

USE OF SALES AND USE TAX REVENUE

2000 GENERAL SESSION

STATE OF UTAH

Sponsor: Lyle W. Hillyard

AN ACT RELATING TO REVENUE AND TAXATION; AUTHORIZING THE DIVERSION OF CERTAIN SALES AND USE TAX REVENUES TO PAY FOR BONDS FOR A SPORTS OR RECREATIONAL FACILITY; REPEALING OBSOLETE LANGUAGE; AND MAKING TECHNICAL CHANGES.

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

AMENDS:

59-12-204, as last amended by Chapter 133, Laws of Utah 1999

59-12-205, as last amended by Chapter 133, Laws of Utah 1999

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

Section 1. Section **59-12-204** is amended to read:

59-12-204. Sales and use tax ordinance provisions -- Tax rate -- Distribution of tax revenues.

(1) The tax ordinance adopted pursuant to this part shall impose a tax upon those items listed in Section 59-12-103.

(2) Except as provided in Subsection 59-12-205(2), such tax ordinance shall include a provision imposing a tax upon every retail sale of items listed in Section 59-12-103 made within a county, including areas contained within the cities and towns thereof at the rate of 3/4% or any fractional part of such 3/4% of the purchase price paid or charged.

(3) Such tax ordinance shall include provisions substantially the same as those contained in Part 1, Tax Collection, insofar as they relate to sales or use tax, except that the name of the county as the taxing agency shall be substituted for that of the state where necessary for the purpose of this part and that an additional license is not required if one has been or is issued under Section 59-12-106.

(4) Such tax ordinance shall include a provision that the county shall contract, prior to the effective date of the ordinance, with the commission to perform all functions incident to the

administration or operation of the ordinance.

(5) Such tax ordinance shall include a provision that the sale, storage, use, or other consumption of tangible personal property, the purchase price or the cost of which has been subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this part by any county, city, or town in any other county in this state, shall be exempt from the tax due under this ordinance.

(6) Such tax ordinance shall include a provision that any person subject to the provisions of a city or town sales and use tax shall be exempt from the county sales and use tax if the city or town sales and use tax is levied under an ordinance including provisions in substance as follows:

(a) a provision imposing a tax upon every retail sale of items listed in Section 59-12-103 made within the city or town at the rate imposed by the county in which it is situated pursuant to Subsection (2);

(b) provisions substantially the same as those contained in Part 1, Tax Collection, insofar as they relate to sales and use taxes, except that the name of the city or town as the taxing agency shall be substituted for that of the state where necessary for the purposes of this part;

(c) a provision that the city or town shall contract prior to the effective date of the city or town sales and use tax ordinance with the commission to perform all functions incident to the administration or operation of the sales and use tax ordinance of the city or town;

(d) a provision that the sale, storage, use, or other consumption of tangible personal property, the gross receipts from the sale of or the cost of which has been subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this part by any county other than the county in which the city or town is located, or city or town in this state, shall be exempt from the tax; and

(e) a provision that the amount of any tax paid under Part 1, Tax Collection, shall not be included as a part of the purchase price paid or charged for a taxable item.

(7) (a) Notwithstanding any other provision of this section, from January 1, 1990, through June 30, 1999, the commission shall determine and retain the amount of revenue generated by a 1/64% tax rate and deposit it in the Olympics Special Revenue Fund or funds provided for in Subsection 59-12-103(4) for the purposes of the Utah Sports Authority described in Title 63A,

Chapter 7, Utah Sports Authority Act.

(b) Except for sales and use taxes deposited under ~~[Subsection]~~ Subsections (7)(c) and (d), beginning on July 1, 1999, the amount of revenue generated by the 1/64% tax rate under Subsection (7)(a) shall be retained by the county, city, or town levying a tax under this section.

(c) Notwithstanding any other provision of this section, beginning on July 1, 1999, the commission shall:

(i) determine and retain the portion of the sales and use tax imposed under this section:

(A) by a city or town that will have constructed within its boundaries the Airport to University of Utah Light Rail described in the Transportation Equity Act for the 21st Century, Pub. L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107; and

(B) that is equal to the revenues generated by a 1/64% tax rate; and

(ii) deposit the revenues described in Subsection (7)(c)(i) in the Airport to University of Utah Light Rail Restricted Account created in Section 17A-2-1064 for the purposes described in Section 17A-2-1064.

(d) Notwithstanding any other provision of this section, beginning July 1, 2000, the commission shall:

(i) determine and retain the portion of sales and use tax imposed under this section:

(A) by each county and by each city and town within that county whose legislative body consents by resolution to the commission's retaining and depositing sales and use tax revenues as provided in this Subsection (7)(d); and

(B) that is equal to the revenues generated by a 1/64% tax rate;

(ii) deposit the revenues described in Subsection (7)(d)(i) into a special fund of the county, or a city, town, or other political subdivision of the state located within that county, that has issued bonds to finance sports or recreational facilities or that is leasing sports or recreational facilities, in order to repay those bonds or to pay the lease payments; and

(iii) continue to deposit those revenues into the special fund only as long as the bonds or leases are outstanding.

