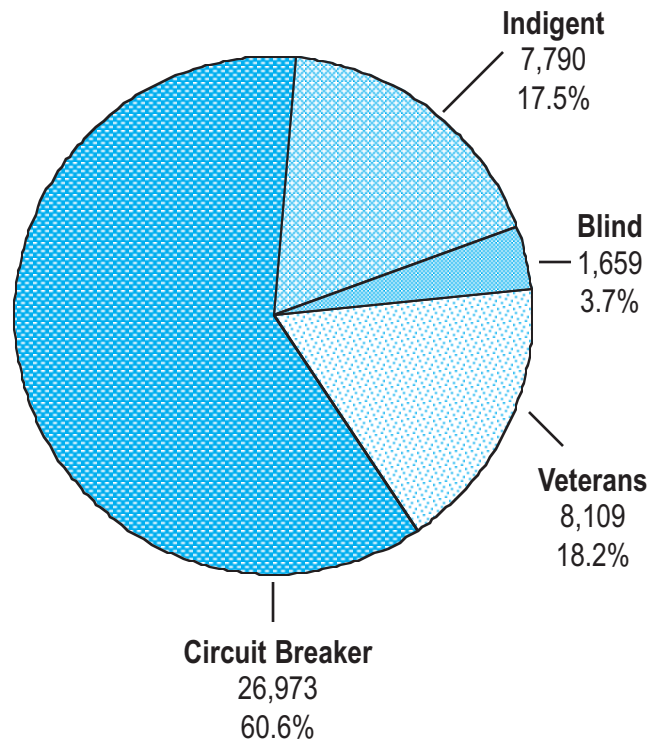
## Circuit Breaker

Elderly and/or low-income or widowed homeowners and mobile home owners may apply through the county for "circuit breaker" relief of up to \$646 for 2004. Renters are eligible and may apply for relief to the State Tax Commission.

### Tax Dollars



### Number of People



# Income Tax

Utah has individual income tax and corporate franchise and income taxes that are based on income. The Uniform School Fund was established in the State Constitution in 1938. Since 1947, all income taxes have been constitutionally required to be used for public education. In 1996, Utah voters approved a constitutional change providing that these revenues could also be used for higher education. Utah is the only state where this constitutional mandate exists.

## Individual Income Tax

Utah levies an income tax tied to the federal tax system. This allows Utah taxpayers to claim the federal standard deduction or itemized deductions, and 75 percent of the federal personal exemption. Utah has six tax brackets for income tax. The highest rate is 7 percent for the top bracket on income over \$8,626 for married filing joint, head of household, or qualifying widows or widowers. The 7 percent rate is also levied on taxable income greater than \$4,313 for single taxpayers or married filing separate returns.

Fiscal Year 2005 Revenues - **\$1,933,290,318**

*Individual income tax revenues include withholding amounts and \$6,694,704 in mineral production withholding taxes.*

## Individual Income Tax Withholding

An employer must withhold state income tax from employee earnings if the employer

- Does business in Utah, or obtains any income from Utah sources; and
- Pays wages to individuals who perform services for that employer, within or without the state of Utah, on an employer/employee basis

*Individual Income Tax Revenues include withholding amounts.*

## Corporate Franchise Tax

The Corporate Franchise and Income Tax rate is 5 percent of Utah apportioned net income, with a \$100 minimum tax per corporation included in a combined report.

Fiscal Year 2005 Revenues - **\$198,887,246**

*Corporate franchise tax revenues include \$10,042,057 in mineral production withholding tax.*

## Gross Receipts Tax and Radioactive Waste Tax

The Gross Receipts Tax is an in-lieu tax imposed on the gross receipts of corporations, other than religious or charitable institutions, operating in the State of Utah, that are not otherwise required to pay income or franchise taxes to the state.

In addition, the Legislature imposed the Gross Receipts Tax on electrical corporations whose property tax liability was decreased as a result of property tax reductions authorized by the 1995 Utah Legislature.

A percentage tax on gross receipts at radioactive waste facilities is imposed on the following types of waste: containerized class A waste (12%), processed class A waste (10%), non-containerized, unprocessed class A waste (5%) radioactive mixed waste (5%), higher radionuclide mixed waste (10%). In addition, a tax of 10 cents per cubic foot was imposed on alternate feed material and other by-product material disposed of in a radioactive waste facility.

