

1 **SALES AND USE TAX AMENDMENTS**

2 2006 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Wayne A. Harper**

5 Senate Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill amends the Sales and Use Tax Act and other provisions relating to sales and
10 use taxation.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ modifies state and local sales and use tax rates;
- 14 ▶ repeals certain local sales and use taxes;
- 15 ▶ repeals voter approval requirements for certain local sales and use taxes;
- 16 ▶ requires certain adjustments to the property tax certified tax rates of counties, cities,
17 or towns imposing certain local sales and use taxes;
- 18 ▶ provides that if a county, city, or town does not impose certain sales and use taxes,
19 the state shall impose the taxes;
- 20 ▶ defines terms and modifies definitions;
- 21 ▶ designates that certain state sales and use tax revenues shall be used for purposes
22 relating to:
 - 23 • botanical, cultural, recreational, and zoological organizations or facilities; or
 - 24 • rural health care facilities;
- 25 ▶ creates restricted special revenue funds consisting of state sales and use tax
26 revenues, addresses the administration of those restricted special revenue funds, and
27 establishes the purposes for which the revenues deposited into the restricted special



- 28 revenue funds may be expended;
- 29 ▶ provides for the appointment of delegates to the governing board of the Streamlined
- 30 Sales and Use Tax Agreement;
- 31 ▶ modifies sales and use tax provisions relating to a repossessed vehicle that is resold;
- 32 ▶ addresses the distribution of certain local sales and use taxes to counties, cities, and
- 33 towns;
- 34 ▶ modifies provisions relating to determining the location of sales and use
- 35 transactions;
- 36 ▶ repeals provisions relating to determining the location of a florist delivery
- 37 transaction;
- 38 ▶ addresses the circumstances under which a city or town may impose a resort
- 39 communities tax;
- 40 ▶ modifies provisions governing the imposition, enactment, or repeal of certain local
- 41 sales and use taxes;
- 42 ▶ modifies the amount of the sales tax refund for qualified emergency food agencies;
- 43 ▶ modifies a tax imposed by cities and towns for highways or to fund a system for
- 44 public transit to allow counties to also impose the tax;
- 45 ▶ creates the Additional Highways or Public Transit System Tax Act;
- 46 ▶ creates the Single Statewide Rate State Sales and Use Tax Act;
- 47 ▶ repeals legislative intent language;
- 48 ▶ grants rulemaking authority to the State Tax Commission;
- 49 ▶ repeals obsolete language; and
- 50 ▶ makes technical changes.

51 **Monies Appropriated in this Bill:**

52 None

53 **Other Special Clauses:**

54 This bill provides effective dates.

55 This bill provides revisor instructions.

56 **Utah Code Sections Affected:**

57 AMENDS:

58 **10-1-307**, as last amended by Chapter 255, Laws of Utah 2004

- 59 **17B-4-1003**, as last amended by Chapter 292, Laws of Utah 2005
- 60 **17B-4-1004**, as last amended by Chapter 292, Laws of Utah 2005
- 61 **59-2-924**, as last amended by Chapters 217 and 244, Laws of Utah 2005
- 62 **59-12-102**, as last amended by Chapters 158 and 246, Laws of Utah 2005
- 63 **59-12-103 (Effective 07/01/06)**, as last amended by Chapter 1, Laws of Utah 2005,
- 64 First Special Session
- 65 **59-12-104.3 (Effective 07/01/06)**, as enacted by Chapter 158, Laws of Utah 2005
- 66 **59-12-204 (Effective 07/01/06)**, as last amended by Chapters 312 and 337, Laws of
- 67 Utah 2003
- 68 **59-12-205 (Effective 07/01/06)**, as last amended by Chapter 158, Laws of Utah 2005
- 69 **59-12-206**, as last amended by Chapter 226, Laws of Utah 1995
- 70 **59-12-207.1 (Effective 07/01/06)**, as last amended by Chapter 255, Laws of Utah 2004
- 71 **59-12-208.1**, as last amended by Chapter 255, Laws of Utah 2004
- 72 **59-12-302**, as last amended by Chapter 255, Laws of Utah 2004
- 73 **59-12-354**, as last amended by Chapter 255, Laws of Utah 2004
- 74 **59-12-401 (See 59-1-1201 re: Eff)**, as last amended by Chapter 224, Laws of Utah
- 75 2004
- 76 **59-12-402 (See 59-1-1201 re: Eff)**, as last amended by Chapters 224 and 225, Laws of
- 77 Utah 2004
- 78 **59-12-403**, as last amended by Chapter 255, Laws of Utah 2004
- 79 **59-12-501 (See 59-1-1201 re: Eff)**, as last amended by Chapters 255 and 336, Laws of
- 80 Utah 2004
- 81 **59-12-502 (See 59-1-1201 re: Eff)**, as last amended by Chapter 255, Laws of Utah
- 82 2004
- 83 **59-12-503**, as enacted by Chapter 131, Laws of Utah 1997
- 84 **59-12-504**, as last amended by Chapter 255, Laws of Utah 2004
- 85 **59-12-603**, as last amended by Chapters 105 and 269, Laws of Utah 2005
- 86 **59-12-902**, as last amended by Chapter 18, Laws of Utah 2004
- 87 **59-12-1001 (See 59-1-1201 re: Eff)**, as last amended by Chapter 255, Laws of Utah
- 88 2004
- 89 **59-12-1002**, as last amended by Chapter 255, Laws of Utah 2004

90 **59-12-1102 (See 59-1-1201 re: Eff)**, as last amended by Chapter 255, Laws of Utah
91 2004
92 **59-12-1604**, as enacted by Chapter 296, Laws of Utah 2005
93 **63-51-4**, as last amended by Chapter 5, Laws of Utah 1987
94 **72-2-121**, as enacted by Chapter 217, Laws of Utah 2001

95 ENACTS:

96 **9-17-101**, Utah Code Annotated 1953
97 **9-17-102**, Utah Code Annotated 1953
98 **9-17-103**, Utah Code Annotated 1953
99 **26-9-4**, Utah Code Annotated 1953
100 **59-12-102.2**, Utah Code Annotated 1953
101 **59-12-503.1**, Utah Code Annotated 1953
102 **59-12-1002.1**, Utah Code Annotated 1953
103 **59-12-1102.1**, Utah Code Annotated 1953
104 **59-12-1701**, Utah Code Annotated 1953
105 **59-12-1702**, Utah Code Annotated 1953
106 **59-12-1703**, Utah Code Annotated 1953
107 **59-12-1704**, Utah Code Annotated 1953
108 **59-12-1705**, Utah Code Annotated 1953
109 **59-12-1801**, Utah Code Annotated 1953
110 **59-12-1802**, Utah Code Annotated 1953
111 **59-12-1803**, Utah Code Annotated 1953

112 REPEALS:

113 **17A-2-1064**, as last amended by Chapter 312, Laws of Utah 2003
114 **59-12-119**, as renumbered and amended by Chapter 5, Laws of Utah 1987
115 **59-12-202**, as last amended by Chapter 259, Laws of Utah 1994
116 **59-12-701**, as last amended by Chapter 296, Laws of Utah 2003
117 **59-12-702**, as last amended by Chapter 186, Laws of Utah 2004
118 **59-12-703 (See 59-1-1201 re: Eff)**, as last amended by Chapter 105, Laws of Utah
119 2005
120 **59-12-704**, as last amended by Chapter 296, Laws of Utah 2003

- 121 **59-12-705**, as enacted by Chapter 284, Laws of Utah 1996
- 122 **59-12-706**, as last amended by Chapter 255, Laws of Utah 2004
- 123 **59-12-801**, as last amended by Chapters 253 and 318, Laws of Utah 2000
- 124 **59-12-802 (See 59-1-1201 re: Eff)**, as last amended by Chapter 105, Laws of Utah
- 125 2005
- 126 **59-12-803**, as last amended by Chapter 253, Laws of Utah 2000
- 127 **59-12-804 (See 59-1-1201 re: Eff)**, as last amended by Chapter 105, Laws of Utah
- 128 2005
- 129 **59-12-805**, as enacted by Chapter 253, Laws of Utah 2000
- 130 **59-12-806**, as last amended by Chapter 255, Laws of Utah 2004
- 131 **59-12-807**, as last amended by Chapter 255, Laws of Utah 2004
- 132 **59-12-1301**, as enacted by Chapter 243, Laws of Utah 1998
- 133 **59-12-1302 (See 59-1-1201 re: Eff)**, as last amended by Chapter 255, Laws of Utah
- 134 2004
- 135 **59-12-1303**, as last amended by Chapter 255, Laws of Utah 2004
- 136 **59-12-1401**, as last amended by Chapter 317, Laws of Utah 2004
- 137 **59-12-1402 (See 59-1-1201 re: Eff)**, as last amended by Chapter 105, Laws of Utah
- 138 2005
- 139 **59-12-1403**, as enacted by Chapter 192, Laws of Utah 2001
- 140 **59-12-1404**, as last amended by Chapter 255, Laws of Utah 2004
- 141 **59-12-1501**, as enacted by Chapter 282, Laws of Utah 2003
- 142 **59-12-1502**, as enacted by Chapter 282, Laws of Utah 2003
- 143 **59-12-1503 (See 59-1-1201 re: Eff)**, as last amended by Chapter 105, Laws of Utah
- 144 2005
- 145 **59-12-1504**, as enacted by Chapter 255, Laws of Utah 2004
- 146 **72-2-121.1**, as enacted by Chapter 282, Laws of Utah 2003

Uncodified material Affected:

ENACTS UNCODIFIED MATERIAL

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

Section 1. Section **9-17-101** is enacted to read:

152 **CHAPTER 17. BOTANICAL, CULTURAL, RECREATIONAL, AND**
153 **ZOOLOGICAL ORGANIZATIONS OR FACILITIES FUND ACT**

154 **9-17-101. Title.**

155 This chapter is known as the "Botanical, Cultural, Recreational, and Zoological
156 Organizations or Facilities Fund Act."

157 Section 2. Section **9-17-102** is enacted to read:

158 **9-17-102. Definitions.**

159 As used in this chapter:

160 (1) "Administrative unit" means a division of a private nonprofit organization or
161 institution that:

162 (a) would, if it were a separate entity, be a botanical organization or cultural
163 organization; and

164 (b) consistently maintains books and records separate from those of its parent
165 organization.

166 (2) "Botanical organization" means:

167 (a) a private nonprofit organization or institution having as its primary purpose the
168 advancement and preservation of plant science through horticultural display, botanical
169 research, and community education; and

170 (b) an administrative unit.

171 (3) "Cultural facility" is as defined in Section 59-12-602.

172 (4) (a) "Cultural organization":

173 (i) means:

174 (A) a private nonprofit organization or institution having as its primary purpose the
175 advancement and preservation of:

176 (I) natural history;

177 (II) art;

178 (III) music;

179 (IV) theater; or

180 (V) dance; and

181 (B) an administrative unit; and

182 (ii) includes:

183 (A) a private nonprofit organization or institution having as its primary purpose the
184 advancement and preservation of history;

185 (B) a municipal or county cultural council having as its primary purpose the
186 advancement and preservation of:

187 (I) history;

188 (II) natural history;

189 (III) art;

190 (IV) music;

191 (V) theater; or

192 (VI) dance.

193 (b) "Cultural organization" does not include:

194 (i) any agency of the state;

195 (ii) except as provided in Subsection (4)(a)(ii)(B), any political subdivision of the state;

196 (iii) any educational institution whose annual revenues are directly derived more than
197 50% from state funds; or

198 (iv) in a county of the first or second class, any radio or television broadcasting
199 network or station, cable communications system, newspaper, or magazine.

200 (5) "Institution" means any of the institutions listed in Subsections 53B-1-102(1)(b)
201 through (l).

202 (6) "Recreational facility" means any publicly owned or operated park, campground,
203 marina, dock, golf course, playground, athletic field, gymnasium, swimming pool, trail system,
204 cultural facility, or other facility used for recreational purposes.

205 (7) "Rural radio station" means a nonprofit radio station based in a county of the third,
206 fourth, fifth, or sixth class.

207 (8) In a county of the first class, "zoological facilities" means any public, public-private
208 partnership, or private nonprofit buildings, exhibits, utilities and infrastructure, walkways,
209 pathways, roadways, offices, administration facilities, public service facilities, educational
210 facilities, enclosures, public viewing areas, animal barriers, animal housing, animal care
211 facilities, and veterinary and hospital facilities related to the advancement, exhibition, or
212 preservation of mammals, birds, reptiles, or amphibians.

213 (9) (a) (i) Except as provided in Subsection (9)(a)(ii), "zoological organization" means

214 a public, public-private partnership, or private nonprofit organization having as its primary
215 purpose the advancement and preservation of zoology.

216 (ii) In a county of the first class, "zoological organization" means a nonprofit
217 organization having as its primary purpose the advancement and exhibition of mammals, birds,
218 reptiles, or amphibians to an audience of 75,000 or more persons annually.

219 (b) "Zoological organization" does not include any agency of the state, educational
220 institution, radio or television broadcasting network or station, cable communications system,
221 newspaper, or magazine.

222 Section 3. Section 9-17-103 is enacted to read:

223 **9-17-103. Botanical, Cultural, Recreational, and Zoological Organizations or**
224 **Facilities Fund -- Source of revenues -- Interest -- Distribution of revenues -- Expenditure**
225 **of revenues -- Governor's Office of Planning and Budget shall provide amounts of**
226 **distributions -- Unexpended revenues lapse into General Fund.**

227 (1) There is created a restricted special revenue fund known as the Botanical, Cultural,
228 Recreational, and Zoological Organizations or Facilities Fund.

229 (2) (a) The Botanical, Cultural, Recreational, and Zoological Organizations or
230 Facilities Fund shall be funded by the sales and use tax revenues described in Subsection
231 59-12-103(10).

232 (b) Any interest earned on the Botanical, Cultural, Recreational, and Zoological
233 Organizations or Facilities Fund shall be deposited into the General Fund.

234 (3) Subject to Subsection (4), the executive director shall for a fiscal year distribute
235 monies deposited into the Botanical, Cultural, Recreational, and Zoological Organizations or
236 Facilities Fund to each county, city, or town:

237 (a) that, on April 1, 2006, imposes a tax:

238 (i) for a county, to fund:

239 (A) recreational and zoological facilities located within the county or a city or town
240 located in the county, except a city or town that, on April 1, 2006, imposes a tax to finance an
241 organization or facility described in Subsection (3)(a)(ii); and

242 (B) ongoing operating expenses of:

243 (I) recreational facilities described in Subsection (3)(a)(i)(A);

244 (II) botanical, cultural, and zoological organizations within the county; and

245 (III) rural radio stations within the county; or
246 (ii) for a city or town, to finance:
247 (A) recreational and zoological facilities within the city or town or within the
248 geographic area of entities that are parties to an interlocal agreement, to which the city or town
249 is a party, providing for recreational or zoological facilities; and
250 (B) ongoing operating expenses of botanical, cultural, and zoological organizations
251 within the city or town or within the geographic area of entities that are parties to an interlocal
252 agreement, to which the city or town is a party, providing for the support of botanical, cultural,
253 or zoological organizations;
254 (b) for which the county's, city's, or town's authority to impose a tax described in
255 Subsection (3)(a) is repealed by this bill; and
256 (c) that pays debt service for that fiscal year on a bond or other indebtedness, if that
257 bond or other indebtedness is secured by revenues generated by a tax described in Subsection
258 (3)(a).
259 (4) (a) Except as provided in Subsection (4)(b), each county, city, or town described in
260 Subsection (3) shall receive a distribution required by Subsection (3) in the amount required for
261 the county, city, or town to pay the debt service described in Subsection (3)(c) for that fiscal
262 year.
263 (b) If the monies deposited into the Botanical, Cultural, Recreational, and Zoological
264 Organizations or Facilities Fund are insufficient to make the distributions required by
265 Subsection (4)(a), the monies deposited into the Botanical, Cultural, Recreational, and
266 Zoological Organizations or Facilities Fund for a fiscal year shall be distributed to each county,
267 city, or town described in Subsection (3) in an amount equal to the product of:
268 (i) the amount deposited into the Botanical, Cultural, Recreational, and Zoological
269 Organizations or Facilities Fund in accordance with Subsection 59-12-103(10) for that fiscal
270 year; and
271 (ii) a percentage calculated by determining the proportion of debt service described in
272 Subsection (3)(c) that the county, city, or town is required to pay for that fiscal year as
273 compared to the total amount of debt service described in Subsection (3)(c) that all counties,
274 cities, and towns described in Subsection (3) are required to pay for that fiscal year.
275 (5) A county, city, or town that receives a distribution in accordance with Subsections

276 (3) and (4) shall expend the distribution to pay the debt service described in Subsection (3)(c)
277 for the fiscal year for which the county, city, or town receives the distribution.

278 (6) Subject to Subsections (7) and (8), if, after the executive director makes the
279 distributions required by Subsections (3) and (4) there are monies remaining in the Botanical,
280 Cultural, Recreational, and Zoological Organizations or Facilities Fund for a fiscal year, the
281 executive director shall for that fiscal year distribute those remaining monies to each county,
282 city, or town:

283 (a) that, on April 1, 2006, imposes a tax:

284 (i) for a county, to fund:

285 (A) recreational and zoological facilities located within the county or a city or town
286 located in the county, except a city or town that, on April 1, 2006, imposes a tax to finance an
287 organization or facility described in Subsection (6)(a)(ii); and

288 (B) ongoing operating expenses of:

289 (I) recreational facilities described in Subsection (6)(a)(i)(A);

290 (II) botanical, cultural, and zoological organizations within the county; and

291 (III) rural radio stations within the county; or

292 (ii) for a city or town, to finance:

293 (A) recreational and zoological facilities within the city or town or within the
294 geographic area of entities that are parties to an interlocal agreement, to which the city or town
295 is a party, providing for recreational or zoological facilities; and

296 (B) ongoing operating expenses of botanical, cultural, and zoological organizations
297 within the city or town or within the geographic area of entities that are parties to an interlocal
298 agreement, to which the city or town is a party, providing for the support of botanical, cultural,
299 or zoological organizations; and

300 (b) for which the county's, city's, or town's authority to impose a tax described in
301 Subsection (6)(a) is repealed by this bill.

302 (7) (a) Except as provided in Subsections (7)(b) through (d), each county, city, or town
303 described in Subsection (6) shall receive a distribution required by Subsection (6) in the
304 amount equal to the revenues that the commission distributed for fiscal year 2004-05 to the
305 county, city, or town that are generated by a tax:

306 (i) imposed:

- 307 (A) for a county, to fund:
- 308 (I) recreational and zoological facilities located within the county or a city or town
- 309 located in the county, except a city or town that, on April 1, 2006, imposes a tax to finance an
- 310 organization or facility described in Subsection (7)(a)(i)(B); and
- 311 (II) ongoing operating expenses of:
- 312 (Aa) recreational facilities described in Subsection (7)(a)(i)(A)(I);
- 313 (Bb) botanical, cultural, and zoological organizations within the county; and
- 314 (Cc) rural radio stations within the county; or
- 315 (B) for a city or town, to finance:
- 316 (I) recreational and zoological facilities within the city or town or within the
- 317 geographic area of entities that are parties to an interlocal agreement, to which the city or town
- 318 is a party, providing for recreational or zoological facilities; and
- 319 (II) ongoing operating expenses of botanical, cultural, and zoological organizations
- 320 within the city or town or within the geographic area of entities that are parties to an interlocal
- 321 agreement, to which the city or town is a party, providing for the support of botanical, cultural,
- 322 or zoological organizations; and
- 323 (ii) for which the county's, city's, or town's authority to impose a tax described in
- 324 Subsection (7)(a)(i) is repealed by this bill.
- 325 (b) If the monies deposited into the Botanical, Cultural, Recreational, and Zoological
- 326 Organizations or Facilities Fund are insufficient to make the distributions required by
- 327 Subsection (7)(a), the monies deposited into the Botanical, Cultural, Recreational, and
- 328 Zoological Organizations or Facilities Fund for a fiscal year shall be distributed to each county,
- 329 city, or town described in Subsection (6) in an amount equal to the product of:
- 330 (i) the amount remaining in the Botanical, Cultural, Recreational, and Zoological
- 331 Organizations or Facilities Fund for that fiscal year after the executive director makes the
- 332 distributions required by Subsections (3) and (4); and
- 333 (ii) a percentage calculated by determining the proportion of revenues described in
- 334 Subsection (7)(a) that the commission distributed for fiscal year 2004-05 to the county, city, or
- 335 town as compared to the total revenues described in Subsection (7)(a) that the commission
- 336 distributed for fiscal year 2004-05 to all counties, cities, and towns.
- 337 (c) For purposes of this Subsection (7), if a county, city, or town described in

338 Subsection (6) imposes a tax described in Subsection (7)(a)(i) for the first time after July 1,
339 2005:

340 (i) the distribution required by this Subsection (7) shall be an amount equal to the
341 estimated amount that the commission would have distributed to the county, city, or town for
342 fiscal year 2004-05 if the county, city, or town had imposed the tax on July 1, 2004; and

343 (ii) the Governor's Office of Planning and Budget shall estimate the amount that the
344 commission would have distributed to the county, city, or town for fiscal year 2004-05 if the
345 county, city, or town had imposed the tax on July 1, 2004.

346 (d) A county, city, or town may receive a distribution under this Subsection (7) only for
347 the remaining time period that the county, city, or town would have been authorized to impose
348 a tax described in Subsection (7)(a)(i) if the county's, city's, or town's authority to impose the
349 tax described in Subsection (7)(a)(i) had not been repealed by this bill.

350 (8) A county, city, or town that receives a distribution in accordance with Subsections
351 (6) and (7) shall expend the distribution:

352 (a) for a county, to fund for the fiscal year for which the county receives the
353 distribution:

354 (i) recreational and zoological facilities located within the county or a city or town
355 located in the county, except a city or town that, on April 1, 2006, imposes a tax to finance an
356 organization or facility described in Subsection (8)(b); and

357 (ii) ongoing operating expenses of:

358 (A) recreational facilities described in Subsection (8)(a)(i);

359 (B) botanical, cultural, and zoological organizations within the county; and

360 (C) rural radio stations within the county; or

361 (b) for a city or town, to finance for the fiscal year for which the city or town receives
362 the distribution:

363 (i) recreational and zoological facilities within the city or town or within the
364 geographic area of entities that are parties to an interlocal agreement, to which the city or town
365 is a party, providing for recreational or zoological facilities; and

366 (ii) ongoing operating expenses of botanical, cultural, and zoological organizations
367 within the city or town or within the geographic area of entities that are parties to an interlocal
368 agreement, to which the city or town is a party, providing for the support of botanical, cultural,

369 or zoological organizations.

370 (9) On or before April 1 of each year, the Governor's Office of Planning and Budget
371 shall provide the executive director with:

372 (a) the estimate required by Subsection (7)(c); and

373 (b) the amounts of the distributions required by this section.

374 (10) Any monies remaining in the Botanical, Cultural, Recreational, and Zoological
375 Organizations or Facilities Fund at the end of a fiscal year after making the distributions
376 required by this section shall lapse into the General Fund.

377 Section 4. Section **10-1-307** is amended to read:

378 **10-1-307. Collection of taxes by commission -- Distribution of revenues -- Charge**
379 **for services -- Collection of taxes by municipality.**

380 (1) Except for the direct payment provisions provided in Subsection (3), the
381 commission shall collect, enforce, and administer the municipal energy sales and use tax from
382 energy suppliers according to the procedures established in Title 59, Chapter 12, Part 1, Tax
383 Collection, except for Sections 59-12-107.1 through 59-12-107.3.

384 (2) (a) Except as provided in Subsections 10-1-203(3)(d), 10-1-305(5), and
385 10-1-310(2), the commission shall pay a municipality the difference between:

386 (i) the entire amount collected by the commission from the municipal energy sales and
387 use tax authorized by this part based on:

388 (A) the point of sale of the taxable energy if a taxable sale occurs in a municipality that
389 imposes a municipal energy sales and use tax as provided in this part; or

390 (B) the point of use of the taxable energy if the use occurs in a municipality that
391 imposes a municipal energy sales and use tax as provided in this part; and

392 (ii) the administration fee charged in accordance with Subsection (2)(c).

393 (b) In accordance with Subsection (2)(a), the commission shall transfer to the
394 municipality monthly by electronic transfer the revenues generated by the municipal energy
395 sales and use tax levied by the municipality and collected by the commission.

396 (c) (i) The commission shall charge a municipality imposing a municipal energy sales
397 and use tax a fee for administering the tax at the percentage provided in Section 59-12-206,
398 except that the commission may not charge a fee for taxes collected by a municipality under
399 Subsection (3).

400 (ii) The fee charged under Subsection (2)(c)(i) shall be:
401 (A) deposited in the Sales and Use Tax Administrative Fees Account; and
402 (B) used for sales tax administration as provided in [~~Subsection~~] Section
403 59-12-206[~~(2)~~].

404 (3) An energy supplier shall pay the municipal energy sales and use tax revenues it
405 collects from its customers under this part directly to each municipality in which the energy
406 supplier has sales of taxable energy if:

- 407 (a) the municipality is the energy supplier; or
- 408 (b) (i) the energy supplier estimates that the municipal energy sales and use tax
409 collected annually by the energy supplier from its Utah customers equals \$1,000,000 or more;
410 and
- 411 (ii) the energy supplier collects the tax imposed by this part.

412 (4) An energy supplier paying a tax under this part directly to a municipality may retain
413 the percentage of the tax authorized under Subsection 59-12-108(2) for the energy supplier's
414 costs of collecting and remitting the tax.

415 (5) An energy supplier paying the tax under this part directly to a municipality shall file
416 an information return with the commission, at least annually, on a form prescribed by the
417 commission.

418 Section 5. Section **17B-4-1003** is amended to read:

419 **17B-4-1003. Tax increment under a pre-July 1, 1993 project area plan.**

420 (1) This section applies to tax increment under a pre-July 1, 1993 project area plan
421 only.

422 (2) (a) Beginning with the first tax year after April 1, 1983 for which an agency accepts
423 tax increment, an agency may be paid:

- 424 (i) (A) for the first through the fifth tax years, 100% of tax increment;
- 425 (B) for the sixth through the tenth tax years, 80% of tax increment;
- 426 (C) for the eleventh through the fifteenth tax years, 75% of tax increment;
- 427 (D) for the sixteenth through the twentieth tax years, 70% of tax increment; and
- 428 (E) for the twenty-first through the twenty-fifth tax years, 60% of tax increment; or
- 429 (ii) for an agency that has caused a taxing entity committee to be created under
430 Subsection 17B-4-1002(1), any percentage of tax increment up to 100% and for any length of

431 time that the taxing entity committee approves.

432 (b) Notwithstanding any other provision of this section:

433 (i) an agency may be paid 100% of tax increment from a project area for 32 years after
434 April 1, 1983 to pay principal and interest on agency indebtedness incurred before April 1,
435 1983, even though the size of the project area from which tax increment is paid to the agency
436 exceeds 100 acres of privately owned property under a project area plan adopted on or before
437 April 1, 1983; and

438 (ii) for up to 32 years after April 1, 1983, an agency debt incurred before April 1, 1983
439 may be refinanced and paid from 100% of tax increment if the principal amount of the debt is
440 not increased in the refinancing.

441 (3) (a) For purposes of this Subsection (3), "additional tax increment" means the
442 difference between 100% of tax increment for a tax year and the amount of tax increment an
443 agency is paid for that tax year under the percentages and time periods specified in Subsection
444 (2)(a).

445 (b) Notwithstanding the tax increment percentages and time periods in Subsection
446 (2)(a) and Subsection 17B-4-403(1)(m)(i), an agency may be paid additional tax increment for
447 a period ending 32 years after the first tax year after April 1, 1983 for which the agency
448 receives tax increment from the project area if:

449 (i) the additional tax increment is used to pay some or all of the cost of the land for and
450 installation and construction of a recreational facility, as defined in Section [~~59-12-702~~]
451 9-17-102, or a cultural facility, including parking and infrastructure improvements related to
452 the recreational or cultural facility, whether or not the facility is located within a project area;

453 (ii) construction of the recreational or cultural facility is commenced on or before
454 December 31, 2005; and

455 (iii) the additional tax increment is pledged on or before July 1, 2005, to pay all or part
456 of the cost of the land for and the installation and construction of the recreational or cultural
457 facility, including parking and infrastructure improvements related to the recreational or
458 cultural facility.

459 (c) Notwithstanding Subsection (3)(b), a school district may not, without its consent,
460 be paid less tax increment because of application of Subsection (3)(b) than it would have been
461 paid without that subsection.

462 (4) Notwithstanding any other provision of this section, an agency may use tax
463 increment received under Subsection (2) for any of the uses indicated in Subsection (3).

464 Section 6. Section **17B-4-1004** is amended to read:

465 **17B-4-1004. Tax increment under a post-June 30, 1993 project area plan.**

466 (1) This section applies to tax increment under a post-June 30, 1993 project area plan
467 only.

468 (2) An agency board may provide in the project area budget for the agency to be paid:

469 (a) if 20% of the project area budget is allocated for housing under Section 17B-4-504:

470 (i) 100% of annual tax increment for 15 years;

471 (ii) 75% of annual tax increment for 24 years; or

472 (iii) if approved by the taxing entity committee, any percentage of tax increment up to
473 100%, or any specified dollar amount, for any period of time; or

474 (b) if 20% of the project area budget is not allocated for housing under Section
475 17B-4-504:

476 (i) 100% of annual tax increment for 12 years;

477 (ii) 75% of annual tax increment for 20 years; or

478 (iii) if approved by the taxing entity committee, any percentage of tax increment up to
479 100%, or any specified dollar amount, for any period of time.

480 (3) (a) An agency may, without the approval of the taxing entity committee, elect to be
481 paid 100% of annual tax increment for each year beyond the periods specified in Subsection (2)
482 to a maximum of 25 years, including the years the agency is paid tax increment under
483 Subsection (2), if:

484 (i) for an agency in a city in which is located all or a portion of an interchange on I-15
485 or that would directly benefit from an interchange on I-15:

486 (A) the tax increment paid to the agency during the additional years is used to pay
487 some or all of the cost of the installation, construction, or reconstruction of:

488 (I) an interchange on I-15, whether or not the interchange is located within a project
489 area; or

490 (II) frontage and other roads connecting to the interchange, as determined by the
491 Department of Transportation created under Section 72-1-201 and the Transportation
492 Commission created under Section 72-1-301, whether or not the frontage or other road is

493 located within a project area; and

494 (B) the installation, construction, or reconstruction of the interchange or frontage and
495 other roads has begun on or before June 30, 2002;

496 (ii) for an agency in a city of the first or second class:

497 (A) the tax increment paid to the agency during the additional years is used to pay
498 some or all of the cost of the land for and installation and construction of a recreational facility,
499 as defined in Section [~~59-12-702~~] 9-17-102, or a cultural facility, including parking and
500 infrastructure improvements related to the recreational or cultural facility, whether or not the
501 facility is located within a project area; and

502 (B) the installation or construction of the recreational or cultural facility has begun on
503 or before June 30, 2002.

504 (b) Notwithstanding any other provision of this section, an agency may use tax
505 increment received under Subsection (2) for any of the uses indicated in this Subsection (3).

506 (c) Notwithstanding Subsection (3)(a), a school district may not, without its consent,
507 receive less tax increment because of application of Subsection (3)(a) than it would have
508 received without that subsection.

509 (4) An agency may not be paid tax increment from the project area for more than 25
510 years.

511 (5) (a) A school district that levies a tax on property located within a project area under
512 an education housing development project area plan may elect not to allow the agency to be
513 paid tax increment from the property tax revenues generated by the school district.

514 (b) An election under Subsection (5)(a) shall be made in writing to the agency before
515 the taxing entity committee's approval of the project area budget.

516 (c) If a school district makes an election under this Subsection (5):

517 (i) the agency may not be paid tax increment from property tax revenues generated by
518 the school district; and

519 (ii) the school district representatives and the State Board of Education representative
520 on the taxing entity committee may not vote on any matter concerning the education housing
521 development project area or project area budget.

522 Section 7. Section **26-9-4** is enacted to read:

523 **26-9-4. Rural Health Care Facilities Fund -- Source of revenues -- Interest --**

524 **Distribution of revenues -- Expenditure of revenues -- Governor's Office of Planning and**
525 **Budget shall provide amounts of distributions -- Unexpended revenues lapse into General**
526 **Fund.**

527 (1) As used in this section:

528 (a) "Nursing care facility" is as defined in Section 26-21-2.

529 (b) "Rural city hospital" means a hospital owned by a city that is located within a third,
530 fourth, fifth, or sixth class county.

531 (c) "Rural county health care facility" means a rural county hospital or a rural county
532 nursing care facility.

533 (d) "Rural county hospital" means a hospital owned by a third, fourth, fifth, or sixth
534 class county, as defined in Section 17-50-501, which is located outside of a standard
535 metropolitan statistical area, as designated by the United States Bureau of the Census.

536 (e) "Rural county nursing care facility" means a nursing care facility owned by a third,
537 fourth, fifth, or sixth class county, as defined in Section 17-50-501, which is located outside of
538 a standard metropolitan statistical area, as designated by the United States Census Bureau.

539 (2) There is created a restricted special revenue fund known as the Rural Health Care
540 Facilities Fund.

541 (3) (a) The Rural Health Care Facilities Fund shall be funded by the sales and use tax
542 revenues described in Subsection 59-12-103(9).

543 (b) Any interest earned on the Rural Health Care Facilities Fund shall be deposited into
544 the General Fund.

545 (4) Subject to Subsection (5), the executive director shall for a fiscal year distribute
546 monies deposited into the Rural Health Care Facilities Fund to each county or city:

547 (a) that, on April 1, 2006, imposes a tax to fund:

548 (i) for a county, a rural county health care facility in that county; or

549 (ii) for a city, a rural city hospital in that city;

550 (b) for which the county's or city's authority to impose a tax described in Subsection
551 (4)(a) is repealed by this bill; and

552 (c) that pays debt service for that fiscal year on a bond or other indebtedness, if that
553 bond or other indebtedness is secured by revenues generated by a tax described in Subsection
554 (4)(a).

555 (5) (a) Except as provided in Subsection (5)(b), each county or city described in
556 Subsection (4) shall receive a distribution required by Subsection (4) in the amount required for
557 the county or city to pay the debt service described in Subsection (4)(c) for that fiscal year.

558 (b) If the monies deposited into the Rural Health Care Facilities Fund are insufficient
559 to make the distributions required by Subsection (5)(a), the monies deposited into the Rural
560 Health Care Facilities Fund for a fiscal year shall be distributed to each county or city described
561 in Subsection (4) in an amount equal to the product of:

562 (i) the amount deposited into the Rural Health Care Facilities Fund in accordance with
563 Subsection 59-12-103(9) for that fiscal year; and

564 (ii) a percentage calculated by determining the proportion of debt service described in
565 Subsection (4)(c) that the county or city is required to pay for that fiscal year as compared to
566 the total amount of debt service described in Subsection (4)(c) that all counties and cities
567 described in Subsection (4) are required to pay for that fiscal year.

568 (6) A county or city that receives a distribution in accordance with Subsections (4) and
569 (5) shall expend the distribution to pay the debt service described in Subsection (4)(c) for the
570 fiscal year for which the county or city receives the distribution.

571 (7) Subject to Subsections (8) and (9), if, after the executive director makes the
572 distributions required by Subsections (4) and (5) there are monies remaining in the Rural
573 Health Care Facilities Fund for a fiscal year, the executive director shall for that fiscal year
574 distribute those remaining monies to each county or city:

575 (a) that, on April 1, 2006, imposes a tax to fund:

576 (i) for a county, a rural county health care facility in that county; or

577 (ii) for a city, a rural city hospital in that city; and

578 (b) for which the county's or city's authority to impose a tax described in Subsection
579 (7)(a) is repealed by this bill.

580 (8) (a) Except as provided in Subsections (8)(b) and (c), each county or city described
581 in Subsection (7) shall receive a distribution required by Subsection (7) in the amount equal to
582 the revenues that the commission distributed for fiscal year 2004-05 to the county or city:

583 (i) that are generated by a tax imposed to fund:

584 (A) for a county, a rural county health care facility in that county; or

585 (B) for a city, a rural city hospital in that city; and

586 (ii) for which the county's or city's authority to impose the tax described in Subsection
587 (8)(a)(i) is repealed by this bill.

