

87 Section 2. Section **59-7-616** is enacted to read:

88 **59-7-616. Refundable tax credit for certain business entities.**

89 (1) As used in this section:

90 (a) "Office" means the Governor's Office of Economic Development.

91 (b) "Pass-through entity" has the same meaning as defined in Section 59-10-1402.

92 (c) "Pass-through entity taxpayer" has the same meaning as defined in Section
93 59-10-1402.

94 (d) "Tax credit certificate" has the same meaning as defined in Section 63M-1-3402.

95 (e) "Tax credit recipient" has the same meaning as defined in Section 63M-1-3402.

96 (2) (a) Subject to the other provisions of this section, a tax credit recipient that is a
97 corporation may claim a refundable tax credit as provided in Subsection (3).

98 (b) If the tax credit recipient is a pass-through entity, the pass-through entity shall pass
99 through to one or more pass-through entity taxpayers of the pass-through entity, in accordance
100 with Chapter 10, Part 14, Pass-Through Entities and Pass-Through Entity Taxpayers Act, a
101 refundable tax credit that the tax credit recipient could otherwise claim under this section.

102 (3) The amount of a tax credit is the amount listed as the tax credit amount on the tax
103 credit certificate that the office issues to the tax credit recipient for the taxable year.

104 (4) A tax credit recipient:

105 (a) may claim or pass through a tax credit in a taxable year other than the taxable year
106 during which the tax credit recipient has been issued a tax credit certificate; and

107 (b) may not claim a tax credit under both this section and Section

107a **H→ [59-7-1110] 59-10-1110 ←H .**

108 (5) (a) In accordance with any rules prescribed by the commission under Subsection

109 (5)(b), the commission shall:

110 (i) make a refund to a tax credit recipient that claims a tax credit under this section if
111 the amount of the tax credit exceeds the tax credit recipient's tax liability under this chapter;
112 and

113 (ii) transfer at least annually from the General Fund into the Education Fund an amount
114 equal to the amount of tax credit claimed under this section.

115 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
116 commission may make rules providing procedures for making:

117 (i) a refund to a tax credit recipient or pass-through entity taxpayer as required by

521 Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section
522 72-2-124.

523 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
524 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
525 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

526 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),
527 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July
528 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
529 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the
530 transactions described in Subsection (1).

531 (b) For purposes of Subsection (11)(a), the Division of Finance may not deposit into
532 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
533 charged for food and food ingredients, except for tax revenue generated by a bundled
534 transaction attributable to food and food ingredients and tangible personal property other than
535 food and food ingredients described in Subsection (2)(d).

536 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
537 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
538 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
539 .025% tax rate on the transactions described in Subsection (1) to be expended to address
540 chokepoints in construction management.

541 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
542 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
543 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
544 and food ingredients and tangible personal property other than food and food ingredients
545 described in Subsection (2)(d).

545a **§→ (13) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal**
545b **year during which the Division of Finance receives notice under Subsection 63M-1-3410(3) that**
545c **construction on a qualified hotel, as defined in Section 63M-1-3402, has begun, the Division of**
545d **Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue**
545e **generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,**
545f **created in Section 63M-1-3412. ←§**

546 **§→ [(13)] (14) ←§** Notwithstanding Subsections (4) through **§→ [(12)] (13) ←§**, an
546a amount required to be expended
547 or deposited in accordance with Subsections (4) through **§→ [(12)] (13) ←§** may not include

547a an amount the

548 Division of Finance deposits in accordance with Section 59-12-103.2.

549 **§→** ~~[(14) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the~~

550 ~~fiscal year during which the Division of Finance receives notice under Subsection~~

551 ~~63M-1-3410(3) that construction on a qualified hotel, as defined in Section 63M-1-3402, has~~ **←§**

552 ~~§~~ ~~→~~ ~~begun, the Division of Finance shall, for two consecutive fiscal years, annually deposit~~
553 ~~\$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel~~
554 ~~Impact Mitigation Fund, created in Section 63M-1-3412.] ←§~~

555 Section 5. Section **63I-1-263** is amended to read:

556 **63I-1-263. Repeal dates, Titles 63A to 63M.**

557 (1) Section 63A-4-204, authorizing the Risk Management Fund to provide coverage to
558 any public school district which chooses to participate, is repealed July 1, 2016.

