

Senator Wayne L. Niederhauser proposes the following substitute bill:

MULTI-CHANNEL VIDEO OR AUDIO SERVICE TAX

AMENDMENTS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne L. Niederhauser

House Sponsor: Ryan D. Wilcox

LONG TITLE

General Description:

This bill modifies a tax credit and repeals obsolete language under the Multi-Channel Video or Audio Service Tax Act.

Highlighted Provisions:

This bill:

- ▶ modifies a tax credit under the Multi-Channel Video or Audio Service Tax Act;
- ▶ repeals obsolete language related to a study on the Multi-Channel Video or Audio Service Tax Act; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2012.

Utah Code Sections Affected:

AMENDS:

59-26-104.5, as enacted by Laws of Utah 2007, Chapter 288

REPEALS:



26 **59-26-110**, as enacted by Laws of Utah 2004, Chapter 300

27

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

29 Section 1. Section **59-26-104.5** is amended to read:

30 **59-26-104.5. Nonrefundable credit against tax -- Amounts passed through to**
31 **customers within the state -- Tax may not be reduced by amounts passed through to**
32 **customers within the state.**

33 (1) [~~Beginning on January 1, 2008, a~~] A multi-channel video or audio service provider
34 may claim a nonrefundable tax credit as provided in this section.

35 (2) (a) The nonrefundable tax credit described in Subsection (1):

36 ~~[(a)]~~ (i) may be claimed against the tax the multi-channel video or audio service
37 provider would otherwise be required to collect under this chapter from its purchasers within
38 the state; and

39 ~~[(b)]~~ (ii) except as provided in Subsection (2)(b), is in an amount equal to [50%] 65%
40 of the total amount of county or municipality franchise fees that the multi-channel video or
41 audio service provider pays:

42 ~~[(i)]~~ (A) to all of the counties and municipalities within the state that impose a county
43 or municipality franchise fee; and

44 ~~[(ii)]~~ (B) for the calendar quarter for which the multi-channel video or audio service
45 provider files a return under this chapter.

46 (b) For purposes of Subsection (2)(a), the tax credit may not exceed the amount a
47 multi-channel video or audio service provider would have paid:

48 (i) to all of the counties and municipalities within the state that impose a county or
49 municipality franchise fee;

50 (ii) for the calendar quarter for which the multi-channel video or audio service provider
51 files a return under this chapter; and

52 (iii) at the franchise fee rates in effect on January 1, 2012, for those counties and
53 municipalities.

54 (3) The nonrefundable tax credit described in Subsection (1) may not be carried
55 forward or carried back.

56 (4) (a) Subject to Subsections (4)(b) and (c), a multi-channel video or audio service

57 provider shall pass through to its purchasers within the state an amount equal to the amount of
58 the nonrefundable tax credit the multi-channel video or audio service provider claims for a
59 calendar quarter.

60 (b) The amount that a multi-channel video or audio service provider passes through to
61 its purchasers within the state under Subsection (4)(a) shall be passed through during the same
62 calendar quarter as the calendar quarter for which the multi-channel video or audio service
63 provider claims the nonrefundable tax credit.

64 (c) A tax under this chapter on amounts paid or charged for multi-channel video or
65 audio service may not be reduced as a result of the amount a multi-channel video or audio
66 service provider passes through to its customers within this state under this Subsection (4).

67 **Section 2. Repealer.**

68 This bill repeals:

69 Section **59-26-110, Revenue and Taxation Interim Committee study.**

70 **Section 3. Effective date.**

71 This bill takes effect on July 1, 2012.