588 (b) If the monies deposited into the Rural Health Care Facilities Fund are insufficient
589 to make the distributions required by Subsection (8)(a), the monies deposited into the Rural
590 Health Care Facilities Fund for a fiscal year shall be distributed to each county or city described
591 in Subsection (7) in an amount equal to the product of:

592 (i) the amount remaining in the Rural Health Care Facilities Fund for that fiscal year
593 after the executive director makes the distributions required by Subsections (4) and (5); and

594 (ii) a percentage calculated by determining the proportion of revenues described in
595 Subsection (8)(a) that the commission distributed for fiscal year 2004-05 to the county or city
596 as compared to the total revenues described in Subsection (8)(a) that the commission
597 distributed for fiscal year 2004-05 to all counties and cities.

598 (c) A county or city may receive a distribution under this Subsection (8) only for the
599 remaining time period that the county, city, or town would have been authorized to impose a
600 tax described in Subsection (8)(a)(i) if the county's or city's authority to impose the tax
601 described in Subsection (8)(a)(i) had not been repealed by this bill.

602 (9) A county or city that receives a distribution in accordance with Subsections (7) and
603 (8) shall expend the distribution to fund the following for the fiscal year for which the county
604 or city receives the distribution:

605 (a) for a county, a rural county health care facility in that county; or

606 (b) for a city, a rural city hospital in that city.

607 (10) On or before April 1 of each year, the Governor's Office of Planning and Budget
608 shall provide the executive director with the amounts of the distributions required by this
609 section.

610 (11) Any monies remaining in the Rural Health Care Facilities Fund at the end of a
611 fiscal year after making the distributions required by this section shall lapse into the General
612 Fund.

613 Section 8. Section **59-2-924** is amended to read:

614 **59-2-924. Report of valuation of property to county auditor and commission --**
615 **Transmittal by auditor to governing bodies -- Certified tax rate -- Rulemaking authority**
616 **-- Adoption of tentative budget.**

617 (1) (a) Before June 1 of each year, the county assessor of each county shall deliver to
618 the county auditor and the commission the following statements:

619 (i) a statement containing the aggregate valuation of all taxable property in each taxing
620 entity; and

621 (ii) a statement containing the taxable value of any additional personal property
622 estimated by the county assessor to be subject to taxation in the current year.

623 (b) The county auditor shall, on or before June 8, transmit to the governing body of
624 each taxing entity:

625 (i) the statements described in Subsections (1)(a)(i) and (ii);

626 (ii) an estimate of the revenue from personal property;

627 (iii) the certified tax rate; and

628 (iv) all forms necessary to submit a tax levy request.

629 (2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad
630 valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the
631 prior year.

632 (ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not
633 include:

634 (A) collections from redemptions;

635 (B) interest; and

636 (C) penalties.

637 (iii) Except as provided in Subsection (2)(a)(v), the certified tax rate shall be calculated
638 by dividing the ad valorem property tax revenues budgeted for the prior year by the taxing
639 entity by the taxable value established in accordance with Section 59-2-913.

640 (iv) (A) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking
641 Act, the commission shall make rules determining the calculation of ad valorem property tax
642 revenues budgeted by a taxing entity.

643 (B) For purposes of Subsection (2)(a)(iv)(A), ad valorem property tax revenues
644 budgeted by a taxing entity shall be calculated in the same manner as budgeted property tax
645 revenues are calculated for purposes of Section 59-2-913.

646 (v) The certified tax rates for the taxing entities described in this Subsection (2)(a)(v)
647 shall be calculated as follows:

648 (A) except as provided in Subsection (2)(a)(v)(B), for new taxing entities the certified
649 tax rate is zero;

650 (B) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

651 (I) in a county of the first, second, or third class, the levy imposed for municipal-type
652 services under Sections 17-34-1 and 17-36-9; and

653 (II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
654 purposes and such other levies imposed solely for the municipal-type services identified in
655 Section 17-34-1 and Subsection 17-36-3(22); or

656 (C) for debt service voted on by the public, the certified tax rate shall be the actual levy
657 imposed by that section, except that the certified tax rates for the following levies shall be
658 calculated in accordance with Section 59-2-913 and this section:

659 (I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125,
660 53A-17a-127, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and

661 (II) levies to pay for the costs of state legislative mandates or judicial or administrative
662 orders under Section 59-2-906.3.

663 (vi) (A) A judgment levy imposed under Section 59-2-1328 or Section 59-2-1330 shall
664 be established at that rate which is sufficient to generate only the revenue required to satisfy
665 one or more eligible judgments, as defined in Section 59-2-102.

666 (B) The ad valorem property tax revenue generated by the judgment levy shall not be
667 considered in establishing the taxing entity's aggregate certified tax rate.

668 (b) (i) For the purpose of calculating the certified tax rate, the county auditor shall use
669 the taxable value of property on the assessment roll.

670 (ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the
671 assessment roll does not include new growth as defined in Subsection (2)(b)(iii).

672 (iii) "New growth" means:

673 (A) the difference between the increase in taxable value of the taxing entity from the
674 previous calendar year to the current year; minus

675 (B) the amount of an increase in taxable value described in Subsection (2)(b)(iv).

676 (iv) Subsection (2)(b)(iii)(B) applies to the following increases in taxable value:

677 (A) the amount of increase to locally assessed real property taxable values resulting
678 from factoring, reappraisal, or any other adjustments; or

679 (B) the amount of an increase in the taxable value of property assessed by the
680 commission under Section 59-2-201 resulting from a change in the method of apportioning the
681 taxable value prescribed by:

- 682 (I) the Legislature;
683 (II) a court;
684 (III) the commission in an administrative rule; or
685 (IV) the commission in an administrative order.

686 (c) (i) Beginning January 1, 1997, if a taxing entity receives increased revenues from
687 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
688 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter
689 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax
690 rate to offset the increased revenues.

691 (ii) For a tax imposed in accordance with Chapter 12, Part 10, Highways or Public
692 Transit System Tax, on or after July 1, 2006, if a taxing entity receives increased revenues from
693 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
694 59-2-405.2, or 59-2-405.3 as a result of any county, city, or town imposing a sales and use tax
695 under Chapter 12, Part 10, Highways or Public Transit System Tax, the taxing entity shall
696 decrease its certified tax rate to offset the increased revenues.

697 (iii) For a tax imposed in accordance with Chapter 12, Part 17, Additional Highways or
698 Public Transit System Tax Act, on or after July 1, 2006, if a taxing entity receives increased
699 revenues from uniform fees on tangible personal property under Section 59-2-404, 59-2-405,
700 59-2-405.1, 59-2-405.2, or 59-2-405.3 as a result of any county, city, or town imposing a sales
701 and use tax under Chapter 12, Part 17, Additional Highways or Public Transit System Tax Act,
702 the taxing entity shall decrease its certified tax rate to offset the increased revenues.

703 (d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under
704 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

705 (A) decreased on a one-time basis by the amount of the estimated sales and use tax
706 revenue to be distributed to the county under Subsection 59-12-1102(3); and

707 (B) increased by the amount necessary to offset the county's reduction in revenue from
708 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
709 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection

710 (2)(d)(i)(A).

711 (ii) Subject to Subsections (2)(d)(iv) and (v), if a county, city, or town imposes a sales
712 and use tax on or after July 1, 2006, under Chapter 12, Part 10, Highways or Public Transit
713 System Tax, the county's, city's, or town's certified tax rate shall be:

714 (A) decreased on a one-time basis by the amount of the estimated sales and use tax
715 revenue to be distributed to the county, city, or town under that part for the first year that the
716 county, city, or town imposes the tax; and

717 (B) increased by the amount necessary to offset the county's, city's, or town's reduction
718 in revenue from uniform fees on tangible personal property under Section 59-2-404, 59-2-405,
719 59-2-405.1, 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under
720 Subsection (2)(d)(ii)(A).

721 (iii) Subject to Subsections (2)(d)(iv) and (v), if a county, city, or town imposes a sales
722 and use tax on or after July 1, 2006, under Chapter 12, Part 17, Additional Highways or Public
723 Transit System Tax Act, the county's, city's, or town's certified tax rate shall be:

724 (A) decreased on a one-time basis by the amount of the estimated sales and use tax
725 revenue to be distributed to the county, city, or town under that part for the first year that the
726 county, city, or town imposes the tax; and

727 (B) increased by the amount necessary to offset the county's, city's, or town's reduction
728 in revenue from uniform fees on tangible personal property under Section 59-2-404, 59-2-405,
729 59-2-405.1, 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under
730 Subsection (2)(d)(iii)(A).

731 (iv) A certified tax rate increase or decrease required by Subsection (2)(d)(ii) or (iii)
732 shall be made:

733 (A) for the calendar year beginning on the January 1 of the year in which the sales and
734 use tax is imposed that requires the certified tax rate to be increased or decreased in accordance
735 with Subsection (2)(d)(ii) or (iii) if that sales and use tax is imposed on January 1 or April 1; or

736 (B) for the calendar year beginning on the January 1 of the year immediately following
737 the year in which the sales and use tax is imposed that requires the certified tax rate to be
738 increased or decreased in accordance with Subsection (2)(d)(ii) or (iii) if that sales and use tax
739 is imposed on July 1 or October 1.

740 ~~[(iv)]~~ (v) The commission shall determine estimates of sales and use tax distributions

741 for purposes of this Subsection (2)(d)[(†)].

742 (e) Beginning January 1, 1998, if a municipality has imposed an additional resort
743 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be
744 decreased on a one-time basis by the amount necessary to offset the first 12 months of
745 estimated revenue from the additional resort communities sales and use tax imposed under
746 Section 59-12-402.

747 (f) For the calendar year beginning on January 1, 1999, and ending on December 31,
748 1999, a taxing entity's certified tax rate shall be adjusted by the amount necessary to offset the
749 adjustment in revenues from uniform fees on tangible personal property under Section
750 59-2-405.1 as a result of the adjustment in uniform fees on tangible personal property under
751 Section 59-2-405.1 enacted by the Legislature during the 1998 Annual General Session.

752 (g) For purposes of Subsections (2)(h) through (j):

753 (i) "1998 actual collections" means the amount of revenues a taxing entity actually
754 collected for the calendar year beginning on January 1, 1998, under Section 59-2-405 for:

755 (A) motor vehicles required to be registered with the state that weigh 12,000 pounds or
756 less; and

757 (B) state-assessed commercial vehicles required to be registered with the state that
758 weigh 12,000 pounds or less.

759 (ii) "1999 actual collections" means the amount of revenues a taxing entity actually
760 collected for the calendar year beginning on January 1, 1999, under Section 59-2-405.1.

761 (h) For the calendar year beginning on January 1, 2000, the commission shall make the
762 following adjustments:

763 (i) the commission shall make the adjustment described in Subsection (2)(i)(i) if, for
764 the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were
765 greater than the sum of:

766 (A) the taxing entity's 1999 actual collections; and

767 (B) any adjustments the commission made under Subsection (2)(f);

768 (ii) the commission shall make the adjustment described in Subsection (2)(i)(ii) if, for
769 the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were
770 greater than the taxing entity's 1999 actual collections, but the taxing entity's 1998 actual
771 collections were less than the sum of:

772 (A) the taxing entity's 1999 actual collections; and
773 (B) any adjustments the commission made under Subsection (2)(f); and
774 (iii) the commission shall make the adjustment described in Subsection (2)(i)(iii) if, for
775 the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were
776 less than the taxing entity's 1999 actual collections.

777 (i) (i) For purposes of Subsection (2)(h)(i), the commission shall increase a taxing
778 entity's certified tax rate under this section and a taxing entity's certified revenue levy under
779 Section 59-2-906.1 by the amount necessary to offset the difference between:

- 780 (A) the taxing entity's 1998 actual collections; and
- 781 (B) the sum of:
 - 782 (I) the taxing entity's 1999 actual collections; and
 - 783 (II) any adjustments the commission made under Subsection (2)(f).

784 (ii) For purposes of Subsection (2)(h)(ii), the commission shall decrease a taxing
785 entity's certified tax rate under this section and a taxing entity's certified revenue levy under
786 Section 59-2-906.1 by the amount necessary to offset the difference between:

- 787 (A) the sum of:
 - 788 (I) the taxing entity's 1999 actual collections; and
 - 789 (II) any adjustments the commission made under Subsection (2)(f); and
- 790 (B) the taxing entity's 1998 actual collections.

791 (iii) For purposes of Subsection (2)(h)(iii), the commission shall decrease a taxing
792 entity's certified tax rate under this section and a taxing entity's certified revenue levy under
793 Section 59-2-906.1 by the amount of any adjustments the commission made under Subsection
794 (2)(f).

795 (j) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, for
796 purposes of Subsections (2)(f) through (i), the commission may make rules establishing the
797 method for determining a taxing entity's 1998 actual collections and 1999 actual collections.

798 (k) (i) (A) For fiscal year 2000, the certified tax rate of each county required under
799 Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the
800 unincorporated area of the county shall be decreased by the amount necessary to reduce
801 revenues in that fiscal year by an amount equal to the difference between the amount the county
802 budgeted in its 2000 fiscal year budget for advanced life support and paramedic services

803 countywide and the amount the county spent during fiscal year 2000 for those services,
804 excluding amounts spent from a municipal services fund for those services.

805 (B) For fiscal year 2001, the certified tax rate of each county to which Subsection
806 (2)(k)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal
807 year by the amount that the county spent during fiscal year 2000 for advanced life support and
808 paramedic services countywide, excluding amounts spent from a municipal services fund for
809 those services.

810 (ii) (A) A city or town located within a county of the first class to which Subsection
811 (2)(k)(i) applies may increase its certified tax rate by the amount necessary to generate within
812 the city or town the same amount of revenues as the county would collect from that city or
813 town if the decrease under Subsection (2)(k)(i) did not occur.

814 (B) An increase under Subsection (2)(k)(ii)(A), whether occurring in a single fiscal
815 year or spread over multiple fiscal years, is not subject to the notice and hearing requirements
816 of Sections 59-2-918 and 59-2-919.

817 (l) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to
818 provide detective investigative services to the unincorporated area of the county shall be
819 decreased:

820 (A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year
821 by at least \$4,400,000; and

822 (B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year
823 by an amount equal to the difference between \$9,258,412 and the amount of the reduction in
824 revenues under Subsection (2)(l)(i)(A).

825 (ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a
826 county to which Subsection (2)(l)(i) applies may increase its certified tax rate to generate
827 within the city or town the same amount of revenue as the county would have collected during
828 county fiscal year 2001 from within the city or town except for Subsection (2)(l)(i)(A).

829 (II) Beginning with municipal fiscal year 2003, a city or town located within a county
830 to which Subsection (2)(l)(i) applies may increase its certified tax rate to generate within the
831 city or town the same amount of revenue as the county would have collected during county
832 fiscal year 2002 from within the city or town except for Subsection (2)(l)(i)(B).

833 (B) (I) Except as provided in Subsection (2)(l)(ii)(B)(II), an increase in the city or

834 town's certified tax rate under Subsection (2)(l)(ii)(A), whether occurring in a single fiscal year
835 or spread over multiple fiscal years, is subject to the notice and hearing requirements of
836 Sections 59-2-918 and 59-2-919.

837 (II) For an increase under this Subsection (2)(l)(ii) that generates revenue that does not
838 exceed the same amount of revenue as the county would have collected except for Subsection
839 (2)(l)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the city or town:

840 (Aa) publishes a notice that meets the size, type, placement, and frequency
841 requirements of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed
842 by the county to one imposed by the city or town, and explains how the revenues from the tax
843 increase will be used; and

844 (Bb) holds a public hearing on the tax shift that may be held in conjunction with the
845 city or town's regular budget hearing.

846 (m) (i) This Subsection (2)(m) applies to each county that:

847 (A) establishes a countywide special service district under Title 17A, Chapter 2, Part
848 13, Utah Special Service District Act, to provide jail service, as provided in Subsection
849 17A-2-1304(1)(a)(x); and

850 (B) levies a property tax on behalf of the special service district under Section
851 17A-2-1322.

852 (ii) (A) The certified tax rate of each county to which this Subsection (2)(m) applies
853 shall be decreased by the amount necessary to reduce county revenues by the same amount of
854 revenues that will be generated by the property tax imposed on behalf of the special service
855 district.

856 (B) Each decrease under Subsection (2)(m)(ii)(A) shall occur contemporaneously with
857 the levy on behalf of the special service district under Section 17A-2-1322.

858 (n) (i) As used in this Subsection (2)(n):

859 (A) "Annexing county" means a county whose unincorporated area is included within a
860 fire district by annexation.

861 (B) "Annexing municipality" means a municipality whose area is included within a fire
862 district by annexation.

863 (C) "Equalized fire protection tax rate" means the tax rate that results from:

864 (I) calculating, for each participating county and each participating municipality, the

865 property tax revenue necessary to cover all of the costs associated with providing fire
866 protection, paramedic, and emergency services:

867 (Aa) for a participating county, in the unincorporated area of the county; and

868 (Bb) for a participating municipality, in the municipality; and

869 (II) adding all the amounts calculated under Subsection (2)(n)(i)(C)(I) for all
870 participating counties and all participating municipalities and then dividing that sum by the
871 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

872 (Aa) for participating counties, in the unincorporated area of all participating counties;

873 and

874 (Bb) for participating municipalities, in all the participating municipalities.

875 (D) "Fire district" means a county service area under Title 17A, Chapter 2, Part 4,

876 County Service Area Act, in the creation of which an election was not required under

877 Subsection 17B-2-214(3)(c).

878 (E) "Fire protection tax rate" means:

879 (I) for an annexing county, the property tax rate that, when applied to taxable property
880 in the unincorporated area of the county, generates enough property tax revenue to cover all the
881 costs associated with providing fire protection, paramedic, and emergency services in the
882 unincorporated area of the county; and

883 (II) for an annexing municipality, the property tax rate that generates enough property
884 tax revenue in the municipality to cover all the costs associated with providing fire protection,
885 paramedic, and emergency services in the municipality.

886 (F) "Participating county" means a county whose unincorporated area is included
887 within a fire district at the time of the creation of the fire district.

888 (G) "Participating municipality" means a municipality whose area is included within a
889 fire district at the time of the creation of the fire district.

890 (ii) In the first year following creation of a fire district, the certified tax rate of each
891 participating county and each participating municipality shall be decreased by the amount of
892 the equalized fire protection tax rate.

893 (iii) In the first year following annexation to a fire district, the certified tax rate of each
894 annexing county and each annexing municipality shall be decreased by the fire protection tax
895 rate.

896 (iv) Each tax levied under this section by a fire district shall be considered to be levied
897 by:

898 (A) each participating county and each annexing county for purposes of the county's
899 tax limitation under Section 59-2-908; and

900 (B) each participating municipality and each annexing municipality for purposes of the
901 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a
902 city.

903 (3) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

904 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
905 auditor of:

906 (i) its intent to exceed the certified tax rate; and

907 (ii) the amount by which it proposes to exceed the certified tax rate.

908 (c) The county auditor shall notify all property owners of any intent to exceed the
909 certified tax rate in accordance with Subsection 59-2-919(2).

910 (4) (a) The taxable value for the base year under Subsection 17B-4-102(4) shall be
911 reduced for any year to the extent necessary to provide a redevelopment agency established
912 under Title 17B, Chapter 4, Redevelopment Agencies Act, with approximately the same
913 amount of money the agency would have received without a reduction in the county's certified
914 tax rate if:

915 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or
916 (2)(d)(i);

917 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
918 previous year; and

919 (iii) the decrease results in a reduction of the amount to be paid to the agency under
920 Section 17B-4-1003 or 17B-4-1004.

921 (b) The base taxable value under Subsection 17B-4-102(4) shall be increased in any
922 year to the extent necessary to provide a redevelopment agency with approximately the same
923 amount of money as the agency would have received without an increase in the certified tax
924 rate that year if:

925 (i) in that year the base taxable value under Subsection 17B-4-102(4) is reduced due to
926 a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and

927 (ii) The certified tax rate of a city, school district, or special district increases
928 independent of the adjustment to the taxable value of the base year.

929 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or
930 (2)(d)(i), the amount of money allocated and, when collected, paid each year to a
931 redevelopment agency established under Title 17B, Chapter 4, Redevelopment Agencies Act,
932 for the payment of bonds or other contract indebtedness, but not for administrative costs, may
933 not be less than that amount would have been without a decrease in the certified tax rate under
934 Subsection (2)(c) or (2)(d)(i).

935 Section 9. Section **59-12-102** is amended to read:

936 **59-12-102. Definitions.**

937 As used in this chapter:

938 (1) (a) "Admission or user fees" includes season passes.

939 (b) "Admission or user fees" does not include annual membership dues to private
940 organizations.

941 (2) "Agreement" means the Streamlined Sales and Use Tax Agreement described in
942 Section 59-12-102.1.

943 (3) "Agreement combined tax rate" means the sum of the tax rates:

944 (a) listed under Subsection (4); and

945 (b) that are imposed within a local taxing jurisdiction.

946 (4) "Agreement sales and use tax" means a tax imposed under:

947 (a) Subsection 59-12-103(2)(a)(i);

948 (b) Section 59-12-204;

949 [~~(c) Section 59-12-401;~~]

950 [~~(d) Section 59-12-402;~~]

951 [~~(e)~~] (c) Section 59-12-501;

952 [~~(f)~~] (d) Section 59-12-502;

953 [~~(g) Section 59-12-703;~~]

954 [~~(h) Section 59-12-802;~~]

955 [~~(i) Section 59-12-804;~~]

956 [~~(j)~~] (e) Section 59-12-1001;

957 [~~(k)~~] (f) Section 59-12-1102; or

- 958 (g) Section 59-12-1702.
- 959 [~~(l) Section 59-12-1302;~~]
- 960 [~~(m) Section 59-12-1402; or~~]
- 961 [~~(n) Section 59-12-1503;~~]
- 962 (5) "Aircraft" is as defined in Section 72-10-102.
- 963 (6) "Alcoholic beverage" means a beverage that:
- 964 (a) is suitable for human consumption; and
- 965 (b) contains .5% or more alcohol by volume.
- 966 (7) "Area agency on aging" is as defined in Section 62A-3-101.
- 967 (8) "Authorized carrier" means:
- 968 (a) in the case of vehicles operated over public highways, the holder of credentials
- 969 indicating that the vehicle is or will be operated pursuant to both the International Registration
- 970 Plan and the International Fuel Tax Agreement;
- 971 (b) in the case of aircraft, the holder of a Federal Aviation Administration operating
- 972 certificate or air carrier's operating certificate; or
- 973 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling
- 974 stock, the holder of a certificate issued by the United States Surface Transportation Board.
- 975 (9) (a) Except as provided in Subsection (9)(b), "biomass energy" means any of the
- 976 following that is used as the primary source of energy to produce fuel or electricity:
- 977 (i) material from a plant or tree; or
- 978 (ii) other organic matter that is available on a renewable basis, including:
- 979 (A) slash and brush from forests and woodlands;
- 980 (B) animal waste;
- 981 (C) methane produced:
- 982 (I) at landfills; or
- 983 (II) as a byproduct of the treatment of wastewater residuals;
- 984 (D) aquatic plants; and
- 985 (E) agricultural products.
- 986 (b) "Biomass energy" does not include:
- 987 (i) black liquor;
- 988 (ii) treated woods; or

989 (iii) biomass from municipal solid waste other than methane produced:

990 (A) at landfills; or

991 (B) as a byproduct of the treatment of wastewater residuals.

992 (10) "Certified automated system" means software certified by the governing board of
993 the agreement in accordance with Section 59-12-102.1 that:

994 (a) calculates the agreement sales and use tax imposed within a local taxing
995 jurisdiction:

996 (i) on a transaction; and

997 (ii) in the states that are members of the agreement;

998 (b) determines the amount of agreement sales and use tax to remit to a state that is a
999 member of the agreement; and

1000 (c) maintains a record of the transaction described in Subsection (10)(a)(i).

1001 (11) "Certified service provider" means an agent certified:

1002 (a) by the governing board of the agreement in accordance with Section 59-12-102.1;

1003 and

1004 (b) to perform all of a seller's sales and use tax functions for an agreement sales and
1005 use tax other than the seller's obligation under Section 59-12-107.4 to remit a tax on the seller's
1006 own purchases.

1007 (12) (a) Subject to Subsection (12)(b), "clothing" means all human wearing apparel
1008 suitable for general use.

1009 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
1010 commission shall make rules:

1011 (i) listing the items that constitute "clothing"; and

1012 (ii) that are consistent with the list of items that constitute "clothing" under the
1013 agreement.

1014 (13) (a) For purposes of Subsection 59-12-104(42), "coin-operated amusement device"
1015 means:

1016 (i) a coin-operated amusement, skill, or ride device;

1017 (ii) that is not controlled through seller-assisted, over-the-counter, sales of tokens; and

1018 (iii) includes a music machine, pinball machine, billiard machine, video game machine,
1019 arcade machine, and a mechanical or electronic skill game or ride.

1020 (b) For purposes of Subsection 59-12-104(42), "coin-operated amusement device" does
1021 not mean a coin-operated amusement device possessing a coinage mechanism that:

1022 (i) accepts and registers multiple denominations of coins; and

1023 (ii) allows the seller to collect the sales and use tax at the time an amusement device is
1024 activated and operated by a person inserting coins into the device.

1025 (14) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other
1026 fuels that does not constitute industrial use under Subsection (34) or residential use under
1027 Subsection (68).

1028 (15) (a) "Common carrier" means a person engaged in or transacting the business of
1029 transporting passengers, freight, merchandise, or other property for hire within this state.

1030 (b) (i) "Common carrier" does not include a person who, at the time the person is
1031 traveling to or from that person's place of employment, transports a passenger to or from the
1032 passenger's place of employment.

1033 (ii) For purposes of Subsection (15)(b)(i), in accordance with Title 63, Chapter 46a,
1034 Utah Administrative Rulemaking Act, the commission may make rules defining what
1035 constitutes a person's place of employment.

1036 (16) "Component part" includes:

1037 (a) poultry, dairy, and other livestock feed, and their components;

1038 (b) baling ties and twine used in the baling of hay and straw;

1039 (c) fuel used for providing temperature control of orchards and commercial
1040 greenhouses doing a majority of their business in wholesale sales, and for providing power for
1041 off-highway type farm machinery; and

1042 (d) feed, seeds, and seedlings.

1043 (17) "Computer" means an electronic device that accepts information:

1044 (a) (i) in digital form; or

1045 (ii) in a form similar to digital form; and

1046 (b) manipulates that information for a result based on a sequence of instructions.

1047 (18) "Computer software" means a set of coded instructions designed to cause:

1048 (a) a computer to perform a task; or

1049 (b) automatic data processing equipment to perform a task.

1050 (19) "Construction materials" means any tangible personal property that will be

1051 converted into real property.

1052 (20) "Delivered electronically" means delivered to a purchaser by means other than
1053 tangible storage media.

1054 (21) (a) "Delivery charge" means a charge:

1055 (i) by a seller of:

1056 (A) tangible personal property; or

1057 (B) services; and

1058 (ii) for preparation and delivery of the tangible personal property or services described

1059 in Subsection (21)(a)(i) to a location designated by the purchaser.

1060 (b) "Delivery charge" includes a charge for the following:

1061 (i) transportation;

1062 (ii) shipping;

1063 (iii) postage;

1064 (iv) handling;

1065 (v) crating; or

1066 (vi) packing.

1067 (22) "Dietary supplement" means a product, other than tobacco, that:

1068 (a) is intended to supplement the diet;

1069 (b) contains one or more of the following dietary ingredients:

1070 (i) a vitamin;

1071 (ii) a mineral;

1072 (iii) an herb or other botanical;

1073 (iv) an amino acid;

1074 (v) a dietary substance for use by humans to supplement the diet by increasing the total

1075 dietary intake; or

1076 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient

1077 described in Subsections (22)(b)(i) through (v);

1078 (c) (i) except as provided in Subsection (22)(c)(ii), is intended for ingestion in:

1079 (A) tablet form;

1080 (B) capsule form;

1081 (C) powder form;

- 1082 (D) softgel form;
- 1083 (E) gelcap form; or
- 1084 (F) liquid form; or
- 1085 (ii) notwithstanding Subsection (22)(c)(i), if the product is not intended for ingestion in
- 1086 a form described in Subsections (22)(c)(i)(A) through (F), is not represented:
 - 1087 (A) as conventional food; and
 - 1088 (B) for use as a sole item of:
 - 1089 (I) a meal; or
 - 1090 (II) the diet; and
 - 1091 (d) is required to be labeled as a dietary supplement:
 - 1092 (i) identifiable by the "Supplemental Facts" box found on the label; and
 - 1093 (ii) as required by 21 C.F.R. Sec. 101.36.
- 1094 (23) (a) "Direct mail" means printed material delivered or distributed by United States
- 1095 mail or other delivery service:
 - 1096 (i) to:
 - 1097 (A) a mass audience; or
 - 1098 (B) addressees on a mailing list provided by a purchaser of the mailing list; and
 - 1099 (ii) if the cost of the printed material is not billed directly to the recipients.
- 1100 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a
- 1101 purchaser to a seller of direct mail for inclusion in a package containing the printed material.
- 1102 (c) "Direct mail" does not include multiple items of printed material delivered to a
- 1103 single address.
- 1104 (24) (a) "Drug" means a compound, substance, or preparation, or a component of a
- 1105 compound, substance, or preparation that is:
 - 1106 (i) recognized in:
 - 1107 (A) the official United States Pharmacopoeia;
 - 1108 (B) the official Homeopathic Pharmacopoeia of the United States;
 - 1109 (C) the official National Formulary; or
 - 1110 (D) a supplement to a publication listed in Subsections (24)(a)(i)(A) through (C);
 - 1111 (ii) intended for use in the:
 - 1112 (A) diagnosis of disease;

- 1113 (B) cure of disease;
- 1114 (C) mitigation of disease;
- 1115 (D) treatment of disease; or
- 1116 (E) prevention of disease; or
- 1117 (iii) intended to affect:
 - 1118 (A) the structure of the body; or
 - 1119 (B) any function of the body.
- 1120 (b) "Drug" does not include:
 - 1121 (i) food and food ingredients;
 - 1122 (ii) a dietary supplement;
 - 1123 (iii) an alcoholic beverage; or
 - 1124 (iv) a prosthetic device.
- 1125 (25) (a) Except as provided in Subsection (25)(c), "durable medical equipment" means
- 1126 equipment that:
 - 1127 (i) can withstand repeated use;
 - 1128 (ii) is primarily and customarily used to serve a medical purpose;
 - 1129 (iii) generally is not useful to a person in the absence of illness or injury; and
 - 1130 (iv) is not worn in or on the body.
- 1131 (b) "Durable medical equipment" includes parts used in the repair or replacement of the
- 1132 equipment described in Subsection (25)(a).
- 1133 (c) Notwithstanding Subsection (25)(a), "durable medical equipment" does not include
- 1134 mobility enhancing equipment.
- 1135 (26) "Electronic" means:
 - 1136 (a) relating to technology; and
 - 1137 (b) having:
 - 1138 (i) electrical capabilities;
 - 1139 (ii) digital capabilities;
 - 1140 (iii) magnetic capabilities;
 - 1141 (iv) wireless capabilities;
 - 1142 (v) optical capabilities;
 - 1143 (vi) electromagnetic capabilities; or

- 1144 (vii) capabilities similar to Subsections (26)(b)(i) through (vi).
- 1145 (27) (a) "Food and food ingredients" means substances:
- 1146 (i) regardless of whether the substances are in:
- 1147 (A) liquid form;
- 1148 (B) concentrated form;
- 1149 (C) solid form;
- 1150 (D) frozen form;
- 1151 (E) dried form; or
- 1152 (F) dehydrated form; and
- 1153 (ii) that are:
- 1154 (A) sold for:
- 1155 (I) ingestion by humans; or
- 1156 (II) chewing by humans; and
- 1157 (B) consumed for the substance's:
- 1158 (I) taste; or
- 1159 (II) nutritional value.
- 1160 (b) "Food and food ingredients" does not include:
- 1161 (i) an alcoholic beverage;
- 1162 (ii) tobacco; or
- 1163 (iii) prepared food.
- 1164 (28) (a) "Fundraising sales" means sales:
- 1165 (i) (A) made by a school; or
- 1166 (B) made by a school student;
- 1167 (ii) that are for the purpose of raising funds for the school to purchase equipment,
- 1168 materials, or provide transportation; and
- 1169 (iii) that are part of an officially sanctioned school activity.
- 1170 (b) For purposes of Subsection (28)(a)(iii), "officially sanctioned school activity"
- 1171 means a school activity:
- 1172 (i) that is conducted in accordance with a formal policy adopted by the school or school
- 1173 district governing the authorization and supervision of fundraising activities;
- 1174 (ii) that does not directly or indirectly compensate an individual teacher or other

1175 educational personnel by direct payment, commissions, or payment in kind; and

1176 (iii) the net or gross revenues from which are deposited in a dedicated account

1177 controlled by the school or school district.

1178 (29) "Geothermal energy" means energy contained in heat that continuously flows

1179 outward from the earth that is used as the sole source of energy to produce electricity.

1180 (30) "Governing board of the agreement" means the governing board of the agreement

1181 that is:

1182 (a) authorized to administer the agreement; and

1183 (b) established in accordance with the agreement.

1184 (31) (a) "Hearing aid" means:

1185 (i) an instrument or device having an electronic component that is designed to:

1186 (A) (I) improve impaired human hearing; or

1187 (II) correct impaired human hearing; and

1188 (B) (I) be worn in the human ear; or

1189 (II) affixed behind the human ear;

1190 (ii) an instrument or device that is surgically implanted into the cochlea; or

1191 (iii) a telephone amplifying device.

1192 (b) "Hearing aid" does not include:

1193 (i) except as provided in Subsection (31)(a)(i)(B) or (31)(a)(ii), an instrument or device

1194 having an electronic component that is designed to be worn on the body;

1195 (ii) except as provided in Subsection (31)(a)(iii), an assistive listening device or system

1196 designed to be used by one individual, including:

1197 (A) a personal amplifying system;

1198 (B) a personal FM system;

1199 (C) a television listening system; or

1200 (D) a device or system similar to a device or system described in Subsections

1201 (31)(b)(ii)(A) through (C); or

1202 (iii) an assistive listening device or system designed to be used by more than one

1203 individual, including:

1204 (A) a device or system installed in:

1205 (I) an auditorium;

- 1206 (II) a church;
- 1207 (III) a conference room;
- 1208 (IV) a synagogue; or
- 1209 (V) a theater; or
- 1210 (B) a device or system similar to a device or system described in Subsections
- 1211 (31)(b)(iii)(A)(I) through (V).
- 1212 (32) (a) "Hearing aid accessory" means a hearing aid:
- 1213 (i) component;
- 1214 (ii) attachment; or
- 1215 (iii) accessory.
- 1216 (b) "Hearing aid accessory" includes:
- 1217 (i) a hearing aid neck loop;
- 1218 (ii) a hearing aid cord;
- 1219 (iii) a hearing aid ear mold;
- 1220 (iv) hearing aid tubing;
- 1221 (v) a hearing aid ear hook; or
- 1222 (vi) a hearing aid remote control.
- 1223 (c) "Hearing aid accessory" does not include:
- 1224 (i) a component, attachment, or accessory designed to be used only with an:
- 1225 (A) instrument or device described in Subsection (31)(b)(i); or
- 1226 (B) assistive listening device or system described in Subsection (31)(b)(ii) or (iii); or
- 1227 (ii) a hearing aid battery.
- 1228 (33) "Hydroelectric energy" means water used as the sole source of energy to produce
- 1229 electricity.
- 1230 (34) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil, or
- 1231 other fuels:
- 1232 (a) in mining or extraction of minerals;
- 1233 (b) in agricultural operations to produce an agricultural product up to the time of
- 1234 harvest or placing the agricultural product into a storage facility, including:
- 1235 (i) commercial greenhouses;
- 1236 (ii) irrigation pumps;

- 1237 (iii) farm machinery;
- 1238 (iv) implements of husbandry as defined in Subsection 41-1a-102(23) that are not
- 1239 registered under Title 41, Chapter 1a, Part 2, Registration; and
- 1240 (v) other farming activities;
- 1241 (c) in manufacturing tangible personal property at an establishment described in SIC
- 1242 Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of the federal
- 1243 Executive Office of the President, Office of Management and Budget; or
- 1244 (d) by a scrap recycler if:
 - 1245 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
 - 1246 one or more of the following items into prepared grades of processed materials for use in new
 - 1247 products:
 - 1248 (A) iron;
 - 1249 (B) steel;
 - 1250 (C) nonferrous metal;
 - 1251 (D) paper;
 - 1252 (E) glass;
 - 1253 (F) plastic;
 - 1254 (G) textile; or
 - 1255 (H) rubber; and
 - 1256 (ii) the new products under Subsection (34)(d)(i) would otherwise be made with
 - 1257 nonrecycled materials.
- 1258 (35) (a) Except as provided in Subsection (35)(b), "installation charge" means a charge
- 1259 for installing tangible personal property.
- 1260 (b) Notwithstanding Subsection (35)(a), "installation charge" does not include a charge
- 1261 for repairs or renovations of tangible personal property.
- 1262 (36) (a) "Lease" or "rental" means a transfer of possession or control of tangible
- 1263 personal property for:
 - 1264 (i) (A) a fixed term; or
 - 1265 (B) an indeterminate term; and
 - 1266 (ii) consideration.
- 1267 (b) "Lease" or "rental" includes an agreement covering a motor vehicle and trailer if the

1268 amount of consideration may be increased or decreased by reference to the amount realized
1269 upon sale or disposition of the property as defined in Section 7701(h)(1), Internal Revenue
1270 Code.

