

APRIL 2025

THE BEEHIVE FAMILY

The tax burden of the Bob and Brooke Beehive Family



A report by the
Utah Taxpayers Association



THE TAX BURDEN OF THE BOB AND BROOKE BEEHIVE FAMILY

The Bob and Brooke Beehive Family is a family of five designed to help illustrate the annual tax burden of a "typical" Utah family.

This typical family has been created using data from the U.S. Census Bureau and several publications by the Utah State Tax Commission.

Income and spending patterns have been taken from both locally and nationally collected data from years 2023 and 2024.

All calculations were done by the Utah Taxpayers Association.



TAX BURDENS 2024

FAMILY PROFILE

The Bob and Brooke Beehive family is comprised of two working parents and three children, one of whom was born in 2024.

The family lives in Salt Lake City, Utah. Bob is an advertising agent at a local company and earned \$63,686 in 2024. Brooke works part time as a real estate agent and earned \$32,816 after expenses in 2024.

The Beehive Family's total income was **\$96,503** - 129% of the Salt Lake City family median income.

Based on these income figures, as well as national and local expenditure patterns as published in the Bureau of Labor Statistics' Consumer Expenditure Survey, the Beehive Family paid the following taxes:

Social Security and Medicare Tax

 **\$11,679**

Payroll/Employment Tax

 **\$6,004**

Property Tax

 **\$4,715**

State Income Taxes

 **\$2,942**

State Sales Tax

 **\$2,990**

Auto Taxes

 **\$775**

Federal Income Taxes

 **\$1,612**

Excise Taxes

 **\$198**

Total Tax Burden

= \$30,918

TOTAL TAXES

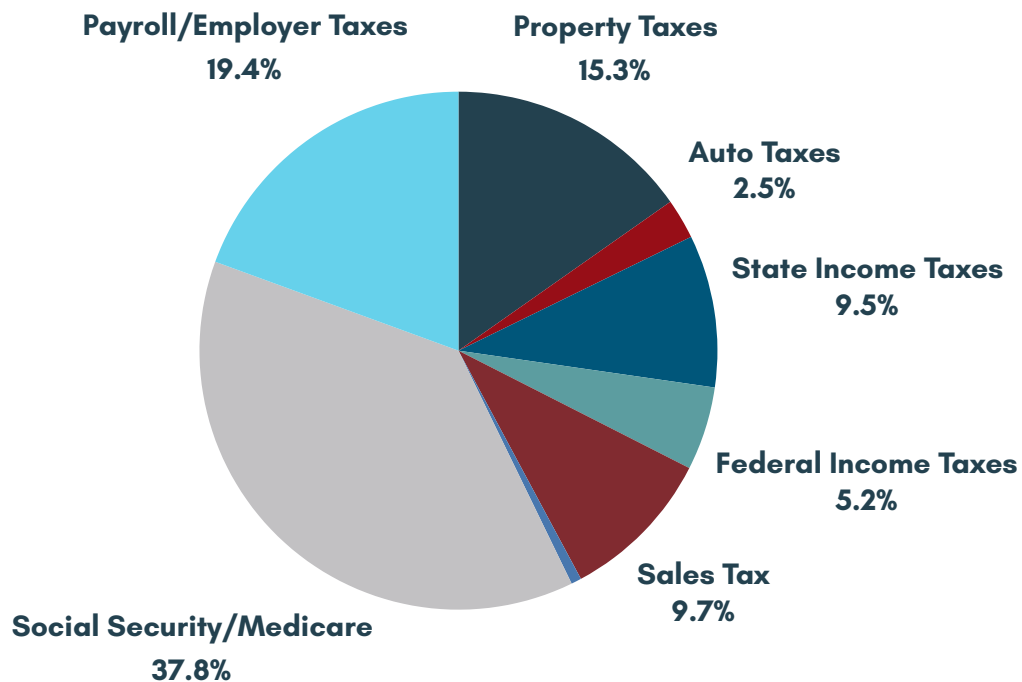
\$30,918.97

When Bob and Brooke added up all the taxes paid in 2023, they found that their total direct tax bill came to **\$24,914.53, or 23.84% of their household income.**

Their employers also paid taxes, which affects the Beehives. The indirect taxes* paid by their employers were **\$6,004.44**, or just over what would be almost 6% of their income.

