

# PROPERTY TAX EXEMPTIONS -- UTAH CONSTITUTION AND STATUTE

## Discretionary Exemptions

### Utah Constitution Article XIII, § 2:

- Land used for agricultural purposes may be assessed based on its value for agricultural use (59-2-503);
- The Legislature may determine the manner and extent of taxing livestock (59-2-1112);
- The Legislature may determine the manner and extent of taxing or exempting intangible property, except that any property tax on intangible property may not exceed .005 of its fair market value. If any intangible property is taxed under the property tax, the income from that property may not also be taxed (59-2-1101(3)).
- Tangible personal property required to be registered before it is used on a public highway or waterway, on public land, or in the air may be exempted, but the Legislature must provide for payment of a uniform fee or uniform rate of assessment in lieu of property tax (59-2-405 to 59-2-405.3).

### Utah Constitution Article XIII, § 3(2). The Legislature may by statute exempt:

- Tangible personal property constituting inventory held for sale in the ordinary course of business (59-2-1114);
- In-state tangible personal property held for sale or processing and shipped to a final destination outside the State within 12 months (59-2-1114);
- Property used for generation and delivery of electrical power for pumping water to irrigate lands in the State (The exemption shall accrue to the benefit of the users of pumped water as provided by statute.) (59-2-1110);
- Up to 45% of the fair market value of residential property, as defined by statute (59-2-102, 59-2-103);
- Household furnishings, furniture, and equipment used exclusively by the homeowner in maintaining the owner's home (59-2-1113); and
- Tangible personal property that, if subject to property tax, would generate an inconsequential amount of revenue (59-2-1115).

### Utah Constitution Article XIII, § 3(3). The following may be exempted from property tax as provided by statute:

- Property owned by certain disabled military members or the unmarried surviving spouses or minor orphans of certain deceased military members, or the primary residence of an active duty military member deployed out of state or the spouse of that member (59-2-1104, 59-2-1105). (The active duty military exemption is contingent upon voter approval of 2012 General Session S.J.R. 8, *Joint Resolution on Property Tax Exemption for Military Personnel*.)

### Utah Constitution Article XIII, § 3(4):

- The Legislature may by statute provide for the remission or abatement of the taxes of the poor (59-2-1107 to 59-2-1109).

## Nondiscretionary Exemptions

### Utah Constitution Article XIII, § 2(1).

- Property exempt under laws of the United States (59-2-1101(3)).

### Utah Constitution Article XIII, §3(1). The following are exempt from property tax:

- Property of the State, school districts, and public libraries (59-2-1101(3), exceptions to state exemption in 59-2-1103);
- Property owned by a political subdivision of the State . . . located within the political subdivision (59-2-1101(3));
- Property owned by a political subdivision of the State, other than a school district . . . located outside the political subdivision (unless a tax is authorized by the Legislature) (59-2-1101(3));
- Property owned by a nonprofit entity used exclusively for religious, charitable, or educational purposes (59-2-1101(3));
- Places of burial not held or used for private or corporate benefit (59-2-1101(3));
- Farm equipment and farm machinery (59-2-1101(3));
- Water rights, reservoirs, pumping plants, ditches, canals, pipes, flumes, power plants, and transmission lines to the extent owned and used by an individual or corporation to irrigate land that is: (i) within the State; and (ii) owned by the individual or corporation, or by an individual member of the corporation (59-2-1111); and
- If owned by a *nonprofit* entity: (1) water rights, reservoirs, pumping plants, ditches, canals, pipes, flumes, and other water infrastructure used within the State to irrigate land, provide domestic water, or provide water to a public water supplier; and (2) certain land occupied by or immediately adjacent to certain property described in Subsection (1)(59-2-1111).

## Other Exemptions

### Utah Code Ann. § 59-2-1101.

- Certain ownership interests in an of an out-of-state public agency if a fee in lieu of ad valorem property tax is paid (59-2-1101(3), 11-13-302).

### Utah Code Ann. § 59-2-1106.

- The first \$11,500 of value of real and tangible personal property owned by blind persons or their unmarried surviving spouses or minor orphans.