1271 (c) "Lease" or "rental" does not include:

1272 (i) a transfer of possession or control of property under a security agreement or
1273 deferred payment plan that requires the transfer of title upon completion of the required
1274 payments;

1275 (ii) a transfer of possession or control of property under an agreement that requires the
1276 transfer of title:

1277 (A) upon completion of required payments; and

1278 (B) if the payment of an option price does not exceed the greater of:

1279 (I) \$100; or

1280 (II) 1% of the total required payments; or

1281 (iii) providing tangible personal property along with an operator for a fixed period of
1282 time or an indeterminate period of time if the operator is necessary for equipment to perform as
1283 designed.

1284 (d) For purposes of Subsection (36)(c)(iii), an operator is necessary for equipment to
1285 perform as designed if the operator's duties exceed the:

1286 (i) set-up of tangible personal property;

1287 (ii) maintenance of tangible personal property; or

1288 (iii) inspection of tangible personal property.

1289 (37) "Load and leave" means delivery to a purchaser by use of a tangible storage media
1290 if the tangible storage media is not physically transferred to the purchaser.

1291 (38) "Local taxing jurisdiction" means a:

1292 (a) county that is authorized to impose an agreement sales and use tax;

1293 (b) city that is authorized to impose an agreement sales and use tax; or

1294 (c) town that is authorized to impose an agreement sales and use tax.

1295 (39) "Manufactured home" is as defined in Section 58-56-3.

1296 (40) For purposes of Subsection 59-12-104(14), "manufacturing facility" means:

1297 (a) an establishment described in SIC Codes 2000 to 3999 of the 1987 Standard

1298 Industrial Classification Manual of the federal Executive Office of the President, Office of

- 1299 Management and Budget; or
- 1300 (b) a scrap recycler if:
- 1301 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
- 1302 one or more of the following items into prepared grades of processed materials for use in new
- 1303 products:
- 1304 (A) iron;
- 1305 (B) steel;
- 1306 (C) nonferrous metal;
- 1307 (D) paper;
- 1308 (E) glass;
- 1309 (F) plastic;
- 1310 (G) textile; or
- 1311 (H) rubber; and
- 1312 (ii) the new products under Subsection (40)(b)(i) would otherwise be made with
- 1313 nonrecycled materials.
- 1314 (41) "Mobile home" is as defined in Section 58-56-3.
- 1315 (42) "Mobile telecommunications service" is as defined in the Mobile
- 1316 Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.
- 1317 (43) (a) Except as provided in Subsection (43)(c), "mobility enhancing equipment"
- 1318 means equipment that is:
- 1319 (i) primarily and customarily used to provide or increase the ability to move from one
- 1320 place to another;
- 1321 (ii) appropriate for use in a:
- 1322 (A) home; or
- 1323 (B) motor vehicle; and
- 1324 (iii) not generally used by persons with normal mobility.
- 1325 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of
- 1326 the equipment described in Subsection (43)(a).
- 1327 (c) Notwithstanding Subsection (43)(a), "mobility enhancing equipment" does not
- 1328 include:
- 1329 (i) a motor vehicle;

1330 (ii) equipment on a motor vehicle if that equipment is normally provided by the motor
1331 vehicle manufacturer;

1332 (iii) durable medical equipment; or

1333 (iv) a prosthetic device.

1334 (44) "Model 1 seller" means a seller that has selected a certified service provider as the
1335 seller's agent to perform all of the seller's sales and use tax functions for agreement sales and
1336 use taxes other than the seller's obligation under Section 59-12-107.4 to remit a tax on the
1337 seller's own purchases.

1338 (45) "Model 2 seller" means a seller that:

1339 (a) except as provided in Subsection (45)(b), has selected a certified automated system
1340 to perform the seller's sales tax functions for agreement sales and use taxes; and

1341 (b) notwithstanding Subsection (45)(a), retains responsibility for remitting all of the
1342 sales tax:

1343 (i) collected by the seller; and

1344 (ii) to the appropriate local taxing jurisdiction.

1345 (46) (a) Subject to Subsection (46)(b), "model 3 seller" means a seller that has:

1346 (i) sales in at least five states that are members of the agreement;

1347 (ii) total annual sales revenues of at least \$500,000,000;

1348 (iii) a proprietary system that calculates the amount of tax:

1349 (A) for an agreement sales and use tax; and

1350 (B) due to each local taxing jurisdiction; and

1351 (iv) entered into a performance agreement with the governing board of the agreement.

1352 (b) For purposes of Subsection (46)(a), "model 3 seller" includes an affiliated group of
1353 sellers using the same proprietary system.

1354 (47) "Modular home" means a modular unit as defined in Section 58-56-3.

1355 (48) "Motor vehicle" is as defined in Section 41-1a-102.

1356 (49) (a) "Other fuels" means products that burn independently to produce heat or
1357 energy.

1358 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible
1359 personal property.

1360 (50) "Pawnbroker" is as defined in Section 13-32a-102.

1361 (51) "Pawn transaction" is as defined in Section 13-32a-102.

1362 (52) (a) "Permanently attached to real property" means that for tangible personal
1363 property attached to real property:

1364 (i) the attachment of the tangible personal property to the real property:

1365 (A) is essential to the use of the tangible personal property; and

1366 (B) suggests that the tangible personal property will remain attached to the real
1367 property in the same place over the useful life of the tangible personal property; or

1368 (ii) if the tangible personal property is detached from the real property, the detachment
1369 would:

1370 (A) cause substantial damage to the tangible personal property; or

1371 (B) require substantial alteration or repair of the real property to which the tangible
1372 personal property is attached.

1373 (b) "Permanently attached to real property" includes:

1374 (i) the attachment of an accessory to the tangible personal property if the accessory is:

1375 (A) essential to the operation of the tangible personal property; and

1376 (B) attached only to facilitate the operation of the tangible personal property; or

1377 (ii) a temporary detachment of tangible personal property from real property for a
1378 repair or renovation if the repair or renovation is performed where the tangible personal
1379 property and real property are located.

1380 (c) "Permanently attached to real property" does not include:

1381 (i) the attachment of portable or movable tangible personal property to real property if
1382 that portable or movable tangible personal property is attached to real property only for:

1383 (A) convenience;

1384 (B) stability; or

1385 (C) for an obvious temporary purpose; or

1386 (ii) the detachment of tangible personal property from real property other than the
1387 detachment described in Subsection (52)(b)(ii).

1388 (53) "Person" includes any individual, firm, partnership, joint venture, association,
1389 corporation, estate, trust, business trust, receiver, syndicate, this state, any county, city,
1390 municipality, district, or other local governmental entity of the state, or any group or
1391 combination acting as a unit.

1392 (54) "Place of primary use":
1393 (a) for telephone service other than mobile telecommunications service, means the
1394 street address representative of where the purchaser's use of the telephone service primarily
1395 occurs, which shall be:

- 1396 (i) the residential street address of the purchaser; or
 - 1397 (ii) the primary business street address of the purchaser; or
- 1398 (b) for mobile telecommunications service, is as defined in the Mobile
1399 Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

1400 (55) "Postproduction" means an activity related to the finishing or duplication of a
1401 medium described in Subsection 59-12-104(60)(a).

1402 (56) (a) "Prepared food" means:

1403 (i) food:

1404 (A) sold in a heated state; or

1405 (B) heated by a seller;

1406 (ii) two or more food ingredients mixed or combined by the seller for sale as a single
1407 item; or

1408 (iii) except as provided in Subsection (56)(c), food sold with an eating utensil provided
1409 by the seller, including a:

1410 (A) plate;

1411 (B) knife;

1412 (C) fork;

1413 (D) spoon;

1414 (E) glass;

1415 (F) cup;

1416 (G) napkin; or

1417 (H) straw.

1418 (b) "Prepared food" does not include:

1419 (i) food that a seller only:

1420 (A) cuts;

1421 (B) repackages; or

1422 (C) pasteurizes; or

1423 (ii) (A) the following:

1424 (I) raw egg;

1425 (II) raw fish;

1426 (III) raw meat;

1427 (IV) raw poultry; or

1428 (V) a food containing an item described in Subsections (56)(b)(ii)(A)(I) through (IV);

1429 and

1430 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the

1431 Food and Drug Administration's Food Code that a consumer cook the items described in

1432 Subsection (56)(b)(ii)(A) to prevent food borne illness.

1433 (c) Notwithstanding Subsection (56)(a)(iii), an eating utensil provided by the seller

1434 does not include the following used to transport the food:

1435 (i) a container; or

1436 (ii) packaging.

1437 (57) "Prescription" means an order, formula, or recipe that is issued:

1438 (a) (i) orally;

1439 (ii) in writing;

1440 (iii) electronically; or

1441 (iv) by any other manner of transmission; and

1442 (b) by a licensed practitioner authorized by the laws of a state.

1443 (58) (a) Except as provided in Subsection (58)(b)(ii) or (iii), "prewritten computer

1444 software" means computer software that is not designed and developed:

1445 (i) by the author or other creator of the computer software; and

1446 (ii) to the specifications of a specific purchaser.

1447 (b) "Prewritten computer software" includes:

1448 (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer

1449 software is not designed and developed:

1450 (A) by the author or other creator of the computer software; and

1451 (B) to the specifications of a specific purchaser;

1452 (ii) notwithstanding Subsection (58)(a), computer software designed and developed by

1453 the author or other creator of the computer software to the specifications of a specific purchaser

- 1454 if the computer software is sold to a person other than the purchaser; or
- 1455 (iii) notwithstanding Subsection (58)(a) and except as provided in Subsection (58)(c),
- 1456 prewritten computer software or a prewritten portion of prewritten computer software:
- 1457 (A) that is modified or enhanced to any degree; and
- 1458 (B) if the modification or enhancement described in Subsection (58)(b)(iii)(A) is
- 1459 designed and developed to the specifications of a specific purchaser.
- 1460 (c) Notwithstanding Subsection (58)(b)(iii), "prewritten computer software" does not
- 1461 include a modification or enhancement described in Subsection (58)(b)(iii) if the charges for
- 1462 the modification or enhancement are:
- 1463 (i) reasonable; and
- 1464 (ii) separately stated on the invoice or other statement of price provided to the
- 1465 purchaser.
- 1466 (59) (a) "Prosthetic device" means a device that is worn on or in the body to:
- 1467 (i) artificially replace a missing portion of the body;
- 1468 (ii) prevent or correct a physical deformity or physical malfunction; or
- 1469 (iii) support a weak or deformed portion of the body.
- 1470 (b) "Prosthetic device" includes:
- 1471 (i) parts used in the repairs or renovation of a prosthetic device; or
- 1472 (ii) replacement parts for a prosthetic device.
- 1473 (c) "Prosthetic device" does not include:
- 1474 (i) corrective eyeglasses;
- 1475 (ii) contact lenses;
- 1476 (iii) hearing aids; or
- 1477 (iv) dental prostheses.
- 1478 (60) (a) "Protective equipment" means an item:
- 1479 (i) for human wear; and
- 1480 (ii) that is:
- 1481 (A) designed as protection:
- 1482 (I) to the wearer against injury or disease; or
- 1483 (II) against damage or injury of other persons or property; and
- 1484 (B) not suitable for general use.

1485 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
1486 commission shall make rules:

1487 (i) listing the items that constitute "protective equipment"; and

1488 (ii) that are consistent with the list of items that constitute "protective equipment"

1489 under the agreement.

1490 (61) (a) "Purchase price" and "sales price" mean the total amount of consideration:

1491 (i) valued in money; and

1492 (ii) for which tangible personal property or services are:

1493 (A) sold;

1494 (B) leased; or

1495 (C) rented.

1496 (b) "Purchase price" and "sales price" include:

1497 (i) the seller's cost of the tangible personal property or services sold;

1498 (ii) expenses of the seller, including:

1499 (A) the cost of materials used;

1500 (B) a labor cost;

1501 (C) a service cost;

1502 (D) interest;

1503 (E) a loss;

1504 (F) the cost of transportation to the seller; or

1505 (G) a tax imposed on the seller; or

1506 (iii) a charge by the seller for any service necessary to complete the sale.

1507 (c) "Purchase price" and "sales price" do not include:

1508 (i) a discount:

1509 (A) in a form including:

1510 (I) cash;

1511 (II) term; or

1512 (III) coupon;

1513 (B) that is allowed by a seller;

1514 (C) taken by a purchaser on a sale; and

1515 (D) that is not reimbursed by a third party; or

1516 (ii) the following if separately stated on an invoice, bill of sale, or similar document
1517 provided to the purchaser:

1518 (A) the amount of a trade-in;

1519 (B) the following from credit extended on the sale of tangible personal property or
1520 services:

1521 (I) interest charges;

1522 (II) financing charges; or

1523 (III) carrying charges;

1524 (C) a tax or fee legally imposed directly on the consumer;

1525 (D) a delivery charge; or

1526 (E) an installation charge.

1527 (62) "Purchaser" means a person to whom:

1528 (a) a sale of tangible personal property is made; or

1529 (b) a service is furnished.

1530 (63) "Regularly rented" means:

1531 (a) rented to a guest for value three or more times during a calendar year; or

1532 (b) advertised or held out to the public as a place that is regularly rented to guests for
1533 value.

1534 (64) "Renewable energy" means:

1535 (a) biomass energy;

1536 (b) hydroelectric energy;

1537 (c) geothermal energy;

1538 (d) solar energy; or

1539 (e) wind energy.

1540 (65) (a) "Renewable energy production facility" means a facility that:

1541 (i) uses renewable energy to produce electricity; and

1542 (ii) has a production capacity of 20 kilowatts or greater.

1543 (b) A facility is a renewable energy production facility regardless of whether the
1544 facility is:

1545 (i) connected to an electric grid; or

1546 (ii) located on the premises of an electricity consumer.

- 1547 (66) "Rental" is as defined in Subsection (36).
- 1548 (67) "Repairs or renovations of tangible personal property" means:
- 1549 (a) a repair or renovation of tangible personal property that is not permanently attached
- 1550 to real property; or
- 1551 (b) attaching tangible personal property to other tangible personal property if the other
- 1552 tangible personal property to which the tangible personal property is attached is not
- 1553 permanently attached to real property.
- 1554 (68) "Residential use" means the use in or around a home, apartment building, sleeping
- 1555 quarters, and similar facilities or accommodations.
- 1556 (69) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose other
- 1557 than:
- 1558 (a) resale;
- 1559 (b) sublease; or
- 1560 (c) subrent.
- 1561 (70) (a) "Retailer" means any person engaged in a regularly organized business in
- 1562 tangible personal property or any other taxable transaction under Subsection 59-12-103(1), and
- 1563 who is selling to the user or consumer and not for resale.
- 1564 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly
- 1565 engaged in the business of selling to users or consumers within the state.
- 1566 (71) (a) "Sale" means any transfer of title, exchange, or barter, conditional or
- 1567 otherwise, in any manner, of tangible personal property or any other taxable transaction under
- 1568 Subsection 59-12-103(1), for consideration.
- 1569 (b) "Sale" includes:
- 1570 (i) installment and credit sales;
- 1571 (ii) any closed transaction constituting a sale;
- 1572 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this
- 1573 chapter;
- 1574 (iv) any transaction if the possession of property is transferred but the seller retains the
- 1575 title as security for the payment of the price; and
- 1576 (v) any transaction under which right to possession, operation, or use of any article of
- 1577 tangible personal property is granted under a lease or contract and the transfer of possession

1578 would be taxable if an outright sale were made.
1579 (72) "Sale at retail" is as defined in Subsection (69).
1580 (73) "Sale-leaseback transaction" means a transaction by which title to tangible
1581 personal property that is subject to a tax under this chapter is transferred:
1582 (a) by a purchaser-lessee;
1583 (b) to a lessor;
1584 (c) for consideration; and
1585 (d) if:
1586 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase
1587 of the tangible personal property;
1588 (ii) the sale of the tangible personal property to the lessor is intended as a form of
1589 financing:
1590 (A) for the property; and
1591 (B) to the purchaser-lessee; and
1592 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee
1593 is required to:
1594 (A) capitalize the property for financial reporting purposes; and
1595 (B) account for the lease payments as payments made under a financing arrangement.
1596 (74) "Sales price" is as defined in Subsection (61).
1597 (75) (a) "Sales relating to schools" means the following sales by, amounts paid to, or
1598 amounts charged by a school:
1599 (i) sales that are directly related to the school's educational functions or activities
1600 including:
1601 (A) the sale of:
1602 (I) textbooks;
1603 (II) textbook fees;
1604 (III) laboratory fees;
1605 (IV) laboratory supplies; or
1606 (V) safety equipment;
1607 (B) the sale of a uniform, protective equipment, or sports or recreational equipment
1608 that:

- 1609 (I) a student is specifically required to wear as a condition of participation in a
1610 school-related event or school-related activity; and
- 1611 (II) is not readily adaptable to general or continued usage to the extent that it takes the
1612 place of ordinary clothing;
- 1613 (C) sales of the following if the net or gross revenues generated by the sales are
1614 deposited into a school district fund or school fund dedicated to school meals:
- 1615 (I) food and food ingredients; or
- 1616 (II) prepared food; or
- 1617 (D) transportation charges for official school activities; or
- 1618 (ii) amounts paid to or amounts charged by a school for admission to a school-related
1619 event or school-related activity.
- 1620 (b) "Sales relating to schools" does not include:
- 1621 (i) bookstore sales of items that are not educational materials or supplies;
- 1622 (ii) except as provided in Subsection (75)(a)(i)(B):
- 1623 (A) clothing;
- 1624 (B) clothing accessories or equipment;
- 1625 (C) protective equipment; or
- 1626 (D) sports or recreational equipment; or
- 1627 (iii) amounts paid to or amounts charged by a school for admission to a school-related
1628 event or school-related activity if the amounts paid or charged are passed through to a person:
- 1629 (A) other than a:
- 1630 (I) school;
- 1631 (II) nonprofit organization authorized by a school board or a governing body of a
1632 private school to organize and direct a competitive secondary school activity; or
- 1633 (III) nonprofit association authorized by a school board or a governing body of a
1634 private school to organize and direct a competitive secondary school activity; and
- 1635 (B) that is required to collect sales and use taxes under this chapter.
- 1636 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
1637 commission may make rules defining the term "passed through."
- 1638 (76) For purposes of this section and Section 59-12-104, "school" means:
- 1639 (a) an elementary school or a secondary school that:

- 1640 (i) is a:
- 1641 (A) public school; or
- 1642 (B) private school; and
- 1643 (ii) provides instruction for one or more grades kindergarten through 12; or
- 1644 (b) a public school district.
- 1645 (77) "Seller" means a person that makes a sale, lease, or rental of:
- 1646 (a) tangible personal property; or
- 1647 (b) a service.
- 1648 (78) (a) "Semiconductor fabricating or processing materials" means tangible personal
- 1649 property:
- 1650 (i) used primarily in the process of:
- 1651 (A) (I) manufacturing a semiconductor; or
- 1652 (II) fabricating a semiconductor; or
- 1653 (B) maintaining an environment suitable for a semiconductor; or
- 1654 (ii) consumed primarily in the process of:
- 1655 (A) (I) manufacturing a semiconductor; or
- 1656 (II) fabricating a semiconductor; or
- 1657 (B) maintaining an environment suitable for a semiconductor.
- 1658 (b) "Semiconductor fabricating or processing materials" includes:
- 1659 (i) parts used in the repairs or renovations of tangible personal property described in
- 1660 Subsection (78)(a); or
- 1661 (ii) a chemical, catalyst, or other material used to:
- 1662 (A) produce or induce in a semiconductor a:
- 1663 (I) chemical change; or
- 1664 (II) physical change;
- 1665 (B) remove impurities from a semiconductor; or
- 1666 (C) improve the marketable condition of a semiconductor.
- 1667 (79) "Senior citizen center" means a facility having the primary purpose of providing
- 1668 services to the aged as defined in Section 62A-3-101.
- 1669 (80) "Simplified electronic return" means the electronic return:
- 1670 (a) described in Section 318(C) of the agreement; and

- 1671 (b) approved by the governing board of the agreement.
- 1672 (81) "Solar energy" means the sun used as the sole source of energy for producing
- 1673 electricity.
- 1674 (82) (a) "Sports or recreational equipment" means an item:
- 1675 (i) designed for human use; and
- 1676 (ii) that is:
- 1677 (A) worn in conjunction with:
- 1678 (I) an athletic activity; or
- 1679 (II) a recreational activity; and
- 1680 (B) not suitable for general use.
- 1681 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
- 1682 commission shall make rules:
- 1683 (i) listing the items that constitute "sports or recreational equipment"; and
- 1684 (ii) that are consistent with the list of items that constitute "sports or recreational
- 1685 equipment" under the agreement.
- 1686 (83) "State" means the state of Utah, its departments, and agencies.
- 1687 (84) "Storage" means any keeping or retention of tangible personal property or any
- 1688 other taxable transaction under Subsection 59-12-103(1), in this state for any purpose except
- 1689 sale in the regular course of business.
- 1690 (85) (a) "Tangible personal property" means personal property that:
- 1691 (i) may be:
- 1692 (A) seen;
- 1693 (B) weighed;
- 1694 (C) measured;
- 1695 (D) felt; or
- 1696 (E) touched; or
- 1697 (ii) is in any manner perceptible to the senses.
- 1698 (b) "Tangible personal property" includes:
- 1699 (i) electricity;
- 1700 (ii) water;
- 1701 (iii) gas;

- 1702 (iv) steam; or
- 1703 (v) prewritten computer software.
- 1704 (86) (a) "Telephone service" means a two-way transmission:
- 1705 (i) by:
- 1706 (A) wire;
- 1707 (B) radio;
- 1708 (C) lightwave; or
- 1709 (D) other electromagnetic means; and
- 1710 (ii) of one or more of the following:
- 1711 (A) a sign;
- 1712 (B) a signal;
- 1713 (C) writing;
- 1714 (D) an image;
- 1715 (E) sound;
- 1716 (F) a message;
- 1717 (G) data; or
- 1718 (H) other information of any nature.
- 1719 (b) "Telephone service" includes:
- 1720 (i) mobile telecommunications service;
- 1721 (ii) private communications service; or
- 1722 (iii) automated digital telephone answering service.
- 1723 (c) "Telephone service" does not include a service or a transaction that a state or a
- 1724 political subdivision of a state is prohibited from taxing as of July 1, 2001, under the Internet
- 1725 Tax Freedom Act, Pub. L. No. 105-277.
- 1726 (87) Notwithstanding where a call is billed or paid, "telephone service address" means:
- 1727 (a) if the location described in this Subsection (87)(a) is known, the location of the
- 1728 telephone service equipment:
- 1729 (i) to which a call is charged; and
- 1730 (ii) from which the call originates or terminates;
- 1731 (b) if the location described in Subsection (87)(a) is not known but the location
- 1732 described in this Subsection (87)(b) is known, the location of the origination point of the signal

1733 of the telephone service first identified by:

1734 (i) the telecommunications system of the seller; or

1735 (ii) if the system used to transport the signal is not that of the seller, information
1736 received by the seller from its service provider; or

1737 (c) if the locations described in Subsection (87)(a) or (b) are not known, the location of
1738 a purchaser's primary place of use.

1739 (88) (a) "Telephone service provider" means a person that:

1740 (i) owns, controls, operates, or manages a telephone service; and

1741 (ii) engages in an activity described in Subsection (88)(a)(i) for the shared use with or
1742 resale to any person of the telephone service.

1743 (b) A person described in Subsection (88)(a) is a telephone service provider whether or
1744 not the Public Service Commission of Utah regulates:

1745 (i) that person; or

1746 (ii) the telephone service that the person owns, controls, operates, or manages.

1747 (89) "Tobacco" means:

1748 (a) a cigarette;

1749 (b) a cigar;

1750 (c) chewing tobacco;

1751 (d) pipe tobacco; or

1752 (e) any other item that contains tobacco.

1753 (90) (a) "Use" means the exercise of any right or power over tangible personal property
1754 under Subsection 59-12-103(1), incident to the ownership or the leasing of that property, item,
1755 or service.

1756 (b) "Use" does not include the sale, display, demonstration, or trial of that property in
1757 the regular course of business and held for resale.

1758 (91) (a) Subject to Subsection (91)(b), "vehicle" means the following that are required
1759 to be titled, registered, or titled and registered:

1760 (i) an aircraft as defined in Section 72-10-102;

1761 (ii) a vehicle as defined in Section 41-1a-102;

1762 (iii) an off-highway vehicle as defined in Section 41-22-2; or

1763 (iv) a vessel as defined in Section 41-1a-102.

1764 (b) For purposes of Subsection 59-12-104(35) only, "vehicle" includes:
1765 (i) a vehicle described in Subsection (91)(a); or
1766 (ii) (A) a locomotive;
1767 (B) a freight car;
1768 (C) railroad work equipment; or
1769 (D) other railroad rolling stock.
1770 (92) "Vehicle dealer" means a person engaged in the business of buying, selling, or
1771 exchanging a vehicle as defined in Subsection (91).

1772 (93) (a) Except as provided in Subsection (93)(b), "waste energy facility" means a
1773 facility that generates electricity:

1774 (i) using as the primary source of energy waste materials that would be placed in a
1775 landfill or refuse pit if it were not used to generate electricity, including:

1776 (A) tires;

1777 (B) waste coal; or

1778 (C) oil shale; and

1779 (ii) in amounts greater than actually required for the operation of the facility.

1780 (b) "Waste energy facility" does not include a facility that incinerates:

1781 (i) municipal solid waste;

1782 (ii) hospital waste as defined in 40 C.F.R. 60.51c; or

1783 (iii) medical/infectious waste as defined in 40 C.F.R. 60.51c.

1784 (94) "Watercraft" means a vessel as defined in Section 73-18-2.

1785 (95) "Wind energy" means wind used as the sole source of energy to produce
1786 electricity.

1787 (96) "ZIP Code" means a Zoning Improvement Plan Code assigned to a geographic
1788 location by the United States Postal Service.

1789 Section 10. Section **59-12-102.2** is enacted to read:

1790 **59-12-102.2. Appointment of delegates to the governing board of the agreement.**

1791 Delegates shall be appointed to the governing board of the agreement as follows:

1792 (1) one delegate shall be a member of the House of Representatives appointed by the
1793 speaker of the House of Representatives;

1794 (2) one delegate shall be a member of the Senate appointed by the president of the

1795 Senate; and

1796 (3) two delegates shall be from the executive branch appointed by the governor, at least
1797 one of whom shall be from the commission.

1798 Section 11. Section **59-12-103 (Effective 07/01/06)** is amended to read:

1799 **59-12-103 (Effective 07/01/06). Sales and use tax base -- Rates -- Effective dates --**
1800 **Use of sales and use tax revenues.**

1801 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or
1802 charged for the following transactions:

1803 (a) retail sales of tangible personal property made within the state;

1804 (b) amounts paid:

1805 (i) (A) to a common carrier; or

1806 (B) whether the following are municipally or privately owned, to a:

1807 (I) telephone service provider; or

1808 (II) telegraph corporation as defined in Section 54-2-1; and

1809 (ii) for:

1810 (A) all transportation;

1811 (B) telephone service, other than mobile telecommunications service, that originates
1812 and terminates within the boundaries of this state;

1813 (C) mobile telecommunications service that originates and terminates within the
1814 boundaries of one state only to the extent permitted by the Mobile Telecommunications

1815 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

1816 (D) telegraph service;

1817 (c) sales of the following for commercial use:

1818 (i) gas;

1819 (ii) electricity;

1820 (iii) heat;

1821 (iv) coal;

1822 (v) fuel oil; or

1823 (vi) other fuels;

1824 (d) sales of the following for residential use:

1825 (i) gas;

- 1826 (ii) electricity;
- 1827 (iii) heat;
- 1828 (iv) coal;
- 1829 (v) fuel oil; or
- 1830 (vi) other fuels;
- 1831 (e) sales of prepared food;
- 1832 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 1833 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 1834 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 1835 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 1836 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 1837 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 1838 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 1839 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 1840 exhibition, cultural, or athletic activity;
- 1841 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 1842 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 1843 (i) the tangible personal property; and
- 1844 (ii) parts used in the repairs or renovations of the tangible personal property described
- 1845 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
- 1846 of that tangible personal property;
- 1847 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 1848 cleaning or washing of tangible personal property;
- 1849 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 1850 accommodations and services that are regularly rented for less than 30 consecutive days;
- 1851 (j) amounts paid or charged for laundry or dry cleaning services;
- 1852 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 1853 this state the tangible personal property is:
- 1854 (i) stored;
- 1855 (ii) used; or
- 1856 (iii) otherwise consumed;

1857 (l) amounts paid or charged for tangible personal property if within this state the
1858 tangible personal property is:

1859 (i) stored;

1860 (ii) used; or

1861 (iii) consumed; and

1862 (m) amounts paid or charged for prepaid telephone calling cards.

1863 (2) (a) Except as provided in Subsection (2)(b), beginning on July 1, ~~[2001,]~~ 2006, for
1864 a transaction described in Subsection (1) that is consummated within a county, city, or town in
1865 the state, a state tax and a local tax is imposed within that county, city, or town on ~~[a]~~ the
1866 transaction ~~[described in Subsection (1)]~~ equal to the sum of:

1867 (i) (A) a state tax imposed on the transaction ~~[at]~~ equal to the sum of:

1868 (I) for each fiscal year beginning with fiscal year 1997-98, and ending with fiscal year
1869 2009-10, a rate of 4.75%; ~~[and]~~

1870 (II) for each fiscal year beginning with fiscal year 2010-11, and ending with fiscal year
1871 2012-13, a rate of 4.7%;

1872 (III) for fiscal year 2013-14 only, a rate of 4.65%; and

1873 (IV) for fiscal years beginning on or after fiscal year 2014-15, a rate of 4.55%; and

1874 (B) the sum of the tax rates that the state imposes on the transaction within that county,
1875 city, or town under this chapter other than this part; and

1876 (ii) a local tax equal to the sum of the tax rates ~~[a]~~ the county, city, or town imposes on
1877 the transaction under this chapter other than this part.

1878 (b) Notwithstanding Subsection (2)(a), beginning on July 1, ~~[2001,]~~ 2006, for a
1879 transaction described in Subsection (1)(d) that is consummated within a county, city, or town in
1880 the state, a state tax and a local tax is imposed within that county, city, or town on ~~[a]~~ the
1881 transaction ~~[described in Subsection (1)(d)]~~ equal to the sum of:

1882 (i) a state tax imposed on the transaction ~~[at a rate of]~~ equal to the sum of:

1883 (A) 2%; and

1884 (B) the sum of the tax rates that the state imposes on the transaction within that county,
1885 city, or town under this chapter other than this part; and

1886 (ii) a local tax equal to the sum of the tax rates ~~[a]~~ the county, city, or town imposes on
1887 the transaction under this chapter other than this part.

1888 (c) Subject to Subsections (2)(d) and (e), a tax rate enactment, tax rate repeal, or tax
1889 rate change for a tax rate imposed under the following shall take effect on the first day of a
1890 calendar quarter:

1891 (i) Subsection (2)(a)(i); or

1892 (ii) Subsection (2)(b)(i).

1893 (d) (i) For a transaction described in Subsection (2)(d)(iii), the enactment of a tax or a
1894 tax rate increase shall take effect on the first day of the first billing period:

1895 (A) that begins after the effective date of the enactment of the tax or the tax rate
1896 increase; and

1897 (B) if the billing period for the transaction begins before the effective date of [a] the
1898 enactment of the tax or the tax rate increase imposed under:

1899 (I) Subsection (2)(a)(i); or

1900 (II) Subsection (2)(b)(i).

1901 (ii) For a transaction described in Subsection (2)(d)(iii), the repeal of a tax or a tax rate
1902 decrease shall take effect on the first day of the last billing period:

1903 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
1904 and

1905 (B) if the billing period for the transaction begins before the effective date of the repeal
1906 of the tax or the tax rate decrease imposed under:

1907 (I) Subsection (2)(a)(i); or

1908 (II) Subsection (2)(b)(i).

1909 (iii) Subsections (2)(d)(i) and (ii) apply to transactions subject to a tax under:

1910 (A) Subsection (1)(b);

1911 (B) Subsection (1)(c);

1912 (C) Subsection (1)(d);

1913 (D) Subsection (1)(e);

1914 (E) Subsection (1)(f);

1915 (F) Subsection (1)(g);

1916 (G) Subsection (1)(h);

1917 (H) Subsection (1)(i);

1918 (I) Subsection (1)(j); or

- 1919 (J) Subsection (1)(k).
- 1920 (e) (i) If a tax due under Subsection (2)(a)(i) on a catalogue sale is computed on the
1921 basis of sales and use tax rates published in the catalogue, a tax rate enactment, tax rate repeal,
1922 or [~~change in a~~] tax rate change imposed under Subsection (2)(a)(i) takes effect:
- 1923 (A) on the first day of a calendar quarter; and
- 1924 (B) beginning 60 days after the effective date of the tax rate enactment, tax rate repeal,
1925 or tax rate change under Subsection (2)(a)(i).
- 1926 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1927 the commission may by rule define the term "catalogue sale."
- 1928 (3) (a) [~~Except as provided in Subsections (4) through (7), the~~] The following state
1929 taxes shall be deposited into the General Fund:
- 1930 (i) [~~the~~] a tax imposed by Subsection (2)(a)(i); or
- 1931 (ii) [~~the~~] a tax imposed by Subsection (2)(b)(i).
- 1932 (b) The local taxes described in Subsections (2)(a)(ii) and (2)(b)(ii) shall be distributed
1933 to a county, city, or town as provided in this chapter.
- 1934 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1935 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
1936 through (g):
- 1937 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 1938 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 1939 (B) for the fiscal year; or
- 1940 (ii) \$17,500,000.
- 1941 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
1942 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
1943 Department of Natural Resources to:
- 1944 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to
1945 protect sensitive plant and animal species; or
- 1946 (B) award grants, up to the amount authorized by the Legislature in an appropriations
1947 act, to political subdivisions of the state to implement the measures described in Subsections
1948 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.
- 1949 (ii) Money transferred to the Department of Natural Resources under Subsection

1950 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
1951 person to list or attempt to have listed a species as threatened or endangered under the
1952 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

1953 (iii) At the end of each fiscal year:

1954 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
1955 Conservation and Development Fund created in Section 73-10-24;

1956 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
1957 Program Subaccount created in Section 73-10c-5; and

1958 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
1959 Program Subaccount created in Section 73-10c-5.

1960 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
1961 Subsection (4)(b)(i) shall be deposited each year in the Agriculture Resource Development
1962 Fund created in Section 4-18-6.

1963 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
1964 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
1965 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
1966 water rights.

1967 (ii) At the end of each fiscal year:

1968 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
1969 Conservation and Development Fund created in Section 73-10-24;

1970 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
1971 Program Subaccount created in Section 73-10c-5; and

1972 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
1973 Program Subaccount created in Section 73-10c-5.

1974 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
1975 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development
1976 Fund created in Section 73-10-24 for use by the Division of Water Resources.

1977 (ii) In addition to the uses allowed of the Water Resources Conservation and
1978 Development Fund under Section 73-10-24, the Water Resources Conservation and
1979 Development Fund may also be used to:

1980 (A) provide a portion of the local cost share, not to exceed in any fiscal year 50% of the

1981 funds made available to the Division of Water Resources under this section, of potential project
1982 features of the Central Utah Project;

1983 (B) conduct hydrologic and geotechnical investigations by the Department of Natural
1984 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
1985 quantifying surface and ground water resources and describing the hydrologic systems of an
1986 area in sufficient detail so as to enable local and state resource managers to plan for and
1987 accommodate growth in water use without jeopardizing the resource;

1988 (C) fund state required dam safety improvements; and

1989 (D) protect the state's interest in interstate water compact allocations, including the
1990 hiring of technical and legal staff.

1991 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
1992 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount
1993 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

1994 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
1995 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount
1996 created in Section 73-10c-5 for use by the Division of Drinking Water to:

1997 (i) provide for the installation and repair of collection, treatment, storage, and
1998 distribution facilities for any public water system, as defined in Section 19-4-102;

1999 (ii) develop underground sources of water, including springs and wells; and

2000 (iii) develop surface water sources.

2001 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2002 2003, the lesser of the following amounts shall be used as provided in Subsections (5)(b)
2003 through (d):

2004 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

2005 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

2006 (B) for the fiscal year; or

2007 (ii) \$18,743,000.

2008 (b) (i) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described
2009 in Subsection (5)(a) shall be deposited each year in the Transportation Corridor Preservation
2010 Revolving Loan Fund created in Section 72-2-117.

2011 (ii) At least 50% of the money deposited in the Transportation Corridor Preservation

2012 Revolving Loan Fund under Subsection (5)(b)(i) shall be used to fund loan applications made
2013 by the Department of Transportation at the request of local governments.

2014 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
2015 Subsection (5)(a) shall be transferred each year as nonlapsing dedicated credits to the
2016 Department of Transportation for the State Park Access Highways Improvement Program
2017 created in Section 72-3-207.

2018 (d) For a fiscal year beginning on or after July 1, 2003, 94% of the amount described in
2019 Subsection (5)(a) shall be deposited in the class B and class C roads account to be expended as
2020 provided in Title 72, Chapter 2, Transportation Finances Act, for the use of class B and C
2021 roads.

2022 (6) (a) Notwithstanding Subsection (3)(a) and until Subsection (6)(b) applies,
2023 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial
2024 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed
2025 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable
2026 transactions under Subsection (1).

2027 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
2028 have been paid off and the highway projects completed that are intended to be paid from
2029 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
2030 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
2031 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
2032 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
2033 by a 1/64% tax rate on the taxable transactions under Subsection (1).

2034 (7) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after fiscal
2035 year 2004-05, the commission shall each year on or before the September 30 immediately
2036 following the last day of the fiscal year deposit the difference described in Subsection (7)(b)
2037 into the Remote Sales Restricted Account created in Section 59-12-103.2 if that difference is
2038 greater than \$0.

2039 (b) The difference described in Subsection (7)(a) is equal to the difference between:

2040 (i) the total amount of the following revenues the commission received from sellers
2041 collecting a tax in accordance with Subsection 59-12-107(1)(b) for the fiscal year immediately
2042 preceding the September 30 described in Subsection (7)(a):

2043 (A) revenues under Subsection (2)(a)(i); and

2044 (B) revenues under Subsection (2)(b)(i); and

2045 (ii) \$7,279,673.

2046 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
2047 Subsection (6)(a), and until Subsection (8)(b) applies, for a fiscal year beginning on or after
2048 July 1, 2005, the Division of Finance shall deposit \$59,594,700 of the revenues generated by
2049 the taxes described in Subsections (2)(a)(i) and (2)(b)(i) into the Centennial Highway Fund
2050 Restricted Account created by Section 72-2-118.

2051 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
2052 Subsection (6)(b), when the highway general obligation bonds have been paid off and the
2053 highway projects completed that are intended to be paid from revenues deposited in the
2054 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations
2055 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit
2056 \$59,594,700 of the revenues generated by the taxes described in Subsections (2)(a)(i) and
2057 (2)(b)(i) into the Transportation Investment Fund of 2005 created by Section 72-2-124.

2058 (9) Notwithstanding Subsection (3)(a), the following amounts shall be deposited into
2059 the Rural Health Care Facilities Fund created by Section 26-9-4 and expended as provided in
2060 Section 26-9-4:

2061 (a) for each fiscal year beginning with fiscal year 2006-07 and ending with fiscal year
2062 2009-10, \$4,947,871; and

2063 (b) for fiscal years beginning on or after fiscal year 2010-11, \$2,078,157.

2064 (10) Notwithstanding Subsection (3)(a), the following amounts shall be deposited into
2065 the Botanical, Cultural, Recreational, and Zoological Organizations or Facilities Fund created
2066 by Section 9-17-103 and expended as provided in Section 9-17-103:

2067 (a) for each fiscal year beginning with fiscal year 2006-07 and ending with fiscal year
2068 2010-11, \$24,550,509;

2069 (b) for each fiscal year beginning with fiscal year 2011-12 and ending with fiscal year
2070 2012-13, \$23,535,160;

2071 (c) for fiscal year 2013-14 only, \$22,151,995;

2072 (d) for fiscal year 2014-15 only, \$3,508,745; and

2073 (e) for fiscal year 2015-16 only, \$716,930.

2074 Section 12. Section **59-12-104.3 (Effective 07/01/06)** is amended to read:

2075 **59-12-104.3 (Effective 07/01/06). Credits for certain repossessions of a motor**
2076 **vehicle.**

2077 (1) (a) Subject to ~~[Subsection]~~ Subsections (2) and (3), a seller that collects a tax under
2078 this chapter on the sale of a motor vehicle may claim a credit for a tax under this chapter~~[-(a)-~~
2079 ~~that the seller collected; and (b) on]~~ for a motor vehicle that:

2080 (i) has been repossessed; and

2081 (ii) that the seller resells.

2082 (b) A seller of a motor vehicle other than the seller that collects a tax under this chapter
2083 on the sale of that motor vehicle may claim a credit for a tax under this chapter:

2084 (i) for a motor vehicle that the seller:

2085 (A) repossessed; and

2086 (B) resells; and

2087 (ii) if the seller that collected the tax under this chapter on that motor vehicle:

2088 (A) is no longer doing business in this state; and

2089 (B) does not owe a tax under this chapter.

2090 (2) The amount of the credit allowed by Subsection (1) is equal to the product of:

2091 (a) the portion of the motor vehicle's purchase price that:

2092 (i) was subject to a tax under this chapter; and

2093 (ii) remains unpaid ~~[at the time of the repossession of]~~ after the motor vehicle is resold;

2094 and

2095 (b) the tax rate imposed by Subsection 59-12-103(2)(a):

2096 (i) on the motor vehicle's purchase price; and

2097 (ii) on the date the motor vehicle was purchased by the person that owns the motor
2098 vehicle at the time of the repossession.

2099 (3) If a seller recovers any portion of a motor vehicle's unpaid purchase price that is
2100 used to calculate a credit allowed by Subsection (1)(b), the seller shall report and remit a tax
2101 under this chapter to the commission:

2102 (a) on the portion of the motor vehicle's unpaid purchase price that:

2103 (i) the seller recovers; and

2104 (ii) is used to calculate the credit allowed by Subsection (1)(b); and

2105 (b) on a return filed for the time period for which the portion of the motor vehicle's
2106 unpaid purchase price is recovered.

2107 Section 13. Section **59-12-204 (Effective 07/01/06)** is amended to read:

2108 **59-12-204 (Effective 07/01/06). Sales and use tax ordinance provisions -- State tax**
2109 **if county, city, or town does not adopt ordinance -- Tax rate -- Distribution of tax**
2110 **revenues.**

2111 (1) The tax ordinance adopted pursuant to this part shall impose a tax upon those
2112 transactions listed in Subsection 59-12-103(1).

2113 (2) (a) Except as provided in Subsections (2)(b), ~~(2)(c)~~, and 59-12-207.1(7)(c), the tax
2114 ordinance under Subsection (1) shall include a provision imposing a tax upon ~~[every~~
2115 ~~transaction]~~ the transactions listed in Subsection 59-12-103(1) ~~[made]~~ located within a county,
2116 including areas contained within the cities and towns located in the county:

2117 (i) at the rate of 1% of the purchase price paid or charged; and

2118 (ii) if the transaction is consummated within the county in accordance with Section
2119 59-12-205.

2120 (b) ~~[Notwithstanding Subsection (2)(a), a]~~ A tax ordinance under this Subsection (2)
2121 shall include a provision prohibiting a county, city, or town from imposing a tax under this
2122 section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
2123 exempt from taxation under Section 59-12-104.

2124 (c) (i) Subject to Subsections (2)(c)(ii) and (iii) and except as provided in Subsection
2125 (2)(c)(iv), if a county, city, or town does not adopt an ordinance described in Subsection (1)
2126 imposing a tax upon the transactions listed in Subsection 59-12-103(1) located within the
2127 county, including areas contained within the cities and towns located in the county, a tax shall
2128 be imposed under this section:

2129 (A) by the state;

2130 (B) beginning on July 1, 2006, and ending on the day on which the county, city, or
2131 town adopts an ordinance described in Subsection (1) imposing a tax upon the transactions
2132 listed in Subsection 59-12-103(1) located within the county, including areas contained within
2133 the cities and town located in the county;

2134 (C) at the rate of 1% of the purchase price paid or charged; and

2135 (D) on transactions listed in Subsection 59-12-103(1) consummated within the county,

2136 including areas contained within the cities and towns located in the county.

2137 (ii) If the state imposes a tax under this section, the:

2138 (A) commission shall collect the tax;

2139 (B) commission may not retain any amount for collecting the tax; and

2140 (C) revenues generated by the tax shall be deposited into the General Fund as required
2141 by Section 59-12-103.

2142 (iii) If the state imposes a tax in accordance with this Subsection (2)(c), the state:

2143 (A) is not subject to the other provisions of this part; and

2144 (B) shall impose the tax in accordance with the procedures and requirements of Part 1,
2145 Tax Collection.

2146 (iv) The state may not impose a tax under this section on the sales and uses described
2147 in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section
2148 59-12-104.

2149 (3) Such tax ordinance shall include provisions substantially the same as those
2150 contained in Part 1, Tax Collection, insofar as they relate to sales or use tax, except that the
2151 name of the county as the taxing agency shall be substituted for that of the state where
2152 necessary for the purpose of this part and that an additional license is not required if one has
2153 been or is issued under Section 59-12-106.

2154 (4) Such tax ordinance shall include a provision that the county shall contract, prior to
2155 the effective date of the ordinance, with the commission to perform all functions incident to the
2156 administration or operation of the ordinance.

2157 (5) Such tax ordinance shall include a provision that the sale, storage, use, or other
2158 consumption of tangible personal property, the purchase price or the cost of which has been
2159 subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this
2160 part by any county, city, or town in any other county in this state, shall be exempt from the tax
2161 due under this ordinance.

2162 (6) Such tax ordinance shall include a provision that any person subject to the
2163 provisions of a city or town sales and use tax shall be exempt from the county sales and use tax
2164 if the city or town sales and use tax is levied under an ordinance including provisions in
2165 substance as follows:

2166 (a) a provision imposing a tax upon every transaction listed in Section 59-12-103 made

2167 within the city or town at the rate imposed by the county in which it is situated pursuant to
2168 Subsection (2);

2169 (b) provisions substantially the same as those contained in Part 1, Tax Collection,
2170 insofar as they relate to sales and use taxes, except that the name of the city or town as the
2171 taxing agency shall be substituted for that of the state where necessary for the purposes of this
2172 part;

2173 (c) a provision that the city or town shall contract prior to the effective date of the city
2174 or town sales and use tax ordinance with the commission to perform all functions incident to
2175 the administration or operation of the sales and use tax ordinance of the city or town;

2176 (d) a provision that the sale, storage, use, or other consumption of tangible personal
2177 property, the gross receipts from the sale of or the cost of which has been subject to sales or use
2178 tax under a sales and use tax ordinance enacted in accordance with this part by any county
2179 other than the county in which the city or town is located, or city or town in this state, shall be
2180 exempt from the tax; and

2181 (e) a provision that the amount of any tax paid under Part 1, Tax Collection, shall not
2182 be included as a part of the purchase price paid or charged for a taxable item.

2183 [~~(7) (a) Notwithstanding any other provision of this section, beginning on July 1, 1999,~~
2184 ~~through May 5, 2003, the commission shall:]~~

2185 [~~(i) determine and retain the portion of the sales and use tax imposed under this~~
2186 ~~section:]~~

2187 [~~(A) by a city or town that will have constructed within its boundaries the Airport to~~
2188 ~~University of Utah Light Rail described in the Transportation Equity Act for the 21st Century,~~
2189 ~~Pub. L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107; and]~~

2190 [~~(B) that is equal to the revenues generated by a 1/64% tax rate; and]~~

2191 [~~(ii) deposit the revenues described in Subsection (7) (a)(i) in the Airport to University~~
2192 ~~of Utah Light Rail Restricted Account created in Section 17A-2-1064 for the purposes~~
2193 ~~described in Section 17A-2-1064.]~~

2194 [~~(b) (7) Notwithstanding any other provision of this section, beginning July 1, 2000,~~
2195 ~~the commission shall:~~

2196 [~~(i) (a) determine and retain the portion of sales and use tax imposed under this~~
2197 ~~section:~~

2198 ~~[(A)]~~ (i) by each county and by each city and town within that county whose legislative
 2199 body consents by resolution to the commission's retaining and depositing sales and use tax
 2200 revenues as provided in this Subsection (7)~~[(b)]~~(a); and

2201 ~~[(B)]~~ (ii) that is equal to the revenues generated by a 1/64% tax rate;

2202 ~~[(i)]~~ (b) deposit the revenues described in Subsection (7)~~[(b)(i)]~~(a) into a special fund
 2203 of the county, or a city, town, or other political subdivision of the state located within that
 2204 county, that has issued bonds to finance sports or recreational facilities or that is leasing sports
 2205 or recreational facilities, in order to repay those bonds or to pay the lease payments; and

2206 ~~[(iii)]~~ (c) continue to deposit those revenues into the special fund only as long as the
 2207 bonds or leases are outstanding.

2208 Section 14. Section **59-12-205 (Effective 07/01/06)** is amended to read:

2209 **59-12-205 (Effective 07/01/06). Ordinances to conform with statutory**
 2210 **amendments -- Distribution of tax revenues -- Rulemaking authority -- Determination of**
 2211 **population.**

2212 (1) Each county, city, and town, in order to maintain in effect sales and use tax
 2213 ordinances adopted pursuant to Section 59-12-204, shall, within 30 days of any amendment of
 2214 any applicable provisions of Part 1, Tax Collection, adopt amendments of their respective sales
 2215 and use tax ordinances to conform with the amendments to Part 1, Tax Collection, insofar as
 2216 they relate to sales and use taxes.

2217 (2) Except as provided in Subsection ~~[(7)]~~ (6):

2218 (a) 50% of each dollar collected from ~~the~~ a sales and use tax authorized by this part
 2219 that is imposed by a county, city, or town shall be paid to each county, city, and town on the
 2220 basis of the percentage that the population of the county, city, or town bears to the total
 2221 population of all counties, cities, and towns in the state; and

2222 (b) notwithstanding Sections 59-12-207.1 through 59-12-207.3, 50% of each dollar
 2223 collected from the sales and use tax authorized by this part that is imposed by a county, city, or
 2224 town shall be paid to each county, city, and town on the basis of the location ~~[where]~~ of the
 2225 transaction ~~[is consummated]~~ as determined under ~~[this section]~~ Subsections (3) and (4).

2226 ~~[(3) For purposes of Subsection (2)(b), the location where a transaction is~~
 2227 ~~consummated is determined in accordance with Subsections (4) through (6).]~~

2228 ~~[(4)]~~ (3) (a) For a transaction that is reported to the commission on a return other than a

2229 simplified electronic return, [~~the location where the transaction is consummated is determined~~]
 2230 the commission shall distribute the revenues described in Subsection (2)(b) to the counties,
 2231 cities, and towns that impose the tax in accordance with Subsections [~~(4)~~] (3)(b) through (h).

2232 (b) (i) Except as provided in Subsections [~~(4)~~] (3)(c) through (h), for a transaction
 2233 described in Subsection [~~(4)~~] (3)(b)(ii), [~~the location where the transaction is consummated is~~]
 2234 a tax imposed by a county, city, or town under this part shall be distributed to the county, city,
 2235 or town within which the place of business of the seller is located.

2236 (ii) Subsection [~~(4)~~] (3)(b)(i) applies to a transaction other than a transaction described
 2237 in:

2238 (A) Subsection [~~(4)~~] (3)(c)(ii);

2239 (B) Subsection [~~(4)~~] (3)(d)(ii);

2240 (C) Subsection [~~(4)~~] (3)(e)(ii);

2241 (D) Subsection [~~(4)~~] (3)(f)(ii);

2242 (E) Subsection [~~(4)~~] (3)(g)(ii); or

2243 (F) Subsection [~~(4)~~] (3)(h).

2244 (c) (i) [~~Notwithstanding Subsection (4)(b), for~~] For a transaction described in
 2245 Subsection [~~(4)~~] (3)(c)(ii), [~~the location where the transaction is consummated is determined by~~
 2246 ~~allocating~~] the total revenues remitted to the commission each month that are generated by
 2247 [~~the~~] a tax imposed under this [section] part by a county, city, or town on the transactions
 2248 described in Subsection [~~(4)~~] (3)(c)(ii) shall be distributed:

2249 (A) to each [~~local taxing jurisdiction~~] county, city, or town that imposes the tax; and

2250 [~~(B) on the basis of the population of each local taxing jurisdiction as compared to the~~
 2251 ~~population of the state;~~]

2252 (B) (I) if imposed by a county on a countywide basis, on the basis of total revenues
 2253 generated by the transactions described in Subsection (3)(c)(ii) that are reported to the
 2254 commission for that month within the county; or

2255 (II) if imposed by a county for a portion of the county, or by a city or town, on the basis
 2256 of the proportion of total revenues generated by the transactions described in Subsection
 2257 (3)(b)(ii) that are reported to the commission for that month within each portion of the county,
 2258 and each city or town within that county, as compared to the total revenues generated by the
 2259 transactions described in Subsection (3)(b)(ii) that are reported to the commission for that

2260 month within all portions of the county and all cities and towns within that county.

2261 (ii) Subsection [(4)] (3)(c)(i) applies to a transaction:

2262 (A) made by a seller described in Subsection 59-12-107(1)(b); and

2263 (B) involving tangible personal property that is shipped from outside the state.

2264 (d) (i) [~~Notwithstanding Subsection (4)(b), for~~] For a transaction described in

2265 Subsection [(4)] (3)(d)(ii), [the location where the transaction is consummated is determined by

2266 allocating] the total revenues reported to the commission each month that are generated by

2267 [the] a tax imposed under this [section] part by a county, city, or town on the transactions

2268 described in Subsection [(4)] (3)(d)(ii) shall be distributed:

2269 (A) to [~~local taxing jurisdictions within a~~] each county, city, or town that imposes the

2270 tax; and

2271 (B) (I) if imposed by a county on a countywide basis, on the basis of total revenues

2272 generated by the transactions described in Subsection (3)(d)(ii) that are reported to the

2273 commission for that month within the county; or

2274 [(B)] (II) if imposed by a county for a portion of the county, or by a city or town, on the

2275 basis of the proportion of total revenues generated by the transactions described in Subsection

2276 [(4)] (3)(b)(ii) that are reported to the commission for that month within [a local taxing

2277 jurisdiction] each portion of the county, and each city or town within that county, as compared

2278 to the total revenues generated by the transactions described in Subsection [(4)] (3)(b)(ii) that

2279 are reported to the commission for that month within all [local taxing jurisdictions] portions of

2280 the county and all cities and towns within that county.

2281 (ii) Subsection [(4)] (3)(d)(i) applies to a transaction:

2282 (A) made from a location in the state other than a fixed place of business in the state;

2283 or

2284 (B) (I) made by a seller described in Subsection 59-12-107(1)(a); and

2285 (II) involving tangible personal property that is shipped from outside the state.

2286 (e) (i) [~~Notwithstanding Subsection (4)(b), for~~] For a transaction described in

2287 Subsection [(4)] (3)(e)(ii), [the location where the transaction is consummated is determined by

2288 allocating] the total revenues reported to the commission each month that are generated by

2289 [the] a tax imposed under this [section] part by a county, city, or town on the transactions

2290 described in Subsection [(4)] (3)(e)(ii) shall be distributed:

2291 (A) to ~~[local taxing jurisdictions]~~ each county, city, or town that imposes the tax; and

2292 (B) on the basis of the proportion of the total revenues generated by the transactions
2293 described in Subsection ~~[(4)]~~ (3)(b)(ii) that are reported to the commission for that month
2294 within each ~~[local taxing jurisdiction]~~ county, city, or town as compared to the total revenues
2295 generated by the transactions described in Subsection ~~[(4)]~~ (3)(b)(ii) that are reported to the
2296 commission for that month within the state.

2297 (ii) Subsection ~~[(4)]~~ (3)(e)(i) applies to a transaction involving tangible personal
2298 property purchased with a direct payment permit in accordance with Section 59-12-107.1.

2299 (f) (i) ~~[Notwithstanding Subsection (4)(b), for]~~ For a transaction described in
2300 Subsection ~~[(4)]~~ (3)(f)(ii), ~~[the location where the transaction is consummated is each location~~
2301 ~~where the good or service described in Subsection 59-12-107.2(1)(b) is used]~~ the total revenues
2302 reported to the commission each month that are generated by a tax imposed under this part by a
2303 county, city, or town on the transactions described in Subsection (3)(f)(ii) shall be distributed
2304 to the county, city, or town within which the place of business of the purchaser is located.

2305 (ii) Subsection ~~[(4)]~~ (3)(f)(i) applies to a transaction involving a good or service:

2306 (A) described in Subsection 59-12-107.2(1)(b);

2307 (B) that is concurrently available for use in more than one location; and

2308 (C) ~~[is]~~ purchased using the form described in Section 59-12-107.2.

2309 (g) (i) ~~[Notwithstanding Subsection (4)(b), for]~~ For a transaction described in
2310 Subsection ~~[(4)]~~ (3)(g)(ii), ~~[the location where the transaction is consummated is determined by~~
2311 ~~allocating]~~ the total revenues reported to the commission each month that are generated by
2312 ~~[the]~~ a tax imposed under this [section] part by a county, city, or town on the transactions
2313 described in Subsection ~~[(4)]~~ (3)(g)(ii) shall be distributed:

2314 (A) to ~~[local taxing jurisdictions]~~ each county, city, or town that imposes the tax; and

2315 (B) on the basis of the proportion of ~~[the]~~ total revenues generated by the transactions
2316 described in Subsection ~~[(4)]~~ (3)(b)(ii) that are reported to the commission for that month
2317 within each ~~[local taxing jurisdiction]~~ county, city, or town as compared to ~~[the]~~ total revenues
2318 generated by the transactions described in Subsection ~~[(4)]~~ (3)(b)(ii) that are reported to the
2319 commission for that month within the state.

2320 (ii) Subsection ~~[(4)]~~ (3)(g)(i) applies to a transaction involving a purchase of direct
2321 mail if the purchaser of the direct mail provides to the seller the form described in Subsection

2322 59-12-107.3(1)(a) at the time of the purchase of the direct mail.

2323 (h) [~~Notwithstanding Subsection (4)(b), for~~] For a transaction involving the sale of a
2324 service described in Section 59-12-207.4, [the location where the transaction is consummated
2325 is the same as] a tax imposed under this part by a county, city, or town shall be distributed on
2326 the basis of the location of the transaction determined under Section 59-12-207.4.

2327 [~~(5)~~] (4) (a) For a transaction that is reported to the commission on a simplified
2328 electronic return, the [~~location where the transaction is consummated is determined~~] revenues
2329 described in Subsection (2)(b) shall be distributed to the counties, cities, and towns that impose
2330 a tax under this part on that transaction in accordance with Subsections [~~(5)~~] (4)(b) through (e).

2331 (b) (i) Except as provided in Subsections [~~(5)~~] (4)(c) through (e), [~~the location where a~~
2332 ~~transaction is consummated is determined by allocating~~] the total revenues reported to the
2333 commission each month on the simplified electronic return shall be distributed:

2334 (A) to [~~local taxing jurisdictions~~] each county, city, or town that imposes a tax under
2335 this part; and

2336 (B) on the basis of [~~the proportion of the~~] total revenues generated by the transactions
2337 described in Subsection [~~(4)~~] (3)(b)(ii) that are reported to the commission in accordance with
2338 Subsection [~~(5)~~] (4)(b)(ii) for that month within each [~~local taxing jurisdiction as compared to~~
2339 ~~the total revenues generated by the transactions described in Subsection (4)(b)(ii) that are~~
2340 ~~reported to the commission in accordance with Subsection (5)(b)(ii) for that month within the~~
2341 ~~state] county, city, and town.~~

2342 (ii) In making the [~~allocations~~] distributions required by Subsection [~~(5)~~] (4)(b)(i), the
2343 commission shall use the total revenues generated by the transactions described in Subsection
2344 [~~(4)~~] (3)(b)(ii) reported to the commission:

2345 (A) in the report required by Subsection 59-12-105(2); and

2346 (B) if a [~~local taxing jurisdiction~~] county, city, or town that imposes a tax under this
2347 part reports revenues to the commission in accordance with Subsection [~~(5)~~] (4)(b)(iii), in the
2348 report made in accordance with Subsection [~~(5)~~] (4)(b)(iii).

2349 (iii) (A) For purposes of this Subsection [~~(5)~~] (4)(b), a [~~local taxing jurisdiction~~]
2350 county, city, or town that imposes a tax under this part may report to the commission the
2351 revenues generated by [~~a~~] the tax imposed [by this chapter] under this part within the [~~local~~
2352 ~~taxing jurisdiction] county, city, or town if a seller:~~

2353 (I) opens an additional place of business within the ~~[local taxing jurisdiction]~~ county,
 2354 city, or town after the seller makes an initial application for a license under Section 59-12-106;
 2355 and

2356 (II) estimates that the additional place of business will increase by 5% or more the
 2357 revenues generated by a tax imposed ~~[by this chapter]~~ under this part within the ~~[local taxing~~
 2358 ~~jurisdiction]~~ county, city, or town.

2359 (B) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
 2360 the commission may make rules providing procedures and requirements for making the report
 2361 described in this Subsection ~~[(5)]~~ (4)(b).

2362 (c) (i) ~~[Notwithstanding Subsection (5)(b), for]~~ For a transaction described in
 2363 Subsection ~~[(5)]~~ (4)(c)(ii), ~~[the location where the transaction is consummated is determined by~~
 2364 ~~allocating]~~ the total revenues reported to the commission each month that are generated by
 2365 ~~[the]~~ a tax imposed under this ~~[section]~~ part by a county, city, or town on the transactions
 2366 described in Subsection ~~[(5)]~~ (4)(c)(ii) shall be distributed:

2367 (A) to ~~[local taxing jurisdictions within a county]~~ each county, city, or town that
 2368 imposes the tax; and

2369 (B) (I) if imposed by a county on a countywide basis, on the basis of the proportion of
 2370 total revenues generated by the transactions described in Subsection (3)(b)(ii) that are reported
 2371 to the commission for that month within the county as compared to the total revenues generated
 2372 by the transactions described in Subsection (3)(b)(ii) that are reported to the commission for
 2373 that month within the state; or

2374 ~~[(B)]~~ (II) if imposed by a county for a portion of the county, or by a city or town, on the
 2375 basis of the proportion of [the] total revenues generated by the transactions described in
 2376 Subsection ~~[(4)]~~ (3)(b)(ii) that are reported to the commission for that month within [a local
 2377 taxing jurisdiction within that county] each portion of the county, or each city or town, as
 2378 compared to the total revenues generated by the transactions described in Subsection ~~[(4)]~~
 2379 (3)(b)(ii) that are reported to the commission for that month within [all local taxing
 2380 jurisdictions within that county] the state.

2381 (ii) Subsection ~~[(5)]~~ (4)(c)(i) applies to a transaction:

2382 (A) made from a location in the state other than a fixed place of business in the state;
 2383 or

2384 (B) (I) made by a seller described in Subsection 59-12-107(1)(a); and
2385 (II) involving tangible personal property that is shipped from outside the state.
2386 ~~[(d) Notwithstanding Subsection (5)(b), for a transaction made by a seller described in~~
2387 ~~Subsection 59-12-107(1)(b), the location where the transaction is consummated is determined~~
2388 ~~by allocating the total revenues remitted to the commission each month that are generated by~~
2389 ~~the tax imposed under this section on the transactions made by a seller described in Subsection~~
2390 ~~59-12-107(1)(b):]~~
2391 ~~[(i) to each local taxing jurisdiction; and]~~
2392 ~~[(ii) on the basis of the population of each local taxing jurisdiction as compared to the~~
2393 ~~population of the state.]~~
2394 (d) (i) For a transaction described in Subsection (4)(d)(ii), the total revenues remitted
2395 to the commission each month that are generated by a tax imposed under this part by a county,
2396 city, or town on the transactions described in Subsection (4)(d)(ii) shall be distributed:
2397 (A) to each county, city, or town that imposes the tax; and
2398 (B) (I) if imposed by a county on a countywide basis, on the basis of the proportion of
2399 total revenues generated by the transactions described in Subsection (3)(b)(ii) that are reported
2400 to the commission for that month within the county as compared to the total revenues generated
2401 by the transactions described in Subsection (3)(b)(ii) that are reported to the commission for
2402 that month within the state; or
2403 (II) if imposed by a portion of a county, or by a city or town, on the basis of the
2404 proportion of total revenues generated by the transactions described in Subsection (3)(b)(ii) that
2405 are reported to the commission for that month within each portion of the county, or each city or
2406 town, as compared to the total revenues generated by the transactions described in Subsection
2407 (3)(b)(ii) that are reported to the commission for that month within the state.
2408 (ii) Subsection (4)(d)(i) applies to a transaction:
2409 (A) made by a seller described in Subsection 59-12-107(1)(b); and
2410 (B) involving tangible personal property that is shipped from outside the state.
2411 (e) (i) ~~[Notwithstanding Subsection (5)(b), for]~~ For a transaction described in
2412 Subsection ~~[(5)] (4)(e)(ii), [the location where the transaction is consummated is determined by~~
2413 ~~allocating]~~ the total revenues reported to the commission each month that are generated by
2414 ~~[the]~~ a tax imposed under this [section] part by a county, city, or town on the transactions

2415 described in Subsection ~~[(5)]~~ (4)(e)(ii) shall be distributed:

2416 (A) to ~~[local taxing jurisdictions]~~ each county, city, or town that imposes the tax; and

2417 (B) on the basis of the proportion of ~~[the]~~ total revenues generated by the transactions

2418 described in Subsection ~~[(4)(b)]~~ (3)(e)(ii) that are reported to the commission for that month

2419 within each ~~[local taxing jurisdiction]~~ county, city, or town that imposes a tax under this part as

2420 compared to the total revenues generated by the transactions described in Subsection ~~[(4)(b)]~~

2421 (3)(e)(ii) that are reported to the commission for that month within the state.

2422 (ii) Subsection ~~[(5)]~~ (4)(e)(i) applies to a transaction involving tangible personal

2423 property purchased with a direct payment permit in accordance with Section 59-12-107.1.

2424 ~~[(6)]~~ (5) For purposes of Subsections ~~[(4)]~~ (3) and ~~[(5)]~~ (4) and in accordance with

2425 Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may make rules

2426 defining what constitutes a fixed place of business in the state.

2427 ~~[(7)]~~ (6) (a) Notwithstanding Subsection (2), a county, city, or town that imposes a tax

2428 under this part may not receive a tax revenue distribution less than .75% of the taxable sales

2429 within the boundaries of the county, city, or town.

2430 (b) The commission shall proportionally reduce quarterly distributions to any county,

2431 city, or town imposing a tax under this part that, but for the reduction, would receive a

2432 distribution in excess of 1% of the sales and use tax revenue collected within the boundaries of

2433 the county, city, or town.

2434 ~~[(8)]~~ (7) (a) Population figures for purposes of this section shall be based on the most

2435 recent official census or census estimate of the United States Census Bureau.

2436 (b) If a needed population estimate is not available from the United States Census

2437 Bureau, population figures shall be derived from the estimate from the Utah Population

2438 Estimates Committee created by executive order of the governor.

2439 ~~[(9)]~~ (8) The population of a county for purposes of this section shall be determined

2440 solely from the unincorporated area of the county.

2441 Section 15. Section **59-12-206** is amended to read:

2442 **59-12-206. Collection of taxes by commission -- Charge for service.**

2443 (1) All sales and use taxes imposed by a county, city, or town under this part that are

2444 collected by the commission pursuant to contract with any ~~[city, town, or]~~ county, city, or town

2445 shall be transmitted by electronic funds transfer by the commission to ~~[such city, town, or]~~ the

2446 county, city, or town monthly~~[-, and the]~~.

2447 (2) (a) The commission shall charge ~~[the city, town, or]~~ the county, city, or town
2448 described in Subsection (1) for the commission's services specified in this part an amount
2449 sufficient to reimburse the commission for the cost to ~~[it]~~ the commission in rendering the
2450 services. ~~[This]~~

2451 (b) The charge described in Subsection (2)(a) may not exceed an amount equal to
2452 1-1/2% of the sales or use tax imposed by the ordinance of the applicable ~~[city, town, or]~~
2453 county, city, or town.

2454 ~~[(2)]~~ (3) (a) Beginning July 1, 1994, ~~[this]~~ the administrative charge described in
2455 Subsection (2) shall be placed in a restricted account, called the Sales and Use Tax
2456 Administrative Fees Account.

2457 (b) Appropriations may be made from ~~[this account]~~ the Sales and Use Tax
2458 Administrative Fees Account for sales and use tax administration.

2459 Section 16. Section **59-12-207.1 (Effective 07/01/06)** is amended to read:

2460 **59-12-207.1 (Effective 07/01/06). Definitions -- Location of certain transactions --**
2461 **Reports to commission -- Direct payment provision for a seller or certified service**
2462 **provider making certain purchases -- Exceptions -- Rulemaking authority.**

2463 (1) As used in this section:

2464 (a) (i) "Receive" and "receipt" mean:

2465 (A) taking possession of tangible personal property;

2466 (B) making first use of services; or

2467 (C) for a digital good, the earlier of:

2468 (I) taking possession of tangible personal property; or

2469 (II) making first use of services.

2470 (ii) "Receive" and "receipt" do not include possession by a shipping company on behalf
2471 of a purchaser.

2472 (b) "Transportation equipment" means:

2473 (i) a locomotive or railcar that is utilized for the carriage of persons or property in
2474 interstate commerce;

2475 (ii) a truck or truck-tractor with a gross vehicle weight rating of 10,001 pounds or more
2476 that is:

- 2477 (A) registered under Section 41-1a-301; and
2478 (B) operated under the authority of a carrier authorized and certificated:
2479 (I) by the United States Department of Transportation or another federal authority; and
2480 (II) to engage in the carriage of persons or property in interstate commerce;
2481 (iii) a trailer, semitrailer, or passenger bus that is:
2482 (A) registered under Section 41-1a-301; and
2483 (B) operated under the authority of a carrier authorized and certificated:
2484 (I) by the United States Department of Transportation or another federal authority; and
2485 (II) to engage in the carriage of persons or property in interstate commerce;
2486 (iv) an aircraft that is operated by an air carrier authorized and certificated:
2487 (A) by the United States Department of Transportation or another federal or foreign
2488 authority; and
2489 (B) to engage in the carriage of persons or property in interstate commerce; or
2490 (v) a container designed for use on, or a component part attached or secured on an item
2491 listed in Subsections (1)(b)(i) through (iv).
- 2492 (2) Except as provided in Subsections (8) and [~~(14)~~] (13), if tangible personal property
2493 or a service that is subject to taxation under this chapter is received by a purchaser at a business
2494 location of a seller, the location of the transaction is the business location of the seller.
- 2495 (3) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9),
2496 [~~(11)~~] and [~~(14)~~] (13), if tangible personal property or a service that is subject to taxation under
2497 this chapter is not received by a purchaser at a business location of a seller, the location of the
2498 transaction is the location where the purchaser takes receipt of the tangible personal property or
2499 services.
- 2500 (4) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9),
2501 [~~(11)~~] and [~~(14)~~] (13), if Subsection (2) or (3) does not apply, the location of the transaction is
2502 the location indicated by an address for or other information on the purchaser if:
2503 (a) the address or other information is available from the seller's or certified service
2504 provider's business records; and
2505 (b) use of the address or other information from the seller's or certified service
2506 provider's business records does not constitute bad faith.
- 2507 (5) (a) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9),

2508 [~~(H)~~] and [~~(14)~~] (13), if Subsection (2), (3), or (4) does not apply, the location of the
2509 transaction is the location indicated by an address for the purchaser if:

2510 (i) the address was obtained during the consummation of the transaction; and
2511 (ii) use of the address described in Subsection (5)(a)(i) does not constitute bad faith.

2512 (b) An address used under Subsection (5)(a) may include the address of a purchaser's
2513 payment instrument if no other address is available.

2514 (6) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9),
2515 [~~(H)~~] and [~~(14)~~] (13), if Subsection (2), (3), (4), or (5) does not apply or if a seller or certified
2516 service provider does not have sufficient information to apply Subsection (2), (3), (4), or (5),
2517 the location of the transaction is the location indicated by the address from which:

2518 (a) except as provided in Subsection (6)(b), for tangible personal property that is
2519 subject to taxation under this chapter, the tangible personal property was shipped;

2520 (b) notwithstanding Subsection (6)(a), for computer software delivered electronically
2521 or a digital good that is subject to taxation under this chapter, the computer software delivered
2522 electronically or digital good was first available for transmission by the seller; or

2523 (c) for a service that is subject to taxation under this chapter, the service was provided.

2524 (7) (a) As used in this Subsection (7), "shared ZIP Code" means:

2525 (i) a nine-digit ZIP Code that is located within two or more local taxing jurisdictions;

2526 or

2527 (ii) a five-digit ZIP Code that is located within two or more local taxing jurisdictions if:

2528 (A) a nine-digit ZIP Code is not available for a location; or

2529 (B) after exercising due diligence, a seller or certified service provider is unable to
2530 determine a nine-digit ZIP Code for a location.

2531 (b) Notwithstanding Subsections (3) through (6) and except as provided in Subsection
2532 (7)(d)(ii), if the location of a transaction determined under Subsections (3) through (6) is in a
2533 shared ZIP Code, the location of the transaction is:

2534 (i) if there is only one local taxing jurisdiction that imposes the lowest agreement
2535 combined tax rate for the shared ZIP Code, the local taxing jurisdiction that imposes the lowest
2536 agreement combined tax rate; or

2537 (ii) if two or more local taxing jurisdictions impose the lowest agreement combined tax
2538 rate for the shared ZIP Code, the local taxing jurisdiction that:

2539 (A) imposes the lowest agreement combined tax rate for the shared ZIP Code; and
 2540 (B) has located within the local taxing jurisdiction the largest number of street
 2541 addresses within the shared ZIP Code.

2542 (c) A seller or certified service provider shall collect a tax imposed under this chapter
 2543 at the lowest agreement combined tax rate imposed within the local taxing jurisdiction in
 2544 which the transaction is located under Subsection (7)(b) notwithstanding the following:

- 2545 (i) Section 59-12-204;
- 2546 [~~(ii) Section 59-12-401;~~]
- 2547 [~~(iii) Section 59-12-402;~~]
- 2548 [~~(iv)~~] (ii) Section 59-12-501;
- 2549 [~~(v)~~] (iii) Section 59-12-502;
- 2550 [~~(vi) Section 59-12-703;~~]
- 2551 [~~(vii) Section 59-12-802;~~]
- 2552 [~~(viii) Section 59-12-804;~~]
- 2553 [~~(ix)~~] (iv) Section 59-12-1001;
- 2554 [~~(x)~~] (v) Section 59-12-1102; and
- 2555 (vi) Section 59-12-1702.
- 2556 [~~(xi) Section 59-12-1302;~~]
- 2557 [~~(xii) Section 59-12-1402; and~~]
- 2558 [~~(xiii) Section 59-12-1503.~~]

2559 (d) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
 2560 commission may make rules:

2561 (i) providing for the circumstances under which a seller or certified service provider
 2562 has exercised due diligence in determining the nine-digit ZIP Code for an address; or

2563 (ii) notwithstanding Subsection (7)(b), for determining the local taxing jurisdiction
 2564 within which a transaction is located if a seller or certified service provider is unable to
 2565 determine the local taxing jurisdiction within which the transaction is located under Subsection
 2566 (7)(b).

2567 (8) Notwithstanding Subsections (2) through (6), the location of a transaction made
 2568 with a direct payment permit described in Section 59-12-107.1 is:

2569 (a) for a tax imposed under Section 59-12-204, the location determined under Section

2570 59-12-205; or

2571 (b) for a tax imposed under this chapter other than under Section 59-12-204, the
2572 location at which the tangible personal property or service purchased using the direct payment
2573 permit is used.

2574 (9) Notwithstanding Subsections (3) through (5), the location of a purchase of direct
2575 mail is the location described in Subsection (6), if the purchaser of the direct mail:

2576 (a) has not been issued a direct payment permit under Section 59-12-107.1; and

2577 (b) does not provide the seller or certified service provider the form or information
2578 described in Subsection 59-12-107.3(1).

2579 (10) (a) Except as provided in Subsection (10)(b), the location of a transaction
2580 determined under Subsections (3) through (6), (8), and (9), is the local taxing jurisdiction
2581 within which:

2582 (i) the nine-digit ZIP Code assigned to the location determined under Subsections (3)
2583 through (6), (8), and (9) is located; or

2584 (ii) the five-digit ZIP Code assigned to the location determined under Subsections (3)
2585 through (6), (8), and (9) is located if:

2586 (A) a nine-digit ZIP Code is not available for the location determined under
2587 Subsections (3) through (6), (8), and (9); or

2588 (B) after exercising due diligence, a seller or certified service provider is unable to
2589 determine a nine-digit ZIP Code for the location determined under Subsections (3) through (6),
2590 (8), and (9).

2591 (b) Notwithstanding Subsection (10)(a), in accordance with Title 63, Chapter 46a, Utah
2592 Administrative Rulemaking Act, the commission may make rules for determining the local
2593 taxing jurisdiction within which a transaction is located if a seller or certified service provider
2594 is unable to determine the local taxing jurisdiction within which the transaction is located
2595 under Subsection (10)(a).

2596 [~~(11) (a) As used in this Subsection (11), "florist delivery transaction" means a~~
2597 ~~transaction commenced by a florist that transmits an order:]~~

2598 [~~(i) by:]~~

2599 [~~(A) telegraph:]~~

2600 [~~(B) telephone; or]~~

2601 [~~(C)~~ a means of communication similar to Subsection ~~(11)(a)(i)(A) or (B)~~; and]
2602 [~~(ii)~~ for delivery to another place:]
2603 [~~(A)~~ in this state; or]
2604 [~~(B)~~ outside this state:]
2605 [~~(b)~~ Notwithstanding Subsections ~~(3) through (6)~~, beginning on July 1, 2004, through
2606 December 31, 2005, the location of a florist delivery transaction is the business location of the
2607 florist that commences the florist delivery transaction.]
2608 [~~(c)~~ In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2609 the commission may by rule:]
2610 [~~(i)~~ define the terms:]
2611 [~~(A)~~ "business location"; and]
2612 [~~(B)~~ "florist";]
2613 [~~(ii)~~ define what constitutes a means of communication similar to Subsection
2614 ~~(11)(a)(i)(A) or (B)~~; and]
2615 [~~(iii)~~ provide procedures for determining when a transaction is commenced.]
2616 [~~(12)~~] (11) If a purchaser knows at the time that the purchaser purchases a service,
2617 prewritten computer software delivered electronically, or a digital good that the service,
2618 prewritten computer software delivered electronically, or digital good will be concurrently
2619 available for use in more than one location, the purchaser shall:
2620 (a) determine the location of the transaction under this section for each location in
2621 which the service, prewritten computer software delivered electronically, or digital good will
2622 be concurrently available for use; and
2623 (b) apportion the purchase price of the service, prewritten computer software delivered
2624 electronically, or digital good:
2625 (i) among each location determined under Subsection [~~(12)~~] (11)(a); and
2626 (ii) in accordance with Section 59-12-107.2.
2627 [~~(13)~~] (12) (a) A tax collected under this chapter shall be reported to the commission
2628 on a form that identifies the location of each transaction that occurred during the return filing
2629 period.
2630 (b) The form described in Subsection [~~(13)~~] (12)(a) shall be filed with the commission
2631 as required under this chapter.

- 2632 [~~(14)~~] (13) This section does not apply to:
- 2633 (a) amounts charged by a seller for:
- 2634 (i) telephone service;
- 2635 (ii) the retail sale or transfer of:
- 2636 (A) a motor vehicle other than a motor vehicle that is transportation equipment;
- 2637 (B) an aircraft other than an aircraft that is transportation equipment;
- 2638 (C) a watercraft;
- 2639 (D) a modular home;
- 2640 (E) a manufactured home; or
- 2641 (F) a mobile home; or
- 2642 (iii) except as provided in Section 59-12-207.3, the lease or rental of tangible personal
- 2643 property other than tangible personal property that is transportation equipment; or
- 2644 (b) a tax paid under this chapter:
- 2645 (i) by a seller; and
- 2646 (ii) for the seller's purchases.
- 2647 Section 17. Section **59-12-208.1** is amended to read:
- 2648 **59-12-208.1. Enactment or repeal of tax -- Effective date -- Notice requirements.**
- 2649 (1) For purposes of this section:
- 2650 (a) "Annexation" means an annexation to:
- 2651 (i) a county under Title 17, Chapter 2, Annexation to County; or
- 2652 (ii) a city or town under Title 10, Chapter 2, Part 4, Annexation.
- 2653 (b) "Annexing area" means an area that is annexed into a county, city, or town.
- 2654 (2) (a) Except as provided in [~~Subsection~~] Subsections (2)(c) [~~or (d)] through (e)~~, if, on
- 2655 or after July 1, [~~2004, a county, city, or town enacts or repeals~~] 2006, a tax under this part is
- 2656 enacted or repealed within a county, city, or town regardless of whether the tax under this part
- 2657 is enacted or repealed by the state or by the county, city, or town, the enactment or repeal shall
- 2658 take effect:
- 2659 (i) on the first day of a calendar quarter; and
- 2660 (ii) after a 90-day period beginning on the date the commission receives notice meeting
- 2661 the requirements of Subsection (2)(b) from the county, city, or town.
- 2662 (b) The notice described in Subsection (2)(a)(ii) shall state:

2663 (i) that ~~[the county, city, or town will enact or repeal]~~ a tax under this part will be
2664 enacted or repealed;

2665 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);

2666 (iii) the effective date of the ~~[tax]~~ enactment or repeal described in Subsection (2)(b)(i);

2667 and

2668 (iv) if ~~[the county, city, or town enacts]~~ the tax described in Subsection (2)(b)(i) is
2669 enacted, the rate of the tax.

2670 (c) (i) ~~[Notwithstanding Subsection (2)(a), for]~~ For a transaction described in
2671 Subsection (2)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing
2672 period:

2673 (A) that begins after the effective date of the enactment of the tax; and

2674 (B) if the billing period for the transaction begins before the effective date of the
2675 enactment of the tax under Section 59-12-204.

2676 (ii) ~~[Notwithstanding Subsection (2)(a), for]~~ For a transaction described in Subsection
2677 (2)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

2678 (A) that began before the effective date of the repeal of the tax; and

2679 (B) if the billing period for the transaction begins before the effective date of the repeal
2680 of the tax imposed under Section 59-12-204.

2681 (iii) Subsections (2)(c)(i) and (ii) apply to transactions subject to a tax under:

2682 (A) Subsection 59-12-103(1)(b);

2683 (B) Subsection 59-12-103(1)(c);

2684 (C) Subsection 59-12-103(1)(d);

2685 (D) Subsection 59-12-103(1)(e);

2686 (E) Subsection 59-12-103(1)(f);

2687 (F) Subsection 59-12-103(1)(g);

2688 (G) Subsection 59-12-103(1)(h);

2689 (H) Subsection 59-12-103(1)(i);

2690 (I) Subsection 59-12-103(1)(j); or

2691 (J) Subsection 59-12-103(1)(k).

2692 (d) (i) ~~[Notwithstanding Subsection (2)(a), if]~~ If a tax due under this chapter on a
2693 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an

2694 enactment or repeal of a tax described in Subsection (2)(a) takes effect:

2695 (A) on the first day of a calendar quarter; and

2696 (B) beginning 60 days after the effective date of the enactment or repeal under
2697 Subsection (2)(a).

2698 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2699 the commission may by rule define the term "catalogue sale."

2700 (e) For purposes of Subsection (2)(a), for a tax enacted or repealed under this part on
2701 July 1, 2006, the 90-day period described in Subsection (2)(a)(ii) shall be a 30-day period.

2702 (3) (a) Except as provided in [~~Subsection~~] Subsections (3)(c) [~~or (d)~~] through (e), if, for
2703 an annexation that occurs on or after July 1, [~~2004~~] 2006, the annexation will result in the
2704 enactment or repeal of a tax under this part for an annexing area regardless of whether the tax
2705 under this part is enacted or repealed by the state or by the county, city, or town, the enactment
2706 or repeal shall take effect:

2707 (i) on the first day of a calendar quarter; and

2708 (ii) after a 90-day period beginning on the date the commission receives notice meeting
2709 the requirements of Subsection (3)(b) from the county, city, or town that annexes the annexing
2710 area.

2711 (b) The notice described in Subsection (3)(a)(ii) shall state:

2712 (i) that the annexation described in Subsection (3)(a) will result in an enactment or
2713 repeal of a tax under this part for the annexing area;

2714 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);

2715 (iii) the effective date of the [~~tax~~] enactment or repeal described in Subsection (3)(b)(i);

2716 and

2717 (iv) if the tax described in Subsection (3)(b)(i) is enacted, the rate of the tax [~~described~~
2718 ~~in Subsection (3)(b)(i)~~].

2719 (c) (i) [~~Notwithstanding Subsection (3)(a), for~~] For a transaction described in
2720 Subsection (3)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing
2721 period:

2722 (A) that begins after the effective date of the enactment of the tax; and

2723 (B) if the billing period for the transaction begins before the effective date of the
2724 enactment of the tax under Section 59-12-204.

- 2725 (ii) [~~Notwithstanding Subsection (3)(a), for~~] For a transaction described in Subsection
 2726 (3)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:
 2727 (A) that began before the effective date of the repeal of the tax; and
 2728 (B) if the billing period for the transaction begins before the effective date of the repeal
 2729 of the tax imposed under Section 59-12-204.
- 2730 (iii) Subsections (3)(c)(i) and (ii) apply to transactions subject to a tax under:
 2731 (A) Subsection 59-12-103(1)(b);
 2732 (B) Subsection 59-12-103(1)(c);
 2733 (C) Subsection 59-12-103(1)(d);
 2734 (D) Subsection 59-12-103(1)(e);
 2735 (E) Subsection 59-12-103(1)(f);
 2736 (F) Subsection 59-12-103(1)(g);
 2737 (G) Subsection 59-12-103(1)(h);
 2738 (H) Subsection 59-12-103(1)(i);
 2739 (I) Subsection 59-12-103(1)(j); or
 2740 (J) Subsection 59-12-103(1)(k).
- 2741 (d) (i) [~~Notwithstanding Subsection (3)(a), if~~] If a tax due under this chapter on a
 2742 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
 2743 enactment or repeal of a tax described in Subsection (3)(a) takes effect:
 2744 (A) on the first day of a calendar quarter; and
 2745 (B) beginning 60 days after the effective date of the enactment or repeal under
 2746 Subsection (3)(a).
- 2747 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
 2748 the commission may by rule define the term "catalogue sale."
- 2749 (e) For purposes of Subsection (3)(a), for an enactment or repeal on July 1, 2006, the
 2750 90-day period described in Subsection (3)(a)(ii) shall be a 30-day period.
- 2751 Section 18. Section **59-12-302** is amended to read:
 2752 **59-12-302. Collection of tax -- Administrative fee -- Penalties -- Commission to**
 2753 **interpret, audit, and adjudicate transient room tax.**
 2754 (1) (a) Except as provided in Subsection (1)(b) or (c), the tax authorized under this part
 2755 shall be administered, collected, and enforced in accordance with:

- 2756 (i) the same procedures used to administer, collect, and enforce the tax under:
2757 (A) Part 1, Tax Collection; or
2758 (B) Part 2, Local Sales and Use Tax Act; and
2759 (ii) Chapter 1, General Taxation Policies.
- 2760 (b) (i) Notwithstanding Section 59-12-206, each county may collect the tax imposed by
2761 the county and need not transmit the tax to the commission or contract with the commission to
2762 collect the tax.
- 2763 (ii) The amount of tax collected shall be reported to the commission as provided in
2764 Subsection 59-12-207.1~~[(13)]~~(12).
- 2765 (c) Notwithstanding Subsection (1)(a), a tax under this part is not subject to:
2766 (i) Sections 59-12-107.1 through 59-12-107.3;
2767 (ii) Sections 59-12-207.1 through 59-12-207.4; or
2768 (iii) Subsections 59-12-205(2) through ~~[(9)]~~ (8).
- 2769 (d) (i) If the commission collects a tax under this part, the commission:
2770 (A) except as provided in Subsection (1)(d)(i)(B), shall distribute the revenues
2771 generated by the tax to the county within which the revenues were generated; and
2772 (B) notwithstanding Subsection (1)(d)(i)(A), may retain an amount of tax collected
2773 under this part of not to exceed the lesser of:
2774 (I) 1.5%; or
2775 (II) an amount equal to the cost to the commission of administering this part.
2776 (ii) Any amount the commission retains under Subsection (1)(d)(i)(B) shall be:
2777 (A) placed in the Sales and Use Tax Administrative Fees Account; and
2778 (B) used as provided in ~~[Subsection]~~ Section 59-12-206~~[(2)]~~.
- 2779 (2) (a) The tax ordinance adopted by a county pursuant to Section 59-12-301 may
2780 include provisions for the imposition of penalties and interest if a person or entity required to
2781 pay a tax under this part fails to timely remit the tax to the collecting agent.
- 2782 (b) A county legislative body may not establish penalties and interest by ordinance that
2783 exceed the penalties and interest rates authorized for the commission in Sections 59-1-401 and
2784 59-1-402.
- 2785 (3) A county may adopt an ordinance imposing penalties and interest under Subsection
2786 (2) only if the county does not contract with the commission to collect the tax.

2787 (4) If a county elects to collect the tax as provided in Subsection (1), the commission
2788 shall interpret, audit, and adjudicate the tax imposed under this part.

2789 Section 19. Section **59-12-354** is amended to read:

2790 **59-12-354. Collection of tax -- Administrative fee -- Penalties -- Commission to**
2791 **interpret, audit, and adjudicate transient room tax.**

2792 (1) Except as provided in Subsections (2) and (3), the tax authorized under this part
2793 shall be administered, collected, and enforced in accordance with:

2794 (a) the same procedures used to administer, collect, and enforce the tax under:

2795 (i) Part 1, Tax Collection; or

2796 (ii) Part 2, Local Sales and Use Tax Act; and

2797 (b) Chapter 1, General Taxation Policies.

2798 (2) Notwithstanding Section 59-12-206, a municipality imposing a tax under this part:

2799 (a) may collect the tax and is not required to:

2800 (i) transmit revenues generated by the tax to the commission; or

2801 (ii) contract with the commission to collect the tax;

2802 (b) shall report the revenues it collects to the commission as provided in Subsection

2803 59-12-207.1[~~(13)~~](12); and

2804 (c) subject to the limitations of Subsections (4) and (5), may adopt an ordinance

2805 imposing penalties and interest on a person who:

2806 (i) is required to pay the tax under this part; and

2807 (ii) does not remit the tax to the collecting agent in a timely manner.

2808 (d) (i) If the commission collects a tax under this part, the commission:

2809 (A) except as provided in Subsection (2)(d)(i)(B), shall distribute the revenues

2810 generated by the tax to the municipality within which the revenues were generated; and

2811 (B) notwithstanding Subsection (2)(d)(i)(A), may retain an amount of tax collected

2812 under this part of not to exceed the lesser of:

2813 (I) 1.5%; or

2814 (II) an amount equal to the cost to the commission of administering this part.

2815 (ii) Any amount the commission retains under Subsection (2)(d)(i)(B) shall be:

2816 (A) placed in the Sales and Use Tax Administrative Fees Account; and

2817 (B) used as provided in [~~Subsection~~] Section 59-12-206[~~(2)~~].

2818 (3) Notwithstanding Subsection (1)(a), the tax under this part is not subject to:
2819 (a) Sections 59-12-107.1 through 59-12-107.3;
2820 (b) Subsections 59-12-205(2) through ~~[(9)]~~ (8); or
2821 (c) Sections 59-12-207.1 through 59-12-207.4.
2822 (4) A governing body of a municipality adopting an ordinance imposing penalties and
2823 interest under Subsection (2)(c) may impose penalties and interest in amounts that are less than
2824 or equal to the penalties and interest rates authorized for the commission under Sections
2825 59-1-401 and 59-1-402.

2826 (5) A municipality may adopt an ordinance imposing penalties and interest under
2827 Subsection (2)(c) only if the municipality does not contract with the commission to collect the
2828 tax.

2829 (6) If a municipality elects to collect the tax as provided in Subsection (2), the
2830 commission shall interpret, audit, and adjudicate the tax imposed under this part.

2831 Section 20. Section **59-12-401 (See 59-1-1201 re: Eff)** is amended to read:

2832 **59-12-401 (See 59-1-1201 re: Eff). Resort communities tax -- Base -- Rate --**
2833 **Collection fees.**

2834 (1) (a) Except as provided in Subsections (1)(b) and 59-12-207.1(7)(c) and subject to
2835 Subsection (2), and in addition to other sales and use taxes, a city or town in which the
2836 transient room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the
2837 municipality's permanent census population may impose a sales and use tax of up to 1% on the
2838 transactions described in Subsection 59-12-103(1) [~~located within the city or town~~].

2839 [~~(b) Notwithstanding Subsection (1)(a), a~~] (b) A city or town may not impose a tax
2840 under this section on:

2841 (i) the sale of:

2842 (A) a motor vehicle;

2843 (B) an aircraft;

2844 (C) a watercraft;

2845 (D) a modular home;

2846 (E) a manufactured home; or

2847 (F) a mobile home; or

2848 (ii) the sales and uses described in Section 59-12-104 to the extent the sales and uses

2849 are exempt from taxation under Section 59-12-104.

2850 (2) (a) A city or town may impose a tax under Subsection (1) on a transaction only if
 2851 the entire transaction occurs within the city or town.

2852 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
 2853 commission may make rules to determine the circumstances under which an entire transaction
 2854 occurs within a city or town.

2855 [~~(c) For purposes of this Subsection (1), the location of a transaction shall be~~
 2856 ~~determined in accordance with Sections 59-12-207.1 through 59-12-207.4.]~~

2857 [~~(2)~~] (3) (a) An amount equal to the total of any costs incurred by the state in
 2858 connection with the implementation of [~~Subsection (1)~~] this section which exceed, in any year,
 2859 the revenues received by the state from its collection fees received in connection with the
 2860 implementation of [~~Subsection (1)~~] this section shall be paid over to the state General Fund by
 2861 the cities and towns which impose the tax [~~provided for in Subsection (1)~~] authorized by this
 2862 section.

2863 (b) Amounts paid under Subsection [~~(2)~~] (3)(a) shall be allocated proportionally among
 2864 those cities and towns according to the amount of revenue the respective cities and towns
 2865 generate in that year through imposition of that tax.

2866 Section 21. Section 59-12-402 (See 59-1-1201 re: Eff) is amended to read:

2867 **59-12-402 (See 59-1-1201 re: Eff). Additional resort communities sales tax -- Base**
 2868 **-- Rate -- Collection fees -- Resolution and voter approval requirements -- Election**
 2869 **requirements -- Notice requirements -- Ordinance requirements.**

2870 (1) (a) Except as provided in Subsections (1)(b) and 59-12-207.1(7)(c), and subject to
 2871 [~~the limitations of~~] Subsections (2) through [~~(6)~~] (7), the [~~governing~~] legislative body of a
 2872 municipality in which the transient room capacity as defined in Section 59-12-405 is greater
 2873 than or equal to 66% of the municipality's permanent census population may, in addition to the
 2874 sales tax authorized under Section 59-12-401, impose an additional resort communities sales
 2875 tax in an amount that is less than or equal to .5% on the transactions described in Subsection
 2876 59-12-103(1) [~~located within the municipality~~].

2877 [~~(b) Notwithstanding Subsection (1)(a), the governing~~] (b) The legislative body of a
 2878 municipality may not impose a tax under this section on:

2879 (i) the sale of:

2880 (A) a motor vehicle;
2881 (B) an aircraft;
2882 (C) a watercraft;
2883 (D) a modular home;
2884 (E) a manufactured home; or
2885 (F) a mobile home; or
2886 (ii) the sales and uses described in Section 59-12-104 to the extent the sales and uses
2887 are exempt from taxation under Section 59-12-104.

2888 (2) (a) The legislative body of a municipality may impose a tax under Subsection (1)
2889 on a transaction only if the entire transaction occurs within the municipality.

2890 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
2891 commission may make rules to determine the circumstances under which an entire transaction
2892 occurs within a municipality.

2893 [~~(c)~~] For purposes of this Subsection (1), the location of a transaction shall be
2894 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.]

2895 [~~(2)~~] (3) (a) An amount equal to the total of any costs incurred by the state in
2896 connection with the implementation of [~~Subsection (1)~~] this section which exceed, in any year,
2897 the revenues received by the state from its collection fees received in connection with the
2898 implementation of [~~Subsection (1)~~] this section shall be paid over to the state General Fund by
2899 the cities and towns which impose the tax [~~provided for in Subsection (1)~~] authorized by this
2900 section.

2901 (b) Amounts paid under Subsection [~~(2)~~] (3)(a) shall be allocated proportionally among
2902 those cities and towns according to the amount of revenue the respective cities and towns
2903 generate in that year through imposition of that tax.

2904 [~~(3)~~] (4) To impose an additional resort communities sales tax under this section, the
2905 [~~governing~~] legislative body of the municipality shall:

2906 (a) pass a resolution approving the tax; and

2907 (b) except as provided in Subsection [~~(6)~~] (7), obtain voter approval for the tax as
2908 provided in Subsection [~~(4)~~] (5).

2909 [~~(4)~~] (5) To obtain voter approval for an additional resort communities sales tax under
2910 Subsection [~~(3)~~] (4)(b), a municipality shall:

2911 (a) hold the additional resort communities sales tax election during:

2912 (i) a regular general election; or

2913 (ii) a municipal general election; and

2914 (b) publish notice of the election:

2915 (i) 15 days or more before the day on which the election is held; and

2916 (ii) in a newspaper of general circulation in the municipality.

2917 ~~[(5)]~~ (6) An ordinance approving an additional resort communities sales tax under this
2918 section shall provide an effective date for the tax as provided in Section 59-12-403.

2919 ~~[(6)]~~ (7) (a) Except as provided in Subsection ~~[(6)]~~ (7)(b), a municipality is not subject
2920 to the voter approval requirements of Subsection ~~[(3)]~~ (4)(b) if, on or before January 1, 1996,
2921 the municipality imposed a license fee or tax on businesses based on gross receipts pursuant to
2922 Section 10-1-203.

2923 (b) The exception from the voter approval requirements in Subsection ~~[(6)]~~ (7)(a) does
2924 not apply to a municipality that, on or before January 1, 1996, imposed a license fee or tax on
2925 only one class of businesses based on gross receipts pursuant to Section 10-1-203.

2926 Section 22. Section **59-12-403** is amended to read:

2927 **59-12-403. Enactment or repeal of tax -- Tax rate change -- Effective date --**
2928 **Notice requirements -- Administration, collection, and enforcement of tax.**

2929 (1) For purposes of this section:

2930 (a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
2931 4, Annexation.

2932 (b) "Annexing area" means an area that is annexed into a city or town.

2933 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after July 1, 2004, a city
2934 or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
2935 repeal, or change shall take effect:

2936 (i) on the first day of a calendar quarter; and

2937 (ii) after a 90-day period beginning on the date the commission receives notice meeting
2938 the requirements of Subsection (2)(b) from the city or town.

2939 (b) The notice described in Subsection (2)(a)(ii) shall state:

2940 (i) that the city or town will enact or repeal a tax or change the rate of a tax under this
2941 part;

- 2942 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);
- 2943 (iii) the effective date of the tax described in Subsection (2)(b)(i); and
- 2944 (iv) if the city or town enacts the tax or changes the rate of the tax described in
- 2945 Subsection (2)(b)(i), the rate of the tax.
- 2946 (c) (i) Notwithstanding Subsection (2)(a), for a transaction described in Subsection
- 2947 (2)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
- 2948 first billing period:
 - 2949 (A) that begins after the effective date of the enactment of the tax or the tax rate
 - 2950 increase; and
 - 2951 (B) if the billing period for the transaction begins before the effective date of the
 - 2952 enactment of the tax or the tax rate increase imposed under:
 - 2953 (I) Section 59-12-401; or
 - 2954 (II) Section 59-12-402.
- 2955 (ii) Notwithstanding Subsection (2)(a), for a transaction described in Subsection
- 2956 (2)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
- 2957 billing period:
 - 2958 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
 - 2959 and
 - 2960 (B) if the billing period for the transaction begins before the effective date of the repeal
 - 2961 of the tax or the tax rate decrease imposed under:
 - 2962 (I) Section 59-12-401; or
 - 2963 (II) Section 59-12-402.
- 2964 (iii) Subsections (2)(c)(i) and (ii) apply to transactions subject to a tax under:
 - 2965 (A) Subsection 59-12-103(1)(b);
 - 2966 (B) Subsection 59-12-103(1)(c);
 - 2967 (C) Subsection 59-12-103(1)(d);
 - 2968 (D) Subsection 59-12-103(1)(e);
 - 2969 (E) Subsection 59-12-103(1)(f);
 - 2970 (F) Subsection 59-12-103(1)(g);
 - 2971 (G) Subsection 59-12-103(1)(h);
 - 2972 (H) Subsection 59-12-103(1)(i);

- 2973 (I) Subsection 59-12-103(1)(j); or
2974 (J) Subsection 59-12-103(1)(k).
- 2975 (d) (i) Notwithstanding Subsection (2)(a), if a tax due under this chapter on a catalogue
2976 sale is computed on the basis of sales and use tax rates published in the catalogue, an
2977 enactment, repeal, or change in the rate of a tax described in Subsection (2)(a) takes effect:
- 2978 (A) on the first day of a calendar quarter; and
2979 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
2980 rate of the tax under Subsection (2)(a).
- 2981 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2982 the commission may by rule define the term "catalogue sale."
- 2983 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs
2984 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
2985 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
2986 effect:
- 2987 (i) on the first day of a calendar quarter; and
2988 (ii) after a 90-day period beginning on the date the commission receives notice meeting
2989 the requirements of Subsection (3)(b) from the city or town that annexes the annexing area.
- 2990 (b) The notice described in Subsection (3)(a)(ii) shall state:
- 2991 (i) that the annexation described in Subsection (3)(a) will result in an enactment,
2992 repeal, or change in the rate of a tax under this part for the annexing area;
2993 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);
2994 (iii) the effective date of the tax described in Subsection (3)(b)(i); and
2995 (iv) if the city or town enacts the tax or changes the rate of the tax described in
2996 Subsection (3)(b)(i), the rate of the tax.
- 2997 (c) (i) Notwithstanding Subsection (3)(a), for a transaction described in Subsection
2998 (3)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
2999 first billing period:
- 3000 (A) that begins after the effective date of the enactment of the tax or the tax rate
3001 increase; and
3002 (B) if the billing period for the transaction begins before the effective date of the
3003 enactment of the tax or the tax rate increase imposed under:

3004 (I) Section 59-12-401; or
3005 (II) Section 59-12-402.
3006 (ii) Notwithstanding Subsection (3)(a), for a transaction described in Subsection
3007 (3)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
3008 billing period:
3009 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
3010 and
3011 (B) if the billing period for the transaction begins before the effective date of the repeal
3012 of the tax or the tax rate decrease imposed under:
3013 (I) Section 59-12-401; or
3014 (II) Section 59-12-402.
3015 (iii) Subsections (3)(c)(i) and (ii) apply to transactions subject to a tax under:
3016 (A) Subsection 59-12-103(1)(b);
3017 (B) Subsection 59-12-103(1)(c);
3018 (C) Subsection 59-12-103(1)(d);
3019 (D) Subsection 59-12-103(1)(e);
3020 (E) Subsection 59-12-103(1)(f);
3021 (F) Subsection 59-12-103(1)(g);
3022 (G) Subsection 59-12-103(1)(h);
3023 (H) Subsection 59-12-103(1)(i);
3024 (I) Subsection 59-12-103(1)(j); or
3025 (J) Subsection 59-12-103(1)(k).
3026 (d) (i) Notwithstanding Subsection (3)(a), if a tax due under this chapter on a catalogue
3027 sale is computed on the basis of sales and use tax rates published in the catalogue, an
3028 enactment, repeal, or change in the rate of a tax described in Subsection (3)(a) takes effect:
3029 (A) on the first day of a calendar quarter; and
3030 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
3031 rate of the tax under Subsection (3)(a).
3032 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
3033 the commission may by rule define the term "catalogue sale."
3034 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be

3035 administered, collected, and enforced in accordance with:

3036 (i) the same procedures used to administer, collect, and enforce the tax under:

3037 (A) Part 1, Tax Collection; or

3038 (B) Part 2, Local Sales and Use Tax Act; and

3039 (ii) Chapter 1, General Taxation Policies.

3040 (b) Notwithstanding Subsection (4)(a), a tax under this part is not subject to

3041 Subsections 59-12-205(2) through ~~[(9)]~~ (8).

3042 Section 23. Section **59-12-501 (See 59-1-1201 re: Eff)** is amended to read:

3043 **59-12-501 (See 59-1-1201 re: Eff). Public transit tax -- Base -- Rate.**

3044 (1) ~~[(a)(i)]~~ Except as provided in Subsections ~~[(1)(a)(ii)]~~ (2) and 59-12-207.1(7)(c) and

3045 subject to Section 59-12-1802, in addition to other sales and use taxes, any county, city, or

3046 town within a transit district organized under Title 17A, Chapter 2, Part 10, Utah Public Transit

3047 District Act, may impose a sales and use tax at the rate of ~~[up to]~~ .25% on the transactions

3048 described in Subsection 59-12-103(1) located within the county, city, or town, to fund a public

3049 transportation system.

3050 ~~[(ii) Notwithstanding Subsection (1)(a)(i), a]~~

3051 (2) A county, city, or town may not impose a tax under this section on the sales and

3052 uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation

3053 under Section 59-12-104.

3054 ~~[(b)]~~ (3) For purposes of ~~[this]~~ Subsection (1), the location of a transaction shall be

3055 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

3056 ~~[(c)(i) A county, city, or town may impose a tax under this section only if the~~

3057 ~~governing body of the county, city, or town, by resolution, submits the proposal to all the~~

3058 ~~qualified voters within the county, city, or town for approval at a general or special election~~

3059 ~~conducted in the manner provided by statute.]~~

3060 ~~[(ii) An election under Subsection 17B-2-512(3)(a)(ii) approving the annexation of an~~

3061 ~~area to a public transit district or local district and approving for that annexed area the sales and~~

3062 ~~use tax authorized by this section satisfies the election requirement of Subsection (1)(c)(i) for~~

3063 ~~the area to be annexed to the public transit district or local district.]~~

3064 ~~[(2) (a) If only a portion of a county is included within a public transit district, the~~

3065 ~~proposal may be submitted only to the qualified voters residing within the boundaries of the~~

3066 ~~proposed or existing public transit district.]~~

3067 ~~[(b) Notice of any such election shall be given by the county, city, or town governing~~
3068 ~~body 15 days in advance in the manner prescribed by statute.]~~

3069 ~~[(c) If a majority of the voters voting in such election approve the proposal, it shall~~
3070 ~~become effective on the date provided by the county, city, or town governing body.]~~

3071 ~~[(3) This section may not be construed to require an election in jurisdictions where~~
3072 ~~voters have previously approved a public transit sales or use tax.]~~

3073 Section 24. Section **59-12-502 (See 59-1-1201 re: Eff)** is amended to read:

3074 **59-12-502 (See 59-1-1201 re: Eff). Additional public transit tax for expanded**
3075 **system and fixed guideway and interstate improvements -- Base -- Rate.**

3076 (1) ~~[(a)(i)]~~ Except as provided in Subsections ~~[(1)(a)(ii)]~~ (2) and 59-12-207.1(7)(c) and
3077 subject to Section 59-12-1802, and in addition to other sales and use taxes, ~~[including the~~
3078 ~~public transit district tax authorized by Section 59-12-501,~~] a county, city, or town within a
3079 transit district organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act,
3080 that imposes a tax under Section 59-12-501, may impose a sales and use tax at the rate of .25%
3081 on the transactions described in Subsection 59-12-103(1) located within the county, city, or
3082 town, to fund a fixed guideway and expanded public transportation system.

3083 ~~[(ii) Notwithstanding Subsection (1)(a)(i), a]~~

3084 (2) A county, city, or town may not impose a tax under this section on the sales and
3085 uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation
3086 under Section 59-12-104.

3087 ~~[(b)]~~ (3) For purposes of ~~[this]~~ Subsection (1), the location of a transaction shall be
3088 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

3089 ~~[(c)(i) A county, city, or town may impose the tax under this section only if the~~
3090 ~~governing body of the county, city, or town submits, by resolution, the proposal to all the~~
3091 ~~qualified voters within the county, city, or town for approval at a general or special election~~
3092 ~~conducted in the manner provided by statute.]~~

3093 ~~[(ii) Notice of the election under Subsection (1)(c)(i) shall be given by the county, city,~~
3094 ~~or town governing body 15 days in advance in the manner prescribed by statute.]~~

3095 ~~[(2) If the majority of the voters voting in this election approve the proposal, it shall~~
3096 ~~become effective on the date provided by the county, city, or town governing body.]~~

3097 ~~[(3) (a) This section may not be construed to require an election in jurisdictions where~~
 3098 ~~voters have previously approved a public transit sales or use tax.]~~

3099 ~~[(b) This section shall be construed to require an election to impose the sales and use~~
 3100 ~~tax authorized by this section, including jurisdictions where the voters have previously~~
 3101 ~~approved the sales and use tax authorized by Section 59-12-501, but this section may not be~~
 3102 ~~construed to affect the sales and use tax authorized by Section 59-12-501.]~~

3103 ~~[(4) No public funds shall be spent to promote the required election.]~~

3104 ~~[(5)]~~ (4) Notwithstanding the designated use of revenues in Subsection (1), of the
 3105 revenues generated by the tax imposed under this section by any county of the first class:

3106 (a) 75% shall be allocated to fund a fixed guideway and expanded public transportation
 3107 system; and

3108 (b) 25% shall be allocated to fund new construction, major renovations, and
 3109 improvements to Interstate 15 and state highways within the county and to pay any debt service
 3110 and bond issuance costs related to those projects.

3111 ~~[(6)]~~ (5) A county of the first class may, through an interlocal agreement, authorize the
 3112 deposit or transfer of the portion of the revenues described in Subsection ~~[(5)]~~ (4)(b) to the
 3113 Public Transportation System Tax Highway Fund created in Section 72-2-121.

3114 Section 25. Section **59-12-503** is amended to read:

3115 **59-12-503. Public transit taxes -- Local option direct transfer.**

3116 A county ~~[or municipality]~~, city, or town may elect, in writing, to have the portion of
 3117 the monthly funds transfer that is collected as a public transit sales and use tax imposed by the
 3118 county, city, or town under ~~[Sections]~~ Section 59-12-501 ~~[and]~~ or 59-12-502 to be transferred
 3119 directly to a designated public transit district, subject to the same charge as described under
 3120 Section 59-12-206.

3121 Section 26. Section **59-12-503.1** is enacted to read:

3122 **59-12-503.1. Distribution of tax revenues -- Rulemaking authority.**

3123 (1) (a) For a transaction that is reported to the commission on a return other than a
 3124 simplified electronic return, the commission shall distribute the revenues generated by a tax
 3125 imposed under this part to the counties, cities, and towns that impose the tax in accordance
 3126 with Subsections (1)(b) through (h).

3127 (b) (i) Except as provided in Subsections (1)(c) through (h), for a transaction described

3128 in Subsection (1)(b)(ii), a tax imposed by a county, city, or town under this part shall be
3129 distributed to the county, city, or town within which the place of business of the seller is
3130 located.

3131 (ii) Subsection (1)(b)(i) applies to a transaction other than a transaction described in:

3132 (A) Subsection (1)(c)(ii);

3133 (B) Subsection (1)(d)(ii);

3134 (C) Subsection (1)(e)(ii);

3135 (D) Subsection (1)(f)(ii);

3136 (E) Subsection (1)(g)(ii); or

3137 (F) Subsection (1)(h).

3138 (c) (i) For a transaction described in Subsection (1)(c)(ii), the total revenues remitted to
3139 the commission each month that are generated by a tax imposed under this part by a county,
3140 city, or town on the transactions described in Subsection (1)(c)(ii) shall be distributed:

3141 (A) to each county, city, or town that imposes the tax; and

3142 (B) (I) if imposed by a county on a countywide basis, on the basis of total revenues
3143 generated by the transactions described in Subsection (1)(c)(ii) that are reported to the
3144 commission for that month within the county; or

3145 (II) if imposed by a county for a portion of the county, or by a city or town, on the basis
3146 of the proportion of total revenues generated by the transactions described in Subsection (1)(b)
3147 that are reported to the commission for that month within each portion of the county, and each
3148 city or town within that county, as compared to the total revenues generated by the transactions
3149 described in Subsection (1)(b) that are reported to the commission for that month within all
3150 portions of the county and all cities and towns within that county.

3151 (ii) Subsection (1)(c)(i) applies to a transaction:

3152 (A) made by a seller described in Subsection 59-12-107(1)(b); and

3153 (B) involving tangible personal property that is shipped from outside the state.

3154 (d) (i) For a transaction described in Subsection (1)(d)(ii), the total revenues reported to
3155 the commission each month that are generated by a tax imposed under this part by a county,
3156 city, or town on the transactions described in Subsection (1)(d)(ii) shall be distributed:

3157 (A) to each county, city, or town that imposes the tax; and

3158 (B) (I) if imposed by a county on a countywide basis, on the basis of total revenues

3159 generated by the transactions described in Subsection (1)(d)(ii) that are reported to the
3160 commission for that month within the county; or

3161 (II) if imposed by a county for a portion of the county, or by a city or town, on the basis
3162 of the proportion of total revenues generated by the transactions described in Subsection (1)(b)
3163 that are reported to the commission for that month within each portion of the county, and each
3164 city or town within that county, as compared to the total revenues generated by the transactions
3165 described in Subsection (1)(b) that are reported to the commission for that month within all
3166 portions of the county and all cities and towns within that county.

3167 (ii) Subsection (1)(d)(i) applies to a transaction:

3168 (A) made from a location in the state other than a fixed place of business in the state;

3169 or

3170 (B) (I) made by a seller described in Subsection 59-12-107(1)(a); and

3171 (II) involving tangible personal property that is shipped from outside the state.

3172 (e) (i) For a transaction described in Subsection (1)(e)(ii), the total revenues reported to
3173 the commission each month that are generated by a tax imposed under this part by a county,
3174 city, or town on the transactions described in Subsection (1)(e)(ii) shall be distributed:

3175 (A) to each county, city, or town that imposes the tax; and

3176 (B) on the basis of the proportion of the total revenues generated by the transactions
3177 described in Subsection (1)(b) that are reported to the commission for that month within each
3178 county, city, or town as compared to the total revenues generated by the transactions described
3179 in Subsection (1)(b) that are reported to the commission for that month within the state.

3180 (ii) Subsection (1)(e)(i) applies to a transaction involving tangible personal property
3181 purchased with a direct payment permit in accordance with Section 59-12-107.1.

3182 (f) (i) For a transaction described in Subsection (1)(f)(ii), the total revenues reported to
3183 the commission each month that are generated by a tax imposed under this part by a county,
3184 city, or town on the transactions described in Subsection (1)(f)(ii) shall be distributed to the
3185 county, city, or town within which the place of business of the purchaser is located.

3186 (ii) Subsection (1)(f)(i) applies to a transaction involving a good or service:

3187 (A) described in Subsection 59-12-107.2(1)(b);

3188 (B) that is concurrently available for use in more than one location; and

3189 (C) purchased using the form described in Section 59-12-107.2.

3190 (g) (i) For a transaction described in Subsection (1)(g)(ii), the total revenues reported to
3191 the commission each month that are generated by a tax imposed under this part by a county,
3192 city, or town on the transactions described in Subsection (1)(g)(ii) shall be distributed:

3193 (A) to each county, city, or town that imposes the tax; and

3194 (B) on the basis of the proportion of total revenues generated by the transactions
3195 described in Subsection (1)(b) that are reported to the commission for that month within each
3196 county, city, or town as compared to total revenues generated by the transactions described in
3197 Subsection (1)(b) that are reported to the commission for that month within the state.

3198 (ii) Subsection (1)(g)(i) applies to a transaction involving a purchase of direct mail if
3199 the purchaser of the direct mail provides to the seller the form described in Subsection
3200 59-12-107.3(1)(a) at the time of the purchase of the direct mail.

3201 (h) For a transaction involving the sale of a service described in Section 59-12-207.4, a
3202 tax imposed under this part by a county, city, or town shall be distributed on the basis of the
3203 location of the transaction determined under Section 59-12-207.4.

3204 (2) (a) For a transaction that is reported to the commission on a simplified electronic
3205 return, the distribution of a tax imposed under this part by a county, city, or town on that
3206 transaction is determined in accordance with Subsections (2)(b) through (e).

3207 (b) (i) Except as provided in Subsections (2)(c) through (e), the total revenues reported
3208 to the commission each month on the simplified electronic return shall be distributed:

3209 (A) to each county, city, or town that imposes a tax under this part; and

3210 (B) on the basis of total revenues generated by the transactions described in Subsection
3211 (1)(b)(ii) that are reported to the commission in accordance with Subsection (2)(b)(ii) for that
3212 month within each county, city, and town.

3213 (ii) In making the distributions required by Subsection (2)(b)(i), the commission shall
3214 use the total revenues generated by the transactions described in Subsection (1)(b)(ii) reported
3215 to the commission:

3216 (A) in the report required by Subsection 59-12-105(2); and

3217 (B) if a county, city, or town that imposes a tax under this part reports revenues to the
3218 commission in accordance with Subsection (2)(b)(iii), in the report made in accordance with
3219 Subsection (2)(b)(iii).

3220 (iii) (A) For purposes of this Subsection (2)(b)(iii), a county, city, or town that imposes

3221 a tax under this part may report to the commission the revenues generated by the tax imposed
3222 under this part within the county, city, or town if a seller:

3223 (I) opens an additional place of business within the county, city, or town after the seller
3224 makes an initial application for a license under Section 59-12-106; and

3225 (II) estimates that the additional place of business will increase by 5% or more the
3226 revenues generated by a tax imposed under this part within the county, city, or town.

3227 (B) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
3228 the commission may make rules providing procedures and requirements for making the report
3229 described in this Subsection (2)(b)(iii).

3230 (c) (i) For a transaction described in Subsection (2)(c)(ii), the total revenues reported to
3231 the commission each month that are generated by a tax imposed under this part by a county,
3232 city, or town on the transactions described in Subsection (2)(c)(ii) shall be distributed:

3233 (A) to each county, city, or town that imposes the tax; and

3234 (B) (I) if imposed by a county on a countywide basis, on the basis of the proportion of
3235 total revenues generated by the transactions described in Subsection (1)(b) that are reported to
3236 the commission for that month within the county as compared to the total revenues generated
3237 by the transactions described in Subsection (1)(b) that are reported to the commission for that
3238 month within the state; or

3239 (II) if imposed by a portion of a county, or by a city or town, on the basis of the
3240 proportion of total revenues generated by the transactions described in Subsection (1)(b) that
3241 are reported to the commission for that month within each portion of the county, or each city or
3242 town, as compared to the total revenues generated by the transactions described in Subsection
3243 (1)(b) that are reported to the commission for that month within the state.

3244 (ii) Subsection (2)(c)(i) applies to a transaction:

3245 (A) made from a location in the state other than a fixed place of business in the state;

3246 or

3247 (B) (I) made by a seller described in Subsection 59-12-107(1)(a); and

3248 (II) involving tangible personal property that is shipped from outside the state.

3249 (d) (i) For a transaction described in Subsection (2)(d)(ii), the total revenues remitted
3250 to the commission each month that are generated by a tax imposed under this part by a county,
3251 city, or town on the transactions described in Subsection (2)(d)(ii) shall be distributed:

3252 (A) to each county, city, or town that imposes the tax; and

3253 (B) (I) if imposed by a county on a countywide basis, on the basis of the proportion of
3254 total revenues generated by the transactions described in Subsection (1)(b) that are reported to
3255 the commission for that month within the county as compared to the total revenues generated
3256 by the transactions described in Subsection (1)(b) that are reported to the commission for that
3257 month within the state; or

3258 (II) if imposed by a portion of a county, or by a city or town, on the basis of the
3259 proportion of total revenues generated by the transactions described in Subsection (1)(b) that
3260 are reported to the commission for that month within each portion of the county, or each city or
3261 town, as compared to the total revenues generated by the transactions described in Subsection
3262 (1)(b) that are reported to the commission for that month within the state.

3263 (ii) Subsection (2)(d)(i) applies to a transaction:

3264 (A) made by a seller described in Subsection 59-12-107(1)(b); and

3265 (B) involving tangible personal property that is shipped from outside the state.

3266 (e) (i) For a transaction described in Subsection (2)(e)(ii), the total revenues reported to
3267 the commission each month that are generated by a tax imposed under this part by a county,
3268 city, or town on the transactions described in Subsection (2)(e)(ii) shall be distributed:

3269 (A) to each county, city, or town that imposes the tax; and

3270 (B) on the basis of the proportion of total revenues generated by the transactions
3271 described in Subsection (1)(b) that are reported to the commission for that month within each
3272 county, city, or town that imposes a tax under this part as compared to the total revenues
3273 generated by the transactions described in Subsection (1)(b) that are reported to the
3274 commission for that month within the state.

3275 (ii) Subsection (2)(e)(i) applies to a transaction involving tangible personal property
3276 purchased with a direct payment permit in accordance with Section 59-12-107.1.

3277 (3) For purposes of this section and in accordance with Title 63, Chapter 46a, Utah
3278 Administrative Rulemaking Act, the commission may make rules defining what constitutes a
3279 fixed place of business in the state.

3280 Section 27. Section **59-12-504** is amended to read:

3281 **59-12-504. Enactment or repeal of tax -- Effective date -- Notice requirements --**
3282 **Administration, collection, and enforcement of tax.**

- 3283 (1) For purposes of this section:
- 3284 (a) "Annexation" means an annexation to:
- 3285 (i) a county under Title 17, Chapter 2, Annexation to County; or
- 3286 (ii) a city or town under Title 10, Chapter 2, Part 4, Annexation.
- 3287 (b) "Annexing area" means an area that is annexed into a county, city, or town.
- 3288 (2) (a) Except as provided in ~~[Subsection]~~ Subsections (2)(c) ~~[or (d)]~~ through (e), if, on
- 3289 or after July 1, ~~[2004]~~ 2006, a county, city, or town enacts or repeals a tax under this part, the
- 3290 enactment or repeal shall take effect:
- 3291 (i) on the first day of a calendar quarter; and
- 3292 (ii) after a 90-day period beginning on the date the commission receives notice meeting
- 3293 the requirements of Subsection (2)(b) from the county, city, or town.
- 3294 (b) The notice described in Subsection (2)(a)(ii) shall state:
- 3295 (i) that ~~[the county, city, or town will enact or repeal]~~ a tax under this part will be
- 3296 enacted or repealed;
- 3297 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);
- 3298 (iii) the effective date of the ~~[tax]~~ enactment or repeal described in Subsection (2)(b)(i);
- 3299 and
- 3300 (iv) if ~~[the county, city, or town enacts]~~ the tax described in Subsection (2)(b)(i) is
- 3301 enacted, the rate of the tax.
- 3302 (c) (i) ~~[Notwithstanding Subsection (2)(a), for]~~ For a transaction described in
- 3303 Subsection (2)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing
- 3304 period:
- 3305 (A) that begins after the effective date of the enactment of the tax; and
- 3306 (B) if the billing period for the transaction begins before the effective date of the
- 3307 enactment of the tax under:
- 3308 (I) Section 59-12-501; or
- 3309 (II) Section 59-12-502.
- 3310 (ii) ~~[Notwithstanding Subsection (2)(a), for]~~ For a transaction described in Subsection
- 3311 (2)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:
- 3312 (A) that began before the effective date of the repeal of the tax; and
- 3313 (B) if the billing period for the transaction begins before the effective date of the repeal

3314 of the tax imposed under:

3315 (I) Section 59-12-501; or

3316 (II) Section 59-12-502.

3317 (iii) Subsections (2)(c)(i) and (ii) apply to transactions subject to a tax under:

3318 (A) Subsection 59-12-103(1)(b);

3319 (B) Subsection 59-12-103(1)(c);

3320 (C) Subsection 59-12-103(1)(d);

3321 (D) Subsection 59-12-103(1)(e);

3322 (E) Subsection 59-12-103(1)(f);

3323 (F) Subsection 59-12-103(1)(g);

3324 (G) Subsection 59-12-103(1)(h);

3325 (H) Subsection 59-12-103(1)(i);

3326 (I) Subsection 59-12-103(1)(j); or

3327 (J) Subsection 59-12-103(1)(k).

3328 (d) (i) ~~[Notwithstanding Subsection (2)(a), if]~~ If a tax due under this chapter on a
3329 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
3330 enactment or repeal of a tax described in Subsection (2)(a) takes effect:

3331 (A) on the first day of a calendar quarter; and

3332 (B) beginning 60 days after the effective date of the enactment or repeal under
3333 Subsection (2)(a).

3334 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
3335 the commission may by rule define the term "catalogue sale."

3336 (e) For purposes of Subsection (2)(a), for a tax enacted or repealed under this part on
3337 July 1, 2006, the 90-day period described in Subsection (2)(a)(ii) shall be a 30-day period.

3338 (3) (a) Except as provided in ~~[Subsection]~~ Subsections (3)(c) [or (d)] through (e), if, for
3339 an annexation that occurs on or after July 1, ~~[2004]~~ 2006, the annexation will result in the
3340 enactment or repeal of a tax under this part for an annexing area, the enactment or repeal shall
3341 take effect:

3342 (i) on the first day of a calendar quarter; and

3343 (ii) after a 90-day period beginning on the date the commission receives notice meeting
3344 the requirements of Subsection (3)(b) from the county, city, or town that annexes the annexing

3345 area.

3346 (b) The notice described in Subsection (3)(a)(ii) shall state:

3347 (i) that the annexation described in Subsection (3)(a) will result in an enactment or
3348 repeal of a tax under this part for the annexing area;

3349 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);

3350 (iii) the effective date of the ~~[tax]~~ enactment or repeal described in Subsection (3)(b)(i);

3351 and

3352 (iv) if the tax described in Subsection (3)(b)(i) is enacted, the rate of the tax [~~described~~
3353 ~~in Subsection (3)(b)(i)~~].

3354 (c) (i) [~~Notwithstanding Subsection (3)(a), for~~] For a transaction described in
3355 Subsection (3)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing
3356 period:

3357 (A) that begins after the effective date of the enactment of the tax; and

3358 (B) if the billing period for the transaction begins before the effective date of the
3359 enactment of the tax under:

3360 (I) Section 59-12-501; or

3361 (II) Section 59-12-502.

3362 (ii) [~~Notwithstanding Subsection (3)(a), for~~] For a transaction described in Subsection
3363 (3)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

3364 (A) that began before the effective date of the repeal of the tax; and

3365 (B) if the billing period for the transaction begins before the effective date of the repeal
3366 of the tax imposed under:

3367 (I) Section 59-12-501; or

3368 (II) Section 59-12-502.

3369 (iii) Subsections (3)(c)(i) and (ii) apply to transactions subject to a tax under:

3370 (A) Subsection 59-12-103(1)(b);

3371 (B) Subsection 59-12-103(1)(c);

3372 (C) Subsection 59-12-103(1)(d);

3373 (D) Subsection 59-12-103(1)(e);

3374 (E) Subsection 59-12-103(1)(f);

3375 (F) Subsection 59-12-103(1)(g);

3376 (G) Subsection 59-12-103(1)(h);

3377 (H) Subsection 59-12-103(1)(i);

3378 (I) Subsection 59-12-103(1)(j); or

3379 (J) Subsection 59-12-103(1)(k).

3380 (d) (i) [~~Notwithstanding Subsection (3)(a), if~~] If a tax due under this chapter on a
 3381 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
 3382 enactment or repeal of a tax described in Subsection (3)(a) takes effect:

3383 (A) on the first day of a calendar quarter; and

3384 (B) beginning 60 days after the effective date of the enactment or repeal under
 3385 Subsection (3)(a).

3386 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
 3387 the commission may by rule define the term "catalogue sale."

3388 (e) For purposes of Subsection (3)(a), for an enactment or repeal on July 1, 2006, the
 3389 90-day period described in Subsection (3)(a)(ii) shall be a 30-day period.

3390 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be
 3391 administered, collected, and enforced in accordance with:

3392 (i) the same procedures used to administer, collect, and enforce the tax under:

3393 (A) Part 1, Tax Collection; or

3394 (B) Part 2, Local Sales and Use Tax Act; and

3395 (ii) Chapter 1, General Taxation Policies.

3396 (b) [~~Notwithstanding Subsection (4)(a), a~~] A tax under this part is not subject to
 3397 Subsections 59-12-205(2) through (9).

3398 Section 28. Section **59-12-603** is amended to read:

3399 **59-12-603. County tax -- Bases -- Rates -- Use of revenues -- Collection --**

3400 **Adoption of ordinance required -- Administration -- Distribution -- Enactment or repeal**
 3401 **of tax or tax rate change -- Effective date -- Notice requirements.**

3402 (1) In addition to any other taxes, a county legislative body may, as provided in this
 3403 part, impose a tax as follows:

3404 (a) (i) a county legislative body of any county may impose a tax of not to exceed 3% on
 3405 all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases and
 3406 rentals of motor vehicles made for the purpose of temporarily replacing a person's motor

3407 vehicle that is being repaired pursuant to a repair or an insurance agreement; and

3408 (ii) beginning on or after January 1, 1999, a county legislative body of any county
3409 imposing a tax under Subsection (1)(a)(i) may, in addition to imposing the tax under
3410 Subsection (1)(a)(i), impose a tax of not to exceed 4% on all short-term leases and rentals of
3411 motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made for
3412 the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to
3413 a repair or an insurance agreement;

3414 (b) a county legislative body of any county may impose a tax of not to exceed 1% of all
3415 sales of prepared foods and beverages that are sold by restaurants; and

3416 (c) a county legislative body of any county may impose a tax of not to exceed .5% on
3417 charges for the accommodations and services described in Subsection 59-12-103(1)(i).

3418 (2) (a) Subject to Subsection (2)(b), revenue from the imposition of the taxes provided
3419 for in Subsections (1)(a) through (c) may be used for the purposes of:

3420 (i) financing tourism promotion; and

3421 (ii) the development, operation, and maintenance of tourist, recreation, cultural, and
3422 convention facilities as defined in Section 59-12-602.

3423 (b) A county of the first class shall expend at least \$450,000 each year of the revenues
3424 from the imposition of a tax authorized by Subsection (1)(c) within the county to fund a
3425 marketing and ticketing system designed to:

3426 (i) promote tourism in ski areas within the county by persons that do not reside within
3427 the state; and

3428 (ii) combine the sale of:

3429 (A) ski lift tickets; and

3430 (B) accommodations and services described in Subsection 59-12-103(1)(i).

3431 (3) The tax imposed under Subsection (1)(c) shall be in addition to the tax imposed
3432 under Part 3, Transient Room Tax, and may be imposed only by a county of the first class.

3433 (4) A tax imposed under this part may be pledged as security for bonds, notes, or other
3434 evidences of indebtedness incurred by a county under Title 11, Chapter 14, Local Government
3435 Bonding Act, to finance tourism, recreation, cultural, and convention facilities.

3436 (5) (a) In order to impose the tax under Subsection (1), each county legislative body
3437 shall annually adopt an ordinance imposing the tax.

3438 (b) The ordinance under Subsection (5)(a) shall include provisions substantially the
3439 same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on
3440 those items and sales described in Subsection (1).

3441 (c) The name of the county as the taxing agency shall be substituted for that of the state
3442 where necessary, and an additional license is not required if one has been or is issued under
3443 Section 59-12-106.

3444 (6) In order to maintain in effect its tax ordinance adopted under this part, each county
3445 legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1,
3446 Tax Collection, adopt amendments to its tax ordinance to conform with the applicable
3447 amendments to Part 1, Tax Collection.

3448 (7) (a) (i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part
3449 shall be administered, collected, and enforced in accordance with:

3450 (A) the same procedures used to administer, collect, and enforce the tax under:

3451 (I) Part 1, Tax Collection; or

3452 (II) Part 2, Local Sales and Use Tax Act; and

3453 (B) Chapter 1, General Taxation Policies.

3454 (ii) Notwithstanding Subsection (7)(a)(i), a tax under this part is not subject to:

3455 (A) Sections 59-12-107.1 through 59-12-107.3;

3456 (B) Subsections 59-12-205(2) through [~~9~~] (8); or

3457 (C) Sections 59-12-207.1 through 59-12-207.4.

3458 (b) Except as provided in Subsection (7)(c):

3459 (i) for a tax under this part other than the tax under Subsection (1)(a)(ii), the
3460 commission shall distribute the revenues to the county imposing the tax; and

3461 (ii) for a tax under Subsection (1)(a)(ii), the commission shall distribute the revenues
3462 according to the distribution formula provided in Subsection (8).

3463 (c) Notwithstanding Subsection (7)(b), the commission shall deduct from the
3464 distributions under Subsection (7)(b) an administrative charge for collecting the tax as provided
3465 in Section 59-12-206.

3466 (8) The commission shall distribute the revenues generated by the tax under Subsection
3467 (1)(a)(ii) to each county collecting a tax under Subsection (1)(a)(ii) according to the following
3468 formula:

3469 (a) the commission shall distribute 70% of the revenues based on the percentages
3470 generated by dividing the revenues collected by each county under Subsection (1)(a)(ii) by the
3471 total revenues collected by all counties under Subsection (1)(a)(ii); and

3472 (b) the commission shall distribute 30% of the revenues based on the percentages
3473 generated by dividing the population of each county collecting a tax under Subsection (1)(a)(ii)
3474 by the total population of all counties collecting a tax under Subsection (1)(a)(ii).

3475 (9) (a) For purposes of this Subsection (9):

3476 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2,
3477 Annexation to County.

3478 (ii) "Annexing area" means an area that is annexed into a county.

3479 (b) (i) Except as provided in Subsection (9)(c), if, on or after July 1, 2004, a county
3480 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
3481 change shall take effect:

3482 (A) on the first day of a calendar quarter; and

3483 (B) after a 90-day period beginning on the date the commission receives notice meeting
3484 the requirements of Subsection (9)(b)(ii) from the county.

3485 (ii) The notice described in Subsection (9)(b)(i)(B) shall state:

3486 (A) that the county will enact or repeal a tax or change the rate of a tax under this part;

3487 (B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);

3488 (C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and

3489 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
3490 (9)(b)(ii)(A), the rate of the tax.

3491 (c) (i) Notwithstanding Subsection (9)(b)(i), for a transaction described in Subsection
3492 (9)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
3493 first billing period:

3494 (A) that begins after the effective date of the enactment of the tax or the tax rate
3495 increase; and

3496 (B) if the billing period for the transaction begins before the effective date of the
3497 enactment of the tax or the tax rate increase imposed under Subsection (1).

3498 (ii) Notwithstanding Subsection (9)(b)(i), for a transaction described in Subsection
3499 (9)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last

3500 billing period:

3501 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;

3502 and

3503 (B) if the billing period for the transaction begins before the effective date of the repeal

3504 of the tax or the tax rate decrease imposed under Subsection (1).

3505 (iii) Subsections (9)(c)(i) and (ii) apply to transactions subject to a tax under:

3506 (A) Subsection 59-12-103(1)(e);

3507 (B) Subsection 59-12-103(1)(i); or

3508 (C) Subsection 59-12-103(1)(k).

3509 (d) (i) Except as provided in Subsection (9)(e), if, for an annexation that occurs on or

3510 after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a

3511 tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

3512 (A) on the first day of a calendar quarter; and

3513 (B) after a 90-day period beginning on the date the commission receives notice meeting

3514 the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

3515 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:

3516 (A) that the annexation described in Subsection (9)(d)(i) will result in an enactment,

3517 repeal, or change in the rate of a tax under this part for the annexing area;

3518 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

3519 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

3520 (D) if the county enacts the tax or changes the rate of the tax described in Subsection

3521 (9)(d)(ii)(A), the rate of the tax.

3522 (e) (i) Notwithstanding Subsection (9)(d)(i), for a transaction described in Subsection

3523 (9)(e)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the

3524 first billing period:

3525 (A) that begins after the effective date of the enactment of the tax or the tax rate

3526 increase; and

3527 (B) if the billing period for the transaction begins before the effective date of the

3528 enactment of the tax or the tax rate increase imposed under Subsection (1).

3529 (ii) Notwithstanding Subsection (9)(d)(i), for a transaction described in Subsection

3530 (9)(e)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last

3531 billing period:

3532 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;

3533 and

3534 (B) if the billing period for the transaction begins before the effective date of the repeal

3535 of the tax or the tax rate decrease imposed under Subsection (1).

3536 (iii) Subsections (9)(e)(i) and (ii) apply to transactions subject to a tax under:

3537 (A) Subsection 59-12-103(1)(e);

3538 (B) Subsection 59-12-103(1)(i); or

3539 (C) Subsection 59-12-103(1)(k).

3540 Section 29. Section **59-12-902** is amended to read:

3541 **59-12-902. Sales tax refund for qualified emergency food agencies -- Use of**
 3542 **amounts received as refund -- Administration -- Rulemaking authority.**

3543 (1) [~~Beginning on January 1, 1998, a~~] A qualified emergency food agency may claim a
 3544 sales tax refund as provided in this section on the pounds of food and food ingredients donated
 3545 to the qualified emergency food agency.

3546 (2) (a) Subject to the adjustments provided for in Subsection (2)(b), a qualified
 3547 emergency food agency may claim a refund in an amount equal to the pounds of food and food
 3548 ingredients donated to the qualified emergency food agency multiplied by:

3549 (i) \$1.70; and

3550 (ii) [~~the sum of:~~] a percentage equal to the sum of the tax rates imposed in accordance
 3551 with Subsection 59-12-103(2)(a) on a transaction consummated within a county, city, or town
 3552 in the state.

3553 [~~(A) 4.75%; and~~]

3554 [~~(B) the sum of the tax rates provided for in Subsection (2)(b).]~~

3555 [~~(b) Tax rates authorized under the following apply to Subsection (2)(a)(ii)(B):]~~

3556 [~~(i) the tax rate authorized by Section 59-12-204;~~]

3557 [~~(ii) the tax rate authorized by Section 59-12-501 or Section 59-12-1001, but only if all~~
 3558 ~~of the counties, cities, and towns in the state impose the tax:]~~

3559 [~~(A) under Section 59-12-501; or~~]

3560 [~~(B) under Section 59-12-1001;~~]

3561 [~~(iii) the tax rate authorized by Section 59-12-502, but only if all of the counties, cities,~~

3562 and towns in the state impose the tax under Section 59-12-502;]

3563 [~~(iv) the tax rate authorized by Section 59-12-703, but only if all of the counties in the~~
3564 state impose the tax under Section 59-12-703; and]

3565 [~~(v) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the~~
3566 state impose the tax under Section 59-12-1102.]

3567 [~~(e)~~] (b) Beginning on January 1, 1999, the commission shall annually adjust on or
3568 before the second Monday of February the \$1.70 provided in Subsection (2)(a)(i) by a
3569 percentage equal to the percentage difference between the food at home category of the
3570 Consumer Price Index for:

3571 (i) the preceding calendar year; and

3572 (ii) calendar year 1997.

3573 (3) To claim a sales tax refund under this section, a qualified emergency food agency
3574 shall file an application with the commission.

3575 (4) A qualified emergency food agency may use amounts received as a sales tax refund
3576 under this section only for a purpose related to:

3577 (a) warehousing and distributing food and food ingredients to other agencies and
3578 organizations providing food and food ingredients to low-income persons; or

3579 (b) providing food and food ingredients directly to low-income persons.

3580 (5) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
3581 commission may make rules providing procedures for implementing the sales tax refund under
3582 this section, including:

3583 (a) standards for determining and verifying the amount of the sales tax refund; and

3584 (b) procedures for a qualified emergency food agency to apply for a sales tax refund,
3585 including the frequency with which a qualified emergency food agency may apply for a sales
3586 tax refund.

3587 (6) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
3588 Division of Housing and Community Development may establish rules providing for the
3589 certification of emergency food agencies to claim a refund under this part.

3590 Section 30. Section **59-12-1001** (See **59-1-1201 re: Eff**) is amended to read:

3591 **59-12-1001** (See **59-1-1201 re: Eff**). **Authority to impose tax for highways or to**
3592 **fund a system for public transit -- Ordinance requirements -- Enactment or repeal of tax**

3593 -- Effective date -- Notice requirements.

3594 (1) (a) Except as provided in Subsections (1)(b) and 59-12-207.1(7)(c) and subject to
 3595 Section 59-12-1802, a county, city, or town [~~in which the transactions described in Subsection~~
 3596 ~~59-12-103(1) are not subject to a sales and use] that does not impose a tax under Section
 3597 59-12-501 may as provided in this part impose a sales and use tax of .25% on the transactions
 3598 described in Subsection 59-12-103(1) located within the county, city, or town.~~

3599 (b) [~~Notwithstanding Subsection (1)(a), a~~] A county, city, or town may not impose a
 3600 tax under this section on the sales and uses described in Section 59-12-104 to the extent the
 3601 sales and uses are exempt from taxation under Section 59-12-104.

3602 (c) For purposes of this Subsection (1), the location of a transaction shall be
 3603 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

3604 (2) (a) A county, city, or town imposing a tax under this part may use the revenues
 3605 generated by the tax:

3606 (i) for the construction and maintenance of highways under the jurisdiction of the
 3607 county, city, or town imposing the tax;

3608 (ii) subject to Subsection (2)(b), to fund a system for public transit; or

3609 (iii) for a combination of the purposes described in Subsections (2)(a)(i) and (ii).

3610 (b) (i) For purposes of Subsection (2)(a)(ii) [~~and except as provided in Subsection~~
 3611 ~~(2)(b)(ii)], "public transit" is as defined in Section 17A-2-1004.~~

3612 (ii) Notwithstanding Subsection (2)(b)(i), "public transit" does not include a fixed
 3613 guideway system.

3614 (3) To impose a tax under this part, the [~~governing~~] legislative body of the county, city,
 3615 or town shall[~~:(a) pass~~] adopt an ordinance approving the tax[~~; and~~].

3616 [~~(b) except as provided in Subsection (7), obtain voter approval for the tax as provided~~
 3617 ~~in Subsection (4).]~~

3618 [~~(4) To obtain voter approval for a tax under Subsection (3)(b), a city or town shall:]~~

3619 [~~(a) hold an election during:]~~

3620 [~~(i) a regular general election; or]~~

3621 [~~(ii) a municipal general election; and]~~

3622 [~~(b) publish notice of the election:]~~

3623 [~~(i) 15 days or more before the day on which the election is held; and]~~

3624 ~~[(ii) in a newspaper of general circulation in the city or town.]~~
 3625 ~~[(5)]~~ (4) An ordinance approving a tax under this part shall provide an effective date
 3626 for the tax as provided in Subsection ~~[(6)]~~ (5).
 3627 ~~[(6)]~~ (5) (a) For purposes of this Subsection ~~[(6)]~~ (5):
 3628 (i) "Annexation" means an annexation to:
 3629 (A) a county under Title 17, Chapter 2, Annexation to County; or
 3630 (B) a city or town under Title 10, Chapter 2, Part 4, Annexation.
 3631 (ii) "Annexing area" means an area that is annexed into a county, city, or town.
 3632 (b) (i) Except as provided in ~~[Subsection (6)]~~ Subsection (5)(c) ~~[or]~~, (d), or (h), if, on
 3633 or after July 1, ~~[2004, a city or town enacts or repeals]~~ 2006, a county, city, or town enacts or
 3634 repeals a tax under this part, the enactment or repeal shall take effect:
 3635 (A) on the first day of a calendar quarter; and
 3636 (B) after a 90-day period beginning on the date the commission receives notice meeting
 3637 the requirements of Subsection ~~[(6)]~~ (5)(b)(ii) from the county, city, or town.
 3638 (ii) The notice described in Subsection ~~[(6)]~~ (5)(b)(i)(B) shall state:
 3639 (A) that ~~[the city or town will enact or repeal]~~ a tax under this part will be enacted or
 3640 repealed;
 3641 (B) the statutory authority for the tax described in Subsection ~~[(6)]~~ (5)(b)(ii)(A);
 3642 (C) the effective date of the ~~[tax]~~ enactment or repeal described in Subsection ~~[(6)]~~
 3643 (5)(b)(ii)(A); and
 3644 (D) if ~~[the city or town enacts]~~ the tax described in Subsection ~~[(6)]~~ (5)(b)(ii)(A) is
 3645 enacted, the rate of the tax.
 3646 (c) (i) ~~[Notwithstanding Subsection (6)(b)(i), for]~~ For a transaction described in
 3647 Subsection ~~[(6)]~~ (5)(c)(iii), the enactment of a tax shall take effect on the first day of the first
 3648 billing period:
 3649 (A) that begins after the effective date of the enactment of the tax; and
 3650 (B) if the billing period for the transaction begins before the effective date of the
 3651 enactment of the tax under Subsection (1).
 3652 (ii) ~~[Notwithstanding Subsection (6)(b)(i), for]~~ For a transaction described in
 3653 Subsection ~~[(6)]~~ (5)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing
 3654 period:

- 3655 (A) that began before the effective date of the repeal of the tax; and
- 3656 (B) if the billing period for the transaction begins before the effective date of the repeal
- 3657 of the tax imposed under Subsection (1).
- 3658 (iii) Subsections ~~[(6)]~~ (5)(c)(i) and (ii) apply to transactions subject to a tax under:
- 3659 (A) Subsection 59-12-103(1)(b);
- 3660 (B) Subsection 59-12-103(1)(c);
- 3661 (C) Subsection 59-12-103(1)(d);
- 3662 (D) Subsection 59-12-103(1)(e);
- 3663 (E) Subsection 59-12-103(1)(f);
- 3664 (F) Subsection 59-12-103(1)(g);
- 3665 (G) Subsection 59-12-103(1)(h);
- 3666 (H) Subsection 59-12-103(1)(i);
- 3667 (I) Subsection 59-12-103(1)(j); or
- 3668 (J) Subsection 59-12-103(1)(k).
- 3669 (d) (i) ~~[Notwithstanding Subsection (6)(b)(i), if]~~ If a tax due under this chapter on a
- 3670 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
- 3671 enactment or repeal of a tax described in Subsection ~~[(6)]~~ (5)(b)(i) takes effect:
- 3672 (A) on the first day of a calendar quarter; and
- 3673 (B) beginning 60 days after the effective date of the enactment or repeal under
- 3674 Subsection ~~[(6)]~~ (5)(b)(i).
- 3675 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
- 3676 the commission may by rule define the term "catalogue sale."
- 3677 (e) (i) Except as provided in Subsection ~~[(6)]~~ (5)(f) ~~[or]~~, (g), or (i), if, for an annexation
- 3678 that occurs on or after July 1, ~~[2004]~~ 2006, the annexation will result in the enactment or repeal
- 3679 of a tax under this part for an annexing area, the enactment or repeal shall take effect:
- 3680 (A) on the first day of a calendar quarter; and
- 3681 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 3682 the requirements of Subsection ~~[(6)]~~ (5)(e)(ii) from the county, city, or town that annexes the
- 3683 annexing area.
- 3684 (ii) The notice described in Subsection ~~[(6)]~~ (5)(e)(i)(B) shall state:
- 3685 (A) that the annexation described in Subsection ~~[(6)]~~ (5)(e)(i) will result in an

3686 enactment or repeal of a tax under this part for the annexing area;

3687 (B) the statutory authority for the tax described in Subsection [~~(6)~~] (5)(e)(ii)(A);

3688 (C) the effective date of the [~~tax~~] enactment or repeal described in Subsection [~~(6)~~]

3689 (5)(e)(ii)(A); and

3690 (D) if the tax described in Subsection (5)(e)(ii)(A) is enacted, the rate of the tax

3691 [~~described in Subsection (6)(e)(ii)(A)~~].

3692 (f) (i) [~~Notwithstanding Subsection (6)(e)(i), for~~] For a transaction described in

3693 Subsection [~~(6)~~] (5)(f)(iii), the enactment of a tax shall take effect on the first day of the first

3694 billing period:

3695 (A) that begins after the effective date of the enactment of the tax; and

3696 (B) if the billing period for the transaction begins before the effective date of the

3697 enactment of the tax under Subsection (1).

3698 (ii) [~~Notwithstanding Subsection (6)(e)(i), for~~] For a transaction described in

3699 Subsection [~~(6)~~] (5)(f)(iii), the repeal of a tax shall take effect on the first day of the last billing

3700 period:

3701 (A) that began before the effective date of the repeal of the tax; and

3702 (B) if the billing period for the transaction begins before the effective date of the repeal

3703 of the tax imposed under Subsection (1).

3704 (iii) Subsections [~~(6)~~] (5)(f)(i) and (ii) apply to transactions subject to a tax under:

3705 (A) Subsection 59-12-103(1)(b);

3706 (B) Subsection 59-12-103(1)(c);

3707 (C) Subsection 59-12-103(1)(d);

3708 (D) Subsection 59-12-103(1)(e);

3709 (E) Subsection 59-12-103(1)(f);

3710 (F) Subsection 59-12-103(1)(g);

3711 (G) Subsection 59-12-103(1)(h);

3712 (H) Subsection 59-12-103(1)(i);

3713 (I) Subsection 59-12-103(1)(j); or

3714 (J) Subsection 59-12-103(1)(k).

3715 (g) (i) [~~Notwithstanding Subsection (6)(e)(i), if~~] If a tax due under this chapter on a

3716 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an

3717 enactment or repeal of a tax described in Subsection [~~(6)~~] (5)(e)(i) takes effect:

3718 (A) on the first day of a calendar quarter; and

3719 (B) beginning 60 days after the effective date of the enactment or repeal under
3720 Subsection [~~(6)~~] (5)(e)(i).

3721 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
3722 the commission may by rule define the term "catalogue sale."

3723 (h) For purposes of Subsection (5)(b)(i), for a tax enacted or repealed under this part on
3724 July 1, 2006, the 90-day period described in Subsection (5)(b)(i)(B) shall be a 30-day period.

3725 (i) For purposes of Subsection (5)(e)(i), for an enactment or repeal on July 1, 2006, the
3726 90-day period described in Subsection (5)(e)(i)(B) shall be a 30-day period.

3727 [~~(7) (a) Except as provided in Subsection (7)(b), a city or town is not subject to the~~
3728 ~~voter approval requirements of Subsection (3)(b) if:]~~

3729 [~~(i) on or before January 1, 1996, the city or town imposed a license fee or tax on~~
3730 ~~businesses based on gross receipts pursuant to Section 10-1-203; or]~~

3731 [~~(ii) the city or town:]~~

3732 [~~(A) on or before June 30, 2002, obtained voter approval in accordance with~~
3733 ~~Subsection (3)(b) to impose a tax under this part for a purpose described in Subsection~~
3734 ~~(2)(a)(i); and]~~

3735 [~~(B) on or after July 1, 2002, uses the revenues generated by a tax under this part for a~~
3736 ~~purpose described in Subsection (2)(a).:]~~

3737 [~~(b) Notwithstanding Subsection (7)(a), the exception from the voter approval~~
3738 ~~requirements in Subsection (7)(a)(i) does not apply to a city or town that, on or before January~~
3739 ~~1, 1996, imposed a license fee or tax on only one class of businesses based on gross receipts~~
3740 ~~pursuant to Section 10-1-203.]~~

3741 Section 31. Section **59-12-1002** is amended to read:

3742 **59-12-1002. Collection of taxes by commission -- Charge for service.**

3743 (1) The commission shall:

3744 (a) collect the tax imposed by a county, city, or town under this part; and

3745 (b) subject to Subsection (3), transmit to the county, city, or town monthly by
3746 electronic funds transfer the revenues generated by the tax imposed by the city or town.

3747 (2) (a) Except as provided in Subsection (2)(b), a tax authorized under this part shall be

3748 administered, collected, and enforced in accordance with:

3749 (i) the same procedures used to administer, collect, and enforce the tax under:

3750 (A) Part 1, Tax Collection; or

3751 (B) Part 2, Local Sales and Use Tax Act; and

3752 (ii) Chapter 1, General Taxation Policies.

3753 (b) Notwithstanding Subsection (2)(a), a tax under this part is not subject to

3754 Subsections 59-12-205(2) through [~~(9)~~] (8).

3755 (3) (a) The commission shall charge a county, city, or town imposing a tax under this

3756 part a fee for administering the tax as provided in Subsections (3)(b) and (c).

3757 (b) The fee shall be in an amount equal to the costs of administering the tax under this

3758 part, except that the fee may not exceed 1-1/2% of the revenues generated in the county, city, or

3759 town by the tax under this part.

3760 (c) Fees under this Subsection (3) shall be:

3761 (i) placed in the Sales and Use Tax Administrative Fees Account; and

3762 (ii) used for sales tax administration as provided in [~~Subsection~~] Section

3763 59-12-206[~~(2)~~].

3764 Section 32. Section **59-12-1002.1** is enacted to read:

3765 **59-12-1002.1. Distribution of tax revenues -- Rulemaking authority.**

3766 (1) (a) For a transaction that is reported to the commission on a return other than a

3767 simplified electronic return, the commission shall distribute the revenues generated by a tax

3768 imposed under this part to the counties, cities, and towns that impose the tax in accordance

3769 with Subsections (1)(b) through (h).

3770 (b) (i) Except as provided in Subsections (1)(c) through (h), for a transaction described

3771 in Subsection (1)(b)(ii), a tax imposed by a county, city, or town under this part shall be

3772 distributed to the county, city, or town within which the place of business of the seller is

3773 located.

3774 (ii) Subsection (1)(b)(i) applies to a transaction other than a transaction described in:

3775 (A) Subsection (1)(c)(ii);

3776 (B) Subsection (1)(d)(ii);

3777 (C) Subsection (1)(e)(ii);

3778 (D) Subsection (1)(f)(ii);

3779 (E) Subsection (1)(g)(ii); or

3780 (F) Subsection (1)(h).

3781 (c) (i) For a transaction described in Subsection (1)(c)(ii), the total revenues remitted to
3782 the commission each month that are generated by a tax imposed under this part by a county,
3783 city, or town on the transactions described in Subsection (1)(c)(ii) shall be distributed:

3784 (A) to each county, city, or town that imposes the tax; and

3785 (B) (I) if imposed by a county on a countywide basis, on the basis of total revenues
3786 generated by the transactions described in Subsection (1)(c)(ii) that are reported to the
3787 commission for that month within the county; or

3788 (II) if imposed by a county for a portion of the county, or by a city or town, on the basis
3789 of the proportion of total revenues generated by the transactions described in Subsection (1)(b)
3790 that are reported to the commission for that month within each portion of the county, and each
3791 city or town within that county, as compared to the total revenues generated by the transactions
3792 described in Subsection (1)(b) that are reported to the commission for that month within all
3793 portions of the county and all cities and towns within that county.

3794 (ii) Subsection (1)(c)(i) applies to a transaction:

3795 (A) made by a seller described in Subsection 59-12-107(1)(b); and

3796 (B) involving tangible personal property that is shipped from outside the state.

3797 (d) (i) For a transaction described in Subsection (1)(d)(ii), the total revenues reported to
3798 the commission each month that are generated by a tax imposed under this part by a county,
3799 city, or town on the transactions described in Subsection (1)(d)(ii) shall be distributed:

3800 (A) to each county, city, or town that imposes the tax; and

3801 (B) (I) if imposed by a county on a countywide basis, on the basis of total revenues
3802 generated by the transactions described in Subsection (1)(d)(ii) that are reported to the
3803 commission for that month within the county; or

3804 (II) if imposed by a county for a portion of the county, or by a city or town, on the basis
3805 of the proportion of total revenues generated by the transactions described in Subsection (1)(b)
3806 that are reported to the commission for that month within each portion of the county, and each
3807 city or town within that county, as compared to the total revenues generated by the transactions
3808 described in Subsection (1)(b) that are reported to the commission for that month within all
3809 portions of the county and all cities and towns within that county.

3810 (ii) Subsection (1)(d)(i) applies to a transaction:
3811 (A) made from a location in the state other than a fixed place of business in the state;
3812 or
3813 (B) (I) made by a seller described in Subsection 59-12-107(1)(a); and
3814 (II) involving tangible personal property that is shipped from outside the state.
3815 (e) (i) For a transaction described in Subsection (1)(e)(ii), the total revenues reported to
3816 the commission each month that are generated by a tax imposed under this part by a county,
3817 city, or town on the transactions described in Subsection (1)(e)(ii) shall be distributed:
3818 (A) to each county, city, or town that imposes the tax; and
3819 (B) on the basis of the proportion of the total revenues generated by the transactions
3820 described in Subsection (1)(b) that are reported to the commission for that month within each
3821 county, city, or town as compared to the total revenues generated by the transactions described
3822 in Subsection (1)(b) that are reported to the commission for that month within the state.
3823 (ii) Subsection (1)(e)(i) applies to a transaction involving tangible personal property
3824 purchased with a direct payment permit in accordance with Section 59-12-107.1.
3825 (f) (i) For a transaction described in Subsection (1)(f)(ii), the total revenues reported to
3826 the commission each month that are generated by a tax imposed under this part by a county,
3827 city, or town on the transactions described in Subsection (1)(f)(ii) shall be distributed to the
3828 county, city, or town within which the place of business of the purchaser is located.
3829 (ii) Subsection (1)(f)(i) applies to a transaction involving a good or service:
3830 (A) described in Subsection 59-12-107.2(1)(b);
3831 (B) that is concurrently available for use in more than one location; and
3832 (C) purchased using the form described in Section 59-12-107.2.
3833 (g) (i) For a transaction described in Subsection (1)(g)(ii), the total revenues reported to
3834 the commission each month that are generated by a tax imposed under this part by a county,
3835 city, or town on the transactions described in Subsection (1)(g)(ii) shall be distributed:
3836 (A) to each county, city, or town that imposes the tax; and
3837 (B) on the basis of the proportion of total revenues generated by the transactions
3838 described in Subsection (1)(b) that are reported to the commission for that month within each
3839 county, city, or town as compared to total revenues generated by the transactions described in
3840 Subsection (1)(b) that are reported to the commission for that month within the state.

3841 (ii) Subsection (1)(g)(i) applies to a transaction involving a purchase of direct mail if
3842 the purchaser of the direct mail provides to the seller the form described in Subsection
3843 59-12-107.3(1)(a) at the time of the purchase of the direct mail.

3844 (h) For a transaction involving the sale of a service described in Section 59-12-207.4, a
3845 tax imposed under this part by a county, city, or town shall be distributed on the basis of the
3846 location of the transaction determined under Section 59-12-207.4.

3847 (2) (a) For a transaction that is reported to the commission on a simplified electronic
3848 return, the distribution of a tax imposed under this part by a county, city, or town on that
3849 transaction is determined in accordance with Subsections (2)(b) through (e).

3850 (b) (i) Except as provided in Subsections (2)(c) through (e), the total revenues reported
3851 to the commission each month on the simplified electronic return shall be distributed:

3852 (A) to each county, city, or town that imposes a tax under this part; and

3853 (B) on the basis of total revenues generated by the transactions described in Subsection
3854 (1)(b)(ii) that are reported to the commission in accordance with Subsection (2)(b)(ii) for that
3855 month within each county, city, and town.

3856 (ii) In making the distributions required by Subsection (2)(b)(i), the commission shall
3857 use the total revenues generated by the transactions described in Subsection (1)(b)(ii) reported
3858 to the commission:

3859 (A) in the report required by Subsection 59-12-105(2); and

3860 (B) if a county, city, or town that imposes a tax under this part reports revenues to the
3861 commission in accordance with Subsection (2)(b)(iii), in the report made in accordance with
3862 Subsection (2)(b)(iii).

3863 (iii) (A) For purposes of this Subsection (2)(b)(iii), a county, city, or town that imposes
3864 a tax under this part may report to the commission the revenues generated by the tax imposed
3865 under this part within the county, city, or town if a seller:

3866 (I) opens an additional place of business within the county, city, or town after the seller
3867 makes an initial application for a license under Section 59-12-106; and

3868 (II) estimates that the additional place of business will increase by 5% or more the
3869 revenues generated by a tax imposed under this part within the county, city, or town.

3870 (B) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
3871 the commission may make rules providing procedures and requirements for making the report

3872 described in this Subsection (2)(b)(iii).

3873 (c) (i) For a transaction described in Subsection (2)(c)(ii), the total revenues reported to
3874 the commission each month that are generated by a tax imposed under this part by a county,
3875 city, or town on the transactions described in Subsection (2)(c)(ii) shall be distributed:

3876 (A) to each county, city, or town that imposes the tax; and

3877 (B) (I) if imposed by a county on a countywide basis, on the basis of the proportion of
3878 total revenues generated by the transactions described in Subsection (1)(b) that are reported to
3879 the commission for that month within the county as compared to the total revenues generated
3880 by the transactions described in Subsection (1)(b) that are reported to the commission for that
3881 month within the state; or

3882 (II) if imposed by a portion of a county, or by a city or town, on the basis of the
3883 proportion of total revenues generated by the transactions described in Subsection (1)(b) that
3884 are reported to the commission for that month within each portion of the county, or each city or
3885 town, as compared to the total revenues generated by the transactions described in Subsection
3886 (1)(b) that are reported to the commission for that month within the state.

3887 (ii) Subsection (2)(c)(i) applies to a transaction:

3888 (A) made from a location in the state other than a fixed place of business in the state;

3889 or

3890 (B) (I) made by a seller described in Subsection 59-12-107(1)(a); and

3891 (II) involving tangible personal property that is shipped from outside the state.

3892 (d) (i) For a transaction described in Subsection (2)(d)(ii), the total revenues remitted
3893 to the commission each month that are generated by a tax imposed under this part by a county,
3894 city, or town on the transactions described in Subsection (2)(d)(ii) shall be distributed:

3895 (A) to each county, city, or town that imposes the tax; and

3896 (B) (I) if imposed by a county on a countywide basis, on the basis of the proportion of
3897 total revenues generated by the transactions described in Subsection (1)(b) that are reported to
3898 the commission for that month within the county as compared to the total revenues generated
3899 by the transactions described in Subsection (1)(b) that are reported to the commission for that
3900 month within the state; or

3901 (II) if imposed by a portion of a county, or by a city or town, on the basis of the
3902 proportion of total revenues generated by the transactions described in Subsection (1)(b) that

3903 are reported to the commission for that month within each portion of the county, or each city or
 3904 town, as compared to the total revenues generated by the transactions described in Subsection
 3905 (1)(b) that are reported to the commission for that month within the state.

3906 (ii) Subsection (2)(d)(i) applies to a transaction:

3907 (A) made by a seller described in Subsection 59-12-107(1)(b); and

3908 (B) involving tangible personal property that is shipped from outside the state.

3909 (e) (i) For a transaction described in Subsection (2)(e)(ii), the total revenues reported to
 3910 the commission each month that are generated by a tax imposed under this part by a county,

3911 city, or town on the transactions described in Subsection (2)(e)(ii) shall be distributed:

3912 (A) to each county, city, or town that imposes the tax; and

3913 (B) on the basis of the proportion of total revenues generated by the transactions
 3914 described in Subsection (1)(b) that are reported to the commission for that month within each
 3915 county, city, or town that imposes a tax under this part as compared to the total revenues
 3916 generated by the transactions described in Subsection (1)(b) that are reported to the
 3917 commission for that month within the state.

3918 (ii) Subsection (2)(e)(i) applies to a transaction involving tangible personal property
 3919 purchased with a direct payment permit in accordance with Section 59-12-107.1.

3920 (3) For purposes of this section and in accordance with Title 63, Chapter 46a, Utah
 3921 Administrative Rulemaking Act, the commission may make rules defining what constitutes a
 3922 fixed place of business in the state.

3923 Section 33. Section **59-12-1102 (See 59-1-1201 re: Eff)** is amended to read:

3924 **59-12-1102 (See 59-1-1201 re: Eff). Base -- Rate -- Imposition of tax --**

3925 **Distribution of revenue -- Administration -- Enactment or repeal of tax -- Effective date --**
 3926 **Notice requirements.**

3927 (1) (a) (i) Except as provided in Subsections (1)(a)(ii) and 59-12-207.1(7)(c), subject to
 3928 the other provisions of [~~Subsections (2) through (5)~~] this section, and in addition to any other
 3929 tax authorized by this chapter, a county may impose by ordinance a county option sales and use
 3930 tax of .25% ~~[upon]~~ on the transactions described in Subsection 59-12-103(1).

3931 (ii) Notwithstanding Subsection (1)(a)(i), a county may not impose a tax under this
 3932 section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
 3933 exempt from taxation under Section 59-12-104.

3934 (b) (i) Subject to Subsections (1)(b)(ii) and (iii) and except as provided in Subsection
3935 (1)(b)(iv), if a county does not impose by ordinance a tax under this section, a tax shall be
3936 imposed under this section:

3937 (A) by the state;

3938 (B) beginning on July 1, 2006, and ending on the day on which the county by
3939 ordinance imposes a tax under this section; and

3940 (C) at the rate of .25% on the transactions listed in Subsection 59-12-103(1) located
3941 within the county, including transactions that are located within municipalities in the county.

3942 (ii) If the state imposes a tax under this section, the:

3943 (A) commission shall collect the tax;

3944 (B) commission may not retain any amount for collecting the tax; and

3945 (C) revenues generated by the tax shall be deposited into the General Fund as required
3946 by Section 59-12-103.

3947 (iii) If the state imposes a tax in accordance with this Subsection (1)(b), the state:

3948 (A) is not subject to the other provisions of this part; and

3949 (B) shall impose the tax in accordance with the procedures and requirements of Part 1,
3950 Tax Collection.

3951 (iv) The state may not impose a tax under this section on the sales and uses described
3952 in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section
3953 59-12-104.

3954 ~~(b)~~ (c) For purposes of this Subsection (1), the location of a transaction shall be
3955 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

3956 ~~(c)~~ (d) The county option sales and use tax under this section shall be imposed:

3957 (i) upon transactions that are located within the county, including transactions that are
3958 located within municipalities in the county; and

3959 (ii) except as provided in Subsection (1)~~(d)~~(e) or (5), beginning on the first day of
3960 January:

3961 (A) of the next calendar year after adoption of the ordinance imposing the tax if the
3962 ordinance is adopted on or before May 25; or

3963 (B) of the second calendar year after adoption of the ordinance imposing the tax if the
3964 ordinance is adopted after May 25.

3965 [~~(d)~~] (e) Notwithstanding Subsection (1)[~~(e)~~](d)(ii), the county option sales and use tax
3966 under this section shall be imposed:

3967 (i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before
3968 September 4, 1997; or

3969 (ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during 1997
3970 but after September 4, 1997.

3971 (2) (a) Before imposing a county option sales and use tax under Subsection (1), a
3972 county shall hold two public hearings on separate days in geographically diverse locations in
3973 the county.

3974 (b) (i) At least one of the hearings required by Subsection (2)(a) shall have a starting
3975 time of no earlier than 6 p.m.

3976 (ii) The earlier of the hearings required by Subsection (2)(a) shall be no less than seven
3977 days after the day the first advertisement required by Subsection (2)(c) is published.

3978 (c) (i) Before holding the public hearings required by Subsection (2)(a), the county
3979 shall advertise in a newspaper of general circulation in the county:

3980 (A) its intent to adopt a county option sales and use tax;

3981 (B) the date, time, and location of each public hearing; and

3982 (C) a statement that the purpose of each public hearing is to obtain public comments
3983 regarding the proposed tax.

3984 (ii) The advertisement shall be published once each week for the two weeks preceding
3985 the earlier of the two public hearings.

3986 (iii) The advertisement shall be no less than 1/8 page in size, and the type used shall be
3987 no smaller than 18 point and surrounded by a 1/4-inch border.

3988 (iv) The advertisement may not be placed in that portion of the newspaper where legal
3989 notices and classified advertisements appear.

3990 (v) Whenever possible:

3991 (A) the advertisement shall appear in a newspaper that is published at least five days a
3992 week, unless the only newspaper in the county is published less than five days a week; and

3993 (B) the newspaper selected shall be one of general interest and readership in the
3994 community, and not one of limited subject matter.

3995 (d) The adoption of an ordinance imposing a county option sales and use tax is subject

3996 to a local referendum election as provided in Title 20A, Chapter 7, Part 6, Local Referenda -
3997 Procedures, except that:

3998 (i) notwithstanding Subsection 20A-7-609(2)(a), the county clerk shall hold a
3999 referendum election that qualifies for the ballot on the earlier of the next regular general
4000 election date or the next municipal general election date more than 155 days after adoption of
4001 an ordinance under this section;

4002 (ii) for 1997 only, the 120-day period in Subsection 20A-7-606(1) shall be 30 days; and

4003 (iii) the deadlines in Subsections 20A-7-606(2) and (3) do not apply, and the clerk shall
4004 take the actions required by those subsections before the referendum election.

4005 (3) (a) If the aggregate population of the counties imposing a county option sales and
4006 use tax under Subsection (1) is less than 75% of the state population, the tax levied under
4007 Subsection (1) shall be distributed to the county in which the tax was [~~collected~~] imposed.

4008 (b) If the aggregate population of the counties imposing a county option sales and use
4009 tax under Subsection (1) is greater than or equal to 75% of the state population:

4010 (i) 50% of the tax collected under Subsection (1) in each county shall be distributed to
4011 the county in which the tax was [~~collected~~] imposed as determined under Section
4012 59-12-1102.1; and

4013 (ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection
4014 (1) in each county shall be distributed proportionately among all counties imposing the tax,
4015 based on the total population of each county.

4016 (c) If the amount to be distributed annually to a county under Subsection (3)(b)(ii),
4017 when combined with the amount distributed to the county under Subsection (3)(b)(i), does not
4018 equal at least \$75,000, then:

4019 (i) the amount to be distributed annually to that county under Subsection (3)(b)(ii) shall
4020 be increased so that, when combined with the amount distributed to the county under
4021 Subsection (3)(b)(i), the amount distributed annually to the county is \$75,000; and

4022 (ii) the amount to be distributed annually to all other counties under Subsection
4023 (3)(b)(ii) shall be reduced proportionately to offset the additional amount distributed under
4024 Subsection (3)(c)(i).

4025 (d) The commission shall establish rules to implement the distribution of the tax under
4026 Subsections (3)(a), (b), and (c).

4027 (4) (a) Except as provided in Subsection (4)(b) or (c), a tax authorized under this part
 4028 shall be administered, collected, and enforced in accordance with:

4029 (i) the same procedures used to administer, collect, and enforce the tax under:

4030 (A) Part 1, Tax Collection; or

4031 (B) Part 2, Local Sales and Use Tax Act; and

4032 (ii) Chapter 1, General Taxation Policies.

4033 (b) Notwithstanding Subsection (4)(a), a tax under this part is not subject to
 4034 Subsections 59-12-205(2) through ~~(7)~~ (8).

4035 (c) Notwithstanding Subsection (4)(a), the fee charged by the commission under
 4036 Section 59-12-206 shall be based on the distribution amounts resulting after all the applicable
 4037 distribution calculations under Subsection (3) have been made.

4038 (5) (a) For purposes of this Subsection (5):

4039 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2,
 4040 Annexation to County.

4041 (ii) "Annexing area" means an area that is annexed into a county.

4042 (b) (i) Except as provided in Subsection (5)(c) ~~[or]~~, (d), ~~or (h)~~, if, on or after July 1,
 4043 ~~[2004, a county enacts or repeals]~~ 2006, a tax under this part is enacted or repealed within a
 4044 county regardless of whether the tax under this part is enacted or repealed by the state or by the
 4045 county:

4046 (A) (I) the enactment shall take effect as provided in Subsection (1)~~(e)~~ (d); or

4047 (II) the repeal shall take effect on the first day of a calendar quarter; and

4048 (B) after a 90-day period beginning on the date the commission receives notice meeting
 4049 the requirements of Subsection (5)(b)(ii) from the county.

4050 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

4051 (A) that ~~[the county will enact or repeal]~~ a tax under this part will be enacted or
 4052 repealed;

4053 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

4054 (C) the effective date of the ~~[tax]~~ enactment or repeal described in Subsection
 4055 (5)(b)(ii)(A); and

4056 (D) if ~~[the county enacts]~~ the tax described in Subsection (5)(b)(ii)(A) is enacted, the
 4057 rate of the tax.

4058 (c) (i) [~~Notwithstanding Subsection (5)(b)(i), for~~] For a transaction described in
4059 Subsection (5)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing
4060 period:

4061 (A) that begins after the effective date of the enactment of the tax; and

4062 (B) if the billing period for the transaction begins before the effective date of the
4063 enactment of the tax under Subsection (1).

4064 (ii) [~~Notwithstanding Subsection (5)(b)(i), for~~] For a transaction described in
4065 Subsection (5)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing
4066 period:

4067 (A) that began before the effective date of the repeal of the tax; and

4068 (B) if the billing period for the transaction begins before the effective date of the repeal
4069 of the tax imposed under Subsection (1).

4070 (iii) Subsections (5)(c)(i) and (ii) apply to transactions subject to a tax under:

4071 (A) Subsection 59-12-103(1)(b);

4072 (B) Subsection 59-12-103(1)(c);

4073 (C) Subsection 59-12-103(1)(d);

4074 (D) Subsection 59-12-103(1)(e);

4075 (E) Subsection 59-12-103(1)(f);

4076 (F) Subsection 59-12-103(1)(g);

4077 (G) Subsection 59-12-103(1)(h);

4078 (H) Subsection 59-12-103(1)(i);

4079 (I) Subsection 59-12-103(1)(j); or

4080 (J) Subsection 59-12-103(1)(k).

4081 (d) (i) [~~Notwithstanding Subsection (5)(b)(i), if~~] If a tax due under this chapter on a
4082 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
4083 enactment or repeal of a tax described in Subsection (5)(b)(i) takes effect:

4084 (A) on the first day of a calendar quarter; and

4085 (B) beginning 60 days after the effective date of the enactment or repeal under
4086 Subsection (5)(b)(i).

4087 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
4088 the commission may by rule define the term "catalogue sale."

4089 (e) (i) Except as provided in Subsection (5)(f) [~~or~~], (g), or (i), if, for an annexation that
4090 occurs on or after July 1, [~~2004~~] 2006, the annexation will result in the enactment or repeal of a
4091 tax under this part for an annexing area regardless of whether the tax under this part is enacted
4092 or repealed by the state or by the county, the enactment or repeal shall take effect:

4093 (A) on the first day of a calendar quarter; and

4094 (B) after a 90-day period beginning on the date the commission receives notice meeting
4095 the requirements of Subsection (5)(e)(ii) from the county that annexes the annexing area.

4096 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

4097 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
4098 repeal of a tax under this part for the annexing area;

4099 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

4100 (C) the effective date of the [~~tax~~] enactment or repeal described in Subsection
4101 (5)(e)(ii)(A); and

4102 (D) if the tax described in Subsection (5)(e)(ii)(A) is enacted, the rate of the tax
4103 [~~described in Subsection (5)(e)(ii)(A)~~].

4104 (f) (i) [~~Notwithstanding Subsection (5)(e)(i), for~~] For a transaction described in
4105 Subsection (5)(f)(iii), the enactment of a tax shall take effect on the first day of the first billing
4106 period:

4107 (A) that begins after the effective date of the enactment of the tax; and

4108 (B) if the billing period for the transaction begins before the effective date of the
4109 enactment of the tax under Subsection (1).

4110 (ii) [~~Notwithstanding Subsection (5)(e)(i), for~~] For a transaction described in
4111 Subsection (5)(f)(iii), the repeal of a tax shall take effect on the first day of the last billing
4112 period:

4113 (A) that began before the effective date of the repeal of the tax; and

4114 (B) if the billing period for the transaction begins before the effective date of the repeal
4115 of the tax imposed under Subsection (1).

4116 (iii) Subsections (5)(f)(i) and (ii) apply to transactions subject to a tax under:

4117 (A) Subsection 59-12-103(1)(b);

4118 (B) Subsection 59-12-103(1)(c);

4119 (C) Subsection 59-12-103(1)(d);

4120 (D) Subsection 59-12-103(1)(e);

4121 (E) Subsection 59-12-103(1)(f);

4122 (F) Subsection 59-12-103(1)(g);

4123 (G) Subsection 59-12-103(1)(h);

4124 (H) Subsection 59-12-103(1)(i);

4125 (I) Subsection 59-12-103(1)(j); or

4126 (J) Subsection 59-12-103(1)(k).

4127 (g) (i) ~~[Notwithstanding Subsection (5)(e)(i), if]~~ If a tax due under this chapter on a
4128 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
4129 enactment or repeal of a tax described in Subsection (5)(e)(i) takes effect:

4130 (A) on the first day of a calendar quarter; and

4131 (B) beginning 60 days after the effective date of the enactment or repeal under
4132 Subsection (5)(e)(i).

4133 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
4134 the commission may by rule define the term "catalogue sale."

4135 (h) For purposes of Subsection (5)(b)(i), for a tax enacted or repealed under this part on
4136 July 1, 2006, the 90-day period described in Subsection (5)(b)(i)(B) shall be a 30-day period.

4137 (i) For purposes of Subsection (5)(e)(i), for an enactment or repeal on July 1, 2006, the
4138 90-day period described in Subsection (5)(e)(i)(B) shall be a 30-day period.

4139 Section 34. Section **59-12-1102.1** is enacted to read:

4140 **59-12-1102.1. Distribution of tax revenues -- Rulemaking authority.**

4141 (1) (a) For a transaction that is reported to the commission on a return other than a
4142 simplified electronic return, the commission shall distribute the revenues described in
4143 Subsection 59-12-1102(3)(b)(i) to the counties that impose the tax in accordance with
4144 Subsections (1)(b) through (h).

4145 (b) (i) Except as provided in Subsections (1)(c) through (h), for a transaction described
4146 in Subsection (1)(b)(ii), a tax imposed by a county under this part shall be distributed to the
4147 county within which the place of business of the seller is located.

4148 (ii) Subsection (1)(b)(i) applies to a transaction other than a transaction described in:

4149 (A) Subsection (1)(c)(ii);

4150 (B) Subsection (1)(d)(ii);

4151 (C) Subsection (1)(e)(ii);
4152 (D) Subsection (1)(f)(ii);
4153 (E) Subsection (1)(g)(ii); or
4154 (F) Subsection (1)(h).
4155 (c) (i) For a transaction described in Subsection (1)(c)(ii), the total revenues remitted to
4156 the commission each month that are generated by a tax imposed under this part by a county on
4157 the transactions described in Subsection (1)(c)(ii) shall be distributed:
4158 (A) to each county that imposes the tax; and
4159 (B) on the basis of total revenues generated by the transactions described in Subsection
4160 (1)(c)(ii) that are reported to the commission for that month within the county.
4161 (ii) Subsection (1)(c)(i) applies to a transaction:
4162 (A) made by a seller described in Subsection 59-12-107(1)(b); and
4163 (B) involving tangible personal property that is shipped from outside the state.
4164 (d) (i) For a transaction described in Subsection (1)(d)(ii), the total revenues reported to
4165 the commission each month that are generated by a tax imposed under this part by a county on
4166 the transactions described in Subsection (1)(d)(ii) shall be distributed:
4167 (A) to each county that imposes the tax; and
4168 (B) on the basis of total revenues generated by the transactions described in Subsection
4169 (1)(d)(ii) that are reported to the commission for that month within the county.
4170 (ii) Subsection (1)(d)(i) applies to a transaction:
4171 (A) made from a location in the state other than a fixed place of business in the state;
4172 or
4173 (B) (I) made by a seller described in Subsection 59-12-107(1)(a); and
4174 (II) involving tangible personal property that is shipped from outside the state.
4175 (e) (i) For a transaction described in Subsection (1)(e)(ii), the total revenues reported to
4176 the commission each month that are generated by a tax imposed under this part by a county on
4177 the transactions described in Subsection (1)(e)(ii) shall be distributed:
4178 (A) to each county that imposes the tax; and
4179 (B) on the basis of the proportion of total revenues generated by the transactions
4180 described in Subsection (1)(b) that are reported to the commission for that month within each
4181 county as compared to the total revenues generated by the transactions described in Subsection

4182 (1)(b) that are reported to the commission for that month within the state.

4183 (ii) Subsection (1)(e)(i) applies to a transaction involving tangible personal property
4184 purchased with a direct payment permit in accordance with Section 59-12-107.1.

4185 (f) (i) For a transaction described in Subsection (1)(f)(ii), the total revenues reported to
4186 the commission each month that are generated by a tax imposed under this part by a county on
4187 the transactions described in Subsection (1)(f)(ii) shall be distributed to the county within
4188 which the place of business of the purchaser is located.

4189 (ii) Subsection (1)(f)(i) applies to a transaction involving a good or service:

4190 (A) described in Subsection 59-12-107.2(1)(b);

4191 (B) that is concurrently available for use in more than one location; and

4192 (C) purchased using the form described in Section 59-12-107.2.

4193 (g) (i) For a transaction described in Subsection (1)(g)(ii), the total revenues reported to
4194 the commission each month that are generated by a tax imposed under this part by a county on
4195 the transactions described in Subsection (1)(g)(ii) shall be distributed:

4196 (A) to each county that imposes the tax; and

4197 (B) on the basis of the proportion of total revenues generated by the transactions
4198 described in Subsection (1)(b) that are reported to the commission for that month within each
4199 county as compared to total revenues generated by the transactions described in Subsection
4200 (1)(b) that are reported to the commission for that month within the state.

4201 (ii) Subsection (1)(g)(i) applies to a transaction involving a purchase of direct mail if
4202 the purchaser of the direct mail provides to the seller the form described in Subsection
4203 59-12-107.3(1)(a) at the time of the purchase of the direct mail.

4204 (h) For a transaction involving the sale of a service described in Section 59-12-207.4, a
4205 tax imposed under this part by a county shall be distributed on the basis of the location of the
4206 transaction determined under Section 59-12-207.4.

4207 (2) (a) For a transaction that is reported to the commission on a simplified electronic
4208 return, the revenues described in Subsection 59-12-1102(3)(b)(i) shall be distributed to the
4209 counties that impose a tax under this part on that transaction in accordance with Subsections
4210 (2)(b) through (e).

4211 (b) (i) Except as provided in Subsections (2)(c) through (e), the total revenues reported
4212 to the commission each month on the simplified electronic return shall be distributed:

4213 (A) to each county that imposes a tax under this part; and
4214 (B) on the basis of total revenues generated by the transactions described in Subsection
4215 (1)(b)(ii) that are reported to the commission in accordance with Subsection (2)(b)(ii) for that
4216 month within each county.
4217 (ii) In making the distributions required by Subsection (2)(b)(i), the commission shall
4218 use the total revenues generated by the transactions described in Subsection (1)(b)(ii) reported
4219 to the commission:
4220 (A) in the report required by Subsection 59-12-105(2); and
4221 (B) if a county that imposes a tax under this part reports revenues to the commission in
4222 accordance with Subsection (2)(b)(iii), in the report made in accordance with Subsection
4223 (2)(b)(iii).
4224 (iii) (A) For purposes of this Subsection (2)(b)(iii), a county that imposes a tax under
4225 this part may report to the commission the revenues generated by the tax imposed under this
4226 part within the county if a seller:
4227 (I) opens an additional place of business within the county after the seller makes an
4228 initial application for a license under Section 59-12-106; and
4229 (II) estimates that the additional place of business will increase by 5% or more the
4230 revenues generated by a tax imposed under this part within the county.
4231 (B) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
4232 the commission may make rules providing procedures and requirements for making the report
4233 described in this Subsection (2)(b)(iii).
4234 (c) (i) For a transaction described in Subsection (2)(c)(ii), the total revenues reported to
4235 the commission each month that are generated by a tax imposed under this part by a county on
4236 the transactions described in Subsection (2)(c)(ii) shall be distributed:
4237 (A) to each county that imposes the tax; and
4238 (B) on the basis of the proportion of total revenues generated by the transactions
4239 described in Subsection (1)(b) that are reported to the commission for that month within the
4240 county as compared to the total revenues generated by the transactions described in Subsection
4241 (1)(b) that are reported to the commission for that month within the state.
4242 (ii) Subsection (2)(c)(i) applies to a transaction:
4243 (A) made from a location in the state other than a fixed place of business in the state;

4244 or

4245 (B) (I) made by a seller described in Subsection 59-12-107(1)(a); and

4246 (II) involving tangible personal property that is shipped from outside the state.

4247 (d) (i) For a transaction described in Subsection (2)(d)(ii), the total revenues remitted

4248 to the commission each month that are generated by a tax imposed under this part by a county

4249 on the transactions described in Subsection (2)(d)(ii) shall be distributed:

4250 (A) to each county that imposes the tax; and

4251 (B) on the basis of the proportion of total revenues generated by the transactions

4252 described in Subsection (1)(b) that are reported to the commission for that month within the

4253 county as compared to the total revenues generated by the transactions described in Subsection

4254 (1)(b) that are reported to the commission for that month within the state.

4255 (ii) Subsection (2)(d)(i) applies to a transaction:

4256 (A) made by a seller described in Subsection 59-12-107(1)(b); and

4257 (B) involving tangible personal property that is shipped from outside the state.

4258 (e) (i) For a transaction described in Subsection (2)(e)(ii), the total revenues reported to

4259 the commission each month that are generated by a tax imposed under this part by a county on

4260 the transactions described in Subsection (2)(e)(ii) shall be distributed:

4261 (A) to each county that imposes the tax; and

4262 (B) on the basis of the proportion of total revenues generated by the transactions

4263 described in Subsection (1)(b) that are reported to the commission for that month within each

4264 county that imposes a tax under this part as compared to the total revenues generated by the

4265 transactions described in Subsection (1)(b) that are reported to the commission for that month

4266 within the state.

4267 (ii) Subsection (2)(e)(i) applies to a transaction involving tangible personal property

4268 purchased with a direct payment permit in accordance with Section 59-12-107.1.

4269 (3) For purposes of this section and in accordance with Title 63, Chapter 46a, Utah

4270 Administrative Rulemaking Act, the commission may make rules defining what constitutes a

4271 fixed place of business in the state.

4272 Section 35. Section **59-12-1604** is amended to read:

4273 **59-12-1604. Administration, collection, and enforcement of tax -- Administrative**

4274 **fee.**

4275 (1) Except as provided in Subsection (2), the tax authorized under this part shall be
 4276 administered, collected, and enforced in accordance with:

4277 (a) the same procedures used to administer, collect, and enforce the tax under:

4278 (i) Part 1, Tax Collection; or

4279 (ii) Part 2, Local Sales and Use Tax Act; and

4280 (b) Chapter 1, General Taxation Policies.

4281 (2) Notwithstanding Subsection (1), a tax under this part is not subject to:

4282 (a) Sections 59-12-107.1 through 59-12-107.3;

4283 (b) Sections 59-12-207.1 through 59-12-207.4; or

4284 (c) Subsections 59-12-205(2) through [~~(9)~~] (8).

4285 (3) (a) The commission:

4286 (i) except as provided in Subsection (3)(a)(ii), shall distribute the revenues generated
 4287 by the tax to the county within which the revenues were generated; and

4288 (ii) notwithstanding Subsection (3)(a)(i), may retain an amount of tax collected under
 4289 this part of not to exceed the lesser of:

4290 (A) 1.5%; or

4291 (B) an amount equal to the cost to the commission of administering this part.

4292 (b) Any amount the commission retains under Subsection (3)(a)(ii) shall be:

4293 (i) placed in the Sales and Use Tax Administrative Fees Account; and

4294 (ii) used as provided in [~~Subsection~~] Section 59-12-206[~~(2)~~].

4295 Section 36. Section **59-12-1701** is enacted to read:

4296 **Part 17. Additional Highways or Public Transit System Tax Act**

4297 **59-12-1701. Title.**

4298 This part is known as the "Additional Highways or Public Transit System Tax Act."

4299 Section 37. Section **59-12-1702** is enacted to read:

4300 **59-12-1702. Authority to impose additional tax for highways or public transit**

4301 **systems -- Ordinance requirements -- Enactment or repeal of tax -- Effective date --**

4302 **Notice requirements.**

4303 (1) (a) Except as provided in Subsections (1)(b) and 59-12-207.1(7)(c) and subject to

4304 Section 59-12-1802, a county, city, or town that imposes a tax under Section 59-12-501 or

4305 59-12-1001 may as provided in this part impose a sales and use tax of .25% on the transactions

4306 described in Subsection 59-12-103(1) located within the county, city, or town.

4307 (b) A county, city, or town may not impose a tax under this section on the sales and
4308 uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation
4309 under Section 59-12-104.

4310 (c) For purposes of this Subsection (1), the location of a transaction shall be
4311 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

4312 (2) (a) (i) As used in this Subsection (2), "public transit" is as defined in Section
4313 17A-2-1004.

4314 (ii) Notwithstanding Subsection (2)(a)(i), "public transit" does not include a fixed
4315 guideway system.

4316 (b) A county, city, or town imposing a tax under this part may use the revenues
4317 generated by the tax:

4318 (i) for the construction and maintenance of highways under the jurisdiction of the
4319 county, city, or town imposing the tax;

4320 (ii) to fund a system for public transit; or

4321 (iii) for a combination of the purposes described in Subsections (2)(b)(i) and (ii).

4322 (3) To impose a tax under this part, the legislative body of a county, city, or town shall
4323 adopt an ordinance approving the tax.

4324 (4) An ordinance approving a tax under this part shall provide an effective date for the
4325 tax as provided in Subsection (5).

4326 (5) (a) For purposes of this Subsection (5):

4327 (i) "Annexation" means an annexation to:

4328 (A) a county under Title 17, Chapter 2, Annexation to County; or

4329 (B) a city or town under Title 10, Chapter 2, Part 4, Annexation.

4330 (ii) "Annexing area" means an area that is annexed into a county, city, or town.

4331 (b) (i) Except as provided in Subsection (5)(c), (d), or (h), if, on or after July 1, 2006, a
4332 county, city, or town enacts or repeals a tax under this part, the enactment or repeal shall take
4333 effect:

4334 (A) on the first day of a calendar quarter; and

4335 (B) after a 90-day period beginning on the date the commission receives notice meeting
4336 the requirements of Subsection (5)(b)(ii) from the county, city, or town.

- 4337 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:
4338 (A) that a tax under this part will be enacted or repealed;
4339 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);
4340 (C) the effective date of the enactment or repeal described in Subsection (5)(b)(ii)(A);
4341 and
4342 (D) if the tax described in Subsection (5)(b)(ii)(A) is enacted, the rate of the tax.
4343 (c) (i) For a transaction described in Subsection (5)(c)(iii), the enactment of a tax shall
4344 take effect on the first day of the first billing period:
4345 (A) that begins after the effective date of the enactment of the tax; and
4346 (B) if the billing period for the transaction begins before the effective date of the
4347 enactment of the tax under Subsection (1).
4348 (ii) For a transaction described in Subsection (5)(c)(iii), the repeal of a tax shall take
4349 effect on the first day of the last billing period:
4350 (A) that began before the effective date of the repeal of the tax; and
4351 (B) if the billing period for the transaction begins before the effective date of the repeal
4352 of the tax imposed under Subsection (1).
4353 (iii) Subsections (5)(c)(i) and (ii) apply to transactions subject to a tax under:
4354 (A) Subsection 59-12-103(1)(b);
4355 (B) Subsection 59-12-103(1)(c);
4356 (C) Subsection 59-12-103(1)(d);
4357 (D) Subsection 59-12-103(1)(e);
4358 (E) Subsection 59-12-103(1)(f);
4359 (F) Subsection 59-12-103(1)(g);
4360 (G) Subsection 59-12-103(1)(h);
4361 (H) Subsection 59-12-103(1)(i);
4362 (I) Subsection 59-12-103(1)(j); or
4363 (J) Subsection 59-12-103(1)(k).
4364 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
4365 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
4366 Subsection (5)(b)(i) takes effect:
4367 (A) on the first day of a calendar quarter; and

4368 (B) beginning 60 days after the effective date of the enactment or repeal under
4369 Subsection (5)(b)(i).

4370 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
4371 the commission may by rule define the term "catalogue sale."

4372 (e) (i) Except as provided in Subsection (5)(f), (g), or (i), if, for an annexation that
4373 occurs on or after July 1, 2006, the annexation will result in the enactment or repeal of a tax
4374 under this part for an annexing area, the enactment or repeal shall take effect:

4375 (A) on the first day of a calendar quarter; and
4376 (B) after a 90-day period beginning on the date the commission receives notice meeting
4377 the requirements of Subsection (5)(e)(ii) from the county, city, or town that annexes the
4378 annexing area.

4379 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

4380 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
4381 repeal of a tax under this part for the annexing area;

4382 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);
4383 (C) the effective date of the enactment or repeal described in Subsection (5)(e)(ii)(A);
4384 and

4385 (D) if the tax described in Subsection (5)(e)(ii)(A) is enacted, the rate of the tax.

4386 (f) (i) For a transaction described in Subsection (5)(f)(iii), the enactment of a tax shall
4387 take effect on the first day of the first billing period:

4388 (A) that begins after the effective date of the enactment of the tax; and
4389 (B) if the billing period for the transaction begins before the effective date of the
4390 enactment of the tax under Subsection (1).

4391 (ii) For a transaction described in Subsection (5)(f)(iii), the repeal of a tax shall take
4392 effect on the first day of the last billing period:

4393 (A) that began before the effective date of the repeal of the tax; and
4394 (B) if the billing period for the transaction begins before the effective date of the repeal
4395 of the tax imposed under Subsection (1).

4396 (iii) Subsections (5)(f)(i) and (ii) apply to transactions subject to a tax under:

4397 (A) Subsection 59-12-103(1)(b);
4398 (B) Subsection 59-12-103(1)(c);

4399 (C) Subsection 59-12-103(1)(d);

4400 (D) Subsection 59-12-103(1)(e);

4401 (E) Subsection 59-12-103(1)(f);

4402 (F) Subsection 59-12-103(1)(g);

4403 (G) Subsection 59-12-103(1)(h);

4404 (H) Subsection 59-12-103(1)(i);

4405 (I) Subsection 59-12-103(1)(j); or

4406 (J) Subsection 59-12-103(1)(k).

4407 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
 4408 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
 4409 Subsection (5)(e)(i) takes effect:

4410 (A) on the first day of a calendar quarter; and

4411 (B) beginning 60 days after the effective date of the enactment or repeal under
 4412 Subsection (5)(e)(i).

4413 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
 4414 the commission may by rule define the term "catalogue sale."

4415 (h) For purposes of Subsection (5)(b)(i), for a tax enacted or repealed under this part on
 4416 July 1, 2006, the 90-day period described in Subsection (5)(b)(i)(B) shall be a 30-day period.

4417 (i) For purposes of Subsection (5)(e)(i), for an enactment or repeal on July 1, 2006, the
 4418 90-day period described in Subsection (5)(e)(i)(B) shall be a 30-day period.

4419 Section 38. Section **59-12-1703** is enacted to read:

4420 **59-12-1703. Collection of taxes by commission -- Charge for service.**

4421 (1) The commission shall:

4422 (a) collect the tax imposed by a county, city, or town under this part; and

4423 (b) subject to Subsection (3), transmit to the county, city, or town monthly by
 4424 electronic funds transfer the revenues generated by the tax imposed by the county, city, or
 4425 town.

4426 (2) (a) Except as provided in Subsection (2)(b), a tax authorized under this part shall be
 4427 administered, collected, and enforced in accordance with:

4428 (i) the same procedures used to administer, collect, and enforce the tax under:

4429 (A) Part 1, Tax Collection; or

4430 (B) Part 2, Local Sales and Use Tax Act; and
4431 (ii) Chapter 1, General Taxation Policies.
4432 (b) A tax under this part is not subject to Subsections 59-12-205(2) through (8).
4433 (3) (a) The commission shall charge a county, city, or town imposing a tax under this
4434 part a fee for administering the tax as provided in Subsections (3)(b) and (c).
4435 (b) The fee shall be in an amount equal to the costs of administering the tax under this
4436 part, except that the fee may not exceed 1.5% of the revenues generated in the county, city, or
4437 town by the tax under this part.
4438 (c) Fees under this Subsection (3) shall be:
4439 (i) placed in the Sales and Use Tax Administrative Fees Account; and
4440 (ii) expended for sales tax administration as provided in Section 59-12-206.
4441 Section 39. Section **59-12-1704** is enacted to read:
4442 **59-12-1704. Distribution of tax revenues -- Rulemaking authority.**
4443 (1) (a) For a transaction that is reported to the commission on a return other than a
4444 simplified electronic return, the commission shall distribute the revenues generated by a tax
4445 imposed under this part to the counties, cities, and towns that impose the tax in accordance
4446 with Subsections (1)(b) through (h).
4447 (b) (i) Except as provided in Subsections (1)(c) through (h), for a transaction described
4448 in Subsection (1)(b)(ii), a tax imposed by a county, city, or town under this part shall be
4449 distributed to the county, city, or town within which the place of business of the seller is
4450 located.
4451 (ii) Subsection (1)(b)(i) applies to a transaction other than a transaction described in:
4452 (A) Subsection (1)(c)(ii);
4453 (B) Subsection (1)(d)(ii);
4454 (C) Subsection (1)(e)(ii);
4455 (D) Subsection (1)(f)(ii);
4456 (E) Subsection (1)(g)(ii); or
4457 (F) Subsection (1)(h).
4458 (c) (i) For a transaction described in Subsection (1)(c)(ii), the total revenues remitted to
4459 the commission each month that are generated by a tax imposed under this part by a county,
4460 city, or town on the transactions described in Subsection (1)(c)(ii) shall be distributed:

4461 (A) to each county, city, or town that imposes the tax; and
4462 (B) (I) if imposed by a county on a countywide basis, on the basis of total revenues
4463 generated by the transactions described in Subsection (1)(c)(ii) that are reported to the
4464 commission for that month within the county; or
4465 (II) if imposed by a county for a portion of a county, or by a city or town, on the basis
4466 of the proportion of total revenues generated by the transactions described in Subsection (1)(b)
4467 that are reported to the commission for that month within each portion of the county, and each
4468 city or town within that county, as compared to the total revenues generated by the transactions
4469 described in Subsection (1)(b) that are reported to the commission for that month within all
4470 portions of the county and all cities and towns within that county.

4471 (ii) Subsection (1)(c)(i) applies to a transaction:
4472 (A) made by a seller described in Subsection 59-12-107(1)(b); and
4473 (B) involving tangible personal property that is shipped from outside the state.

4474 (d) (i) For a transaction described in Subsection (1)(d)(ii), the total revenues reported to
4475 the commission each month that are generated by a tax imposed under this part by a county,
4476 city, or town on the transactions described in Subsection (1)(d)(ii) shall be distributed:
4477 (A) to each county, city, or town that imposes the tax; and
4478 (B) (I) if imposed by a county on a countywide basis, on the basis of total revenues
4479 generated by the transactions described in Subsection (1)(d)(ii) that are reported to the
4480 commission for that month within the county; or
4481 (II) if imposed by a county for a portion of a county, or by a city or town, on the basis
4482 of the proportion of total revenues generated by the transactions described in Subsection (1)(b)
4483 that are reported to the commission for that month within each portion of the county, and each
4484 city or town within that county, as compared to the total revenues generated by the transactions
4485 described in Subsection (1)(b) that are reported to the commission for that month within all
4486 portions of the county and all cities and towns within that county.

4487 (ii) Subsection (1)(d)(i) applies to a transaction:
4488 (A) made from a location in the state other than a fixed place of business in the state;
4489 or
4490 (B) (I) made by a seller described in Subsection 59-12-107(1)(a); and
4491 (II) involving tangible personal property that is shipped from outside the state.

4492 (e) (i) For a transaction described in Subsection (1)(e)(ii), the total revenues reported to
4493 the commission each month that are generated by a tax imposed under this part by a county,
4494 city, or town on the transactions described in Subsection (1)(e)(ii) shall be distributed:

4495 (A) to each county, city, or town that imposes the tax; and

4496 (B) on the basis of the proportion of the total revenues generated by the transactions
4497 described in Subsection (1)(b) that are reported to the commission for that month within each
4498 county, city, or town as compared to the total revenues generated by the transactions described
4499 in Subsection (1)(b) that are reported to the commission for that month within the state.

4500 (ii) Subsection (1)(e)(i) applies to a transaction involving tangible personal property
4501 purchased with a direct payment permit in accordance with Section 59-12-107.1.

4502 (f) (i) For a transaction described in Subsection (1)(f)(ii), the total revenues reported to
4503 the commission each month that are generated by a tax imposed under this part by a county,
4504 city, or town on the transactions described in Subsection (1)(f)(ii) shall be distributed to the
4505 county, city, or town within which the place of business of the purchaser is located.

4506 (ii) Subsection (1)(f)(i) applies to a transaction involving a good or service:

4507 (A) described in Subsection 59-12-107.2(1)(b);

4508 (B) that is concurrently available for use in more than one location; and

4509 (C) purchased using the form described in Section 59-12-107.2.

4510 (g) (i) For a transaction described in Subsection (1)(g)(ii), the total revenues reported to
4511 the commission each month that are generated by a tax imposed under this part by a county,
4512 city, or town on the transactions described in Subsection (1)(g)(ii) shall be distributed:

4513 (A) to each county, city, or town that imposes the tax; and

4514 (B) on the basis of the proportion of total revenues generated by the transactions
4515 described in Subsection (1)(b) that are reported to the commission for that month within each
4516 county, city, or town as compared to the total revenues generated by the transactions described
4517 in Subsection (1)(b) that are reported to the commission for that month within the state.

4518 (ii) Subsection (1)(g)(i) applies to a transaction involving a purchase of direct mail if
4519 the purchaser of the direct mail provides to the seller the form described in Subsection
4520 59-12-107.3(1)(a) at the time of the purchase of the direct mail.

4521 (h) For a transaction involving the sale of a service described in Section 59-12-207.4, a
4522 tax imposed under this part by a county, city, or town shall be distributed on the basis of the

4523 location of the transaction determined under Section 59-12-207.4.

4524 (2) (a) For a transaction that is reported to the commission on a simplified electronic
4525 return, the distribution of a tax imposed under this part by a county, city, or town on that
4526 transaction is determined in accordance with Subsections (2)(b) through (e).

4527 (b) (i) Except as provided in Subsections (2)(c) through (e), the total revenues reported
4528 to the commission each month on the simplified electronic return shall be distributed:

4529 (A) to each county, city, or town that imposes a tax under this part; and

4530 (B) on the basis of total revenues generated by the transactions described in Subsection
4531 (1)(b)(ii) that are reported to the commission in accordance with Subsection (2)(b)(ii) for that
4532 month within each county, city, and town.

4533 (ii) In making the distributions required by Subsection (2)(b)(i), the commission shall
4534 use the total revenues generated by the transactions described in Subsection (1)(b)(ii) reported
4535 to the commission:

4536 (A) in the report required by Subsection 59-12-105(2); and

4537 (B) if a county, city, or town that imposes a tax under this part reports revenues to the
4538 commission in accordance with Subsection (2)(b)(iii), in the report made in accordance with
4539 Subsection (2)(b)(iii).

4540 (iii) (A) For purposes of this Subsection (2)(b)(iii), a county, city, or town that imposes
4541 a tax under this part may report to the commission the revenues generated by the tax imposed
4542 under this part within the county, city, or town if a seller:

4543 (I) opens an additional place of business within the county, city, or town after the seller
4544 makes an initial application for a license under Section 59-12-106; and

4545 (II) estimates that the additional place of business will increase by 5% or more the
4546 revenues generated by a tax imposed under this part within the county, city, or town.

4547 (B) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
4548 the commission may make rules providing procedures and requirements for making the report
4549 described in this Subsection (2)(b)(iii).

4550 (c) (i) For a transaction described in Subsection (2)(c)(ii), the total revenues reported to
4551 the commission each month that are generated by a tax imposed under this part by a county,
4552 city, or town on the transactions described in Subsection (2)(c)(ii) shall be distributed:

4553 (A) to each county, city, or town that imposes the tax; and

4554 (B) (I) if imposed by a county on a countywide basis, on the basis of the proportion of
4555 total revenues generated by the transactions described in Subsection (1)(b) that are reported to
4556 the commission for that month within the county as compared to the total revenues generated
4557 by the transactions described in Subsection (1)(b) that are reported to the commission for that
4558 month within the state; or

4559 (II) if imposed by a portion of a county, or by a city or town, on the basis of the
4560 proportion of total revenues generated by the transactions described in Subsection (1)(b) that
4561 are reported to the commission for that month within each portion of the county, or each city or
4562 town, as compared to the total revenues generated by the transactions described in Subsection
4563 (1)(b) that are reported to the commission for that month within the state.

4564 (ii) Subsection (2)(c)(i) applies to a transaction:

4565 (A) made from a location in the state other than a fixed place of business in the state;

4566 or

4567 (B) (I) made by a seller described in Subsection 59-12-107(1)(a); and

4568 (II) involving tangible personal property that is shipped from outside the state.

4569 (d) (i) For a transaction described in Subsection (2)(d)(ii), the total revenues remitted
4570 to the commission each month that are generated by a tax imposed under this part by a county,
4571 city, or town on the transactions described in Subsection (2)(d)(ii) shall be distributed:

4572 (A) to each county, city, or town that imposes the tax; and

4573 (B) (I) if imposed by a county on a countywide basis, on the basis of the proportion of
4574 total revenues generated by the transactions described in Subsection (1)(b) that are reported to
4575 the commission for that month within the county as compared to the total revenues generated
4576 by the transactions described in Subsection (1)(b) that are reported to the commission for that
4577 month within the state; or

4578 (II) if imposed by a portion of a county, or by a city or town, on the basis of the
4579 proportion of total revenues generated by the transactions described in Subsection (1)(b) that
4580 are reported to the commission for that month within each portion of the county, or each city or
4581 town, as compared to the total revenues generated by the transactions described in Subsection
4582 (1)(b) that are reported to the commission for that month within the state.

4583 (ii) Subsection (2)(d)(i) applies to a transaction:

4584 (A) made by a seller described in Subsection 59-12-107(1)(b); and

4585 (B) involving tangible personal property that is shipped from outside the state.
4586 (e) (i) For a transaction described in Subsection (2)(e)(ii), the total revenues reported to
4587 the commission each month that are generated by a tax imposed under this part by a county,
4588 city, or town on the transactions described in Subsection (2)(e)(ii) shall be distributed:
4589 (A) to each county, city, or town that imposes the tax; and
4590 (B) on the basis of the proportion of total revenues generated by the transactions
4591 described in Subsection (1)(b) that are reported to the commission for that month within each
4592 county, city, or town that imposes a tax under this part as compared to the total revenues
4593 generated by the transactions described in Subsection (1)(b) that are reported to the
4594 commission for that month within the state.
4595 (ii) Subsection (2)(e)(i) applies to a transaction involving tangible personal property
4596 purchased with a direct payment permit in accordance with Section 59-12-107.1.
4597 (3) For purposes of this section and in accordance with Title 63, Chapter 46a, Utah
4598 Administrative Rulemaking Act, the commission may make rules defining what constitutes a
4599 fixed place of business in the state.
4600 Section 40. Section **59-12-1705** is enacted to read:
4601 **59-12-1705. Seller or certified service provider reliance on commission**
4602 **information or certain systems.**
4603 A seller or certified service provider is not liable for failing to collect and remit a tax at
4604 a tax rate imposed under this part if:
4605 (1) the tax rate at which the seller or certified service provider collected the tax was
4606 derived from a database created by the commission containing:
4607 (a) tax rates; or
4608 (b) local taxing jurisdiction boundaries;
4609 (2) the failure to collect and remit the tax is as a result of the seller's or certified service
4610 provider's reliance on incorrect data provided by the commission in the taxability matrix
4611 required by Section 328 of the agreement;
4612 (3) for a model 2 seller, the failure to collect and remit the tax:
4613 (a) is due to an error in the certified automated system used by the model 2 seller; and
4614 (b) occurs prior to an audit of the certified automated system that reveals the error in
4615 the certified automated system; or

4616 (4) for a model 3 seller, the failure to collect and remit the tax:
4617 (a) is due to an error in the proprietary system used by the model 3 seller; and
4618 (b) occurs prior to an audit of the proprietary system that reveals the error in the
4619 proprietary system.

4620 Section 41. Section **59-12-1801** is enacted to read:

4621 **Part 18. Single Statewide Rate State Sales and Use Tax Act**

4622 **59-12-1801. Title.**

4623 This part is known as the "Single Statewide Rate State Sales and Use Tax Act."

4624 Section 42. Section **59-12-1802** is enacted to read:

4625 **59-12-1802. State sales and use tax.**

4626 (1) (a) Subject to Subsections (2) and (3) and except as provided in Subsection (4), if a
4627 county, city, or town does not impose a tax under two of the following sections, a tax shall be
4628 imposed under this section by the state beginning on July 1, 2006, and ending on the day on
4629 which the county, city, or town imposes a tax under two of the following sections:

4630 (i) Section 59-12-501;

4631 (ii) Section 59-12-502;

4632 (iii) Section 59-12-1001; or

4633 (iv) Section 59-12-1702.

4634 (b) For purposes of Subsection (1)(a), the rate of the tax the state shall impose is equal
4635 to the difference between:

4636 (i) .5%; and

4637 (ii) the sum of the tax rates described in Subsection (1)(a) imposed by the county, city,
4638 or town described in Subsection (1)(a).

4639 (2) If the state imposes a tax under this section, the:

4640 (a) commission shall collect the tax;

4641 (b) commission may not retain any amount for collecting the tax; and

4642 (c) revenues generated by the tax shall be deposited into the General Fund as required
4643 by Section 59-12-103.

4644 (3) If the state imposes a tax in accordance with Subsection (1), the state shall impose
4645 the tax in accordance with the procedures and requirements of Part 1, Tax Collection.

4646 (4) The state may not impose a tax under this section on the sales and uses described in

4647 Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section
4648 59-12-104.

4649 Section 43. Section **59-12-1803** is enacted to read:

4650 **59-12-1803. Seller or certified service provider reliance on commission**
4651 **information or certain systems.**

4652 A seller or certified service provider is not liable for failing to collect and remit a tax at
4653 a tax rate imposed under this part if:

4654 (1) the tax rate at which the seller or certified service provider collected the tax was
4655 derived from a database created by the commission containing:

4656 (a) tax rates; or

4657 (b) local taxing jurisdiction boundaries;

4658 (2) the failure to collect and remit the tax is as a result of the seller's or certified service
4659 provider's reliance on incorrect data provided by the commission in the taxability matrix
4660 required by Section 328 of the agreement;

4661 (3) for a model 2 seller, the failure to collect and remit the tax:

4662 (a) is due to an error in the certified automated system used by the model 2 seller; and

4663 (b) occurs prior to an audit of the certified automated system that reveals the error in
4664 the certified automated system; or

4665 (4) for a model 3 seller, the failure to collect and remit the tax:

4666 (a) is due to an error in the proprietary system used by the model 3 seller; and

4667 (b) occurs prior to an audit of the proprietary system that reveals the error in the
4668 proprietary system.

4669 Section 44. Section **63-51-4** is amended to read:

4670 **63-51-4. Prepaid Sales and Use Tax Construction Account -- Use of account**
4671 **fonds.**

4672 There is created a Prepaid Sales and Use Tax Construction Account as a special
4673 suspense account within the state General Fund. All revenues collected or received by the
4674 State Tax Commission from the prepayment of sales or use taxes under this chapter shall be
4675 deposited with the state treasurer [~~in accordance with Section 59-12-119]~~ daily and credited by
4676 the state treasurer to the Prepaid Sales and Use Tax Construction Account. This account shall
4677 be used to finance state-related public improvements, including but not limited to highways

4678 and related facilities and schools and related facilities. Funds from this account shall only be
4679 disbursed or drawn upon after proper authorization and only after appropriation of these funds
4680 by the Legislature.

4681 Section 45. Section **72-2-121** is amended to read:

4682 **72-2-121. Public Transportation System Tax Highway Fund.**

4683 (1) There is created a special revenue fund entitled the Public Transportation System
4684 Tax Highway Fund.

4685 (2) The fund consists of monies generated from the following revenue sources:

4686 (a) any voluntary contributions received for new construction, major renovations, and
4687 improvements to Interstate 15 and state highways within a county of the first class; and

4688 (b) the portion of the sales and use tax described in Subsection 59-12-502[(5)] (4)(b)
4689 deposited in or transferred to the fund through an interlocal agreement.

4690 (3) (a) The fund shall earn interest.

4691 (b) All interest earned on fund monies shall be deposited into the fund.

4692 (4) The executive director may use fund monies, as prioritized by the Transportation
4693 Commission, only for new construction, major renovations, and improvements to Interstate 15
4694 and state highways within a county of the first class and to pay any debt service and bond
4695 issuance costs related to those projects.

4696 Section 46. **Repealer.**

4697 This bill repeals:

4698 Section **17A-2-1064, Airport to University of Utah Light Rail Restricted Account --**
4699 **Creation -- Use of revenues -- Distribution of revenues.**

4700 Section **59-12-119, Revenue credited to General Fund.**

4701 Section **59-12-202, Purpose and intent.**

4702 Section **59-12-701, Purpose statement.**

4703 Section **59-12-702, Definitions.**

4704 Section **59-12-703 (See 59-1-1201 re: Eff), Opinion question election -- Imposition**
4705 **of tax -- Uses of tax monies -- Enactment or repeal of tax -- Effective date -- Notice**
4706 **requirements.**

4707 Section **59-12-704, Distribution of revenues -- Advisory board creation --**
4708 **Determining operating expenses.**

- 4709 Section **59-12-705**, Free or reduced admission day available to all state residents.
- 4710 Section **59-12-706**, Seller or certified service provider reliance on commission
4711 **information or certain systems.**
- 4712 Section **59-12-801**, Definitions.
- 4713 Section **59-12-802** (See 59-1-1201 re: Eff), Imposition of rural county health care
4714 **facilities tax -- Base -- Rate -- Administration, collection, and enforcement of tax.**
- 4715 Section **59-12-803**, Distribution of revenues generated by rural county health care
4716 **facilities tax.**
- 4717 Section **59-12-804** (See 59-1-1201 re: Eff), Imposition of rural city hospital tax --
4718 **Base -- Rate -- Administration, collection, and enforcement of tax.**
- 4719 Section **59-12-805**, Distribution of revenues generated by rural city hospital tax.
- 4720 Section **59-12-806**, Enactment or repeal of tax -- Tax rate change -- Effective date
4721 **-- Notice requirements.**
- 4722 Section **59-12-807**, Seller or certified service provider reliance on commission
4723 **information or certain systems.**
- 4724 Section **59-12-1301**, Title.
- 4725 Section **59-12-1302** (See 59-1-1201 re: Eff), Authority to impose -- Base -- Rate --
4726 **Enactment or repeal of tax -- Tax rate change -- Effective date -- Notice requirements.**
- 4727 Section **59-12-1303**, Seller or certified service provider reliance on commission
4728 **information or certain systems.**
- 4729 Section **59-12-1401**, Purpose statement -- Definitions -- Scope of part.
- 4730 Section **59-12-1402** (See 59-1-1201 re: Eff), Opinion question election -- Imposition
4731 **of tax -- Uses of tax monies -- Enactment or repeal of tax -- Effective date -- Notice**
4732 **requirements.**
- 4733 Section **59-12-1403**, Distribution of revenues -- Administrative costs.
- 4734 Section **59-12-1404**, Seller or certified service provider reliance on commission
4735 **information or certain systems.**
- 4736 Section **59-12-1501**, Title.
- 4737 Section **59-12-1502**, Definitions.
- 4738 Section **59-12-1503** (See 59-1-1201 re: Eff), Opinion question election -- Imposition
4739 **of tax -- Use of tax revenues -- Administration, collection, and enforcement of tax by**

4740 **commission -- Administrative fee -- Enactment or repeal of tax -- Annexation -- Notice.**

4741 Section **59-12-1504, Seller or certified service provider reliance on commission**
4742 **information or certain systems.**

4743 Section **72-2-121.1, State Highway Projects Within Counties Fund -- Accounting**
4744 **for revenues -- Interest -- Expenditure of revenues.**

4745 Section 47. **Effective dates.**

4746 (1) Except as provided in Subsection (2), this bill takes effect on July 1, 2006.

4747 (2) The amendments made by this bill to the following subsections take effect on May
4748 1, 2006:

4749 (a) Subsections 59-12-208.1(2) and (3);

4750 (b) Subsections 59-12-504(2) and (3);

4751 (c) Subsection 59-12-1001(5);

4752 (d) Subsection 59-12-1102(5); and

4753 (e) Subsection 59-12-1702(5).

4754 Section 48. **Revisor instructions.**

4755 It is the intent of the Legislature that, in preparing the Utah Code database for
4756 publication, the Office of Legislative Research and General Counsel shall replace the
4757 references in the following subsections from "this bill" to the bill's designated chapter number
4758 in the Laws of Utah:

4759 (1) Subsection 9-17-103(3)(b);

4760 (2) Subsection 9-17-103(6)(b);

4761 (3) Subsection 9-17-103(7)(a)(ii);

4762 (4) Subsection 9-17-103(7)(d);

4763 (5) Subsection 26-9-4(4)(b);

4764 (6) Subsection 26-9-4(7)(b);

4765 (7) Subsection 26-9-4(8)(a)(ii); and

4766 (8) Subsection 26-9-4(8)(c).

Legislative Review Note

as of 2-14-06 11:21 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

State Impact

Passage of this bill could reduce the General Fund by \$29,498,400 in FY 2007 and FY 2008. This includes designation of \$4,947,900 to the Rural Health Care Facilities Fund, and \$24,550,500 to the Botanical, Cultural, Recreational, and Zoological Organizations or Facilities fund.

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>FY 2008</u>
	<u>Approp.</u>	<u>Approp.</u>	<u>Revenue</u>	<u>Revenue</u>
General Fund	\$0	\$0	(\$29,498,400)	(\$29,498,400)
TOTAL	\$0	\$0	(\$29,498,400)	(\$29,498,400)

Individual and Business Impact

No fiscal impact.