Adding household and employer taxes, the Beehive Family's **total tax bill amounts to \$30,918** or \$2,576.58 per month.

Overall, the Beehive Family pays **29.59%** of their income in federal, state and local taxes each year.



TAXPAYER RECEIPT (STATE TAXES ONLY)

\$5,810 (approx.)

The "Taxpayer Receipt" shown was generated via budget.utah.gov. It is only a rough estimate, and takes into account the Beehive Family's gross income, home value and miles driven in their gas-powered vehicle. The attached footnotes clarify what is included and excluded in these figures.

Unsurprisingly, more than 50% of the Beehive Family's taxes paid to the state go to Education – a total of \$3,120. Additionally, the family pays a further \$1,625 in property taxes to the School District for Education, in addition to any school fees.

Infrastructure is funded by both gas taxes and income taxes, as well as various other fees not included on the receipt. Infrastructure costs the Beehive Family \$840 in taxes; however, this falls far below the cost of their usage.

All other state services funded by the Beehive Family's taxes to the state are collected from the state sales tax.

The Taxpayer Receipt illustrates the important truth that **taxation is a function of government spending**. If government could reduce the spending in each of the expenditure categories, the relevant taxes could also be reduced.



Utah State Capitol
350 State Street
Salt Lake City, UT 84103

Your Estimated Taxes Paid

Fees	\$540
Fuel Tax	
Income Tax	\$3,450
Property Tax ⁽³⁾	\$0
Sales Tax ⁽⁴⁾	\$1,820
Grand Total	\$5,810

Your Estimated Public Purchases

(Click on an Item Below to Explore Details)

Criminal Justice	\$230
Economic Development	\$200
Elected Officials	\$80
Environment and Natural Resources	\$550
General Government	\$60
Higher Education	\$1,000
Infrastructure	\$840
Local Government	\$70
Public Education	\$2,120
Social Services	\$660
Grand Total	\$5,810

(2) Only State of Utah imposed taxes. Does not include local sales or property taxes or federal fuel or income taxes. Does not include fines, fees, or other taxes and charges paid to state government.

(3) Property tax only includes the Basic School Levy that funds the Minimum School Program. All other county, local, and education property taxes are excluded.

(4) State sales tax only includes the 1.75% rate on food and 4.85% rate on other purchases. Other county and local optional rates are excluded.

(5) All vehicles pay age-based registration fees that go into the transportation fund, which are not reflected in the above calculations. Fully electric vehicles as well as gas and plug-in hybrids pay additional registration fees in lieu of gas taxes.



PROPERTY TAX

\$4,715.91
15.25%



One of the direct taxes paid by the Beehive Family is the real property tax. The tax is based on a taxable value of 55% of the assessed market value for residential property.

The Beehive Family home's market value in 2024 was \$783,049, which is 129% of the single family home median in Salt Lake City.

The City, SLC Library and SL Water and Central Utah Water Conservancy districts – which all assess property tax on the Beehive Family – went through Truth in Taxation to raise their 2024 tax rates.

The tax rate used to calculate the Beehive Family property tax bill was .010950, the total rate for their area of Salt Lake City.

The distribution of property tax is displayed in the table to the left; however, it is not typical of most Utah families since the Salt Lake City School District's property tax levy is only 65% of the statewide average. Statewide, 58% of all property taxes paid go to school districts.

Market Value	\$783,049
Residential Exemption	45%
Taxable Value	\$430,677

Entity	% of total	2024 Tax
School District	34.47%	1,625.81
County	11.84%	\$558.59
City	25.16%	\$1,186.51
Special Districts	28.52%	\$1,345.00
Total Property Tax		\$4715.91



AUTO TAX

\$775.95
2.51%



Both Bob and Brooke Beehive own cars and drive for their commutes. Bob drove 13,915 miles in his 2019 Subaru Impreza which gets 27 MPG. Brooke drove 18,582 miles in her 2023 Hyundai Kona Electric, which gets 27 kWh per 100 miles.