Fiscal Year 2005 Revenues - **\$15,341,792**

# Utah Income Tax Statistics

From 2003 Tax Returns by Tax Line - Full-Year Resident

<u>TAX LINE</u>	<u>RETURNS</u>	<u>AMOUNT</u>	<u>AVERAGE</u>
Total Number of Exemptions	808,014	2,082,496	2.58
Adjusted Gross Income	888,009	\$39,930,075,692	\$44,965.85
All Additions	3,584	\$16,610,923	\$4,634.74
Federal Deductions	894,546	\$11,987,436,266	\$13,400.58
Personal Exemptions	802,744	\$4,729,010,887	\$5,891.06
One-Half Federal Tax	610,541	\$1,905,227,180	\$3,120.56
Taxpayer 65 or Older	84,841	84,871	1.00
Spouse 65 or Older	39,967	39,969	1.00
Retirement Exemption	78,753	\$678,493,717	\$8,615.47
Total Other Deductions	75,356	\$211,622,888	\$2,808.31
Utah Taxable Income	702,150	\$23,989,080,918	\$34,093.97
Utah Income Tax Liability	683,725	\$1,546,216,493	\$2,261.46
Total Non-Refundable Credits	11,906	\$31,915,769	\$2,680.65
Total Contributions	13,132	\$318,645	\$24.26
Withholding	787,862	\$1,462,041,713	\$1,855.71
Prepaid Taxes	17,151	\$152,210,995	\$8,874.76
Net Refund	677,943	\$332,164,594	\$489.96
Taxes Due with Return	162,565	\$224,823,027	\$1,382.97

## Individual Income Tax Liability

<u>COUNTY</u>	<u>INCOME TAX LIABILITY</u>	<u>FULL-YEAR RESIDENT</u>	<u>NON- OR PART-YEAR RESIDENT</u>
STATE OF UTAH	\$1,612,891,245	\$1,545,492,238	\$67,399,007
BEAVER	2,275,337	2,254,416	20,921
BOX ELDER	23,870,509	23,725,965	144,544
CACHE	48,974,156	48,466,439	507,717
CARBON	10,481,205	10,399,174	82,031
DAGGETT	429,573	407,765	21,808
DAVIS	197,894,811	195,668,557	2,226,254
DUCHESNE	6,392,221	6,337,624	54,597
EMERY	4,860,836	4,839,882	20,954
GARFIELD	1,482,588	1,444,650	37,939
GRAND	4,793,852	4,695,043	98,809
IRON	13,641,449	13,456,618	184,831
JUAB	3,264,757	3,252,902	11,855
KANE	2,543,930	2,488,568	55,362
MILLARD	4,725,048	4,694,615	30,433
MORGAN	5,798,827	5,743,798	55,029
PIUTE	334,306		
RICH	987,974	975,898	12,076
SALT LAKE	689,186,873	681,654,442	7,532,431
SAN JUAN	2,501,009	2,473,684	27,325
SANPETE	7,218,411	7,169,173	49,238
SEVIER	7,863,571	7,805,711	57,860
SUMMIT	47,123,850	45,940,384	1,183,465
TOOELE	25,543,111	25,213,108	330,003
UINTAH	12,454,278	12,316,128	138,150
UTAH	221,881,731	219,577,064	2,304,667
WASATCH	11,794,908	11,602,394	192,513
WASHINGTON	50,607,711	49,662,785	944,926
WAYNE	836,481	824,249	12,232
WEBER	132,461,688	131,315,436	1,146,251
OUT OF STATE	70,458,608	20,585,783	49,872,825
OTHER UTAH	207,636	168,529	39,108

# 2005 Legislative Summary

## General Taxes

**SB 128 Calculation of Interest on Tax Overpayments** - This bill provides that the calculation of interest on a tax overpayment arising from an amended return shall begin on the date the original return was due or filed not including any extensions for filing the original return and that ends on the date the Commission receives the amended return. It will run through the Tax Commission's receipt of the amended return, and recommence on the 91st day after the amended return is received (if overpayment is not refunded within 90 days).

**SB 153 Tax Reform Task Force** - This bill provides:

1. For the appointment of members and co-chairs of the task force;
2. Procedures and requirements for the operation of the task force;
3. Provides for the payment of salaries and expenses of members of the task force who are legislators;
4. Provides for the payment of per diem and expenses for members of the task force who are not legislators;
5. Provides that the Office of Legislative Research and General Counsel shall provide staff support to the task force;
6. Prescribes the scope of the task force's study; and
7. Requires the task force to make reports to the Revenue and Taxation Interim Committee.