559 (2) Subsections 63A-5-104(4)(d) and (e) are repealed on July 1, 2014.

560 (3) Section 63A-5-603, State Facility Energy Efficiency Fund, is repealed July 1, 2016.

561 (4) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July
562 1, 2018.

563 (5) Section 53B-24-402, rural residency training program, is repealed July 1, 2015.

564 (6) Title 63C, Chapter 13, Prison Relocation and Development Authority Act, is
565 repealed July 1, 2014.

566 (7) Title 63C, Chapter 14, Federal Funds Commission, is repealed July 1, 2018.

567 (8) Subsection 63G-6a-1402(7) authorizing certain transportation agencies to award a
568 contract for a design-build transportation project in certain circumstances, is repealed July 1,
569 2015.

570 (9) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,
571 2020.

572 (10) The Resource Development Coordinating Committee, created in Section
573 63J-4-501, is repealed July 1, 2015.

574 (11) Title 63M, Chapter 1, Part 4, Enterprise Zone Act, is repealed July 1, 2018.

575 (12) (a) Title 63M, Chapter 1, Part 11, Recycling Market Development Zone Act, is
576 repealed January 1, 2021.

577 (b) Subject to Subsection (12)(c), Sections 59-7-610 and 59-10-1007 regarding tax
578 credits for certain persons in recycling market development zones, are repealed for taxable
579 years beginning on or after January 1, 2021.

580 (c) A person may not claim a tax credit under Section 59-7-610 or 59-10-1007:

581 (i) for the purchase price of machinery or equipment described in Section 59-7-610 or
582 59-10-1007, if the machinery or equipment is purchased on or after January 1, 2021; or

676 63M-1-3401. Title.

677 This part is known as the "New Convention Facility Development Incentive Act."

678 Section 8. Section **63M-1-3402** is enacted to read:

679 63M-1-3402. Definitions.

680 As used in this part:

681 (1) "Agreement" means an agreement described in Section 63M-1-3403.

682 (2) "Commission" means the Utah State Tax Commission.

683 (3) "Community development and renewal agency" has the same meaning as defined in

684 Section 17C-1-102.

685 (4) "Eligibility period" means:

686 (a) the period that:

687 (i) begins the date construction of a qualified hotel begins ~~H~~→ [] ; ←~~H~~ and

688 (ii) ends:

689 (A) for purposes of the state portion, 20 years after the date of initial occupancy of that

690 qualified hotel; or

691 (B) for purposes of the local portion, 25 years after the date of initial occupancy of that

692 hotel; or

693 (b) as provided in an agreement between the office and a qualified hotel owner or host

694 local government, a period that:

695 (i) begins no earlier than the date construction of a qualified hotel begins; and

696 (ii) is shorter than the period described in Subsection (4)(a).

697 (5) "Endorsement letter" means a letter:

698 (a) from the county in which a qualified hotel is located or is proposed to be located;

699 (b) signed by the county executive; and

700 (c) expressing the county's endorsement of a developer of a qualified hotel as meeting

701 all the county's criteria for receiving the county's endorsement.

702 (6) "Host agency" means the community development and renewal agency of the host

703 local government.

704 (7) "Host local government" means:

705 (a) a county that enters into an agreement with the office for the construction of a

706 qualified hotel within the unincorporated area of the county; or

769 (b) that is:

770 (i) the sale, rental, or lease of a room or of convention or exhibit space or other

771 facilities on hotel property; or

772 (ii) the sale of tangible personal property or a service ~~that is~~ **→** [on hotel property] that is part of

772a a bundled transaction, as defined in Section 59-12-102, with a sale, rental, or lease described in

772b Subsection (22)(b)(i) ~~that is~~ **→** ; and

773 (c) that is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act.

