

1                   **PROPERTY TAXATION OF BUSINESS PERSONAL**

2                                   **PROPERTY**

3   2013 GENERAL SESSION

4   STATE OF UTAH

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

6                                   House Sponsor: Brad R. Wilson

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8 **LONG TITLE**

9 **General Description:**

10           This bill modifies a property tax exemption for business personal property.

11 **Highlighted Provisions:**

12           This bill:

- 13           ▶ increases a property tax exemption for business personal property;
- 14           ▶ provides that a signed statement submitted to a county assessor may only contain
- 15 certain information under certain circumstances; and
- 16           ▶ makes technical and conforming changes.

17 **Money Appropriated in this Bill:**

18           None

19 **Other Special Clauses:**

20           This bill takes effect on January 1, 2014.

21 **Utah Code Sections Affected:**

22 AMENDS:

23           **59-2-1115**, as last amended by Laws of Utah 2012, Chapter 313

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

26           Section 1. Section **59-2-1115** is amended to read:

27           **59-2-1115. Exemption of certain tangible personal property.**

28           (1) For purposes of this section:

29           (a) (i) "Acquisition cost" means all costs required to put an item of tangible personal

30 property into service; and

31 (ii) includes:

32 (A) the purchase price for a new or used item;

33 (B) the cost of freight and shipping;

34 (C) the cost of installation, engineering, erection, or assembly; and

35 (D) sales and use taxes.

36 (b) (i) "Item of taxable tangible personal property" does not include an improvement to  
37 real property or a part that will become an improvement.

38 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
39 commission may make rules defining the term "item of taxable tangible personal property."

40 (c) (i) "Taxable tangible personal property" means tangible personal property that is  
41 subject to taxation under this chapter.

42 (ii) "Taxable tangible personal property" does not include:

43 (A) tangible personal property required by law to be registered with the state before it  
44 is used:

45 (I) on a public highway;

46 (II) on a public waterway;

47 (III) on public land; or

48 (IV) in the air;

49 (B) a mobile home as defined in Section 41-1a-102; or

50 (C) a manufactured home as defined in Section 41-1a-102.

51 (2) (a) The taxable tangible personal property of a taxpayer is exempt from taxation if  
52 the taxable tangible personal property has a total aggregate fair market value per county of  
53 [~~\$3,500~~] \$10,000 or less.

54 (b) [~~Am~~] In addition to the exemption under Subsection (2)(a), an item of taxable  
55 tangible personal property, except for an item of noncapitalized personal property as defined in  
56 Section 59-2-108, is exempt from taxation if the item of taxable tangible personal property:

57 (i) has an acquisition cost of \$1,000 or less;

58 (ii) has reached a percent good of 15% or less according to a personal property  
59 schedule published by the commission pursuant to Section 59-2-107; and

60 (iii) is in a personal property schedule with a residual value of 15% or less.

61 (3) (a) For calendar years beginning on or after January 1, ~~[2008]~~ 2015, the  
62 commission shall increase the dollar amount described in Subsection (2)(a):

63 (i) by a percentage equal to the percentage difference between the consumer price  
64 index for the preceding calendar year and the consumer price index for calendar year ~~[2006]~~  
65 2013; and

66 (ii) up to the nearest \$100 increment.

67 (b) For purposes of this Subsection (3), the commission shall calculate the consumer  
68 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

69 (c) If the percentage difference under Subsection (3)(a)(i) is zero or a negative  
70 percentage, the consumer price index increase for the year is zero.

71 (4) (a) For the first calendar year in which a taxpayer qualifies for an exemption  
72 described in Subsection (2), a county assessor may require the taxpayer to file a signed  
73 statement described in Section 59-2-306.

74 (b) Notwithstanding Section 59-2-306, for a calendar year in which a taxpayer qualifies  
75 for an exemption described in Subsection (2) after the calendar year described in Subsection  
76 (4)(a), a signed statement described in Section 59-2-306 with respect to the taxable tangible  
77 personal property that is exempt under Subsection (2) may only require the taxpayer to certify,  
78 under penalty of perjury, that the taxpayer qualifies for the exemption under Subsection (2).

79 ~~[(4)]~~ (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
80 Act, the commission may make rules to administer this section and provide for uniform  
81 implementation.

82 Section 2. **Effective date.**

83 This bill takes effect on January 1, 2014.