**SB 170 State Tax Commission Collection and Licensing Practices** - This legislation imposes a bonding requirement for certain persons required to collect withholding tax. It requires an applicant to post a bond with the Commission prior to obtaining a sales tax, withholding tax or fuel tax license if any of the principals have been a responsible party for another person that is delinquent in, or had a license revoked for delinquency in the tax they are applying for. The bill increases bond amounts for withholding, sales, and fuels licenses to a minimum of \$50,000 and a maximum of \$500,000. The bond amount is based on estimates of the applicant's tax liability plus any delinquencies or revocations of the principals.

If a person that is required to collect a tax as stated in this bill engages in business within the state before obtaining a license, that person is guilty of a criminal violation.

The Commission shall revoke a license if a licensee violates any requirement of this bill. If the Commission revokes a licensee's license, the Commission may not issue another license to that licensee until they comply with these requirements, including paying any tax, penalty, or interest due, or by posting a bond.

## Income Tax

**HB 7 Individual Income Tax Contribution for Education** - This bill revokes the language allowing individual income tax contributions to a chapter of the Utah Public Education Foundation because that foundation is no longer in existence. It authorizes an individual income tax contribution to be made to a school district if the school district has not established a foundation. If a person making a contribution to a school district foundation does not designate a particular foundation to receive the contribution, the contribution shall be made to the Utah State Office of Education to be distributed to one or more associations of foundations.

**HB 96 Amendments Relating to Clean Fuels and Vehicles Using Clean Fuels** - This bill provides the circumstances under which a vehicle may travel in lanes designated for the use of high occupancy vehicles regardless of the number of occupants. For a period of five taxable years, the bill extends individual income tax and corporate franchise and income tax credits relating to vehicles using clean fuels. For taxable years beginning on or after January 1, 2006, a taxpayer may not claim a tax credit with respect to an electric-hybrid vehicle. It extends a surcharge on clean special fuel tax certificates until December 31, 2010. The bill provides that the Department of Natural Resources may not make a loan or grant under the Clean Fuels Conversion Program Act with respect to an electric-hybrid vehicle.

**HB 170 Extension of Utah Low Income Housing Tax Credits** - This bill extends for a ten-year period the amount of aggregate annual tax credit for low-income housing that the Utah Housing Corporation may allocate under the corporate franchise and income taxes and the individual income tax.

**HB 179 Utah Venture Capital Enhancement Act Amendments** - This bill changes the contingent tax credit from a nonrefundable credit with a 7-year carry forward to a refundable credit.

**HB 190 Individual Income Tax - Electronic Filing Requirements** - This bill requires an income tax return preparer to file returns required to be filed under the Individual Income Tax Act using scan technology or by electronic means if the preparer prepares more than 100 income tax returns in a calendar year. It provides exceptions to the requirement to file returns using scan technology or by electronic means if the taxpayer requests that a return not be filed electronically, or if the preparer provides evidence that it would be a hardship to file returns electronically.

**SB 13 Individual Income Tax - Subtraction for Certain Military Income** - This bill provides a subtraction from FAGI for the first \$2,200 of income a qualifying service member receives for qualifying service. It also applies only to the tax year beginning on or after January 1, 2005.

**SB 125 Amendments to Individual Income Tax Credit for Special Needs Adoptions** - This bill amends the definition of "child who has a special need" by repealing the requirements that DCFS has been awarded permanent custody of the child and the child cannot or should not be returned to the home of the child's biological parents. The bill requires that the adoption occur in this state.

**SB 133 Individual Income Tax - Return Filing Requirements** - This bill provides that the State Tax Commission may make rules prescribing, for taxable years beginning on or after January 1, 2005, what constitutes filing a return with the State Tax Commission for purposes of the Individual Income Tax Act (This will allow the Commission to make rules to allow certain partnerships to file a return with USTC by simply keeping a record of the information).

**SB 164 Individual Income Tax - Subtraction for Live Organ Donation Expenses** - This bill provides a nonrefundable income tax credit for live organ donation expenses incurred during the taxable year for which a live organ donation occurs; the credit is for the lesser of actual expenses or \$10,000. The credit has a 5-year carry forward.

