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UEA Opposes Proposed Massive Cuts to Education Funding

The state needs tax reforms, but the fix must not come at the expense of students

The Utah Education Association supports legislative efforts to reform Utah's broken tax structure. Proposed measures in House Bill 441 to broaden the sales tax base will ensure the state's ability to provide needed services. However, the UEA believes those sales tax improvements can and should be enacted without lowering the income tax rate, thereby reducing funds available for education.

The following can be attributed to UEA President Heidi Matthews:

"For years, educators, school administrators and parents have relied on lawmaker promises that a growing economy would ultimately lead to new investments in the education of our students. Utah's economy is currently among the nation's strongest and our budget surplus is more than \$1 billion. Now is the perfect time to make those long-promised and much-needed investments in our students – NOT cut the Education Fund by more than \$300 million.

"Utah's broken tax structure is nothing new. Legislators have seen this coming for years but have not addressed it. We believe legislators can devise a way to repair the broken sales tax structure without drastically cutting funding for education. This whole proposal is a gamble. Our kids' education must not be used as a political device just to make needed sales tax changes palatable. We urge legislators to keep the promise to our students, to allow the Education Fund to continue to grow and to invest that new growth in the resources our students so urgently need.

"The tax problems HB441 attempts to address are more than 20 years in the making. Details of such a massive tax overhaul cannot be fully understood and openly discussed when they are released with barely two weeks remaining in the legislative session.

"We look forward to working with legislators as we seek positive solutions to Utah's tax structure problems and provide the resources our students need."

About the bill – HB441: *Tax Equalization and Reduction Act*, sponsored by Representative Tim Quinn, attempts to fix problems with Utah's sales tax by lowering the rate and adding new taxes on many services. The bill also reduces the income tax rate from 4.95% to 4.75%, which has the effect of cutting the Education Fund by about \$300 million each year.

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