Bob was subject to the gas tax, which he paid at a rate of 0.559 per gallon.

Brooke did not pay any gas tax, but did pay a 12.5% tax on the electric costs to charge her car at commercial chargers. She also enrolled in the Road Usage Charge program which charged her 1.06 cents per mile driven up to a cap of \$130.25 in lieu of a registration fee.

Both Bob and Brooke paid various mandatory fees to mitigate the impact of their road usage.

The family's decision to purchase an electric vehicle resulted in their paying significantly less in auto taxes than in previous years despite equal road usage.

Tax	2024 Amount
Gasoline Tax	\$288.09
Uniform Age Based Fees	\$260
Registration Fee (Subaru)	\$44
Other Fees	\$26
EV Charging Tax	\$49.61
Road Usage Charge (EV)	\$130.25
Driver's Education Fee	\$6
Uninsured Database Fee	\$2
Total Auto Taxes	\$794.64



STATE INCOME TAX

\$2,942
9.52%



Tax rates for the state income tax are significantly lower than those for the federal income tax, but the Beehive Family pays more state income tax than federal income tax due to federal child tax credits.

The state income tax rate in Utah in 2024 was a flat 4.55%. Although the Beehive family saw an increase in their gross income in 2024, the 10 basis point reduction in the state income tax combined with the increases in the standard deduction and personal exemptions meant that their total state taxes paid **decreased by \$91** from 2023 to 2024.

Because of the passage of HB 54 (2023), the Beehive Family claimed an additional personal exemption for their child born in 2024 which lowered their taxable income. The personal exemption is also adjusted for inflation. The Beehive Family also used the inflation-adjusted Federal Standard Deduction and filed as "Married, Filing Jointly".

The Beehive Family paid an effective tax rate of 3.05% in 2024.

Note: Total state tax differs from 4.55% of taxable income due to reductions of deductions.

Deductions	2024
Adjusted Gross Income	\$96,503
Personal Exemptions	-\$8,184
Standard Deduction	-\$29,200
Taxable Income	\$59,119
Total State Income Tax	\$2,942



FEDERAL INCOME TAX

\$1,612.36
5.21%



After the 2017 federal income tax reform, the federal income tax is now one of the smallest tax burdens on the Beehive family.

As with their state income tax return, Bob and Brooke filed as “Married, Filing Jointly” and took the Standard Deduction. They also received the Child Tax Credit three times. When all deductions and exemptions were subtracted from their gross income, the Beehive Family paid income tax on the remaining \$67,303.

The family’s effective federal tax rate was 1.67% in 2024.

Deductions	2024
Adjusted Gross Income	96,503
Standard Deduction	-\$29,200
Taxable Income	\$67,303
Taxes	\$7,612
Child Tax Credit	-\$6,000
Total Federal Income Tax	\$1,612.36



STATE SALES TAX

\$2,990.05
9.67%



The Beehive Family spent \$35,969 on purchases subject to state and local taxes. Sales tax for purchases made in Salt Lake City is comprised of 4.85% for the state, and various local option taxes authorized for the state and implemented by the city or county for a total of 7.75%.

Utah also has a reduced sales tax on unprepared food of 3%. Food purchased at restaurants is subject to an additional 1% sales tax.

The wireless services tax rate of 31.23% is made up of six different taxes. Utah currently ranks 7th highest in the nation for its wireless services tax rate. The sales tax on residential utilities is 3.5%

Utilities (gas, electricity, telephone, and cable) are also subject to a city-imposed utility franchise tax of up to 6.0%

Item	2024 Expenditures	2024 Tax Rate	2024 Tax
Food	\$6,180	3.00%	\$185.40
Restaurants	\$3,436	7.75%	\$266.30
Restaurant Sales Tax	---	1%	\$34.36
Utilities	\$4,877	3.50%	\$170.70
Utility Franchise Tax	\$4,877	6%	\$292.62
Transportation	\$13,275	7.75%	\$1,028.78
Apparel	\$2,152	7.75%	\$166.75
Entertainment	\$3,504	7.75%	\$271.56
Personal Care	\$942	7.75%	\$73.04
Wireless Services	\$1,603	31.23%	\$500.52
Total	\$35,969	---	\$2,990.04



EXCISE TAXES

\$198.79
0.64%



Item	2024 Expenditures	2024 Excise Tax
Alcohol	\$496	\$69.32
Tobacco	\$378	\$129.47
Total	\$874	\$198.79

There are specific excise taxes on some items such as liquor and tobacco. They are easily overlooked, since they are not listed separately from the selling price.

