



Taxes and Government Spending

October 3, 2024

Taxes and government spending was an important issue to voters in the 2024 Utah Priorities Project survey. Preferences varied by gender, income, and political affiliation. For instance, women prefer to fund education and health care with hypothetical windfall funds. In another question, conservatives and liberals have drastically different views regarding the effectiveness of government.

What to Do With a Windfall

Voters were first asked how they might allocate funds if the state received an additional \$200 million to address issues such as education, roads, or homelessness. Education and tax cuts topped the list of preferred options, receiving nearly 47% of total responses. (See Figure 1.) Roads, health care, and homelessness were at the bottom of voters' lists of issues to address. More specifically, men were more likely to prioritize tax cuts and water infrastructure, while women were more likely to prioritize education and health care. Higher-income survey respondents are more likely to fund education than other options with tax dollars.

Amendment A

Amendment A proposes to allow the Utah State Legislature to use income tax revenues (traditionally dedicated to education) for other purposes. In more recent years, income tax revenues have increased while sales

tax revenues have decreased relative to each other. The Legislature has made several attempts to rebalance revenues and spending.¹

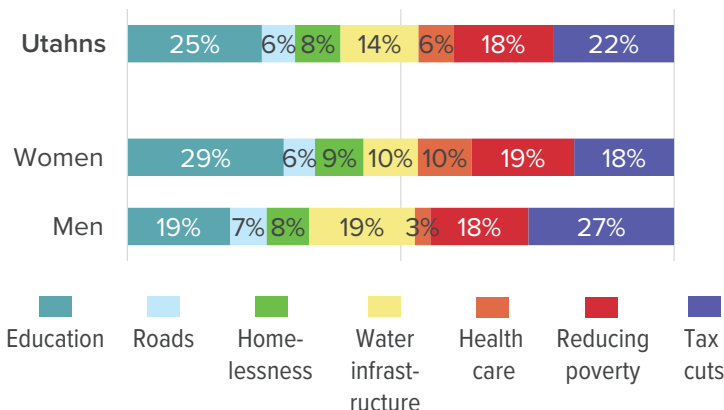
There is no inherent reason income tax revenues should be linked to education, nor any inherent reason why income tax revenues should support other government services. The opposition around Amendment A centers on a lack of trust that the Legislature will provide adequate funding for the K-12 education system. However, even the current system does not provide the education-funding safeguards that many people think it does. A more detailed background and analysis is available in the Utah Foundation's *On the Ballot* constitutional amendment guide.²

Which Taxes to Raise or Lower

When asked in 2020 which taxes should be cut, property and income taxes were voters' top choices. In 2024, when asked which taxes should be in-

Women prefer increased funding for health care and education.

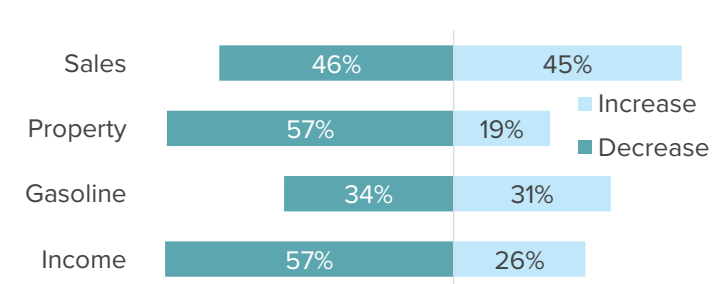
Figure 1: "If the state had an extra \$200 million, where would you spend it?"



Source: Utah Foundation survey.

Voters prioritize decreasing income and property taxes, increasing sales and gas taxes.

Figure 2: Preferred Tax Increase in 2020 Compared to Preferred Tax to be Decreased in 2024



If the state HAD to increase taxes, which of the following taxes should be increased? Select all that apply (2024)
If the state HAD to cut taxes, which of the following taxes should be reduced? Select all that apply (2020)

Source: Utah Foundation survey.

creased, the sales tax was overwhelmingly preferred as the option to increase, followed by the gas tax.

Income and property taxes are lump sum payments that are very visible and therefore possibly generate more displeasure in the individual making the payment. This is a reality not lost on politicians as the Governor has introduced the possibility of eliminating Utah’s income tax.³

Government: Harmful or Beneficial

Survey participants were also asked if government aid to the poor does more harm than good by making people too dependent on government assistance or if government aid does more good than harm because people cannot get out of poverty until their basic needs are met. Responses to this question indicated that the religiously inactive were more likely to agree with the first statement. Not surprisingly, those most concerned about taxes were more likely to agree with the first statement.