774 Section 9. Section **63M-1-3403** is enacted to read:

775 **63M-1-3403. Agreement for development of new convention hotel -- Tax credit**

776 **authorized -- Agreement requirements.**

777 (1) The office, with the board's advice, may enter into an agreement with a qualified

778 hotel owner or a host local government:

779 (a) for the development of a qualified hotel; and

780 (b) to authorize a tax credit:

781 (i) to the qualified hotel owner or host local government, but not both;

782 (ii) for a period not to exceed the eligibility period;

783 (iii) if:

784 (A) the county in which the qualified hotel is proposed to be located has issued an

785 endorsement letter endorsing the qualified hotel owner; and

786 (B) all applicable requirements of this part and the agreement are met; and

787 (iv) that is reduced by \$1,900,000 per year during the first two years of the eligibility

788 period, as described in Subsection (2)(c) ~~that is~~ **→** [;] . ~~that is~~ **→**

789 (2) An agreement shall:

790 (a) specify the requirements for a tax credit recipient to qualify for a tax credit;

791 (b) require compliance with the terms of the endorsement letter issued by the county in

792 which the qualified hotel is proposed to be located;

793 (c) require the amount of a tax credit listed in a tax credit certificate issued during the

794 first two years of the eligibility period to be reduced by \$1,900,000 per year;

795 (d) with respect to the state portion of any tax credit that the tax credit recipient may

796 receive during the eligibility period:

797 (i) specify the maximum dollar amount that the tax credit recipient may receive,

798 subject to a maximum of:

799 (A) for any taxable year, the amount of the state portion of new tax revenue in that

862 (C) a document in which the qualified hotel owner expressly directs and authorizes the
 863 commission to disclose to the office the qualified hotel owner's tax returns and other
 864 information that would otherwise be subject to confidentiality under Section 59-1-403 or
 865 Section 6103, Internal Revenue Code;

866 (D) a document in which the qualified hotel's direct vendors, lessees, or subcontractors,
 867 as applicable, expressly direct and authorize the commission to disclose to the office the tax
 868 returns and other information of those vendors, lessees, or subcontractors that would otherwise
 869 be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code;

870 (E) a document in which a third-party seller expressly and voluntarily directs and
 871 authorizes the commission to disclose to the office the third-party seller's tax returns and other
 872 information that would otherwise be subject to confidentiality under Section 59-1-403 or
 873 Section 6103, Internal Revenue Code ~~H→ [; and that shows the amount of tax under Title 59;~~
 873a ~~Chapter~~
 874 ~~12, Sales and Use Tax Act, that the third-party seller has collected in a transaction occurring~~
 875 ~~other than on hotel property for the sale, rental, or lease of a room or of convention or exhibit~~
 876 ~~space or other facilities on hotel property or for the sale of tangible personal property or a~~
 877 ~~service on hotel property] ←H ; and~~

878 (F) documentation verifying that the qualified hotel owner is in compliance with the
 879 terms of the agreement;

880 (ii) for an application submitted by a host local government, documentation of the new
 881 tax revenue generated during the preceding year;

882 (c) if the host local government intends to assign the tax credit sought in the tax credit
 883 application to a community development and renewal agency:

884 (i) the taxpayer identification number of the community development and renewal
 885 agency; and

886 (ii) a document signed by the governing body members of the community development
 887 and renewal agency that expressly directs and authorizes the commission to disclose to the
 888 office the agency's tax returns and other information that would otherwise be subject to
 889 confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and

890 (d) a statement provided by an independent certified public accountant, at the tax credit
 891 applicant's expense, attesting to the accuracy of the documentation of new tax revenue.

