



CITY OF  
**UNION GAP**  
1883

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**Budget Note**  
**Utility Tax Proposal**

A budget retreat was held in March of 2023. Council was informed that there is expected to be a deficit in the 2024 Budget. One method of reducing the deficit is for City Council to approve a 10% Utility Tax on water, sewer, and garbage services.

**Who is paying:** City of Union Gap Utility Customers

Utility Tax Comparison by City	Water	Sewer	Garbage
Selah	14.5%	14.5%	14.5%
Wapato	33.0%	33.0%	35.0%
Toppenish	31.0%	31.0%	0.0%
Zillah	26.0%	32.0%	32.0%
Sunnyside	29.0%	29.0%	29.0%
Grandview	24.2%	6.0%	38.0%
Prosser	20.6%	22.1%	5.0%
West Richland	13.5%	13.5%	16.0%
	191.8%	181.1%	169.5%
<b>Average Utility Tax</b>	<b>24.0%</b>	<b>22.6%</b>	<b>21.2%</b>

**Potential New Revenue from Utility Tax (based on 2023 data)**

Water	Sewer	Garbage	Est New Revenue
24.0%	22.6%	21.2%	\$1,188,961.9
20.0%	20.0%	20.0%	\$1,053,778.6
15.0%	15.0%	15.0%	\$790,334.0
<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>\$526,889.3</b>
7.5%	7.5%	7.5%	\$395,167.0
5.0%	5.0%	5.0%	\$263,444.7

- 2023 data was used to estimate the revenues.
- As you can see in the **Utility Tax Comparison** table above, the 10% Utility Tax being proposed for Union Gap is far below the rate of the comparables provided.