

1 **ONLINE SALES TAX AMENDMENTS**

2 2019 GENERAL SESSION

3 STATE OF UTAH

4

5 **LONG TITLE**

6 **General Description:**

7 This bill modifies the Sales and Use Tax Act by amending provisions relating to
8 requirements for certain remote sellers.

9 **Highlighted Provisions:**

10 This bill:

- 11 ▶ amends definitions;
- 12 ▶ repeals a requirement that certain sellers remit a tax to the State Tax Commission if
13 the Supreme Court of the United States issues a certain decision or Congress
14 permits the state to require certain sellers to collect a sales or use tax;
- 15 ▶ repeals certain reporting requirements of the State Tax Commission to the Revenue
16 and Taxation Interim Committee of the Legislature;
- 17 ▶ repeals certain requirements of the Revenue and Taxation Interim Committee of the
18 Legislature regarding the collection of certain sales and use tax revenue;
- 19 ▶ modifies provisions regarding the deposit of sales and use tax revenue collected
20 from certain remote sellers into the Remote Sales Restricted Account;
- 21 ▶ modifies the Division of Finance's notification procedures for certain revenues
22 deposited into the Remote Sales Restricted Account;
- 23 ▶ enacts a provision that requires certain sellers to pay or collect and remit the sales
24 and use tax imposed if the seller:
 - 25 • sells tangible personal property, products transferred electronically, or services
26 for storage, use, or consumption in the state; and
 - 27 • in either the previous calendar year or the current calendar year, receives a
28 certain amount of gross revenue from the sale of tangible personal property, any
29 product transferred electronically, or services for storage, use, or consumption in
30 the state or sells tangible personal property, products transferred electronically,
31 or services for storage, use, or consumption in the state in more than a certain
32 number of separate transactions;

- 33 ▶ repeals an enhanced percentage that certain sellers may retain if the seller is
- 34 voluntarily remitting sale and use taxes; and
- 35 ▶ makes technical and conforming changes.

36 **Money Appropriated in this Bill:**

37 None

38 **Other Special Clauses:**

39 This bill provides a special effective date.

40 **Utah Code Sections Affected:**

41 AMENDS:

42 **59-1-401**, as last amended by Laws of Utah 2018, Chapter 329

43 **59-12-103.2 (Contingently Superseded)**, as last amended by Laws of Utah 2013,
44 Chapter 150

45 **59-12-103.2 (Contingently Effective)**, as last amended by Laws of Utah 2018, Chapter
46 472

47 **59-12-107 (Contingently Superseded)**, as last amended by Laws of Utah 2017,
48 Chapter 430

49 **59-12-107 (Contingently Effective)**, as last amended by Laws of Utah 2018, Chapter
50 472

51 **59-12-108**, as last amended by Laws of Utah 2017, Chapter 430

52 **59-12-211**, as last amended by Laws of Utah 2012, Chapter 312

53 **59-12-211.1**, as last amended by Laws of Utah 2012, Chapter 312

54 **63I-2-259**, as last amended by Laws of Utah 2018, Chapters 456 and 472

55 REPEALS:

56 **59-12-103.1**, as last amended by Laws of Utah 2018, Chapter 472



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

59 Section 1. Section **59-1-401** is amended to read:

60 **59-1-401. Definitions -- Offenses and penalties -- Rulemaking authority -- Statute**
61 **of limitations -- Commission authority to waive, reduce, or compromise penalty or**
62 **interest.**

63 (1) As used in this section:

64 (a) "Activated tax, fee, or charge" means a tax, fee, or charge with respect to which the
65 commission:

66 (i) has implemented the commission's GenTax system; and

67 (ii) at least 30 days before implementing the commission's GenTax system as described
68 in Subsection (1)(a)(i), has provided notice in a conspicuous place on the commission's website
69 stating:

70 (A) the date the commission will implement the GenTax system with respect to the tax,
71 fee, or charge; and

72 (B) that, at the time the commission implements the GenTax system with respect to the
73 tax, fee, or charge:

74 (I) a person that files a return after the due date as described in Subsection (2)(a) is
75 subject to the penalty described in Subsection (2)(c)(ii); and

76 (II) a person that fails to pay the tax, fee, or charge as described in Subsection (3)(a) is
77 subject to the penalty described in Subsection (3)(b)(ii).

78 (b) "Activation date for a tax, fee, or charge" means with respect to a tax, fee, or
79 charge, the later of:

80 (i) the date on which the commission implements the commission's GenTax system
81 with respect to the tax, fee, or charge; or

82 (ii) 30 days after the date the commission provides the notice described in Subsection
83 (1)(a)(ii) with respect to the tax, fee, or charge.

84 (c) (i) Except as provided in Subsection (1)(c)(ii), "tax, fee, or charge" means:

85 (A) a tax, fee, or charge the commission administers under:

86 (I) this title;

87 (II) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

88 (III) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

89 (IV) Section 19-6-410.5;

90 (V) Section 19-6-714;

91 (VI) Section 19-6-805;

92 (VII) Section 34A-2-202;

93 (VIII) Section 40-6-14; or

94 (IX) Title 69, Chapter 2, Part 4, 911 Emergency Service Charges; or

95 (B) another amount that by statute is subject to a penalty imposed under this section.

96 (ii) "Tax, fee, or charge" does not include a tax, fee, or charge imposed under:

97 (A) Title 41, Chapter 1a, Motor Vehicle Act, except for Section 41-1a-301;

98 (B) Title 41, Chapter 3, Motor Vehicle Business Regulation Act;

99 (C) Chapter 2, Property Tax Act, except for Section 59-2-1309;

100 (D) Chapter 3, Tax Equivalent Property Act; or

101 (E) Chapter 4, Privilege Tax.

102 (d) "Unactivated tax, fee, or charge" means a tax, fee, or charge except for an activated
103 tax, fee, or charge.

104 (2) (a) The due date for filing a return is:

105 (i) if the person filing the return is not allowed by law an extension of time for filing
106 the return, the day on which the return is due as provided by law; or

107 (ii) if the person filing the return is allowed by law an extension of time for filing the
108 return, the earlier of:

109 (A) the date the person files the return; or

110 (B) the last day of that extension of time as allowed by law.

