

JOINT RESOLUTION ON PERSONAL PROPERTY TAX

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John Dougall

Senate Sponsor: _____

LONG TITLE

General Description:

This joint resolution of the Legislature proposes to amend the Utah Constitution to modify provisions relating to the taxation of personal property.

Highlighted Provisions:

This resolution proposes to amend the Utah Constitution to:

- ▶ authorize the Legislature to provide for tangible personal property to be assessed based on its value as reported for tax purposes to the United States government ~~H~~→ or as determined under generally accepted accounting principles ←~~H~~ ;
- ▶ authorize the Legislature to provide by statute a property tax exemption for tangible personal property that has been fully depreciated or expensed; and
- ▶ authorize the Legislature to provide by statute for a nominal fee in lieu of property tax on certain tangible personal property that is exempted from taxation.

Special Clauses:

This resolution directs the lieutenant governor to submit this proposal to voters.

This resolution provides a contingent effective date of January 1, 2013 for this proposal.

Utah Constitution Sections Affected:

AMENDS:

ARTICLE XIII, SECTION 2

ARTICLE XIII, SECTION 3

Be it resolved by the Legislature of the state of Utah, two-thirds of all members elected to each



28 *of the two houses voting in favor thereof:*

29 Section 1. It is proposed to amend Utah Constitution Article XIII, Section 2, to read:

30 **Article XIII, Section 2. [Property tax.]**

31 (1) So that each person and corporation pays a tax in proportion to the fair market
32 value of his, her, or its tangible property, all tangible property in the State that is not exempt
33 under the laws of the United States or under this Constitution shall be:

34 (a) assessed at a uniform and equal rate in proportion to its fair market value, to be
35 ascertained as provided by law; and

36 (b) taxed at a uniform and equal rate.

37 (2) Each corporation and person in the State or doing business in the State is subject to
38 taxation on the tangible property owned or used by the corporation or person within the
39 boundaries of the State or local authority levying the tax.

40 (3) The Legislature may provide by statute that land used for agricultural purposes be
41 assessed based on its value for agricultural use.

42 (4) The Legislature may by statute determine the manner and extent of taxing livestock.

43 (5) The Legislature may by statute determine the manner and extent of taxing or
44 exempting intangible property, except that any property tax on intangible property may not
45 exceed .005 of its fair market value. If any intangible property is taxed under the property tax,
46 the income from that property may not also be taxed.

47 (6) Tangible personal property required by law to be registered with the State before it
48 is used on a public highway or waterway, on public land, or in the air may be exempted from
49 property tax by statute. If the Legislature exempts tangible personal property from property tax
50 under this Subsection (6), it shall provide for the payment of uniform statewide fees or uniform
51 statewide rates of assessment or taxation on that property in lieu of the property tax. The fair
52 market value of any property exempted under this Subsection (6) shall be considered part of the
53 State tax base for determining the debt limitation under Article XIV.

54 (7) The Legislature may by statute provide for the assessment of tangible personal
55 property according to its value ~~H~~→ :

55a (a) ~~H~~ as reported for tax purposes to the United States government in
56 conformity with the laws of the United States as from time to time amended ~~H~~→ [:] ; or

56a (b) as determined in accordance with generally accepted accounting principles. ~~H~~→

57 Section 2. It is proposed to amend Utah Constitution Article XIII, Section 3, to read:

58 **Article XIII, Section 3. [Property tax exemptions.]**