## Sales and Use Tax

**HB 9 Sales and Use Tax – Agriculture Exemption Vehicle Limitation** - This bill amends a sales and use tax exemption to provide that a vehicle used in agriculture is not included under the exemption if the vehicle is required to be registered by Utah law within two years of the vehicle's purchase. If the vehicle is registered within the two-year timeframe, DMV will manually calculate the sales tax when this occurs based on the original purchase price.

**HB 107 Amendments to Taxes, Fees, or Charges** - This bill delays the effective date from July 1, 2005 to July 1, 2006 for the following Streamlined Sales Tax provisions: sourcing, amnesty (a seller is not required to pay certain amounts that the seller would otherwise be required to pay), simplified electronic returns, and monetary allowance. Coordinates the effective date for sales tax credits for repossessions of a motor vehicle with SB 127. It requires the Revenue and Taxation Interim Committee and the Tax Commission conduct a study to determine whether delayed provisions should take effect prior to July 1, 2006. Has coordination clause with SB 127.

**SB 6 Sales and Use Tax Agricultural Exemptions** - This bill repeals a sales and use tax exemption for certain sprays and insecticides used in farming because those sprays and insecticides are exempt from sales and use tax under a provision exempting sales of tangible personal property used or consumed primarily and directly in farming operations.

The bill repeals a provision exempting sales of irrigation equipment and supplies used for agricultural production purposes because those sales are exempt from sales and use tax under the provision exempting sales of tangible personal property used or consumed primarily and directly in farming operations.

**SB 36 Sales and Use Taxation of Pawn Transactions** - This bill provides a sales and use tax exemption for redemptions or repurchases of property by a person who delivered the property to a pawnbroker and redeemed or repurchased the property within the time period established in a written agreement for redeeming or repurchasing the property.

**SB 127 Tax, Fee, or Charge Amendments** - This bill excludes delivery charges (including direct mail delivery charges) and installation charges from the definition of purchase price. Defines 'repair or renovation' to include only those modifications to tangible personal property that is not permanently attached to real property. Repeals the Medicare/Medicaid limitation on exemptions for durable medical equipment, mobility enhancing equipment, and prosthetic devices. Makes technical changes to the definition of lease. Provides sales and use tax exemptions for manufacturer rebate amounts paid to purchaser of a new vehicle, sales of tangible personal property to persons within the state if that tangible personal property is subsequently shipped outside the state and incorporated pursuant to contract into and becomes a part of real property located outside this state if a contract was in effect on July 1, 2004, and repossessions of a motor vehicle but only to the extent of the unpaid purchase price. Clarifies that payment of a monetary allowance under SST Agreement shall be made to a certified service provider that is designated to be a seller's agent.

**SB 137 Tourism, Recreation, Cultural, and Convention Facilities Tax Amendments** - This bill requires a county of the first class (population of 700,000 or more) to expend revenue from the imposition of a tax on certain accommodations and services to fund a marketing and ticketing system designed for tourism promotion for ski areas within the county.

**SB 194 Sales and Use Tax Exemption for Items Relating to Direct Mail** - This bill provides a sales and use tax exemption for purchases of an electronic mailing list used to send direct mail.

**SB 211 Funding for Convention Facilities** - This bill amends the purposes for which revenues generated by the municipality transient room tax may be used. The bill authorizes a county legislative body of a first class county (population of 700,000 or more) to enact a 1.25% tax on accommodations and services through June 30, 2011, and a 1% tax on accommodations and services from July 1, 2011 through June 30, 2015 when the accommodations and services are regularly rented for less than 30 consecutive days. The tax may be used for purposes relating to convention facilities; providing for the collection, administration and enforcement of the tax by the Tax Commission; and authorizes the Tax Commission to retain an administrative fee for collecting the tax.

**HB 78 Corporate Franchise and Income Tax Amendments** - For taxable years beginning on or after January 1, 2006, this bill allows a taxpayer to choose to calculate the apportionment of business income on the basis of a fraction that double weights the sales factor. The fraction is calculated as follows:

1. For a taxpayer that does not make an election, the numerator of the fraction is the sum of:
  - a) the property factor;
  - b) the payroll factor;
  - c) the sales factor;

The denominator is three.

2. For a taxpayer that makes an election, the numerator of the fraction is the sum of:
  - a) the property factor;
  - b) the payroll factor; and
  - c) the product of:
    - i. the sales factor; and
    - ii. two;

The denominator of the fraction is four.

