



Sales Tax and Property Tax Revenue Analysis

June 3, 2025



Sales Tax Analysis

How is sales tax forecasted?

(Budget pg. 13-14)

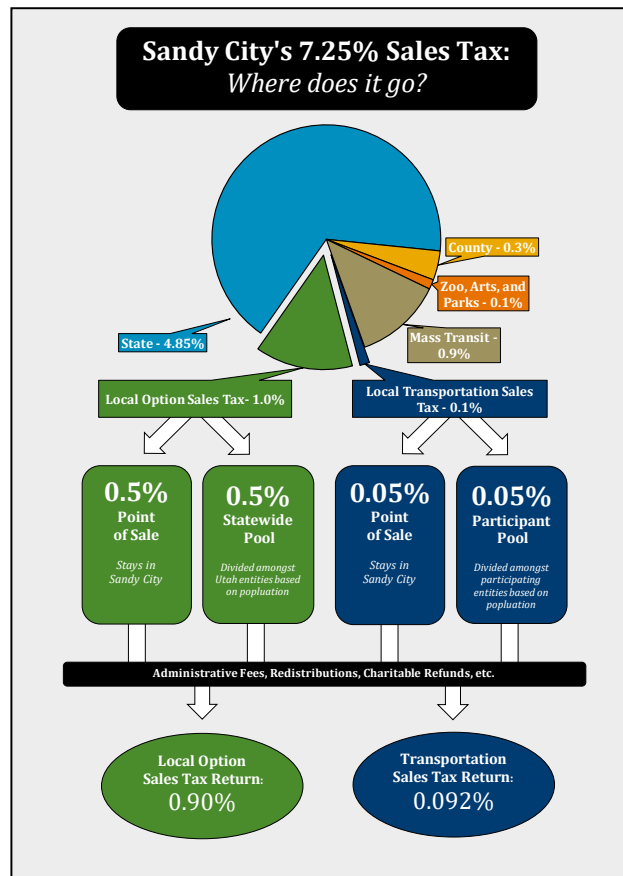
50% Statewide Sales

- Forecasted based on recent trends and economic data
- Allocated by population

50% Sandy City Sales

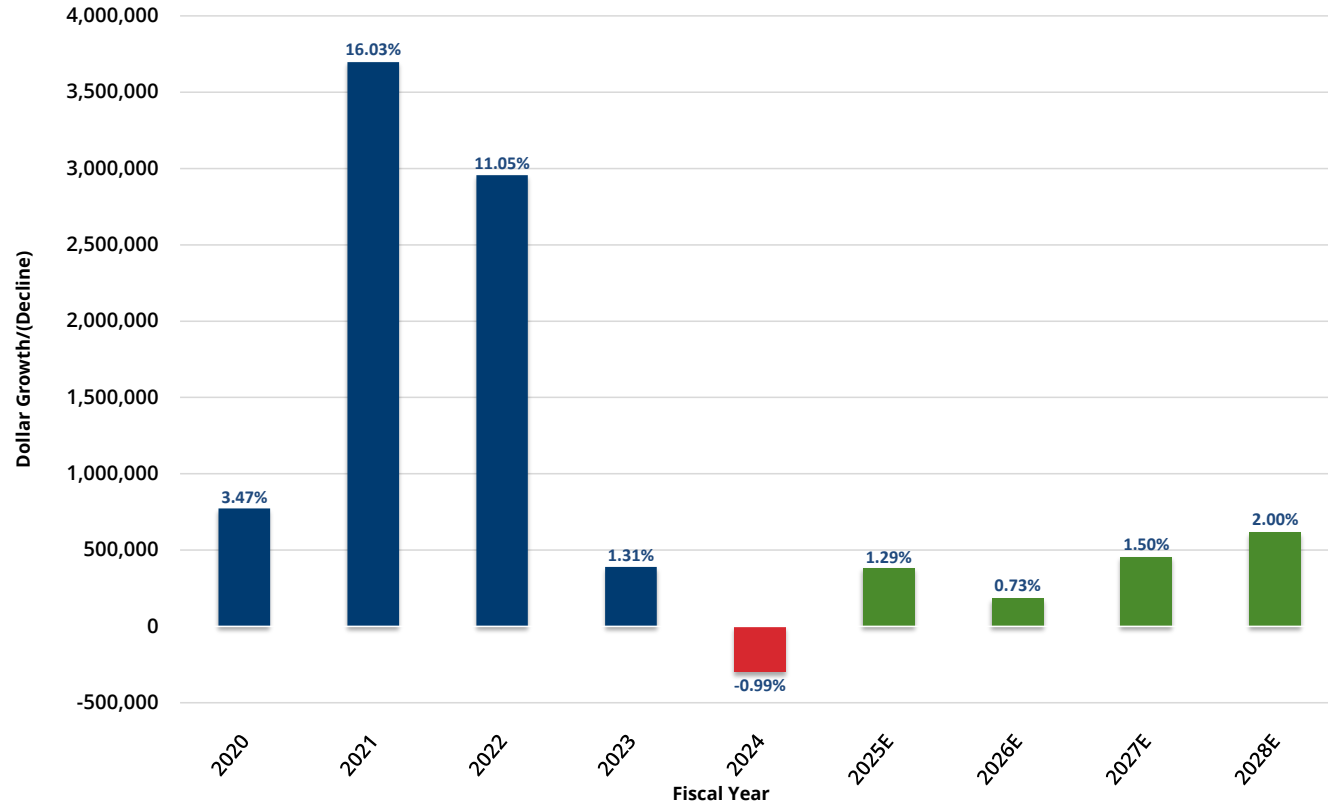
- Forecasted based on recent trends, economic data, and expected new businesses
- Allocated directly to Sandy City

