



# UTAH STATE LEGISLATURE

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## For Immediate Release

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### Utah Legislature to Consider Removing State Sales Tax on Food

SALT LAKE CITY – The Utah Legislature will consider H.B. 101 1st. Sub *Food Sales Tax Amendments*, which removes the state portion of sales tax on food, contingent on removing the constitutional earmark for income tax revenue.

Utahns have informed lawmakers that removing the sales tax on food is a priority. While Utah’s economy is robust, the state’s current budget structure creates funding constraints. Currently, the Utah Constitution mandates all income tax revenue be used only for certain items.

If the Legislature passes H.B. 101 1st. Sub and voters approve the change during the 2024 general election, eliminating the state sales tax on food would result in a \$200 million total tax reduction.

"The way our budget is structured, income tax is used only to fund higher and public education, children and people with disabilities," said Sen. Ann Millner. "Education has and will continue to be a priority in our state. Over the last few years, we have made historic investments in education, showing our commitment to Utah students and the education community. Under the current budget structure, sales tax on food helps to fund all state needs, including Medicaid, homeless programs, public safety, courts, parks, etc. To continue funding these needed programs without the sales tax on food, we will need to restructure the budget."

"Utah is the only state in the nation that has these types of budget constraints," said Rep. Mike Schultz. "We can't remove the sales tax on food and continue to efficiently balance the state budget. I'm excited to give citizens the opportunity to make the final decision at the ballot box next November."

H.B. 101 1st. Sub is scheduled to be heard in the House Revenue and Taxation Committee on Tuesday, February 21, at 8:00 A.M. in State Capitol Building Room 445.

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