111 (b) A penalty in the amount described in Subsection (2)(c) is imposed if a person files a
112 return after the due date described in Subsection (2)(a).

113 (c) For purposes of Subsection (2)(b), the penalty is an amount equal to the greater of:

114 (i) if the return described in Subsection (2)(b) is filed with respect to an unactivated
115 tax, fee, or charge:

116 (A) \$20; or

117 (B) 10% of the unpaid unactivated tax, fee, or charge due on the return; or

118 (ii) if the return described in Subsection (2)(b) is filed with respect to an activated tax,
119 fee, or charge, beginning on the activation date for the tax, fee, or charge:

120 (A) \$20; or

121 (B) (I) 2% of the unpaid activated tax, fee, or charge due on the return if the return is
122 filed no later than five days after the due date described in Subsection (2)(a);

123 (II) 5% of the unpaid activated tax, fee, or charge due on the return if the return is filed
124 more than five days after the due date but no later than 15 days after the due date described in

125 Subsection (2)(a); or

- 126 (III) 10% of the unpaid activated tax, fee, or charge due on the return if the return is
127 filed more than 15 days after the due date described in Subsection (2)(a).
- 128 (d) This Subsection (2) does not apply to:
- 129 (i) an amended return; or
130 (ii) a return with no tax due.
- 131 (3) (a) A person is subject to a penalty for failure to pay a tax, fee, or charge if:
- 132 (i) the person files a return on or before the due date for filing a return described in
133 Subsection (2)(a), but fails to pay the tax, fee, or charge due on the return on or before that due
134 date;
- 135 (ii) the person:
- 136 (A) is subject to a penalty under Subsection (2)(b); and
137 (B) fails to pay the tax, fee, or charge due on a return within a 90-day period after the
138 due date for filing a return described in Subsection (2)(a);
- 139 (iii) (A) the person is subject to a penalty under Subsection (2)(b); and
140 (B) the commission estimates an amount of tax due for that person in accordance with
141 Subsection 59-1-1406(2);
- 142 (iv) the person:
- 143 (A) is mailed a notice of deficiency; and
144 (B) within a 30-day period after the day on which the notice of deficiency described in
145 Subsection (3)(a)(iv)(A) is mailed:
- 146 (I) does not file a petition for redetermination or a request for agency action; and
147 (II) fails to pay the tax, fee, or charge due on a return;
- 148 (v) (A) the commission:
- 149 (I) issues an order constituting final agency action resulting from a timely filed petition
150 for redetermination or a timely filed request for agency action; or
151 (II) is considered to have denied a request for reconsideration under Subsection
152 63G-4-302(3)(b) resulting from a timely filed petition for redetermination or a timely filed
153 request for agency action; and
154 (B) the person fails to pay the tax, fee, or charge due on a return within a 30-day period
155 after the date the commission:
- 156 (I) issues the order constituting final agency action described in Subsection

157 (3)(a)(v)(A)(I); or

158 (II) is considered to have denied the request for reconsideration described in

159 Subsection (3)(a)(v)(A)(II); or

160 (vi) the person fails to pay the tax, fee, or charge within a 30-day period after the date

161 of a final judicial decision resulting from a timely filed petition for judicial review.

162 (b) For purposes of Subsection (3)(a), the penalty is an amount equal to the greater of:

163 (i) if the failure to pay a tax, fee, or charge as described in Subsection (3)(a) is with

164 respect to an unactivated tax, fee, or charge:

165 (A) \$20; or

166 (B) 10% of the unpaid unactivated tax, fee, or charge due on the return; or

167 (ii) if the failure to pay a tax, fee, or charge as described in Subsection (3)(a) is with

168 respect to an activated tax, fee, or charge, beginning on the activation date:

169 (A) \$20; or

170 (B) (I) 2% of the unpaid activated tax, fee, or charge due on the return if the activated

171 tax, fee, or charge due on the return is paid no later than five days after the due date for filing a

172 return described in Subsection (2)(a);

173 (II) 5% of the unpaid activated tax, fee, or charge due on the return if the activated tax,

174 fee, or charge due on the return is paid more than five days after the due date for filing a return

175 described in Subsection (2)(a) but no later than 15 days after that due date; or

176 (III) 10% of the unpaid activated tax, fee, or charge due on the return if the activated

177 tax, fee, or charge due on the return is paid more than 15 days after the due date for filing a

178 return described in Subsection (2)(a).

179 (4) (a) Beginning January 1, 1995, in the case of any underpayment of estimated tax or

180 quarterly installments required by Sections 59-5-107, 59-5-207, 59-7-504, and 59-9-104, there

181 shall be added a penalty in an amount determined by applying the interest rate provided under

182 Section 59-1-402 plus four percentage points to the amount of the underpayment for the period

183 of the underpayment.

184 (b) (i) For purposes of Subsection (4)(a), the amount of the underpayment shall be the

185 excess of the required installment over the amount, if any, of the installment paid on or before

186 the due date for the installment.

187 (ii) The period of the underpayment shall run from the due date for the installment to

188 whichever of the following dates is the earlier:

189 (A) the original due date of the tax return, without extensions, for the taxable year; or

190 (B) with respect to any portion of the underpayment, the date on which that portion is
191 paid.

192 (iii) For purposes of this Subsection (4), a payment of estimated tax shall be credited
193 against unpaid required installments in the order in which the installments are required to be
194 paid.

195 (5) (a) Notwithstanding Subsection (2) and except as provided in Subsection (6), a
196 person allowed by law an extension of time for filing a corporate franchise or income tax return
197 under Chapter 7, Corporate Franchise and Income Taxes, or an individual income tax return
198 under Chapter 10, Individual Income Tax Act, is subject to a penalty in the amount described in
199 Subsection (5)(b) if, on or before the day on which the return is due as provided by law, not
200 including the extension of time, the person fails to pay:

201 (i) for a person filing a corporate franchise or income tax return under Chapter 7,
202 Corporate Franchise and Income Taxes, the payment required by Subsection 59-7-507(1)(b); or

203 (ii) for a person filing an individual income tax return under Chapter 10, Individual
204 Income Tax Act, the payment required by Subsection 59-10-516(2).

