

BUSINESS INPUT SALES AND USE TAX EXEMPTIONS BY CATEGORY

EXEMPTIONS IN EFFECT AS OF JANUARY 1, 2008

This table lists those sales and use tax exemptions that the Utah Tax Review Commission ("TRC") working group on sales and use taxes determined at the May 24 and June 1, 2007 meetings to be at least partially a business input. Gray highlights indicate a sales and use tax exemption that the TRC is required to review on or before the close of the 2009 interim to remain in compliance with statutory study provisions. A "P" after an exemption summary indicates that the exemption partially constitutes a business input and a "CIG" after an exemption summary indicates that the exemption may constitute an input for a charitable organization or a governmental input.

| Exemption Category/Summary of Exemption ¹ | Year Enacted ² | Year Last Reviewed by TRC ³ |
|---|---------------------------|--|
| Administrative Efficiency | | |
| Property stored in the state for resale | 1937 | 2004 |
| Property purchased for resale in the state | 1937 | 2004 |
| Property upon which a sales or use tax was paid to some other state (P) | 1937 | 2006 |
| Leases or uses of a vehicle issued a temporary sports event registration certificate for an event period (P) | 2001 | 2006 |
| Sales of tangible personal property under certain circumstances to persons within the state if that tangible personal property is subsequently shipped outside the state and incorporated pursuant to contract into and becomes a part of real property | 1989 ⁴ | No Review |
| Business property purchased outside the state and brought into the state after purchase under certain circumstances | 2007 | No Review ⁵ |
| Agriculture | | |
| Sales of certain tangible personal property used or consumed primarily and directly in farming operations | 1979 | 2004 |
| Sales of hay (P) | 1995 | 2004 |
| Exclusive sale during the harvest season of seasonal crops, seedling plants, or garden, farm, or other agricultural produce under certain circumstances (P) | 1937 | 2004 |
| Coin-operated Devices | | |
| Sales of unassisted cleaning or washing of tangible personal property (P) | 1975 | 1993 |

| Exemption Category/Summary of Exemption | Year Enacted | Year Last Reviewed by TRC |
|--|--------------|---------------------------|
| Currency and Precious Metals | | |
| Sales of a gold, silver, or platinum ingot, bar, medallion, or decorative coin if the ingot, bar, medallion, or decorative coin does not constitute legal tender of any nation and has a gold, silver, or platinum content of 80% or more (P) | 2003 | No Review |
| Direct Mail | | |
| Purchases of a list or database used to send direct mail (P) | 2005 | No Review |
| Energy and Natural Resources | | |
| Sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use | 1996 | No Review |
| Sales or uses of certain amounts of electricity if the sales or uses are made under a tariff adopted by the Public Service Commission of Utah only for purchase of electricity produced from a new wind, geothermal, biomass, or solar power energy source (P) | 2002 | No Review |
| Sales of water in a pipe, conduit, ditch, or reservoir (P) | 2003 | No Review |
| Certain leases or purchases of machinery or equipment that is leased or purchased for or by a facility that is a renewable energy production facility located in the state | 2004 | No Review |
| Certain leases or purchases of machinery or equipment that is leased or purchased for or by a facility that is a waste energy production facility located in the state | 2004 | No Review |
| Certain leases or purchases of machinery or equipment that is leased or purchased for or by a facility located in the state that produces fuel from biomass energy | 2004 | No Review |
| Purchases of tangible personal property used in the research and development of coal-to-liquids, oil shale, or tar sands technology | 2006 | No Review |
| Film Industry | | |
| Sales of commercials, motion picture films, prerecorded audio program tapes or records, and prerecorded video tapes | 1981 | 1993 |
| Sales of machinery and equipment for certain purposes relating to the film industry | 2004 | No Review |

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|--|--------------|---------------------------|
| Fuels | | |
| Sales of aviation fuel, motor fuel, and special fuel subject to a state excise tax (P) | 1957 | 1995 |
| Governmental | | |
| Sales of certain tooling, equipment, or parts under certain aerospace or electronics industry contracts with the federal government (C/G) | 1986 | 1994 |
| Sales of photocopies by a governmental entity or an entity within the state system of public education (P, C/G) | 1997 | No Review |
| Sales to a public transit district or to a subcontractor of a public transit district, including sales of construction materials that are to be installed or converted to real property owned by the public transit district (P, C/G) | 2007 | No Review |
| Health Care | | |
| Amounts paid for a drug, syringe, or stoma supply under certain circumstances (P) | 1976 | 1996 |
| Sales made to or by an area agency on aging or a senior citizen center owned by a county, city, or town, or sales made by a senior citizen center that contracts with an area agency on aging (P⁶, C/G) | 1999 | No Review |
| Housing | | |
| 45% of the sales price of any new manufactured home and 100% of the sales price of any used manufactured home (P) | 1995 | No Review |