Fees and Redistributions Deducted



Sales Tax Analysis

Sales Tax Growth





Property Tax Analysis

How Property Taxes Work in Utah

- Let's use an example of four homes to represent all houses in Sandy.

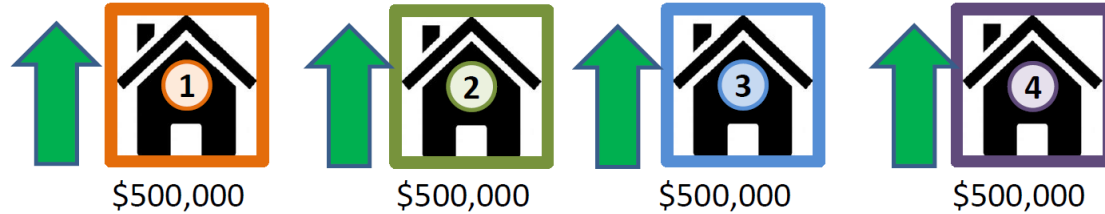


- Let's assume that all four houses start at a taxable value of \$250,000 each.
- Let's also assume that the city's budgeted property tax revenue is \$1,000.
- With a city tax rate of 0.1%, each house pays \$250 in property taxes to the city.



How Property Taxes Work in Utah

- What if all four houses double in taxable value to \$500,000?

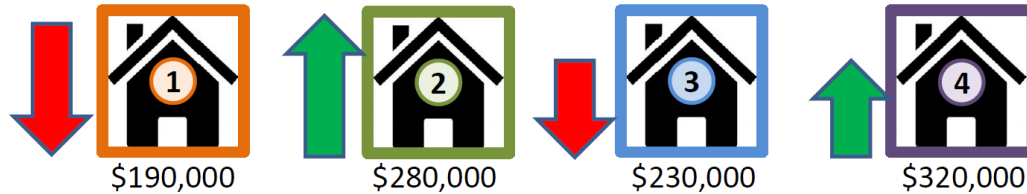


- The budgeted property tax does NOT double. It stays at \$1,000.
- What changes is the tax rate. The tax rate drops to 0.05%.
- Each house still pays \$250 in taxes.