205 (b) For purposes of Subsection (5)(a), the penalty per month during the period of the
206 extension of time for filing the return is an amount equal to 2% of the tax due on the return,
207 unpaid as of the day on which the return is due as provided by law.

208 (6) If a person does not file a return within an extension of time allowed by Section
209 59-7-505 or 59-10-516, the person:

210 (a) is not subject to a penalty in the amount described in Subsection (5)(b); and

211 (b) is subject to a penalty in an amount equal to the sum of:

212 (i) a late file penalty in an amount equal to the greater of:

213 (A) \$20; or

214 (B) 10% of the tax due on the return, unpaid as of the day on which the return is due as
215 provided by law, not including the extension of time; and

216 (ii) a late pay penalty in an amount equal to the greater of:

217 (A) \$20; or

218 (B) 10% of the unpaid tax due on the return, unpaid as of the day on which the return is

219 due as provided by law, not including the extension of time.

220 (7) (a) Additional penalties for an underpayment of a tax, fee, or charge are as provided
221 in this Subsection (7)(a).

222 (i) Except as provided in Subsection (7)(c), if any portion of an underpayment of a tax,
223 fee, or charge is due to negligence, the penalty is 10% of the portion of the underpayment that
224 is due to negligence.

225 (ii) Except as provided in Subsection (7)(d), if any portion of an underpayment of a
226 tax, fee, or charge is due to intentional disregard of law or rule, the penalty is 15% of the entire
227 underpayment.

228 (iii) If any portion of an underpayment is due to an intent to evade a tax, fee, or charge,
229 the penalty is the greater of \$500 per period or 50% of the entire underpayment.

230 (iv) If any portion of an underpayment is due to fraud with intent to evade a tax, fee, or
231 charge, the penalty is the greater of \$500 per period or 100% of the entire underpayment.

232 (b) If the commission determines that a person is liable for a penalty imposed under
233 Subsection (7)(a)(ii), (iii), or (iv), the commission shall notify the person of the proposed
234 penalty.

235 (i) The notice of proposed penalty shall:

236 (A) set forth the basis of the assessment; and

237 (B) be mailed by certified mail, postage prepaid, to the person's last-known address.

238 (ii) Upon receipt of the notice of proposed penalty, the person against whom the
239 penalty is proposed may:

240 (A) pay the amount of the proposed penalty at the place and time stated in the notice;

241 or

242 (B) proceed in accordance with the review procedures of Subsection (7)(b)(iii).

243 (iii) A person against whom a penalty is proposed in accordance with this Subsection
244 (7) may contest the proposed penalty by filing a petition for an adjudicative proceeding with
245 the commission.

246 (iv) (A) If the commission determines that a person is liable for a penalty under this
247 Subsection (7), the commission shall assess the penalty and give notice and demand for
248 payment.

249 (B) The commission shall mail the notice and demand for payment described in

250 Subsection (7)(b)(iv)(A):

251 (I) to the person's last-known address; and

252 (II) in accordance with Section 59-1-1404.

253 (c) A seller that voluntarily collects a tax under Subsection 59-12-107(2)(d) is not
254 subject to the penalty under Subsection (7)(a)(i) if on or after July 1, 2001:

255 (i) a court of competent jurisdiction issues a final unappealable judgment or order
256 determining that:

257 (A) the seller meets one or more of the criteria described in Subsection 59-12-107(2)(a)
258 or is a seller required to pay or collect and remit sales and use taxes under Subsection
259 59-12-107(2)(b) or (2)(c); and

260 (B) the commission or a county, city, or town may require the seller to collect a tax
261 under Subsections 59-12-103(2)(a) through (d); or

262 (ii) the commission issues a final unappealable administrative order determining that:

263 (A) the seller meets one or more of the criteria described in Subsection 59-12-107(2)(a)
264 or is a seller required to pay or collect and remit sales and use taxes under Subsection
265 59-12-107(2)(b) or (2)(c); and

266 (B) the commission or a county, city, or town may require the seller to collect a tax
267 under Subsections 59-12-103(2)(a) through (d).

268 (d) A seller that voluntarily collects a tax under Subsection 59-12-107(2)(d) is not
269 subject to the penalty under Subsection (7)(a)(ii) if:

270 (i) (A) a court of competent jurisdiction issues a final unappealable judgment or order
271 determining that:

272 (I) the seller meets one or more of the criteria described in Subsection 59-12-107(2)(a)
273 or is a seller required to pay or collect and remit sales and use taxes under Subsection
274 59-12-107(2)(b) or (2)(c); and

275 (II) the commission or a county, city, or town may require the seller to collect a tax
276 under Subsections 59-12-103(2)(a) through (d); or

277 (B) the commission issues a final unappealable administrative order determining that:

278 (I) the seller meets one or more of the criteria described in Subsection 59-12-107(2)(a)
279 or is a seller required to pay or collect and remit sales and use taxes under Subsection
280 59-12-107(2)(b) or (2)(c); and

281 (II) the commission or a county, city, or town may require the seller to collect a tax
282 under Subsections 59-12-103(2)(a) through (d); and

283 (ii) the seller's intentional disregard of law or rule is warranted by existing law or by a
284 nonfrivolous argument for the extension, modification, or reversal of existing law or the
285 establishment of new law.

286 (8) (a) Subject to Subsections (8)(b) and (c), the penalty for failure to file an
287 information return, information report, or a complete supporting schedule is \$50 for each
288 information return, information report, or supporting schedule up to a maximum of \$1,000.

289 (b) If an employer is subject to a penalty under Subsection (13), the employer may not
290 be subject to a penalty under Subsection (8)(a).

291 (c) If an employer is subject to a penalty under this Subsection (8) for failure to file a
292 return in accordance with Subsection 59-10-406(3) on or before the due date described in
293 Subsection 59-10-406(3)(b)(ii), the commission may not impose a penalty under this
294 Subsection (8) unless the return is filed more than 14 days after the due date described in
295 Subsection 59-10-406(3)(b)(ii).

296 (9) If a person, in furtherance of a frivolous position, has a prima facie intent to delay
297 or impede administration of a law relating to a tax, fee, or charge and files a purported return
298 that fails to contain information from which the correctness of reported tax, fee, or charge
299 liability can be determined or that clearly indicates that the tax, fee, or charge liability shown is
300 substantially incorrect, the penalty is \$500.