Liberals and Democrats were more likely to agree with the second statement. Similarly, white non-His-

panic/Latino voters were more likely than Hispanic/Latino voters to agree with the second statement. (See Figure 3.)

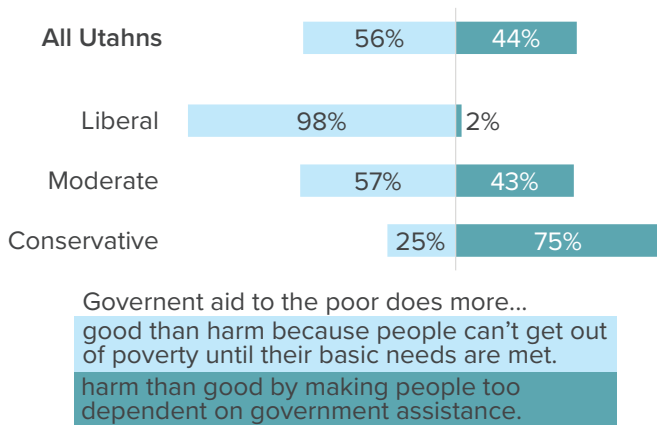
Government Service and Tax Tradeoff

Half of Utahns disagreed that Utah should reduce taxes, even if it results in lower quality service or fewer services from the state. Liberals were more likely to disagree and those who noted taxation at the top of their priorities were more likely to agree. About 66% of very liberal voters strongly disagreed with a tax cut while, 33% of very conservative voters strongly agreed with one. (See Figure 4.)

These results highlight a trend through the Utah Priorities Project research. Liberals tend to be more pronounced and unified than their conservative counterparts. This is likely because there are fewer liberals – which allows for more unified positions, and because Utah liberals are more consistently liberal than their national counterparts.⁴

The very liberal overwhelmingly view government aid to the poor as beneficial.

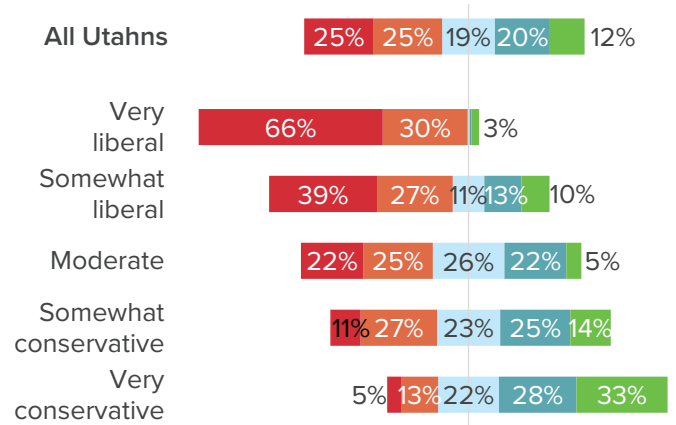
Figure 3: Government Aid to the Poor is Seen Differently According to Political Affiliation



Source: Utah Foundation survey.

Conservatives welcome lower taxes at the cost of services and service quality.

Figure 4: “Utah should reduce taxes, even if it results in lower quality service or fewer services from the state.”



Source: Utah Foundation survey.

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This research brief was written by Research Analyst John Salevurakis with assistance from other Utah Foundation staff.

Endnotes

1. In 1947, the income tax was completely dedicated to the K-12 education system. In 1996, income taxes were also allowed to fund the system of higher education. In 2020, income taxes were also allowed to fund programs for children and disabled individuals. In 2024, Amendment A would allow income tax revenues to fund other state needs. While there are some limited protections for education funding involved in Amendment A, this amendment would essentially remove any limitation on the use of income tax funds. Although, the limitation has already been severely weakened by the 1996 and 2020 amendment which allows the Legislature to offload to income tax revenues a portion of what sales tax revenues previously had been dedicated to. Another recent tax reform was the 2019 reform package. This was a more comprehensive approach, lowering income taxes, while making more things subject to sales taxes and raising taxes on food and gas. While most, if not all households would have seen a lower tax burden, the reform package was so broadly unpopular that the Legislature repealed it after just six weeks of its enactment.
2. The Utah Foundation, *On the Ballot: Constitutional Amendments: November 5, 2024*. (To be released after this research brief.)
3. The Deseret News, "Utah's Governor Wants to Talk About Getting Rid of the State Income Tax. Here's What Lawmakers Say", 2024, <https://www.deseret.com/2024/1/8/24029144/tax-cut-utah-no-income-tax-governor-cox/>.
4. The Utah Foundation, 2024 "Bridging Gaps: The issues that unite and divide Utah voters," <https://www.utahfoundation.org/wp-content/uploads/rr823.pdf>.

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