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August 31, 2006

Dear Utah State Legislators:

As Utah's technology community, we value working with you. We applaud you for reducing the sales tax on food as well as passing targeted tax cuts that will strengthen our business environment. However, we also recognize that your work is not yet finished.

As you are well aware, income tax reform was not passed during the General Session. The Board of Trustees of the Utah Technology Council strongly encourages you to join Governor Huntsman by adopting income tax reform during the upcoming Special Session.

In the technology industry, we understand the competition among states for businesses. An important issue for Utah's entrepreneurs, technology execs, and high-paid employees is taxes. Utah has a good tax story, but it could be better. Rates for various taxes in the state - from sales & use taxes, real & personal property taxes, corporate franchise tax and others - are at or below average for western states. Our personal income tax rate, however, stands out as excessive, especially when compared to other neighboring states with much lower rates, including two that are 0%. Too often this above average tax rate serves as a deterrent to individual investors and entrepreneurs, who may choose to relocate and invest elsewhere – rather than stay here and create more companies with high-paying Utah jobs.

Under the income tax reform proposal:

- Utah's income tax system will be simplified; and
- The marginal tax rate will fall from 7 percent to 5.3 percent.

Adopting this income tax reform:

- Will benefit Utahns by giving citizens a \$70 million income tax cut now; and
- Will send a strong message regarding economic competitiveness by taking Utah from one of the highest income tax rates in the country to one of the lowest.

The Utah Technology Council endorsed this tax cut as a high priority in January, and we strongly encourage you to finish this critical tax reform initiative.

Sincerely,

Richard R. Nelson
President & CEO

"The Power of UITA and ULSA"