



AMERICANS
for TAX REFORM

March 7, 2019

To: Members of the Utah Legislature
From: Americans for Tax Reform
Re: Reject House Bill 441

Dear Representative,

On behalf of Americans for Tax Reform (ATR) and our supporters across Utah, **I urge you to reject House Bill 441**, the “Tax Equalization and Reduction Act.” **Despite being described as a tax cut or even revenue neutral, the bill’s own fiscal note projects it would impose a massive tax increase on the hardworking people of Utah.**

There is a wealth of social science demonstrating the economic harm that results from raising taxes. John Hood, chairman of the John Locke Foundation, a Raleigh, N.C.-based think tank, surveyed over 680 peer-reviewed academic journal articles on fiscal policy published over the past quarter century. According to Hood, “the preponderance of peer-reviewed research finds a negative relationship between state taxes and measures such as job creation and income growth.”

Tax Foundation economist William McBride reviewed academic literature going back three decades and found, “while there are a variety of methods and data sources, the results consistently point to significant negative effects of taxes on economic growth even after controlling for various other factors such as government spending, business cycle conditions and monetary policy.”

In addition to being a massive tax hike, **HB 441 would also implement a number of unsound policies.** For example, **in some cases, business-to-business transactions would be taxed. Another major flaw with HB 441 is that it would raise healthcare costs by taxing health insurance premiums.**

As currently written, the sales and income tax rate reductions included in HB 441 are far outweighed by the significant tax increase and problematic base broadening. In the bill’s current form, **ATR opposes HB 441 and urges lawmakers to vote NO.** For more information, please contact Margaret Mire, ATR’s state affairs manager, at 202-785-0266 or mmire@atr.org

Sincerely,

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