

UTAH INCOME TAX RETURN DATA FOR 2007

DISCLOSURE RULES

When only a few returns are available for a given group, the Tax Commission limits disclosure. If fewer than ten returns are available the only data reported is the total dollar amount and that amount is rounded up to avoid disclosure. The rounding rule is in the table below. If there are fewer than 100 returns but ten or more, the actual total, the median and mean are reported. For more than 100 returns more data is reported.

LOWER LIMIT	UPPER LIMIT	ROUND UP TO NEAREST
\$0	\$10,000	\$1,000
\$10,001	\$50,000	\$5,000
\$50,001	\$100,000	\$10,000
\$100,001	\$500,000	\$50,000
\$500,001	\$1,000,000	\$100,000
OVER \$1,000,000		\$250,000

This publication is a description of data from the 2007 Utah state income tax returns. An income tax file is always dynamic, with late returns, amended returns, and audits changing the data. This means that in small ways the results depend on when the data to be analyzed is captured. This report analyzes the 2007 return data as of late March of 2009. It is mainly a resource for answering many varied data questions.

RESIDENCY ISSUES

State income tax returns include both full year residents and nonresidents. Nonresidents includes those who moved in or out during the year, and as those who never lived here but still have income from the state. We have presented broad summary data for nonresidents, since detailed data is difficult or meaningless to interpret.

STATISTICAL MEASURES

The general strategy has been to report statistical points for the most important lines on the state form, with different tables according to residency and filing status (Married, Single, etc), of the taxpayer. When not using an income breakdown, we have reported percentage deciles, as well as the mean, and the median. **For many lines on the form, most taxpayers will either have a zero or no entry. Thus, our calculations will include only those with a meaningful entry.** For example, the data for the retirement exemption will only cover those who had a non-

zero amount. For the adjusted gross income line and exemption line zero entries are included, being valid amounts. Table 5, rather than using an arbitrary income division which gets outdated over many years, uses income deciles relevant to the group being examined. “Lower income” and “Upper income” shows the income range.

A brief review of statistical terms for those not using them every day follows:

Mean is the total dollar amount divided by the number of returns claiming a value.

Median is the middle value.

Decile divides the values into tenths. For example, the bottom decile reports the value dividing the bottom 10 percent from the top 90 percent, or the sixth decile divides the bottom 60 percent from the top 40 percent.

These issues will become clearer as we examine specific tables.

FORMS

We have always included the state tc40 tax form on our page. Since the electronic version now comes in parts we have included select parts and the instructions. In addition to the main form, we have the schedule S form for additions, deductions, and credits, the form for calculating the retirement deduction, and the form non-residents or part-year-residents use in calculating income taxes.

THE TABLES.

[TheStateTableBYAGI](#) (Adjusted Gross Income) reports for all full year residents using traditional but arbitrary income brackets. It reports the number of returns, the amount of adjusted gross income, state income taxes, an effective tax rate and number of exemptions. The table labeled “calendar year” is for the 2007 returns only.

[Table 1](#) reports, for various residency and filing status groupings, the number of all returns filed and the deciles for adjusted gross income. It also reports the 5 percent and 95 percentage point breaks. These decile groupings are those used to define income groups on table 5.

[Table 2](#) reports for each of the major lines, where data is available, various statistical measures for all taxpayers.

[Table 3](#) is similar to table two, but broken down by residency. (Some lines may seem to be missing where there are narrower breakdowns, this is to prevent disclosure problems)

[Table 4](#) is similar to table two, but it only includes full year Residents and with a filing status breakdown.

[Table 5](#) reports by filing status for full year residents using an income breakdown based on adjusted gross income deciles. Not all tax form lines are reported to avoid

disclosure problems and some values have been omitted for the same reason. To be reported a line has to have been used by more than 10,000 taxpayers and data within a line for a filing status that represents less than 10 taxpayers has been deleted. There has been some interest in the past in the number of taxpayers and amount of income taxed at the highest rate, 6.98%. [Table 6](#) responds to this interest, but includes only those with a positive tax liability who are full year residents. It reports for all taxpayers as well as by filing status. Those who are in all brackets except the top are labeled lower bracket and the remainder is the top bracket. All percentages are relative to the total for all groups and all brackets. We will use the top bracket, married joint case (line 9) to explain the table. There are 361,694 taxpayers in this group and they are 47.3 percent of all taxpayers included in the table. They had \$26,363 million in taxable income, which was 75.4% of all taxable income. Of that income, \$3,979 million was taxed at less than the top rate, which comprised 11.4% of all taxable income. The rest of their income, \$22,375 million was taxed at the top rate and that income was 64.0% of all taxable income. Looking at the third line, 81.6% of all returns were in the top bracket and they had 98.2% of taxable income; 82.0% of all taxable income was taxed at the top rate. (The brackets were changed in 2007 so less income is in the top bracket than in 2005.)

[Table 7: County data](#) details tax liability data by county and by whether it was reported by a full year resident or a part year or nonresident. The out of state data is from taxpayers whose mailing address was not in Utah. The “other Utah” is from those who used an invalid Zip code but where the first two digits indicate Utah, i.e. 84???

[FIDUCIARY RETURNS](#) Table 8

In addition to individuals, trusts pay income taxes in Utah. Table 9 shows the taxes paid by fiduciaries according to the size of the taxes paid.