

LOCAL SALES AND USE TAX ACT AMENDMENTS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lyle W. Hillyard

House Sponsor: Melvin R. Brown

LONG TITLE

General Description:

This bill modifies the Local Sales and Use Tax Act by amending provisions relating to the local sales and use tax revenue distribution.

Highlighted Provisions:

This bill:

- ▶ repeals the provision that requires the Tax Commission to retain a portion of the local sales and use tax revenues within certain counties and deposit the revenues into a special fund of the county, or a city, town, or other political subdivision of the state located within that county, that has issued bonds to finance sports or recreational facilities or that is leasing sports or recreational facilities, in order to repay those bonds or to pay the lease payments; and

- ▶ makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-12-204, as last amended by Laws of Utah 2012, Chapter 212



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

29 Section 1. Section **59-12-204** is amended to read:

30 **59-12-204. Sales and use tax ordinance provisions -- Tax rate -- Distribution of**
31 **tax revenues -- Commission requirement to retain an amount to be deposited into the**
32 **Qualified Emergency Food Agencies Fund.**

33 (1) The tax ordinance adopted pursuant to this part shall impose a tax upon those
34 transactions listed in Subsection **59-12-103**(1).

35 (2) (a) The tax ordinance under Subsection (1) shall include a provision imposing a tax
36 upon every transaction listed in Subsection **59-12-103**(1) made within a county, including areas
37 contained within the cities and towns located in the county:

38 (i) at the rate of 1% of the purchase price paid or charged; and

39 (ii) if the location of the transaction is within the county as determined under Sections
40 **59-12-211** through **59-12-215**.

41 (b) Notwithstanding Subsection (2)(a), a tax ordinance under this Subsection (2) shall
42 include a provision prohibiting a county, city, or town from imposing a tax under this section
43 on the sales and uses described in Section **59-12-104** to the extent the sales and uses are
44 exempt from taxation under Section **59-12-104**.

45 (3) Such tax ordinance shall include provisions substantially the same as those
46 contained in Part 1, Tax Collection, insofar as they relate to sales or use tax, except that the
47 name of the county as the taxing agency shall be substituted for that of the state where
48 necessary for the purpose of this part and that an additional license is not required if one has
49 been or is issued under Section **59-12-106**.

50 (4) Such tax ordinance shall include a provision that the county shall contract, prior to
51 the effective date of the ordinance, with the commission to perform all functions incident to the
52 administration or operation of the ordinance.

53 (5) Such tax ordinance shall include a provision that the sale, storage, use, or other
54 consumption of tangible personal property, the purchase price or the cost of which has been
55 subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this
56 part by any county, city, or town in any other county in this state, shall be exempt from the tax
57 due under this ordinance.

58 (6) Such tax ordinance shall include a provision that any person subject to the

59 provisions of a city or town sales and use tax shall be exempt from the county sales and use tax
60 if the city or town sales and use tax is levied under an ordinance including provisions in
61 substance as follows:

62 (a) a provision imposing a tax upon every transaction listed in Subsection 59-12-103(1)
63 made within the city or town at the rate imposed by the county in which it is situated pursuant
64 to Subsection (2);

65 (b) notwithstanding Subsection (2)(a), a provision prohibiting the city or town from
66 imposing a tax under this section on the sales and uses described in Section 59-12-104 to the
67 extent the sales and uses are exempt from taxation under Section 59-12-104;

68 (c) provisions substantially the same as those contained in Part 1, Tax Collection,
69 insofar as they relate to sales and use taxes, except that the name of the city or town as the
70 taxing agency shall be substituted for that of the state where necessary for the purposes of this
71 part;

72 (d) a provision that the city or town shall contract prior to the effective date of the city
73 or town sales and use tax ordinance with the commission to perform all functions incident to
74 the administration or operation of the sales and use tax ordinance of the city or town;

75 (e) a provision that the sale, storage, use, or other consumption of tangible personal
76 property, the gross receipts from the sale of or the cost of which has been subject to sales or use
77 tax under a sales and use tax ordinance enacted in accordance with this part by any county
78 other than the county in which the city or town is located, or city or town in this state, shall be
79 exempt from the tax; and

80 (f) a provision that the amount of any tax paid under Part 1, Tax Collection, shall not
81 be included as a part of the purchase price paid or charged for a taxable item.

82 [~~(7) Notwithstanding any other provision of this section, beginning July 1, 2000, the~~
83 ~~commission shall:]~~

84 [~~(a) determine and retain the portion of sales and use tax imposed under this section:]~~

85 [~~(i) by each county and by each city and town within that county whose legislative~~
86 ~~body consents by resolution to the commission's retaining and depositing sales and use tax~~
87 ~~revenues as provided in this Subsection (7); and]~~

88 [~~(ii) that is equal to the revenues generated by a 1/64% tax rate;]~~

89 [~~(b) deposit the revenues described in Subsection (7)(a) into a special fund of the~~

90 ~~county, or a city, town, or other political subdivision of the state located within that county, that~~
91 ~~has issued bonds to finance sports or recreational facilities or that is leasing sports or~~
92 ~~recreational facilities, in order to repay those bonds or to pay the lease payments; and]~~

93 ~~[(c) continue to deposit those revenues into the special fund only as long as the bonds~~
94 ~~or leases are outstanding.]~~

95 [(8)] (7) (a) Notwithstanding any other provision of this section, beginning on July 1,
96 2009, the commission shall calculate and retain a portion of the sales and use tax collected
97 under this part as provided in this Subsection [(8)] (7).

98 (b) For a city, town, or unincorporated area of a county that imposes a tax under this
99 part, the commission shall calculate a percentage each month by dividing the sales and use tax
100 collected under this part for that month within the boundaries of that city, town, or
101 unincorporated area of a county by the total sales and use tax collected under this part for that
102 month within the boundaries of all of the cities, towns, and unincorporated areas of the
103 counties that impose a tax under this part.

104 (c) For a city, town, or unincorporated area of a county that imposes a tax under this
105 part, the commission shall retain each month an amount equal to the product of:

106 (i) the percentage the commission determines for the month under Subsection [(8)]
107 (7)(b) for the city, town, or unincorporated area of a county; and

108 (ii) \$25,417.

109 (d) The commission shall deposit an amount the commission retains in accordance
110 with this Subsection [(8)] (7) into the Qualified Emergency Food Agencies Fund created by
111 Section [35A-8-1009](#).

112 (e) An amount the commission deposits into the Qualified Emergency Food Agencies
113 Fund shall be expended as provided in Section [35A-8-1009](#).

Legislative Review Note
as of 2-14-14 4:24 PM

Office of Legislative Research and General Counsel