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|--|--------------|---------------------------|
| Industry | | |
| Sales or use of property, materials, or services used in the construction of, or incorporated into, pollution control facilities | 1973 | 1993 |
| Purchases or leases under certain circumstances by certain manufacturing facilities or mining establishments | 1985 | 1993 |
| Sales of nonreturnable containers, labels, bags, shipping cases, and casings for use in packaging tangible personal property | 1969 | 2004 |
| Sales of the following for use in compounding a taxable service: sales to common carriers; or sales of gas, electricity, heat, coal, fuel oil, or other fuels | 1933 | 1995 |
| Sales of certain tangible personal property for use in a steel mill | 1987 | 1993 |
| Sales or leases of semiconductor fabricating, processing, research, or development materials | 2001 | No Review |
| Interstate Commerce | | |
| Sales of food to a commercial airline carrier for in-flight consumption | 1983 | 1994 |
| Sales of parts and equipment for installation in aircraft operated by common carriers in interstate or foreign commerce | 1984 | 1994 |
| Sales of a vehicle of a type required to be registered in the state if the vehicle is not registered in the state and not used in the state except under specified circumstances (P) | 1957 | 2006 |
| Sales of a boat, boat trailer, or outboard motor of a type required to be registered in the state if the boat, boat trailer, or outboard motor is not registered in the state and not used in the state except under specified circumstances (P) | 1988 | 2006 |
| Sales of aircraft manufactured in the state if sold for delivery and use outside the state where a sales or use tax is not imposed (P) | 1990 | 2006 |
| Sales, leases, or uses of the following: a vehicle by an authorized carrier; or tangible personal property that is installed on a vehicle sold or leased by an authorized carrier before the vehicle is placed in service for the first time | 1995 | 2006 |

| Exemption Category/Summary of Exemption | Year Enacted | Year Last Reviewed by TRC |
|--|----------------------------------|---------------------------|
| Newspapers | | |
| Sales of newspapers or newspaper subscriptions (P) | 1937 | 1994 |
| Religious or Charitable Institutions | | |
| Sales made to or by religious or charitable institutions under certain circumstances (P, C/G) | 1933 | 1995 |
| Schools | | |
| Sales relating to a public or private elementary or secondary school and fundraising sales (P, C/G) | 1995 fundraising 1996 schools | 1995 |
| Amounts paid for admission to an athletic event at an institution of higher education that is subject to the provisions of Title IX of the Education Amendments of 1972 (P, C/G) | 1998 | No Review |
| Ski Industry | | |
| Sales to a ski resort of electricity to operate a passenger ropeway | 1996 | No Review |
| Sales to a ski resort of snowmaking equipment, ski slope grooming equipment, passenger ropeways, or certain parts | 1996 | No Review |
| Telecommunications | | |
| Amounts paid for the purchase of telephone service for purposes of providing telephone service | 1990 | 1994 |
| Sales of telephone service charged to a prepaid telephone calling card | 1998 | No Review |
| Purchases or leases of certain telecommunications machinery, equipment, or software purchased or leased by, or on behalf of, a telephone service provider | 2006 | No Review |
| Tribal | | |
| Amounts paid or charged to a purchaser for certain hotel accommodations and services taxed by the Navajo Nation (P) | 2001 | No Review |

1. Although sales and use tax exemptions may be categorized in a number of different ways and a single sales and use tax exemption may be properly included in multiple categories, this table and its categories are designed to facilitate the Utah Tax Review Commission ("TRC") review of sales and use tax exemptions required by Utah Code Ann. § 59-12-104.5 (2007). Consequently, a sales and use tax exemption is only listed under one category and categories are designed to contain a limited number of sales and use tax exemptions. Further, the table categorizes only those sales and use tax exemptions the TRC is statutorily required to study, which are the sales and use tax exemptions created in Utah Code Ann. § 59-12-104. Sales and use tax exemptions that are outside Utah Code Ann. § 59-12-104 include sales and use tax exemptions for independent entities, such as the Heber Valley Historic Railroad Authority.
2. This table relies on data from prior TRC reviews for determining the year a sales and use tax exemption was enacted. These dates have not been independently verified. If there were discrepancies in the data as to when a sales and use tax exemption was enacted, the earlier date of enactment was included in the table.
3. This table does not include reviews of sales and use tax exemptions conducted by an entity other than the TRC. Other entities that have reviewed sales and use tax exemptions include the Revenue and Taxation Interim Committee, the Tax Reform Task Force, the Tax Recodification Commission, and the Sales and Use Tax Task Force. If we were aware that a TRC study of a sales and use tax exemption spanned more than one year, the latest year of the study was included in the table. A year of last review is listed in the table for each sales and use tax exemption for which the TRC has commenced a study, regardless of whether the statutory requirements for completing the study have been met.
4. This exemption was originally enacted in 1989, repealed in 2003, and reinstated in 2005. *See* 1989 Laws of Utah, ch. 247, sec. 1; 2003 Laws of Utah, ch. 312, sec. 12; 2005 Laws of Utah ch. 158, sec. 4.
5. Although the TRC has not reviewed this sales and use tax exemption since its enactment, the exemption was drafted at the request of the TRC as part of the study of the sales and use tax exemption for nonbusiness property purchased outside the state and brought into the state after purchase under certain circumstances.
6. The working group on sales and use taxes asked for additional research to determine whether there are any privately owned or operated senior citizen centers within the state.