301 (10) (a) A seller that fails to remit a tax, fee, or charge monthly as required by
302 Subsection 59-12-108(1)(a):

303 (i) is subject to a penalty described in Subsection (2); and

304 (ii) may not retain the percentage of sales and use taxes that would otherwise be
305 allowable under Subsection 59-12-108(2).

306 (b) A seller that fails to remit a tax, fee, or charge by electronic funds transfer as
307 required by Subsection 59-12-108(1)(a)(ii)(B):

308 (i) is subject to a penalty described in Subsection (2); and

309 (ii) may not retain the percentage of sales and use taxes that would otherwise be
310 allowable under Subsection 59-12-108(2).

311 (11) (a) A person is subject to the penalty provided in Subsection (11)(c) if that person:

- 312 (i) commits an act described in Subsection (11)(b) with respect to one or more of the
313 following documents:
- 314 (A) a return;
- 315 (B) an affidavit;
- 316 (C) a claim; or
- 317 (D) a document similar to Subsections (11)(a)(i)(A) through (C);
- 318 (ii) knows or has reason to believe that the document described in Subsection (11)(a)(i)
319 will be used in connection with any material matter administered by the commission; and
- 320 (iii) knows that the document described in Subsection (11)(a)(i), if used in connection
321 with any material matter administered by the commission, would result in an understatement of
322 another person's liability for a tax, fee, or charge.
- 323 (b) The following acts apply to Subsection (11)(a)(i):
- 324 (i) preparing any portion of a document described in Subsection (11)(a)(i);
- 325 (ii) presenting any portion of a document described in Subsection (11)(a)(i);
- 326 (iii) procuring any portion of a document described in Subsection (11)(a)(i);
- 327 (iv) advising in the preparation or presentation of any portion of a document described
328 in Subsection (11)(a)(i);
- 329 (v) aiding in the preparation or presentation of any portion of a document described in
330 Subsection (11)(a)(i);
- 331 (vi) assisting in the preparation or presentation of any portion of a document described
332 in Subsection (11)(a)(i); or
- 333 (vii) counseling in the preparation or presentation of any portion of a document
334 described in Subsection (11)(a)(i).
- 335 (c) For purposes of Subsection (11)(a), the penalty:
- 336 (i) shall be imposed by the commission;
- 337 (ii) is \$500 for each document described in Subsection (11)(a)(i) with respect to which
338 the person described in Subsection (11)(a) meets the requirements of Subsection (11)(a); and
- 339 (iii) is in addition to any other penalty provided by law.
- 340 (d) The commission may seek a court order to enjoin a person from engaging in
341 conduct that is subject to a penalty under this Subsection (11).
- 342 (e) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

343 commission may make rules prescribing the documents that are similar to Subsections
344 (11)(a)(i)(A) through (C).

345 (12) (a) As provided in Section 76-8-1101, criminal offenses and penalties are as
346 provided in Subsections (12)(b) through (e).

347 (b) (i) A person who is required by this title or any laws the commission administers or
348 regulates to register with or obtain a license or permit from the commission, who operates
349 without having registered or secured a license or permit, or who operates when the registration,
350 license, or permit is expired or not current, is guilty of a class B misdemeanor.

351 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(b)(i), the
352 penalty may not:

353 (A) be less than \$500; or

354 (B) exceed \$1,000.

355 (c) (i) With respect to a tax, fee, or charge, a person who knowingly and intentionally,
356 and without a reasonable good faith basis, fails to make, render, sign, or verify a return within
357 the time required by law or to supply information within the time required by law, or who
358 makes, renders, signs, or verifies a false or fraudulent return or statement, or who supplies false
359 or fraudulent information, is guilty of a third degree felony.

360 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(c)(i), the
361 penalty may not:

362 (A) be less than \$1,000; or

363 (B) exceed \$5,000.

364 (d) (i) A person who intentionally or willfully attempts to evade or defeat a tax, fee, or
365 charge or the payment of a tax, fee, or charge is, in addition to other penalties provided by law,
366 guilty of a second degree felony.

367 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(d)(i), the
368 penalty may not:

369 (A) be less than \$1,500; or

370 (B) exceed \$25,000.

371 (e) (i) A person is guilty of a second degree felony if that person commits an act:

372 (A) described in Subsection (12)(e)(ii) with respect to one or more of the following
373 documents:

- 374 (I) a return;
- 375 (II) an affidavit;
- 376 (III) a claim; or
- 377 (IV) a document similar to Subsections (12)(e)(i)(A)(I) through (III); and
- 378 (B) subject to Subsection (12)(e)(iii), with knowledge that the document described in
- 379 Subsection (12)(e)(i)(A):
- 380 (I) is false or fraudulent as to any material matter; and
- 381 (II) could be used in connection with any material matter administered by the
- 382 commission.
- 383 (ii) The following acts apply to Subsection (12)(e)(i):
- 384 (A) preparing any portion of a document described in Subsection (12)(e)(i)(A);
- 385 (B) presenting any portion of a document described in Subsection (12)(e)(i)(A);
- 386 (C) procuring any portion of a document described in Subsection (12)(e)(i)(A);
- 387 (D) advising in the preparation or presentation of any portion of a document described
- 388 in Subsection (12)(e)(i)(A);
- 389 (E) aiding in the preparation or presentation of any portion of a document described in
- 390 Subsection (12)(e)(i)(A);
- 391 (F) assisting in the preparation or presentation of any portion of a document described
- 392 in Subsection (12)(e)(i)(A); or
- 393 (G) counseling in the preparation or presentation of any portion of a document
- 394 described in Subsection (12)(e)(i)(A).
- 395 (iii) This Subsection (12)(e) applies:
- 396 (A) regardless of whether the person for which the document described in Subsection
- 397 (12)(e)(i)(A) is prepared or presented:
- 398 (I) knew of the falsity of the document described in Subsection (12)(e)(i)(A); or
- 399 (II) consented to the falsity of the document described in Subsection (12)(e)(i)(A); and
- 400 (B) in addition to any other penalty provided by law.
- 401 (iv) Notwithstanding Section 76-3-301, for purposes of this Subsection (12)(e), the
- 402 penalty may not:
- 403 (A) be less than \$1,500; or
- 404 (B) exceed \$25,000.

405 (v) The commission may seek a court order to enjoin a person from engaging in
406 conduct that is subject to a penalty under this Subsection (12)(e).

407 (vi) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
408 the commission may make rules prescribing the documents that are similar to Subsections
409 (12)(e)(i)(A)(I) through (III).

410 (f) The statute of limitations for prosecution for a violation of this Subsection (12) is
411 the later of six years:

412 (i) from the date the tax should have been remitted; or

413 (ii) after the day on which the person commits the criminal offense.

414 (13) (a) Subject to Subsection (13)(b), an employer that is required to file a form with
415 the commission in accordance with Subsection 59-10-406(8) is subject to a penalty described
416 in Subsection (13)(b) if the employer:

417 (i) fails to file the form with the commission in an electronic format approved by the
418 commission as required by Subsection 59-10-406(8);

419 (ii) fails to file the form on or before the due date provided in Subsection 59-10-406(8);

420 (iii) fails to provide accurate information on the form; or

421 (iv) fails to provide all of the information required by the Internal Revenue Service to
422 be contained on the form.

423 (b) For purposes of Subsection (13)(a), the penalty is:

424 (i) \$30 per form, not to exceed \$75,000 in a calendar year, if the employer files the
425 form in accordance with Subsection 59-10-406(8), more than 14 days after the due date
426 provided in Subsection 59-10-406(8) but no later than 30 days after the due date provided in
427 Subsection 59-10-406(8);

428 (ii) \$60 per form, not to exceed \$200,000 in a calendar year, if the employer files the
429 form in accordance with Subsection 59-10-406(8), more than 30 days after the due date
430 provided in Subsection 59-10-406(8) but on or before June 1; or

431 (iii) \$100 per form, not to exceed \$500,000 in a calendar year, if the employer:

432 (A) files the form in accordance with Subsection 59-10-406(8) after June 1; or

433 (B) fails to file the form.

434 (14) Upon making a record of its actions, and upon reasonable cause shown, the
435 commission may waive, reduce, or compromise any of the penalties or interest imposed under

436 this part.

437 Section 2. Section **59-12-103.2 (Contingently Superseded)** is amended to read:

438 **59-12-103.2 (Contingently Superseded). Definitions -- Remote Sales Restricted**
439 **Account -- Creation -- Funding for account -- Interest -- Division of Finance accounting.**

440 (1) As used in this section:

441 (a) "Qualified local revenue collected from remote sellers" means the local revenue the
442 commission collects under [~~Section 59-12-103.1~~] Subsection 59-12-107(2)(c) for a fiscal year
443 from [~~sellers who obtain a license under Section 59-12-106 for the first time on or after the~~
444 ~~earlier of:~~] a qualified remote seller.

445 [~~(i) the date a decision described in Subsection 59-12-103.1(1)(a) becomes a final,~~
446 ~~unappealable decision; or]~~

447 [~~(ii) the effective date of the action by Congress described in Subsection~~
448 ~~59-12-103.1(1)(b);]~~

449 (b) "Qualified remote seller" means a seller who:

450 (i) obtains a license under Section 59-12-106 for the first time on or after July 16,
451 2018; and

452 (ii) (A) does not meet one or more of the criteria in Subsection 59-12-107(2)(a) for
453 paying or collecting and remitting sales and use taxes; or

454 (B) is not a seller required to pay or collect and remit the sales and use taxes imposed
455 by this chapter under Subsection 59-12-107(2)(b).

456 [~~(b)~~] (c) "Qualified state revenue collected from remote sellers" means the state
457 revenue the commission collects under [~~Section 59-12-103.1~~] Subsection 59-12-107(2)(c) for a
458 fiscal year from [~~sellers who obtain a license under Section 59-12-106 for the first time on or~~
459 ~~after the earlier of:~~] a qualified remote seller.

460 [~~(i) the date a decision described in Subsection 59-12-103.1(1)(a) becomes a final,~~
461 ~~unappealable decision; or]~~

462 [~~(ii) the effective date of the action by Congress described in Subsection~~
463 ~~59-12-103.1(1)(b);]~~

464 (2) There is created within the General Fund a restricted account known as the
465 "Remote Sales Restricted Account."

466 (3) The account shall be funded by:

- 467 (a) the qualified local revenue collected from qualified remote sellers; and
- 468 (b) the qualified state revenue collected from qualified remote sellers.
- 469 (4) (a) The account shall earn interest.
- 470 (b) The interest described in Subsection (4)(a) shall be deposited into the account.
- 471 (5) The [~~Division of Finance~~] commission shall deposit the revenue described in
- 472 Subsection (3) into the account.
- 473 (6) The Division of Finance shall separately account for:
- 474 (a) (i) the qualified local revenue collected from qualified remote sellers; and
- 475 (ii) interest earned on the amount described in Subsection (6)(a)(i); and
- 476 (b) (i) the qualified state revenue collected from qualified remote sellers; and
- 477 (ii) interest earned on the amount described in Subsection (6)(b)(i).
- 478 (7) (a) The revenue and interest described in Subsection (6)(a) may be used to lower
- 479 local sales and use tax rates as the Legislature may provide by statute.
- 480 (b) The revenue and interest described in Subsection (6)(b) may be used to lower state
- 481 sales and use tax rates as the Legislature may provide by statute.
- 482 (8) (a) The Division of Finance shall notify the legislative general counsel and the
- 483 commission once the commission deposits, within a twelve-month period, \$55,000,000 in
- 484 qualified state revenue collected from remote sellers into the Remote Sales Restricted Account.
- 485 (b) The Division of Finance shall review the qualified state revenue collected from
- 486 remote sellers that is deposited in the Remote Sales Restricted Account at least bi-annually for
- 487 purposes of providing the notice described in Subsection (8)(a).
- 488 Section 3. Section **59-12-103.2 (Contingently Effective)** is amended to read:
- 489 **59-12-103.2 (Contingently Effective). Definitions -- Remote Sales Restricted**
- 490 **Account -- Creation -- Funding for account -- Interest -- Division of Finance accounting.**
- 491 (1) As used in this section:
- 492 (a) "Qualified local revenue collected from remote sellers" means the local revenue the
- 493 commission collects under [~~Section 59-12-103.1~~] Subsection 59-12-107(2)(c) for a fiscal year
- 494 from [~~sellers who obtain a license under Section 59-12-106 for the first time on or after the~~
- 495 ~~earlier of:] a qualified remote seller.~~
- 496 [~~(i) the date a decision described in Subsection 59-12-103.1(1)(a) becomes a final;~~
- 497 ~~unappealable decision; or]~~

498 ~~[(ii) the effective date of the action by Congress described in Subsection~~
 499 ~~59-12-103.1(1)(b).]~~

500 (b) "Qualified remote seller" means a seller who:

501 (i) obtains a license under Section 59-12-106 for the first time on or after July 16,
 502 2018; and

503 (ii) (A) does not meet one or more of the criteria in Subsection 59-12-107(2)(a) for
 504 paying or collecting and remitting sales and use taxes; or

505 (B) is not a seller required to pay or collect and remit the sales and use taxes imposed
 506 by this chapter under Subsection 59-12-107(2)(b).

507 ~~[(b)]~~ (c) "Qualified state revenue collected from remote sellers" means the state
 508 revenue the commission collects under [Section 59-12-103.1] Subsection 59-12-107(2)(c) for a
 509 fiscal year from [sellers who obtain a license under Section 59-12-106 for the first time on or
 510 after the earlier of:] a qualified remote seller.

511 ~~[(i) the date a decision described in Subsection 59-12-103.1(1)(a) becomes a final,~~
 512 ~~unappealable decision; or]~~

513 ~~[(ii) the effective date of the action by Congress described in Subsection~~
 514 ~~59-12-103.1(1)(b).]~~

515 (2) There is created within the General Fund a restricted account known as the
 516 "Remote Sales Restricted Account."

517 (3) The account shall be funded by:

518 (a) the qualified local revenue collected from qualified remote sellers; and

519 (b) the qualified state revenue collected from qualified remote sellers.

520 (4) (a) The account shall earn interest.

521 (b) The interest described in Subsection (4)(a) shall be deposited into the account.

522 (5) The ~~[Division of Finance]~~ commission shall deposit the revenue described in
 523 Subsection (3) into the account.

524 (6) The Division of Finance shall separately account for:

525 (a) (i) the qualified local revenue collected from qualified remote sellers; and

526 (ii) interest earned on the amount described in Subsection (6)(a)(i); and

527 (b) (i) the qualified state revenue collected from qualified remote sellers; and

528 (ii) interest earned on the amount described in Subsection (6)(b)(i).

529 (7) (a) The revenue and interest described in Subsection (6)(a) may be used to:
 530 (i) lower local sales and use tax rates as the Legislature may provide by statute; and

531 (ii) fund the sales and use tax exemptions described in Section 59-12-104.8.

532 (b) The revenue and interest described in Subsection (6)(b) may be used to:

533 (i) lower state sales and use tax rates as the Legislature may provide by statute; and

534 (ii) fund the sales and use tax exemptions described in Section 59-12-104.8.

535 Section 4. Section **59-12-107 (Contingently Superseded)** is amended to read:

536 **59-12-107 (Contingently Superseded). Definitions -- Collection, remittance, and**
 537 **payment of tax by sellers or other persons -- Returns -- Reports -- Direct payment by**
 538 **purchaser of vehicle -- Other liability for collection -- Rulemaking authority -- Credits --**
 539 **Treatment of bad debt -- Penalties and interest.**

540 (1) As used in this section:

541 (a) "Ownership" means direct ownership or indirect ownership through a parent,
 542 subsidiary, or affiliate.

543 (b) "Related seller" means a seller that:

544 (i) meets one or more of the criteria described in Subsection (2)(a)(i); and

545 (ii) delivers tangible personal property, a service, or a product transferred electronically
 546 that is sold:

547 (A) by a seller that does not meet one or more of the criteria described in Subsection
 548 (2)(a)(i); and

549 (B) to a purchaser in the state.

550 (c) "Substantial ownership interest" means an ownership interest in a business entity if
 551 that ownership interest is greater than the degree of ownership of equity interest specified in 15
 552 U.S.C. Sec. 78p, with respect to a person other than a director or an officer.

553 (2) (a) Except as provided in Subsection (2)[~~(e)~~](f), Section 59-12-107.1, or Section
 554 59-12-123, and subject to Subsection (2)[~~(f)~~](g), each seller shall pay or collect and remit the
 555 sales and use taxes imposed by this chapter if within this state the seller:

556 (i) has or utilizes:

557 (A) an office;

558 (B) a distribution house;

559 (C) a sales house;

560 (D) a warehouse;

561 (E) a service enterprise; or

562 (F) a place of business similar to Subsections (2)(a)(i)(A) through (E);

563 (ii) maintains a stock of goods;

564 (iii) regularly solicits orders, regardless of whether or not the orders are accepted in the

565 state, unless the seller's only activity in the state is:

566 (A) advertising; or

567 (B) solicitation by:

568 (I) direct mail;

569 (II) electronic mail;

570 (III) the Internet;

571 (IV) telecommunications service; or

572 (V) a means similar to Subsection (2)(a)(iii)(A) or (B);

573 (iv) regularly engages in the delivery of property in the state other than by:

574 (A) common carrier; or

575 (B) United States mail; or

576 (v) regularly engages in an activity directly related to the leasing or servicing of

577 property located within the state.

578 (b) A seller is considered to be engaged in the business of selling tangible personal

579 property, a service, or a product transferred electronically for use in the state, and shall pay or

580 collect and remit the sales and use taxes imposed by this chapter if:

581 (i) the seller holds a substantial ownership interest in, or is owned in whole or in

582 substantial part by, a related seller; and

583 (ii) (A) the seller sells the same or a substantially similar line of products as the related

584 seller and does so under the same or a substantially similar business name; or

585 (B) the place of business described in Subsection (2)(a)(i) of the related seller or an in

586 state employee of the related seller is used to advertise, promote, or facilitate sales by the seller

587 to a purchaser.

