

TOWN OPTION SALES AND USE TAX

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Peter C. Knudson

John L. Valentine

AN ACT RELATING TO THE SALES AND USE TAX ACT; AUTHORIZING A TOWN OPTION SALES AND USE TAX FOR TOWNS THAT IMPOSED A LICENSE FEE OR TAX ON BUSINESSES BASED ON GROSS RECEIPTS ON OR BEFORE JANUARY 1, 1996; AND PROVIDING ~~§ [FOR RETROSPECTIVE OPERATION]~~ AN EFFECTIVE DATE § .

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

59-12-1301, Utah Code Annotated 1953

59-12-1302, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-12-1301** is enacted to read:

Part 13. Town Option Sales and Use Tax Act

59-12-1301. Title.

This part is known as the "Town Option Sales and Use Tax Act."

Section 2. Section **59-12-1302** is enacted to read:

59-12-1302. Authority to impose -- Base -- Rate.

(1) Beginning on or after January 1, 1998, the governing body of a town may impose a tax as provided in this part in an amount that does not exceed 1%.

(2) A town may impose a tax as provided in this part if the town imposed a license fee or tax on businesses based on gross receipts under Section 10-1-203 on or before January 1, 1996.

(3) A town imposing a tax under this section shall:

(a) adopt an ordinance:

(i) imposing the tax on the sales and uses described in Section 59-12-103;

- 1 (ii) exempting from the tax the sales and uses described in Section 59-12-104; and
- 2 (iii) providing an effective date for the tax;
- 3 (b) impose the tax on the first day of a calendar quarter; and
- 4 (c) notify the commission at least 30 days before the day on which the commission is
- 5 required to collect the tax.

6 (4) The commission shall:

7 (a) except as provided in Subsection (4)(c), distribute the revenues generated by the tax

8 under this section to the town imposing the tax;

9 (b) administer, collect, and enforce the tax authorized under this section pursuant to:

10 (i) the same procedures used to administer, collect, and enforce the sales and use tax under

11 Title 59, Chapter 12, Part 1, Tax Collection; and

12 (ii) Title 59, Chapter 1, General Taxation Policies; and

13 (c) deduct from the distribution under Subsection (4)(a) an administrative charge for

14 collecting the tax as provided in Section 59-12-206.

15 Section 3. § [~~Retrospective operation.~~] **EFFECTIVE DATE**

15a **IF APPROVED BY TWO-THIRDS OF ALL THE MEMBERS ELECTED TO EACH HOUSE, THIS ACT**

15b **TAKES EFFECT UPON APPROVAL BY THE GOVERNOR, OR THE DAY FOLLOWING THE**

15c **CONSTITUTIONAL TIME LIMIT OF UTAH CONSTITUTION ARTICLE VII, SECTION 8, WITHOUT THE**

15d **GOVERNOR'S SIGNATURE, OR IN THE CASE OF A VETO, THE DATE OF VETO OVERRIDE.**

16 **[This act has retrospective operation to January 1, 1998.] §**

Legislative Review Note
as of 1-8-98 2:03 PM

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel