

TRANSPORTATION FUNDING REVISIONS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: J. Stuart Adams

House Sponsor: Brad L. Dee

LONG TITLE

General Description:

This bill modifies the Sales and Use Tax Act by amending provisions relating to transportation funding.

Highlighted Provisions:

This bill:

- ▶ for a fiscal year beginning on or after July 1, 2012, increases the amount of certain sales and use tax revenue that is deposited into the Centennial Highway Fund or the Transportation Investment Fund of 2005 in certain circumstances; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2011.

Utah Code Sections Affected:

AMENDS:

59-12-103, as last amended by Laws of Utah 2010, Chapter 412

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

Section 1. Section **59-12-103** is amended to read:

59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use



28 **tax revenues.**

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

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

32 (b) amounts paid for:

33 (i) telecommunications service, other than mobile telecommunications service, that
34 originates and terminates within the boundaries of this state;

35 (ii) mobile telecommunications service that originates and terminates within the
36 boundaries of one state only to the extent permitted by the Mobile Telecommunications
37 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

38 (iii) an ancillary service associated with a:

39 (A) telecommunications service described in Subsection (1)(b)(i); or

40 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

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

42 (i) gas;

43 (ii) electricity;

44 (iii) heat;

45 (iv) coal;

46 (v) fuel oil; or

47 (vi) other fuels;

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

49 (i) gas;

50 (ii) electricity;

51 (iii) heat;

52 (iv) coal;

53 (v) fuel oil; or

54 (vi) other fuels;

55 (e) sales of prepared food;

56 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
57 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
58 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,

59 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
60 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
61 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
62 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
63 horseback rides, sports activities, or any other amusement, entertainment, recreation,
64 exhibition, cultural, or athletic activity;

65 (g) amounts paid or charged for services for repairs or renovations of tangible personal
66 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

67 (i) the tangible personal property; and

68 (ii) parts used in the repairs or renovations of the tangible personal property described
69 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
70 of that tangible personal property;

71 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
72 assisted cleaning or washing of tangible personal property;

73 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
74 accommodations and services that are regularly rented for less than 30 consecutive days;

75 (j) amounts paid or charged for laundry or dry cleaning services;

76 (k) amounts paid or charged for leases or rentals of tangible personal property if within
77 this state the tangible personal property is:

78 (i) stored;

79 (ii) used; or

80 (iii) otherwise consumed;

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

83 (i) stored;

84 (ii) used; or

85 (iii) consumed; and

86 (m) amounts paid or charged for a sale:

87 (i) (A) of a product that:

88 (I) is transferred electronically; and

89 (II) would be subject to a tax under this chapter if the product was transferred in a

90 manner other than electronically; or
91 (B) of a repair or renovation of a product that:
92 (I) is transferred electronically; and
93 (II) would be subject to a tax under this chapter if the product was transferred in a
94 manner other than electronically; and
95 (ii) regardless of whether the sale provides:
96 (A) a right of permanent use of the product; or
97 (B) a right to use the product that is less than a permanent use, including a right:
98 (I) for a definite or specified length of time; and
99 (II) that terminates upon the occurrence of a condition.
100 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
101 is imposed on a transaction described in Subsection (1) equal to the sum of:
102 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
103 (A) 4.70%; and
104 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
105 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
106 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
107 State Sales and Use Tax Act; and
108 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
109 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
110 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
111 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
112 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
113 transaction under this chapter other than this part.
114 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
115 on a transaction described in Subsection (1)(d) equal to the sum of:
116 (i) a state tax imposed on the transaction at a tax rate of 2%; and
117 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
118 transaction under this chapter other than this part.
119 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
120 on amounts paid or charged for food and food ingredients equal to the sum of:

121 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
122 a tax rate of 1.75%; and

123 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
124 amounts paid or charged for food and food ingredients under this chapter other than this part.

125 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
126 tangible personal property other than food and food ingredients, a state tax and a local tax is
127 imposed on the entire bundled transaction equal to the sum of:

128 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

129 (I) the tax rate described in Subsection (2)(a)(i)(A); and

130 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
131 Sales and Use Tax Act, if the location of the transaction as determined under Sections
132 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
133 Additional State Sales and Use Tax Act; and

134 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
135 Sales and Use Tax Act, if the location of the transaction as determined under Sections
136 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
137 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

138 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
139 described in Subsection (2)(a)(ii).

140 (ii) Subject to Subsection (2)(d)(iii), for a bundled transaction other than a bundled
141 transaction described in Subsection (2)(d)(i):

142 (A) if the sales price of the bundled transaction is attributable to tangible personal
143 property, a product, or a service that is subject to taxation under this chapter and tangible
144 personal property, a product, or service that is not subject to taxation under this chapter, the
145 entire bundled transaction is subject to taxation under this chapter unless:

146 (I) the seller is able to identify by reasonable and verifiable standards the tangible
147 personal property, product, or service that is not subject to taxation under this chapter from the
148 books and records the seller keeps in the seller's regular course of business; or

149 (II) state or federal law provides otherwise; or

150 (B) if the sales price of a bundled transaction is attributable to two or more items of
151 tangible personal property, products, or services that are subject to taxation under this chapter

152 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
153 higher tax rate unless:

154 (I) the seller is able to identify by reasonable and verifiable standards the tangible
155 personal property, product, or service that is subject to taxation under this chapter at the lower
156 tax rate from the books and records the seller keeps in the seller's regular course of business; or

157 (II) state or federal law provides otherwise.

158 (iii) For purposes of Subsection (2)(d)(ii), books and records that a seller keeps in the
159 seller's regular course of business includes books and records the seller keeps in the regular
160 course of business for nontax purposes.

161 (e) Subject to Subsections (2)(f) and (g), a tax rate repeal or tax rate change for a tax
162 rate imposed under the following shall take effect on the first day of a calendar quarter:

163 (i) Subsection (2)(a)(i)(A);

164 (ii) Subsection (2)(b)(i);

165 (iii) Subsection (2)(c)(i); or

166 (iv) Subsection (2)(d)(i)(A)(I).

167 (f) (i) A tax rate increase shall take effect on the first day of the first billing period that
168 begins after the effective date of the tax rate increase if the billing period for the transaction
169 begins before the effective date of a tax rate increase imposed under:

170 (A) Subsection (2)(a)(i)(A);

171 (B) Subsection (2)(b)(i);

172 (C) Subsection (2)(c)(i); or

173 (D) Subsection (2)(d)(i)(A)(I).

174 (ii) The repeal of a tax or a tax rate decrease shall take effect on the first day of the last
175 billing period that began before the effective date of the repeal of the tax or the tax rate
176 decrease if the billing period for the transaction begins before the effective date of the repeal of
177 the tax or the tax rate decrease imposed under:

178 (A) Subsection (2)(a)(i)(A);

179 (B) Subsection (2)(b)(i);

180 (C) Subsection (2)(c)(i); or

181 (D) Subsection (2)(d)(i)(A)(I).

182 (g) (i) For a tax rate described in Subsection (2)(g)(ii), if a tax due on a catalogue sale

183 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
184 or change in a tax rate takes effect:

- 185 (A) on the first day of a calendar quarter; and
- 186 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

187 (ii) Subsection (2)(g)(i) applies to the tax rates described in the following:

- 188 (A) Subsection (2)(a)(i)(A);
- 189 (B) Subsection (2)(b)(i);
- 190 (C) Subsection (2)(c)(i); or
- 191 (D) Subsection (2)(d)(i)(A)(I).

192 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
193 the commission may by rule define the term "catalogue sale."

194 (3) (a) The following state taxes shall be deposited into the General Fund:

- 195 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 196 (ii) the tax imposed by Subsection (2)(b)(i);
- 197 (iii) the tax imposed by Subsection (2)(c)(i); or
- 198 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

199 (b) The following local taxes shall be distributed to a county, city, or town as provided
200 in this chapter:

- 201 (i) the tax imposed by Subsection (2)(a)(ii);
- 202 (ii) the tax imposed by Subsection (2)(b)(ii);
- 203 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 204 (iv) the tax imposed by Subsection (2)(d)(i)(B).

205 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
206 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
207 through (g):

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

- 209 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 210 (B) for the fiscal year; or

211 (ii) \$17,500,000.

212 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
213 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the

214 Department of Natural Resources to:

215 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
216 protect sensitive plant and animal species; or

217 (B) award grants, up to the amount authorized by the Legislature in an appropriations
218 act, to political subdivisions of the state to implement the measures described in Subsections
219 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

220 (ii) Money transferred to the Department of Natural Resources under Subsection
221 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
222 person to list or attempt to have listed a species as threatened or endangered under the
223 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

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

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

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

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

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

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

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

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

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

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

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

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

251 (A) conduct hydrologic and geotechnical investigations by the Division of Water
252 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
253 quantifying surface and ground water resources and describing the hydrologic systems of an
254 area in sufficient detail so as to enable local and state resource managers to plan for and
255 accommodate growth in water use without jeopardizing the resource;

256 (B) fund state required dam safety improvements; and

257 (C) protect the state's interest in interstate water compact allocations, including the
258 hiring of technical and legal staff.

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

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

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

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

268 (iii) develop surface water sources.

269 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
270 2006, the difference between the following amounts shall be expended as provided in this
271 Subsection (5), if that difference is greater than \$1:

272 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
273 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

274 (ii) \$17,500,000.

275 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

276 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
277 credits; and

278 (B) expended by the Department of Natural Resources for watershed rehabilitation or
279 restoration.

280 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
281 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
282 created in Section 73-10-24.

283 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
284 remaining difference described in Subsection (5)(a) shall be:

285 (A) transferred each fiscal year to the Division of Water Resources as dedicated
286 credits; and

287 (B) expended by the Division of Water Resources for cloud-seeding projects
288 authorized by Title 73, Chapter 15, Modification of Weather.

289 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
290 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
291 created in Section 73-10-24.

292 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the
293 remaining difference described in Subsection (5)(a) shall be deposited into the Water
294 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
295 Division of Water Resources for:

296 (i) preconstruction costs:

297 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
298 26, Bear River Development Act; and

299 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
300 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

301 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
302 Chapter 26, Bear River Development Act;

303 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
304 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

305 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and
306 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

307 (e) Any unexpended monies described in Subsection (5)(d) that remain in the Water
308 Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.

309 (f) After making the transfers required by Subsections (5)(b) and (c) and subject to
310 Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be
311 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
312 incurred for employing additional technical staff for the administration of water rights.

313 (g) At the end of each fiscal year, any unexpended dedicated credits described in
314 Subsection (5)(f) over \$150,000 lapse to the Water Resources Conservation and Development
315 Fund created in Section 73-10-24.

316 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
317 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
318 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
319 the Transportation Fund created by Section 72-2-102.

320 (7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies,
321 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial
322 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed
323 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable
324 transactions under Subsection (1).

325 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
326 have been paid off and the highway projects completed that are intended to be paid from
327 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
328 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
329 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
330 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
331 by a 1/64% tax rate on the taxable transactions under Subsection (1).

332 (8) (a) Notwithstanding Subsection (3)(a) and in addition to the amount deposited in
333 Subsection (7)(a), for the 2010-11 fiscal year only, the Division of Finance shall deposit into
334 the Centennial Highway Fund Restricted Account created by Section 72-2-118 a portion of the
335 taxes listed under Subsection (3)(a) equal to 1.93% of the revenues collected from the
336 following taxes, which represents a portion of the approximately 17% of sales and use tax
337 revenues generated annually by the sales and use tax on vehicles and vehicle-related products:

- 338 (i) the tax imposed by Subsection (2)(a)(i)(A);
339 (ii) the tax imposed by Subsection (2)(b)(i);
340 (iii) the tax imposed by Subsection (2)(c)(i); and
341 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

342 (b) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
343 Subsection (7)(a), and until Subsection (8)(c) applies, for [a] the 2011-12 fiscal year [~~beginning~~
344 ~~on or after July 1, 2011~~] only, the Division of Finance shall deposit into the Centennial
345 Highway Fund Restricted Account created by Section 72-2-118 a portion of the taxes listed
346 under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes,
347 which represents a portion of the approximately 17% of sales and use tax revenues generated
348 annually by the sales and use tax on vehicles and vehicle-related products:

- 349 (i) the tax imposed by Subsection (2)(a)(i)(A);
350 (ii) the tax imposed by Subsection (2)(b)(i);
351 (iii) the tax imposed by Subsection (2)(c)(i); and
352 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

353 (c) Notwithstanding Subsection (3)(a) [~~and~~], in addition to the amounts deposited
354 under Subsection (7)(b), and until Subsection (8)(d) or (e) applies, when the highway general
355 obligation bonds have been paid off and the highway projects completed that are intended to be
356 paid from revenues deposited in the Centennial Highway Fund Restricted Account as
357 determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the
358 Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by
359 Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the
360 revenues collected from the following taxes, which represents a portion of the approximately
361 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and
362 vehicle-related products:

- 363 (i) the tax imposed by Subsection (2)(a)(i)(A);
364 (ii) the tax imposed by Subsection (2)(b)(i);
365 (iii) the tax imposed by Subsection (2)(c)(i); and
366 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

367 (d) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
368 Subsection (7)(a), until Subsection (8)(e) applies, and subject to Subsection (8)(f), for a fiscal

369 year beginning on or after July 1, 2012, the Division of Finance shall deposit into the
370 Centennial Highway Fund Restricted Account created by Section 72-2-118:

371 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
372 the revenues collected from the following taxes, which represents a portion of the
373 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
374 on vehicles and vehicle-related products:

375 (A) the tax imposed by Subsection (2)(a)(i)(A);

376 (B) the tax imposed by Subsection (2)(b)(i);

377 (C) the tax imposed by Subsection (2)(c)(i); and

378 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

379 (ii) an amount equal to 40% of the growth in the amount of revenues collected in the
380 current fiscal year from the sales and use taxes described in Subsections (8)(d)(i)(A) through
381 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
382 (8)(d)(i)(A) through (D) in the 2010-11 fiscal year.

383 (e) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
384 Subsection (7)(b), and subject to Subsection (8)(f), when the highway general obligation bonds
385 have been paid off and the highway projects completed that are intended to be paid from
386 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
387 Executive Appropriations Committee under Subsection 72-2-118(6)(d), for fiscal year
388 beginning on or after July 1, 2012, the Division of Finance shall deposit into the Transportation
389 Investment Fund of 2005 created by Section 72-2-124:

390 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
391 the revenues collected from the following taxes, which represents a portion of the
392 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
393 on vehicles and vehicle-related products:

394 (A) the tax imposed by Subsection (2)(a)(i)(A);

395 (B) the tax imposed by Subsection (2)(b)(i);

396 (C) the tax imposed by Subsection (2)(c)(i); and

397 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

398 (ii) an amount equal to 40% of the growth in the amount of revenues collected in the
399 current fiscal year from the sales and use taxes described in Subsections (8)(e)(i)(A) through

400 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
401 (8)(e)(i)(A) through (D) in the 2010-11 fiscal year.

402 (f) (i) Subject to Subsections (8)(f)(ii) and (iii), in any fiscal year that the portion of the
403 sales and use taxes deposited under Subsection (8)(d) or (e) represents an amount that is a total
404 lower percentage of the sales and use taxes described in Subsection (8)(e)(i)(A) through (D)
405 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
406 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
407 (8)(d) or (e) equal to the product of:

408 (A) the total percentage of sales and use taxes deposited under Subsection (8)(d) or (e)
409 in the previous fiscal year; and

410 (B) the total sales and use tax revenue generated by the taxes described in Subsections
411 (8)(e)(i)(A) through (D) in the current fiscal year.

412 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
413 Subsection (8)(d) or (e) would exceed 17% of the revenues collected from the sales and use
414 taxes described in Subsections (8)(e)(i)(A) through (D) in the current fiscal year, the Division
415 of Finance shall deposit 17% of the revenues collected from the sales and use taxes described
416 in Subsections (8)(e)(i)(A) through (D) for the current fiscal year under Subsection (8)(d) or
417 (e).

418 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
419 from the sales and use taxes described in Subsections (8)(e)(i)(A) through (D) was deposited
420 under Subsection (8)(d) or (e), the Division of Finance shall annually deposit 17% of the
421 revenues collected from the sales and use taxes described in Subsections (8)(e)(i)(A) through
422 (D) in the current fiscal year under Subsection (8)(d) or (e).

423 (9) (a) Notwithstanding Subsection (3)(a) and for the fiscal year 2008-09 only, the
424 Division of Finance shall deposit \$55,000,000 of the revenues generated by the taxes listed
425 under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

426 (b) Notwithstanding Subsection (3)(a) and until Subsection (9)(c) applies, for a fiscal
427 year beginning on or after July 1, 2009, the Division of Finance shall annually deposit
428 \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
429 Critical Highway Needs Fund created by Section 72-2-125.

430 (c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under

431 Subsections (7) and (8), when the general obligation bonds authorized by Section 63B-16-101
432 have been paid off and the highway projects completed that are included in the prioritized
433 project list under Subsection 72-2-125(4) as determined in accordance with Subsection
434 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues
435 generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund
436 of 2005 created by Section 72-2-124.

437 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
438 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
439 created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

440 (11) (a) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection
441 (11)(a)(ii), and until Subsection (11)(b) applies, beginning on January 1, 2009, the Division of
442 Finance shall deposit into the Critical Highway Needs Fund created by Section 72-2-125 the
443 amount of tax revenue generated by a .025% tax rate on the transactions described in
444 Subsection (1).

445 (ii) For purposes of Subsection (11)(a)(i), the Division of Finance may not deposit into
446 the Critical Highway Needs Fund any tax revenue generated by amounts paid or charged for
447 food and food ingredients, except for tax revenue generated by a bundled transaction
448 attributable to food and food ingredients and tangible personal property other than food and
449 food ingredients described in Subsection (2)(e).

450 (b) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b)(ii),
451 and in addition to any amounts deposited under Subsections (7), (9), and (10), when the general
452 obligation bonds authorized by Section 63B-16-101 have been paid off and the highway
453 projects completed that are included in the prioritized project list under Subsection 72-2-125(4)
454 as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall
455 deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
456 amount of tax revenue generated by a .025% tax rate on the transactions described in
457 Subsection (1).

458 (ii) For purposes of Subsection (11)(b)(i), the Division of Finance may not deposit into
459 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
460 charged for food and food ingredients, except for tax revenue generated by a bundled
461 transaction attributable to food and food ingredients and tangible personal property other than

462 food and food ingredients described in Subsection (2)(e).

463 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
464 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
465 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
466 .025% tax rate on the transactions described in Subsection (1) to be expended to address
467 chokepoints in construction management.

468 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
469 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
470 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
471 and food ingredients and tangible personal property other than food and food ingredients
472 described in Subsection (2)(e).

473 Section 2. **Effective date.**

474 This bill takes effect on July 1, 2011.

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Office of Legislative Research and General Counsel