The bill also provides that a taxpayer making such an election may not revoke the election for a period of five taxable years.

**HB 170 Extension of Utah Low Income Housing Tax Credits** - This bill extends for a ten-year period the amount of compounded annual tax credit for low-income housing that the Utah Housing Corporation may allocate under the corporate franchise and income taxes and the individual income tax.



**HB 96 Amendments Relating to Clean Fuels and Vehicles Using Clean Fuels** - This bill provides the circumstances under which a vehicle may travel in lanes designated for the use of high occupancy vehicles regardless of the number of occupants. For a period of five taxable years, the bill extends individual income tax and corporate franchise and income tax credits relating to vehicles using clean fuels. For taxable years beginning on or after January 1, 2006, a taxpayer may not claim a tax credit with respect to an electric-hybrid vehicle. It extends a surcharge on clean special fuel tax certificates until December 31, 2010. The bill provides that the Department of Natural Resources may not make a loan or grant under the Clean Fuels Conversion Program Act with respect to an electric-hybrid vehicle.

## Miscellaneous Taxes

**HB 191 Captive Insurance Law Amendments** - This bill eliminates the premium tax on policy or contract written by a captive insurance company and replaces it with a fee that is paid annually by a captive insurance company to obtain or renew a certificate of authority. It requires the Insurance Commissioner to set the fee in accordance with statute and after considering whether the fee amount is competitive with those in other states.

**HB 195 Insurance Law Amendments** - This bill modifies various provisions related to the Insurance Code. It addresses general powers and duties of the Commissioner; requires insurers to pay taxes required by Title 59, Revenue and Taxation, to the State Tax Commission; corrects citations; increases from three to five years the amount of time that insurers must maintain certain records; addresses termination of insurance policies by insurers; addresses reporting requirements; addresses unfair marketing practices; extends the sunset date for comparison tables; repeals a provision related to transitioning prior licensees; and makes technical changes.

**HB 247 Credit or Refund for Tax Paid on Cigarette or Tobacco Product Destroyed or Returned to the Manufacturer** - This bill allows a credit or refund for a tax paid on cigarettes or tobacco products that are destroyed or returned to the manufacturer. It provides procedures and requirements for the State Tax Commission to grant the credit or refund. This bill applies to cigarettes or tobacco products removed from the shelf on or after July 1, 2005.

**SB 24 Waste Amendments** - This bill imposes gross receipts taxes on mixed waste disposal received from governmental entity or agent contracts entered into, modified, renewed, or extended on or after April 30, 2005.

**SB 129 Brine Shrimp Royalty Act Amendments** - This bill, beginning on February 1, 2004, and ending on January 31, 2006, imposes for each tax year a brine shrimp royalty of the lesser of: 3.75 cents multiplied by the total pound of unprocessed brine shrimp eggs that are harvested in the state during the tax year, or \$550,000. Beginning on February 1, 2006, the bill imposes for each tax year a brine shrimp royalty of 3.75 cents multiplied by the total pounds of unprocessed brine shrimp eggs that are harvested in the state during the tax year.

**SB 159 Assessment Offset for Donations Promoting Occupational Health and Safety**- This bill provides for an offset against an assessment charged a self-insured employer in an amount equal to the lesser of the total qualified donations to an occupational health and safety center or .10% of the employer's total calculated premiums. It provides for an offset against a premium assessment charged a workers' compensation insurer in an amount equal to the lesser of the total qualified donations to an occupational health and safety center. The bill also provides for allocation of the offset or .10% of the insurer's total workers' compensation premium income.

**SB 206 Non-participating Tobacco Manufacturer Amendments** - This bill creates a certification requirement for participating and non-participating tobacco product manufacturers. It requires the Tax Commission to create and maintain a directory of manufacturers in compliance with the certification requirements and prohibits stamping agents from applying stamps to products not listed as in compliance on the commission's directory. This bill requires nonresident or foreign non-participating manufacturers to appoint an "agent" for service of process in the state and requires stamping agents in the state to report, by "brand family," on a quarterly basis, the total number of cigarettes for which the stamper affixed stamps.

**HB 171 Calculation of Mining Severance Tax on Beryllium** - This bill modifies the calculation of taxable value for purposes of imposing the mining severance tax on beryllium from 20% of gross proceeds to 125% of direct mining costs.

Questions and comments about this year's annual report are welcome. For additional copies of this report or to submit questions or comments, please contact

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