588 (c) Each seller that does not meet one or more of the criteria provided for in Subsection

589 (2)(a) or is not a seller required to pay or collect and remit the sales and use taxes imposed by

590 this chapter under Subsection (2)(b) shall pay or collect and remit the sales and use tax

591 imposed by this chapter if the seller:

592 (i) sells tangible personal property, products transferred electronically, or services for
593 storage, use, or consumption in the state; and

594 (ii) in either the previous calendar year or the current calendar year:

595 (A) receives gross revenue from the sale of tangible personal property, any product
596 transferred electronically, or services for storage, use, or consumption in the state of more than
597 \$100,000; or

598 (B) sells tangible personal property, products transferred electronically, or services for
599 storage, use, or consumption in the state in 200 or more separate transactions.

600 ~~[(c)]~~ (d) A seller that does not meet one or more of the criteria provided for in
601 Subsection (2)(a) or is not a seller required to pay or collect and remit sales and use taxes under
602 Subsection (2)(b) or (c) may voluntarily:

603 ~~[(f)]~~ ~~except as provided in Subsection (2)(c)(ii), may voluntarily:]~~

604 ~~[(A)]~~ (i) collect a tax on a transaction described in Subsection 59-12-103(1); and

605 ~~[(B)]~~ (ii) remit the tax to the commission as provided in this part~~[-or]~~.

606 ~~[(ii)]~~ notwithstanding Subsection (2)(c)(i), shall collect a tax on a transaction described
607 ~~in Subsection 59-12-103(1) if Section 59-12-103.1 requires the seller to collect the tax.]~~

608 ~~[(d)]~~ (e) The collection and remittance of a tax under this chapter by a seller that is
609 registered under the agreement may not be used as a factor in determining whether that seller is
610 required by Subsection (2) to:

611 (i) pay a tax, fee, or charge under:

612 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

613 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

614 (C) Section 19-6-714;

615 (D) Section 19-6-805;

616 (E) Title 69, Chapter 2, Part 4, 911 Emergency Service Charges; or

617 (F) this title; or

618 (ii) collect and remit a tax, fee, or charge under:

619 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

620 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

621 (C) Section 19-6-714;

622 (D) Section 19-6-805;

623 (E) Title 69, Chapter 2, Part 4, 911 Emergency Service Charges; or

624 (F) this title.

625 ~~[(e)]~~ (f) A person shall pay a use tax imposed by this chapter on a transaction described
626 in Subsection 59-12-103(1) if:

627 (i) the seller did not collect a tax imposed by this chapter on the transaction; and

628 (ii) the person:

629 (A) stores the tangible personal property or product transferred electronically in the
630 state;

631 (B) uses the tangible personal property or product transferred electronically in the state;
632 or

633 (C) consumes the tangible personal property or product transferred electronically in the
634 state.

635 ~~[(f)]~~ (g) The ownership of property that is located at the premises of a printer's facility
636 with which the retailer has contracted for printing and that consists of the final printed product,
637 property that becomes a part of the final printed product, or copy from which the printed
638 product is produced, shall not result in the retailer being considered to have or maintain an
639 office, distribution house, sales house, warehouse, service enterprise, or other place of
640 business, or to maintain a stock of goods, within this state.

641 (3) (a) Except as provided in Section 59-12-107.1, a tax under this chapter shall be
642 collected from a purchaser.

643 (b) A seller may not collect as tax an amount, without regard to fractional parts of one
644 cent, in excess of the tax computed at the rates prescribed by this chapter.

645 (c) (i) Each seller shall:

646 (A) give the purchaser a receipt for the tax collected; or

647 (B) bill the tax as a separate item and declare the name of this state and the seller's
648 sales and use tax license number on the invoice for the sale.

649 (ii) The receipt or invoice is prima facie evidence that the seller has collected the tax
650 and relieves the purchaser of the liability for reporting the tax to the commission as a
651 consumer.

652 (d) A seller is not required to maintain a separate account for the tax collected, but is

653 considered to be a person charged with receipt, safekeeping, and transfer of public money.

654 (e) Taxes collected by a seller pursuant to this chapter shall be held in trust for the
655 benefit of the state and for payment to the commission in the manner and at the time provided
656 for in this chapter.

657 (f) If any seller, during any reporting period, collects as a tax an amount in excess of
658 the lawful state and local percentage of total taxable sales allowed under this chapter, the seller
659 shall remit to the commission the full amount of the tax imposed under this chapter, plus any
660 excess.

661 (g) If the accounting methods regularly employed by the seller in the transaction of the
662 seller's business are such that reports of sales made during a calendar month or quarterly period
663 will impose unnecessary hardships, the commission may accept reports at intervals that, in the
664 commission's opinion, will [~~in the commission's opinion,~~] better suit the convenience of the
665 taxpayer or seller and will not jeopardize collection of the tax.

666 (h) (i) For a purchase paid with specie legal tender as defined in Section 59-1-1501.1,
667 and until such time as the commission accepts specie legal tender for the payment of a tax
668 under this chapter, if the commission requires a seller to remit a tax under this chapter in legal
669 tender other than specie legal tender, the seller shall state on the seller's books and records and
670 on an invoice, bill of sale, or similar document provided to the purchaser:

671 (A) the purchase price in specie legal tender and in the legal tender the seller is
672 required to remit to the commission;

673 (B) subject to Subsection (3)(h)(ii), the amount of tax due under this chapter in specie
674 legal tender and in the legal tender the seller is required to remit to the commission;

675 (C) the tax rate under this chapter applicable to the purchase; and

676 (D) the date of the purchase.

677 (ii) (A) Subject to Subsection (3)(h)(ii)(B), for purposes of determining the amount of
678 tax due under Subsection (3)(h)(i), a seller shall use the most recent London fixing price for the
679 specie legal tender the purchaser paid.

680 (B) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
681 commission may make rules for determining the amount of tax due under Subsection (3)(h)(i)
682 if the London fixing price is not available for a particular day.

683 (4) (a) Except as provided in Subsections (5) through (7) and Section 59-12-108, the

684 sales or use tax imposed by this chapter is due and payable to the commission quarterly on or
685 before the last day of the month next succeeding each quarterly calendar [~~quarterly~~] period.

686 (b) (i) Each seller shall, on or before the last day of the month next succeeding each
687 quarterly calendar [~~quarterly~~] period, file with the commission a return for the preceding
688 quarterly period.

