



UTAH STATE
TAX
COMMISSION

Annual Report

2013 - 2014 Fiscal Year

Sales Tax Exemptions

Utah law exempts certain purchases from the sales and use tax. The following are sales tax exemptions by category and include the estimated state sales tax amounts for fiscal year 2014. These estimates are based on the best information available, however, in some cases, data is limited or unavailable.

See Utah Code Ann. §59-12-104

A. Economic Development

	<u>Amount</u>
1. Manufacturing machinery and equipment 3-year life. Includes replacements, NAICS 518112, and energy co-generation facilities	\$112,000,000
2. Airline food	\$285,000
3. Airline parts and equipment sold by an aircraft manufacturer (NAICS 336411 and 336412) for installation, repair or renovation of an aircraft	\$530,000
4. Aerospace tools	\$840,000
5. Motion picture rentals and radio broadcast tapes	\$60,000
6. Machinery and equipment purchases used by non-live motion picture and television programs, music videos, commercials or documentaries	\$220,000
7. Tangible personal property or products primarily used in farming, including repair of off-road agricultural machinery	\$43,000,000
8. Sales of hay	\$10,200,000
9. Sales of aircraft manufactured in the state if title passes in Utah	*n/a
10. Electricity sales to ski resorts for all lifts	\$110,000
11. Ski resort equipment	\$330,000
12. Steel mill non-durable equipment	\$206,000
13. Semi-conductor materials including tangible personal property used in R & D	<\$7,000,000
14. Renewable energy production facilities	*n/a
15. Waste energy production facilities	*n/a
16. Biomass energy production facilities	*n/a
17. Media (film, TV, video) machinery and equipment	\$298,000
18. Purchases of tangible personal property used in coal-to-liquids, oil, shale and tar sands technology Research and Development (July 1, 2006 to June 30, 2016)	<\$500,000
19. Telecommunications equipment, machinery or software with a useful economic life of at least 1 year	\$7,400,000
20. Telecommunications service provider purchase of telecommunications service	*n/a
21. In-flight sales of tangible personal property or product transferred electronically	<\$5,000
22. Web search portal	\$80,000
23. Transportation (taxicabs, public transit fares, intrastate transportation to an employer's employee) ¹	\$5,600,000
24. Machinery and equipment with economic life of three or more years for NAICS 713 if used by a person who pays admissions or user fees	\$136,600
25. Database access	\$400,000
26. Electronic financial payment services	\$42,000
27. Sales of a fuel cell	\$35,000
28. Construction materials for life sciences research and development facility	*n/a
29. Machinery and equipment with greater than three-year life used in qualified research	*n/a

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Sales Tax Exemptions

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B. Economic Efficiency

	<u>Amount</u>
1. Motor and special fuels	\$260,000,000
2. Aviation fuel	\$27,400,000
3. Vending machine sales less than \$1 of food or beverages	\$2,100,000
4. Coin operated laundries (unassisted transactions only)	\$790,000
5. Coin operated car washing (unassisted transactions only)	\$780,000
6. Non-resident vehicles	\$2,300,000
7. Non-resident boats	\$95,000
8. Occasional sales	\$9,000,000
9. Tangible personal property trades	\$2,400,000
10. Sales of farm produce sold during the harvest season by the producer	\$2,000,000
11. Containers, labels, casings	\$16,600,000
12. Property stored in the state for re-sale	*n/a
13. Property brought in by a non-resident for use	\$2,400,000
14. Property purchased for re-sale or as an ingredient or component part of manufactured products	\$30,000,000
15. Property upon which sales tax was paid to another state	*n/a
16. Sales of transportation, interstate telephone, telegraph, or fuel for use in compounding a taxable service	\$9,000,000
17. Personal property shipped out of state and incorporated into real property	\$300,000
18. Short-term lodging consumables	\$1,760,000
19. Coin operated amusement devices	\$1,000,000
20. 45 percent of new and 100 percent of used manufactured homes	\$1,200,000
21. Sales of natural gas, electricity, coal, fuel oil for industrial use	\$27,000,000
22. Railroad diesel fuel	\$1,200,000
23. Pawnbroker repurchases or redemptions	\$1,900,000
24. Sales of property used in conducting business if that property was purchased outside of the state, first used outside the state and brought into the state	*n/a
25. Sales of tangible personal property for maintenance repair or overhaul of aircraft not registered in Utah	\$265,000
26. Sales of tangible property used in preparation of food if seller and purchaser are the same	

C. Governmental

	<u>Amount</u>
1. State government purchases	\$21,000,000
2. Local government purchases	\$20,500,000
3. Admissions to college athletic events	\$2,200,000
4. Sales of photocopies or publications by a governmental entity, including public education	\$23,000
5. Sales by the Heber Creeper Railroad	\$5,000
6. Sales of construction material for Salt Lake International Airport	*n/a
7. Sales to a public transit district	*n/a
8. Textbooks for higher education	\$108,000
9. Sales of goods at a National Guard Morale, Welfare and Recreation facility	\$20,000

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Sales Tax Exemptions

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<u>D. Social Service, Health, Charitable, Other</u>	<u>Amount</u>
1. Food stamps	\$6,600,000
2. WIC program food purchases	\$820,000
3. Meals served by schools, churches	\$730,000
4. Meals served by nursing homes and hospitals	\$680,000
5. Pollution control equipment including consumables	\$5,000,000
6. Prescription drugs	\$59,000,000
7. Oxygen and stoma supplies	\$120,000
8. Religious or charitable sales greater than \$1,000	\$7,100,000
9. Religious or charitable purchases less than \$1,000	\$840,000
10. Newspaper sales or subscriptions	\$2,400,000
11. Sales or leases to authorized carriers	\$1,200,000
12. School and fundraising sales	\$150,000
13. Home medical equipment and prosthetic devices prescribed or purchased by a medical facility	\$720,000
14. Sales by area aging services	<\$1,000
15. Wind, geothermal, solar energy sales	*n/a
16. Vehicle leases for temporary sporting events	*n/a
17. Water in a pipe, conduit, ditch or reservoir	*n/a
18. Currency or coinage which is legal tender in the U.S.	*n/a
19. Gold, silver, platinum ingots, bars, medallions	*n/a
20. Amounts paid on sale-leaseback transaction	*n/a
21. Prescribed prosthetic devices	\$4,000,000
22. Prescribed mobility enhancing equipment	\$460,000
23. Direct mail electronic databases	\$1,400,000
24. Municipal taxes or fees levied on purchaser for enhanced level of municipal service	\$9,000

*n/a - indicates data not available

¹ Transportation was excluded from the tax base by HB52, 2006 General Session of the Utah Legislature