Bob is a tobacco user and the family consumed the state average amount of alcohol. The Beehive Family paid a total of \$198.79 in specific state excise taxes in 2024.



SOCIAL SECURITY/ MEDICARE TAXES

\$11,670.84
37.78%



Almost everyone who works must contribute to Social Security and Medicare Funds. The amounts withheld from Bob's and Brooke's paychecks continue to rise over the years.

In 2024, the Beehive Family's salaries were subject to a 7.65% FICA tax for Social Security and Medicare. Bob paid \$5,752.04 in Social Security and Medicare taxes, while his employer is required to pay the other 7.65% (for a total of 15.3%) directly to the federal government in what is commonly referred to as Payroll Tax. That is detailed on the next page.

Since Brooke is self-employed, she must pay the entire 15.3% tax directly, which is commonly referred to as Self Employment Tax. Brooke paid \$5,927.80 in 2024 as a self-employed worker.

Taxpayer	2024 Tax
Employees (Bob and Brooke)	\$11,679.84
Total Social Security Tax	\$11,679.84

The Beehive Family paid more Social Security and Medicare taxes in 2024 than any other tax. Neither Social Security nor Medicare rates have increased since 1990; both programs are headed toward insolvency within the decade. There will likely be significant changes to these taxes in the near future.



EMPLOYMENT TAXES

(Paid by Employer)

\$6,004.44

19.42%



Employer Social Security Tax must be paid by Bob's employer. While Bob paid \$5,752.04 in Social Security and Medicare taxes, his employer is required to pay the other 7.65% (for a total of 15.3%) directly to the federal government in what is commonly referred to as Payroll Tax. Therefore, Bob's employer also had to pay \$5,752.04.

Unemployment Compensation Insurance is paid by employers to cover employees in the event they lose their jobs. The average estimated rate in 2024 for Bob Beehive's employer was 0.30% plus the FUTA (Federal Unemployment Tax Act) tax of \$42.

Workers Compensation provides insurance coverage for employees who are injured on the job. The cost of coverage to the employer depends upon how hazardous the job is. Bob is taxed at .10 cents per \$100 of payroll. Since Bob works in an office, his employer pays relatively low insurance premiums. Hazardous jobs can see premiums as high as \$24.80 per \$100 of payroll. Brooke is self-employed and does not pay the tax.

Tax	2024 Tax
Bob's Employer Social Security/Medicaid Tax	\$5,752.04
Unemployment Compensation	\$188.70
Workers Compensation	\$63.69
Total Tax	\$6,004.44



TOTAL TAXES

\$30,918.97

Total Taxes Paid in 2024		
Property Taxes	\$4,715.91	15.25%
Auto Taxes	\$775.95	2.51%
State Income Taxes	\$2,942.00	9.52%
Federal Income Tax	\$1,612.00	5.21%
Sales Tax	\$2,990.04	9.67%
Excise Tax	\$198.79	0.64%
Social Security/Medicare	\$11,679.84	37.78%
Payroll/Employer Taxes	\$6,004.44	19.42%
Total Taxes (100%)	\$30,918.97	

When Bob and Brooke added up all the taxes paid in 2024, they found that their total direct tax bill came to **\$24,914.53** **23.84% of their household income.**

Added to this are the indirect taxes paid by their employers of **\$6,004.44**, just more than what would be 5.75% of their income.

Adding household and employer taxes, the Beehive Family's **total tax bill amounts to \$30,918.97** or \$2,576.58 per month.

Overall, the Beehive Family pays **29.59% of their income** in federal, state and local taxes each year.