House Values Change Regularly

- Of course, house values fluctuate over time, and also vary by neighborhood.



- Every year, the total value of all property is used to determine the tax rate.

| |
|-------------|
| \$ 190,000 |
| \$ 280,000 |
| \$ 230,000 |
| \$ 320,000 |
| <hr/> |
| \$1,020,000 |

| |
|---------------------|
| \$ 1,000 ← Budget |
| ÷ |
| \$1,020,000 ← Value |
| = |
| 0.098% ← Tax Rate |

- No matter what happens with home values, the property tax revenue stays the same.



Property Tax Analysis

Before and After

Total property value \$1,000,000 & tax rate 0.100%



\$250,000

$$\begin{array}{r} \times \quad 0.100\% \\ \$ \quad 250 \end{array}$$



\$250,000

$$\begin{array}{r} \times \quad 0.100\% \\ \$ \quad 250 \end{array}$$



\$250,000

$$\begin{array}{r} \times \quad 0.100\% \\ \$ \quad 250 \end{array}$$



\$250,000

$$\begin{array}{r} \times \quad 0.100\% \\ \$ \quad 250 \end{array}$$



= \$1,000

Total property value \$1,025,000 & tax rate 0.098%



\$190,000

$$\begin{array}{r} \times \quad 0.098\% \\ \$ \quad 186 \end{array}$$



\$280,000

$$\begin{array}{r} \times \quad 0.098\% \\ \$ \quad 275 \end{array}$$



\$230,000

$$\begin{array}{r} \times \quad 0.098\% \\ \$ \quad 225 \end{array}$$



\$320,000

$$\begin{array}{r} \times \quad 0.098\% \\ \$ \quad 314 \end{array}$$



= \$1,000

How to Increase the Property Tax Budget

There are two ways for Utah government agencies to increase their property tax budget.

1. New Growth

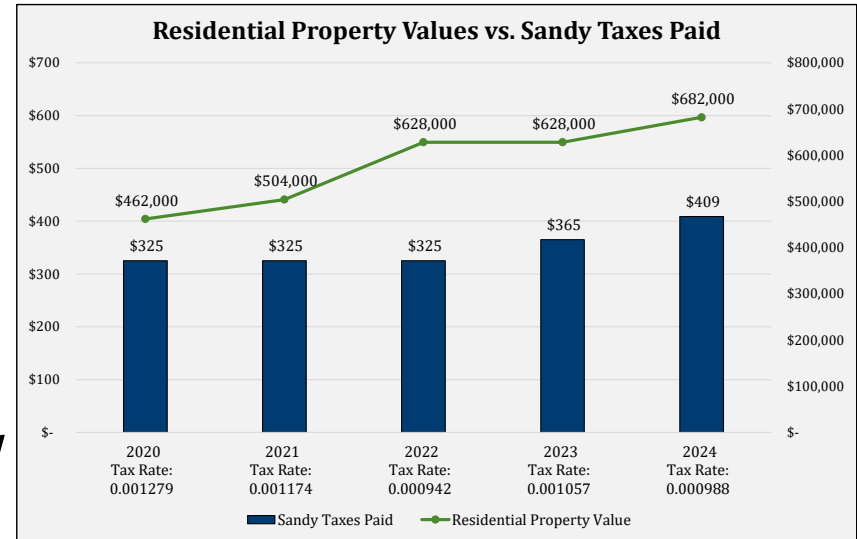
When new structures are built, new areas are annexed, or new businesses move in, that adds to the taxable base, increasing revenue.

2. Truth in Taxation

Hold a public hearing before increasing the budget cap. If the budget is increased, the new tax rate is calculated based on the new budget and current property values.