892 (2) (a) The office shall submit to the commission the documents described in

893 Subsections (1)(b)(i)(C) ~~H~~→ , (D), and (E) ←~~H~~ and (1)(c)(ii) authorizing disclosure of the tax
 893a returns and other
 894 information.

895 (b) Upon receipt of the documents described in Subsection (2)(a), the commission shall
 896 provide ~~H~~→ to ←~~H~~ the office the tax returns and other information described in those documents.

897 (3) If the office determines that the tax returns and other information is inadequate to
 898 validate the issuance of a tax credit certificate, the office shall inform the tax credit applicant
 899 that the tax returns and other information were inadequate and request the tax credit applicant
 900 to submit additional documentation to validate the issuance of a tax credit certificate.

901 (4) If the office determines that the returns and other information, including any
 902 additional documentation provided under Subsection (3), provide reasonable justification for
 903 the issuance of a tax credit certificate, the office shall:

904 (a) determine the amount of the tax credit to be listed on the tax credit certificate;

905 (b) issue a tax credit certificate to the tax credit applicant for the amount of that tax
 906 credit; and

907 (c) provide a copy of the tax credit certificate to the commission.

908 Section 12. Section **63M-1-3406** is enacted to read:

909 **63M-1-3406. Effect of tax credit certificate -- Retaining tax credit certificate.**

910 (1) A person may not claim a tax credit unless the office has issued the person a tax
 911 credit certificate.

912 (2) A tax credit recipient may claim a tax credit in the amount of the tax credit stated in
 913 a tax credit certificate.

914 (3) A tax credit recipient shall retain the tax credit certificate in accordance with the
 915 requirements of Section 59-1-1406 for retaining books and records.

916 (4) The amount of a tax credit indicated on a tax credit certificate issued during the
 917 eligibility period may not exceed the amount of eligible new tax revenue generated during the
 918 taxable year preceding the taxable year for which the tax credit certificate is issued.

919 Section 13. Section **63M-1-3407** is enacted to read:

920 **63M-1-3407. Assigning tax credit.**

921 (1) A host local government that enters into an agreement with the office may, by
 922 resolution, assign a tax credit to a community development and renewal agency, in accordance
 923 with rules adopted by the office.

986 (b) "Tourism board" means the Board of Tourism Development created in Section
 987 63M-1-1401.

988 (2) There is created an expendable special revenue fund known as the Stay Another
 989 Day and Bounce Back Fund.

990 (3) The bounce back fund shall:

991 (a) be administered by the tourism board;

992 (b) earn interest; and

993 (c) be funded by:

994 (i) annual payments under Section 17-31-9 from the county in which a qualified hotel
 995 is located;

996 (ii) money transferred to the bounce back fund under Section 63M-1-3412; and

997 (iii) any money that the Legislature chooses to appropriate to the bounce back fund.

998 (4) Interest earned by the bounce back fund shall be deposited into the bounce back
 999 fund.

1000 (5) The tourism board may use money in the bounce back fund to pay for a tourism
 1001 program of advertising, marketing, and branding of the state, taking into consideration the
 1002 long-term strategic plan, economic trends, and opportunities for tourism development on a
 1003 statewide basis.

1004 Section 18. Section **63M-1-3412** is enacted to read:

1005 **63M-1-3412. Hotel Impact Mitigation Fund.**

1006 (1) As used in this section:

1007 (a) "Affected hotel" means a hotel ~~that~~ built in the state ~~before~~ **[built]** before
 1007a July 1, 2014.

1008 (b) "Direct losses" means affected hotels' losses of hotel guest business attributable to
 1009 the qualified hotel room supply being added to the market in the state.

1010 (c) "Mitigation fund" means the Hotel Impact Mitigation Fund, created in Subsection

1011 (2).

1012 (2) There is created an expendable special revenue fund known as the Hotel Impact
 1013 Mitigation Fund.

1014 (3) The mitigation fund shall:

1015 (a) be administered by the board;

1016 (b) earn interest; and