

“5th 5th” Local Option Sales Tax – Salt Lake County

Background: The 0.20% county-imposed local option transportation sales tax, also known as the “5th 5th” was authorized by [SB136](#) (2018 Legislative Session) specifically for public transit capital expenses and service delivery. With the authorization set to expire and few counties having imposed, [SB 260](#) (2023 Legislative Session) eliminated the imposition deadline, allowing (but not requiring) any county legislative body to impose the 0.20% local option sales tax, and divided the 0.20% between transit, cities, and counties. The 0.20% authorization was further amended in [HB488](#) (2024 Legislative Session) which, among other changes, gave additional flexibility to Salt Lake County for uses of the county portion. This is codified in [59-12-2220](#) unless otherwise specified.

County action: Salt Lake County [authorized](#) the 5th 5th, and imposition is anticipated on July 1, 2025. The 0.20% is projected to generate \$76M per year. Within Salt Lake County, the distribution will be:

1. 0.05% to cities/towns/unincorporated county for transportation purposes (\$19M per year)
2. 0.05% to the county for transportation or public safety purposes (\$19M per year)
3. 0.10% for transit/transportation and infrastructure purposes (\$38M per year)

All values are estimates, in 2024 dollars.

Details of [distribution](#) and [uses](#):

1. 0.05% to the cities/towns/unincorporated county for transportation (broadly defined in [59-12-2212.2](#)) (\$19M per year)
 - a. Funds are distributed by standard 50/50 sales tax formula:
 - i. 50% based on the percentage that the population each city/town/unincorporated area bears to the total population of all counties that have imposed this local option
 - ii. 50% based on the location of the transaction
 - b. Eligibility for a city/town/unincorporated area to receive their 0.05% funds depends on their compliance with moderate income housing planning (MIHP) requirements ([10-9a-408](#)).
 - c. Funds from the 5th5th cannot be used to supplant existing general funds that are budgeted for transportation.
2. 0.05% to county for transportation and/or public safety (\$19M per year)
3. 0.10% for state-determined projects (\$38M per year)

For the first three years after imposition: ([72-2-121](#)(11))

 - a. 0.01% to construct an express bus for 5600 West (three-year total ~\$11M)

- b. 0.09% to the *new* County of the First Class Infrastructure Bank Fund (CFCIBF) ([72-2-302](#)) (three-year total \$103M).
 - i. Fund would be administered by UDOT (akin to UDOT's administration of the existing County of the First Class Highway Projects Fund and the State Infrastructure Bank). Transportation Commission would adopt rules governing the fund.
 - ii. Loans would be available to “provide financial assistance for transportation projects or publicly owned infrastructure projects” to public entities. Same structure and terms as current State Infrastructure Bank loans, but with a 20-year repayment term, rather than 15.
 - iii. Repayments to the infrastructure bank are distributed to three projects: ([72-2-306](#))
 - 1. 50% to Sandy City for a bridge connecting a commuter rail station on the west-side of I-15 to the east-side of I-15. (estimated \$50M)
 - 2. 30% to Bluffdale City for construction of a multiple-lane, grade-separated rail crossing at 1000 West and 14600 South. (estimated \$30M)
 - 3. 20% to UDOT to construct and provide enhanced ingress and egress to a transit mobility center on property north of Big Cottonwood Canyon. (estimated \$20M)

After the first three years of imposition:

- a. 0.05% to the County of the First Class Highway Projects Fund, which “shall be used to provide funding or loans for public transit projects, operations, and supporting infrastructure” in Salt Lake County ([72-2-121](#)(10)) (\$19M per year)
- b. 0.05% to the state Transit Transportation Investment Fund (TTIF) for “public transit projects, operations, or maintenance” in Salt Lake County. No local match is required. ([72-2-124](#)(9)) (\$19M per year)

59-12-2220 Revenue Estimations: Salt Lake County

First Three Years: Annual

	0.20%	FY24 Estimated Total Distribution
Total		\$76,000,000
County	0.05%	\$19,000,000
City	0.05%	\$19,000,000
UDOT: 5600 West Express Bus	0.01%	\$3,800,000
CFCIBF	0.09%	\$34,200,000

City (0.05%) Distribution Estimates

Unincorporated Salt Lake County	\$274,000
Alta	\$30,000
Brighton	\$36,000
Bluffdale	\$240,000
Cottonwood Heights	\$437,000
Draper	\$982,000
Herriman	\$608,000
Holladay	\$355,000
Midvale	\$566,000
Millcreek	\$754,000
Murray	\$1,074,000
Riverton	\$609,000
Salt Lake City	\$4,610,000
Sandy	\$1,481,000
South Jordan	\$1,187,000
South Salt Lake	\$836,000
Taylorsville	\$648,000
West Jordan	\$1,537,000
West Valley City	\$1,970,000
Copperton Township	\$8,000
Emigration Canyon Township	\$17,000
Kearns Township	\$349,000
Magna	\$310,000
White City Township	\$51,000

First Three Years: Total

	0.20%	FY24 Estimated Total Distribution
Total		\$228,000,000
County	0.05%	\$57,000,000
City	0.05%	\$57,000,000
UDOT: 5600 West Express Bus	0.01%	\$11,400,000
CFCIBF	0.09%	\$102,600,000

City (0.05%) Distribution Estimates

Unincorporated Salt Lake County	\$822,000
Alta	\$90,000
Brighton	\$108,000
Bluffdale	\$720,000
Cottonwood Heights	\$1,311,000
Draper	\$2,946,000
Herriman	\$1,824,000
Holladay	\$1,065,000
Midvale	\$1,698,000
Millcreek	\$2,262,000
Murray	\$3,222,000
Riverton	\$1,827,000
Salt Lake City	\$13,830,000
Sandy	\$4,443,000
South Jordan	\$3,561,000
South Salt Lake	\$2,508,000
Taylorsville	\$1,944,000
West Jordan	\$4,611,000
West Valley City	\$5,910,000
Copperton Township	\$24,000
Emigration Canyon Township	\$51,000
Kearns Township	\$1,047,000
Magna	\$930,000
White City Township	\$153,000

After Three Years: Annual

Not adjusted for inflation or growth in taxable sales or population

	0.20%	FY24 Estimated Total Distribution
Total		\$76,000,000
County	0.05%	\$19,000,000
City	0.05%	\$19,000,000
UDOT TTIF	0.05%	\$19,000,000
CFCHPF Transit	0.05%	\$19,000,000

City (0.05%) Distribution Estimates

Unincorporated Salt Lake County	\$274,000
Alta	\$30,000
Brighton	\$36,000
Bluffdale	\$240,000
Cottonwood Heights	\$437,000
Draper	\$982,000
Herriman	\$608,000
Holladay	\$355,000
Midvale	\$566,000
Millcreek	\$754,000
Murray	\$1,074,000
Riverton	\$609,000
Salt Lake City	\$4,610,000
Sandy	\$1,481,000
South Jordan	\$1,187,000
South Salt Lake	\$836,000
Taylorsville	\$648,000
West Jordan	\$1,537,000
West Valley City	\$1,970,000
Copperton Township	\$8,000
Emigration Canyon Township	\$17,000
Kearns Township	\$349,000
Magna	\$310,000
White City Township	\$51,000

Notes: No adjustment has been made for inflation, growth in taxable sales, or growth in population beyond 2024.

Sources: Utah State Tax Commisison [Taxable sales](#), [population](#)

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