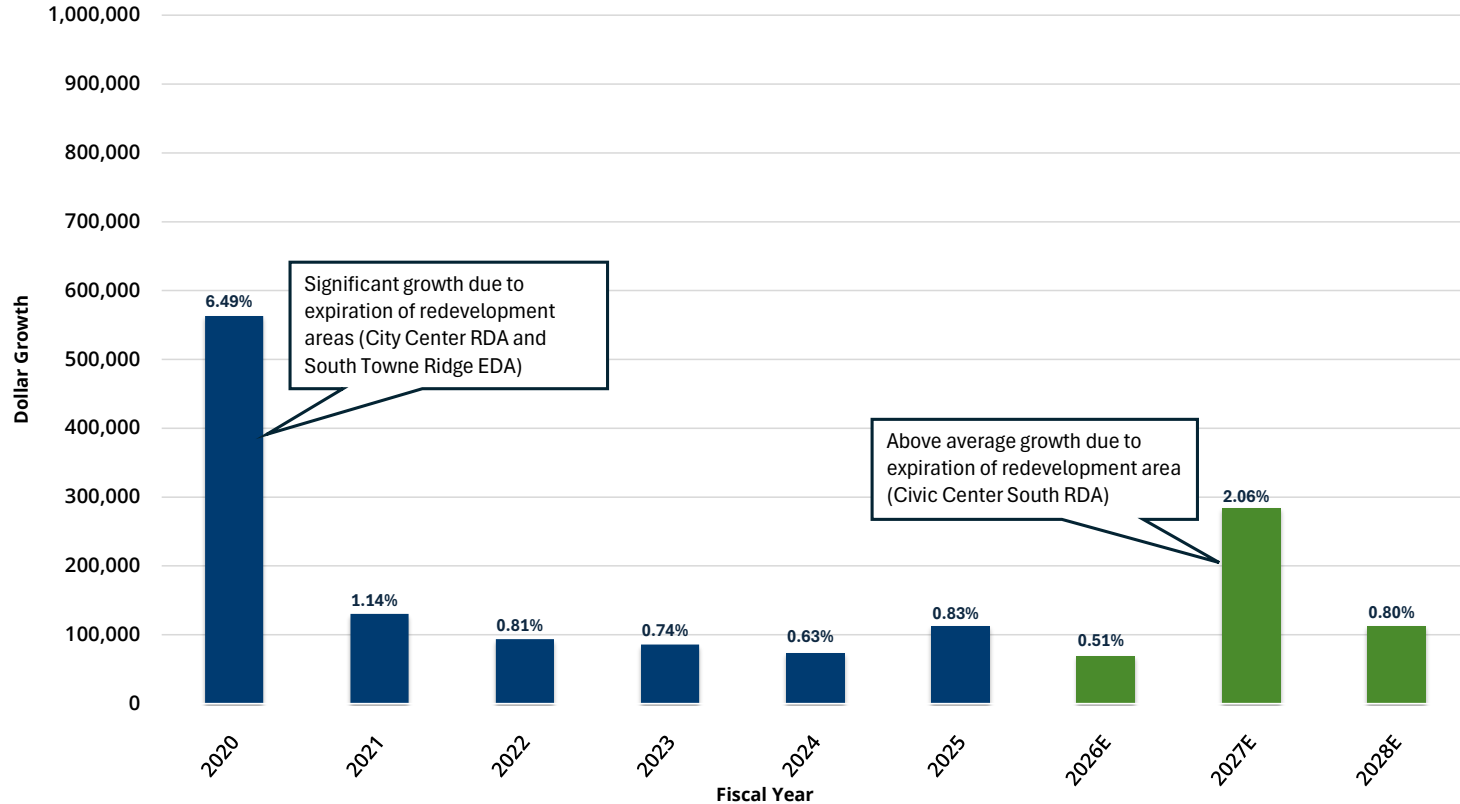
How is property tax forecasted? (Budget pg. 15)

- County adjusts rates each year to keep base revenue the same year to year
- Additional revenue is only added from new growth, annexations, and expiring redevelopment areas
- New growth is estimated each year based on historical trends, anticipated annexations, new businesses, and expiring redevelopment areas



Property Tax Analysis

Property Tax Certified Revenue Growth





Questions