

1 **USE OF SALES AND USE TAX REVENUE**

2 2000 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: Lyle W. Hillyard**

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

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

10 AMENDS:

11 **59-12-204**, as last amended by Chapter 133, Laws of Utah 1999

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

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

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

15 **59-12-204. Sales and use tax ordinance provisions -- Tax rate -- Distribution of tax**
16 **revenues.**

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

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

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

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28 (4) Such tax ordinance shall include a provision that the county shall contract, prior to the
29 effective date of the ordinance, with the commission to perform all functions incident to the
30 administration or operation of the ordinance.

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

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

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

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

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

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

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

55 (7) (a) Notwithstanding any other provision of this section, from January 1, 1990, through
56 June 30, 1999, the commission shall determine and retain the amount of revenue generated by a
57 1/64% tax rate and deposit it in the Olympics Special Revenue Fund or funds provided for in
58 Subsection 59-12-103(4) for the purposes of the Utah Sports Authority described in Title 63A,

59 Chapter 7, Utah Sports Authority Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

87 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of tax**
88 **revenues.**

89 (1) Each county, city, and town, in order to maintain in effect sales and use tax ordinances

90 pursuant to this part, shall, within 30 days of any amendment of any applicable provisions of Part
91 1, Tax Collection, adopt amendments of their respective sales and use tax ordinances to conform
92 with the amendments to Part 1, Tax Collection, insofar as they relate to sales and use taxes.

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

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

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

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

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

112 (3) Notwithstanding any provision of Subsection (2), a county, city, or town that has given
113 notice under this section may not receive a tax revenue distribution less than 3/4 of 1% of the
114 taxable sales within its boundaries. The commission shall proportionally reduce quarterly
115 distributions to any county, city, or town, which, but for the reduction, would receive a distribution
116 in excess of 1% beginning January 1, 1990, of the sales and use tax revenue collected within its
117 boundaries.

118 (4) (a) Notwithstanding any other provision of this section, from January 1, 1990, through
119 June 30, 1999, the commission shall determine and retain the amount of revenue generated by a
120 1/64% tax rate and deposit it in the Olympics Special Revenue Fund or funds provided for in

121 Subsection 59-12-103(4) for the purposes of the Utah Sports Authority described in Title 63A,
122 Chapter 7, Utah Sports Authority Act.

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

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

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

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

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

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

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

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

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

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

143 (ii) deposit the revenues described in Subsection (4)(d)(i) into a special fund of the county,
144 or a city, town, or other political subdivision of the state located within that county, that has issued
145 bonds to finance sports or recreational facilities or that is leasing sports or recreational facilities,
146 in order to repay those bonds or to pay the lease payments; and

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

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

151 (b) If population estimates are not made for any county, city, or town by the United States

152 Bureau of Census, population figures shall be determined according to the biennial estimate from
153 the Utah Population Estimates Committee.

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

Legislative Review Note
as of 12-20-99 9:45 AM

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

Office of Legislative Research and General Counsel