

# Utah Taxes

SECTION 10 OF THE B&E PROFILE

11



Photo of Amer Sports Open House in Ogden City 11/2006

# Taxes

## CORPORATE INCOME TAXES

### 5.0% – Used for the uniform school fund

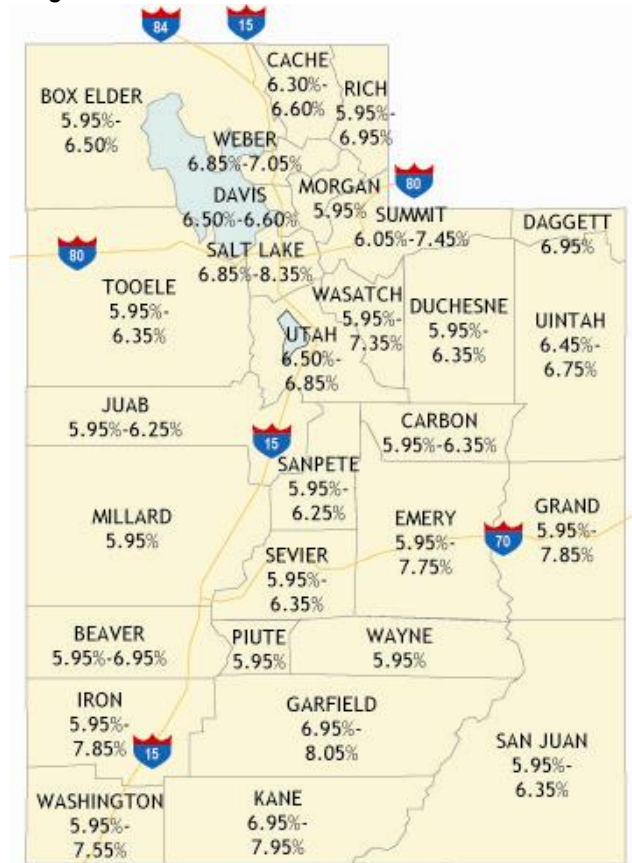
Domestic and foreign corporations are required to pay a 5.0% state income or franchise tax on income earned in Utah. Multi-state corporations pay taxes based on apportioned income calculated through a formula, which includes property, payroll, and sales or gross receipts factors. Subchapter S Corporations, LLC's, LC's, LP's, and Partnerships are taxed at the individual taxpayer level. For more information, please visit the Utah State Tax Commission web site: <http://tax.utah.gov/>.<sup>1</sup>

## SALES & USE TAXES

### 5.95% – 8.05% – Used by local cities, towns, counties and the State of Utah

Sales tax is collected on all retail sales. Rates vary by location due to special assessments and special service district assessments. Raw materials and sales for resale may be exempt. Products purchased out of state for final consumption within the state are subject to the same sales and use tax rates in the jurisdiction where the product is consumed.

Average Combined Sales & Use Tax Rates for Utah Counties



Source: Utah State Tax Commission, 1<sup>st</sup> Quarter 2010 rates

<sup>1</sup> Source: Utah State Tax Commission

## PROPERTY TAXES

### Approximately 1.1% statewide average – Used for school district and taxing authority

Local governments, usually at the county level, often assess additional taxes. Commercial and business personal properties are assessed at 100% of fair market value. Residential properties are assessed at 55% of fair market value. Agricultural properties may be subject to greenbelt provisions. Tax rates vary from county to county and city-to-city due to taxes approved for special service districts.

**Property Tax Rates for Select Locations in Utah Counties**



\*Property tax rates reflect county, city, school district, special districts and other levies for specified locations.  
Source: Utah State Tax Commission 2010 (2009 rates)

## INDIVIDUAL INCOME TAXES

### 5.0% flat tax rate – Used for the uniform school fund

Individuals pay state income tax on income earned in or derived from Utah. Credits for taxes paid in another state are limited to the effective rate as if earned in Utah. There are no local governments that assess an income tax. Beginning in 2008, taxpayers pay individual income tax under a flat tax calculation at 5.0% with the ability to claim one or more new non-refundable credits.<sup>2</sup>

## MOTOR FUEL TAXES

### 24.5 cents per gallon – Used for state highway and local road construction

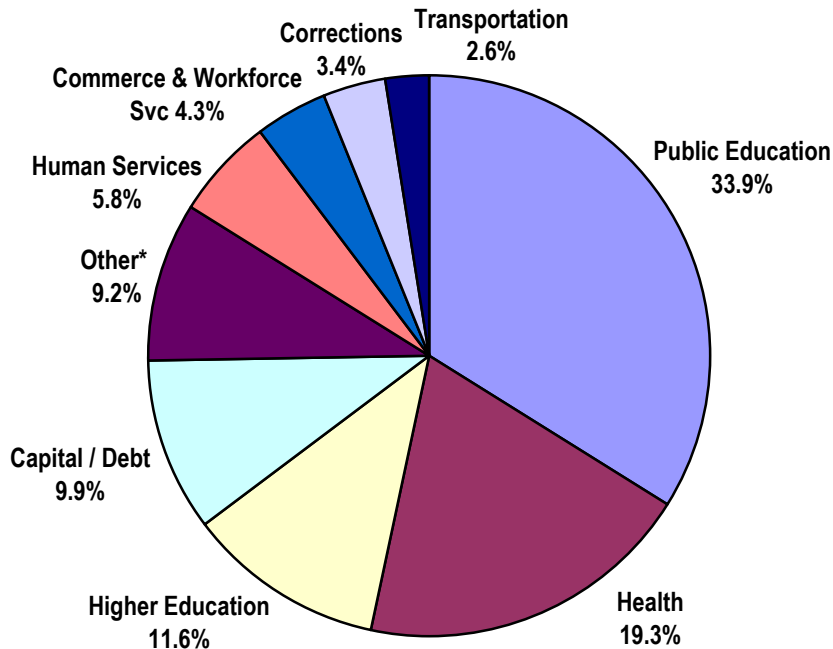
Fuel tax is collected on each gallon of fuel purchased. Off-highway fuel use may be exempt from tax. Aviation fuel tax is 9 cents per gallon. Aviation fuel used by federally-certificated air carriers is taxed at 4 cents per gallon.

## UTAH GOVERNMENT EXPENSES

### Utah State Funds Expended in FY 2011

For the fiscal year 2010, the total state budget is \$10.6 billion with the General Fund and Education Fund totaling \$5.0 billion, 47.2% of the total state budget. Federal Funds is the second largest contributor comprising 23.4% of the total state budget. State dollars are generated primarily through income tax at 50.8% and sales and use tax at 33.3%.<sup>3</sup>

State of Utah Funds Expended in FY 2011



\*Other is comprised of Administrative Services (0.3%), Courts (1.2%), ED & Revenue (2.1%), Elected Officials/Legislature (1.0%), Environmental Quality (0.5%), Natural Resources/Ag (1.7%), DPS/NG/VA (2.1%), and Technology Services (0.2%).  
Source: State of Utah, State Budget FY 2011

<sup>2</sup> Source: Utah State Tax Commission Income Tax Brackets & Rates

<sup>3</sup> Source: State of Utah Fiscal Year 2011 Budget Overview