Section 2. Section **59-12-205** is amended to read:

59-12-205. Ordinances to conform with statutory amendments -- Distribution of tax revenues.

(1) Each county, city, and town, in order to maintain in effect sales and use tax ordinances pursuant to this part, shall, within 30 days of any amendment of any applicable provisions of Part 1, Tax Collection, adopt amendments of their respective sales and use tax ordinances to conform with the amendments to Part 1, Tax Collection, insofar as they relate to sales and use taxes.

(2) (a) Any county, city, or town may distribute its sales or use tax revenues by means other than point of sale or use by notifying the commission in writing of such decision, no later than 30 days before commencement of the next tax accrual period.

(b) After such notice is given, beginning on January 1, 1990 a county, city, or town may increase the tax authorized by this part to a total of 1% [~~from and after January 1, 1990,~~] of the purchase price paid or charged[~~, excluding a public transit sales and use tax~~].

(c) Except as provided in [Section 59-12-501 and a resort communities sales tax as provided in Section 59-12-401. This tax shall be collected and distributed as follows:] Subsections (3) and (4):

[(a)] (i) [~~from July 1, 1992, through June 30, 1993, 45%~~] 50% of each dollar collected from the sales and use tax authorized by this part shall be paid to each county, city, and town providing notice under this section, based upon the percentage that the population of the county, city, or town bears to the total population of all such entities providing notice under this section[~~, and 55% based upon the point of sale or use of the transaction~~]; and

[(b)] (ii) [~~from and after July 1, 1993,~~] 50% of each dollar collected from the sales and use tax authorized by this part shall be paid to each county, city, and town providing notice under this section, [~~based upon the percentage that the population of the county, city, or town bears to the total population of all such entities providing notice under this section, and 50%~~] based upon the point of sale or use of the transaction.

(3) Notwithstanding any provision of Subsection (2), a county, city, or town that has given notice under this section may not receive a tax revenue distribution less than 3/4 of 1% of the taxable sales within its boundaries. The commission shall proportionally reduce quarterly distributions to

any county, city, or town, which, but for the reduction, would receive a distribution in excess of 1% beginning January 1, 1990, of the sales and use tax revenue collected within its boundaries.

(4) (a) Notwithstanding any other provision of this section, from January 1, 1990, through June 30, 1999, the commission shall determine and retain the amount of revenue generated by a 1/64% tax rate and deposit it in the Olympics Special Revenue Fund or funds provided for in Subsection 59-12-103(4) for the purposes of the Utah Sports Authority described in Title 63A, Chapter 7, Utah Sports Authority Act.

(b) Except for sales and use taxes deposited under [~~Subsection~~] Subsections (4)(c) and (d), beginning on July 1, 1999, the amount of revenue generated by the 1/64% tax rate under Subsection (4)(a) shall be distributed to each county, city, and town as provided in this section.

(c) Notwithstanding any other provision of this section, beginning on July 1, 1999, the commission shall:

(i) determine and retain the portion of the sales and use tax imposed under this section:

(A) by a city or town that will have constructed within its boundaries the Airport to University of Utah Light Rail described in the Transportation Equity Act for the 21st Century, Pub. L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107; and

(B) that is equal to the revenues generated by a 1/64% tax rate; and

(ii) deposit the revenues described in Subsection (4)(c)(i) in the Airport to University of Utah Light Rail Restricted Account created in Section 17A-2-1064 for the purposes described in Section 17A-2-1064.

(d) Notwithstanding any other provision of this section, beginning July 1, 2000, the commission shall:

(i) determine and retain the portion of sales and use tax imposed under this section:

(A) by each county and by each city and town within that county whose legislative body consents by resolution to the commission's retaining and depositing sales and use tax revenues as provided in this Subsection (4)(d); and

(B) that is equal to the revenues generated by a 1/64% tax rate;

(ii) deposit the revenues described in Subsection (4)(d)(i) into a special fund of the county,

or a city, town, or other political subdivision of the state located within that county, that has issued bonds to finance sports or recreational facilities or that is leasing sports or recreational facilities, in order to repay those bonds or to pay the lease payments; and

(iii) continue to deposit those revenues into the special fund only as long as the bonds or leases are outstanding.

(5) (a) Population figures for purposes of this section shall be based on the most recent official census or census estimate of the United States Bureau of the Census.

(b) If population estimates are not made for any county, city, or town by the United States Bureau of Census, population figures shall be determined according to the biennial estimate from the Utah Population Estimates Committee.

(6) The population of a county for purposes of this section shall be determined solely from the unincorporated area of the county.