689 (ii) The seller shall remit with the return under Subsection (4)(b)(i) the amount of the
690 tax required under this chapter to be collected or paid for the period covered by the return.

691 (c) Except as provided in Subsection (5)(c), a return shall contain information and be in
692 a form the commission prescribes by rule.

693 (d) (i) Subject to Subsection (4)(d)(ii), the sales tax as computed in the return shall be
694 based on the total nonexempt sales made during the period for which the return is filed,
695 including both cash and charge sales.

696 (ii) For a sale that includes the delivery or installation of tangible personal property at a
697 location other than a seller's place of business described in Subsection (2)(a)(i), if the delivery
698 or installation is separately stated on an invoice or receipt, a seller may compute the tax due on
699 the sale for purposes of Subsection (4)(d)(i) based on the amount the seller receives for that
700 sale during each period for which the seller receives payment for the sale.

701 (e) (i) The use tax as computed in the return shall be based on the total amount of
702 purchases for storage, use, or other consumption in this state made during the period for which
703 the return is filed, including both cash and charge purchases.

704 (ii) (A) As used in this Subsection (4)(e)(ii), "qualifying purchaser" means a purchaser
705 [~~who~~] that is required to remit taxes under this chapter, but is not required to remit taxes
706 monthly in accordance with Section 59-12-108, and [~~who~~] that converts tangible personal
707 property into real property.

708 (B) Subject to Subsections (4)(e)(ii)(C) and (D), a qualifying purchaser may remit the
709 taxes due under this chapter on tangible personal property for which the qualifying purchaser
710 claims an exemption as allowed under Subsection 59-12-104(23) or (25) based on the period in
711 which the qualifying purchaser receives payment, in accordance with Subsection (4)(e)(ii)(C),
712 for the conversion of the tangible personal property into real property.

713 (C) A qualifying purchaser remitting taxes due under this chapter in accordance with
714 Subsection (4)(e)(ii)(B) shall remit an amount equal to the total amount of tax due on the

715 qualifying purchaser's purchase of the tangible personal property that was converted into real
716 property multiplied by a fraction, the numerator of which is the payment received in the period
717 for the qualifying purchaser's sale of the tangible personal property that was converted into real
718 property and the denominator of which is the entire sales price for the qualifying purchaser's
719 sale of the tangible personal property that was converted into real property.

720 (D) A qualifying purchaser may remit taxes due under this chapter in accordance with
721 this Subsection (4)(e)(ii) only if the books and records that the qualifying purchaser keeps in
722 the qualifying purchaser's regular course of business identify by reasonable and verifiable
723 standards that the tangible personal property was converted into real property.

724 (f) (i) Subject to Subsection (4)(f)(ii) and in accordance with Title 63G, Chapter 3,
725 Utah Administrative Rulemaking Act, the commission may by rule extend the time for making
726 returns and paying the taxes.

727 (ii) An extension under Subsection (4)(f)(i) may not be for more than 90 days.

728 (g) The commission may require returns and payment of the tax to be made for other
729 than quarterly periods if the commission considers it necessary in order to ensure the payment
730 of the tax imposed by this chapter.

731 (h) (i) The commission may require a seller that files a simplified electronic return with
732 the commission to file an additional electronic report with the commission.

733 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
734 commission may make rules providing:

735 (A) the information required to be included in the additional electronic report described
736 in Subsection (4)(h)(i); and

737 (B) one or more due dates for filing the additional electronic report described in
738 Subsection (4)(h)(i).

739 (5) (a) As used in this Subsection (5) and Subsection (6)(b), "remote seller" means a
740 seller that is:

741 (i) registered under the agreement;

742 (ii) described in Subsection (2)(c); and

743 (iii) not a:

744 (A) model 1 seller;

745 (B) model 2 seller; or

746 (C) model 3 seller.

747 (b) (i) Except as provided in Subsection (5)(b)(ii), a tax a remote seller collects in
748 accordance with Subsection (2)(c) is due and payable:

749 (A) to the commission;

750 (B) annually; and

751 (C) on or before the last day of the month immediately following the last day of each
752 calendar year.

753 (ii) The commission may require that a tax a remote seller collects in accordance with
754 Subsection (2)(c) be due and payable:

755 (A) to the commission; and

756 (B) on the last day of the month immediately following any month in which the seller
757 accumulates a total of at least \$1,000 in agreement sales and use tax.

758 (c) (i) If a remote seller remits a tax to the commission in accordance with Subsection
759 (5)(b), the remote seller shall file a return:

760 (A) with the commission;

761 (B) with respect to the tax;

762 (C) containing information prescribed by the commission; and

763 (D) on a form prescribed by the commission.

764 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
765 commission shall make rules prescribing:

766 (A) the information required to be contained in a return described in Subsection
767 (5)(c)(i); and

768 (B) the form described in Subsection (5)(c)(i)(D).

769 (d) A tax a remote seller collects in accordance with this Subsection (5) shall be
770 calculated on the basis of the total amount of taxable transactions under Subsection

771 59-12-103(1) the remote seller completes, including:

772 (i) a cash transaction; and

773 (ii) a charge transaction.

774 (6) (a) Except as provided in Subsection (6)(b), a tax a seller that files a simplified
775 electronic return collects in accordance with this chapter is due and payable:

776 (i) monthly on or before the last day of the month immediately following the month for

777 which the seller collects a tax under this chapter; and

778 (ii) for the month for which the seller collects a tax under this chapter.

779 (b) A tax a remote seller that files a simplified electronic return collects in accordance
780 with this chapter is due and payable as provided in Subsection (5).

781 (7) (a) On each vehicle sale made by other than a regular licensed vehicle dealer, the
782 purchaser shall pay the sales or use tax directly to the commission if the vehicle is subject to
783 titling or registration under the laws of this state.

784 (b) The commission shall collect the tax described in Subsection (7)(a) when the
785 vehicle is titled or registered.

786 (8) If any sale of tangible personal property or any other taxable transaction under
787 Subsection 59-12-103(1), is made by a wholesaler to a retailer[-];

788 (a) the wholesaler is not responsible for the collection or payment of the tax imposed
789 on the sale; and

790 (b) the retailer is responsible for the collection or payment of the tax imposed on the
791 sale if:

792 [~~(a)~~] (i) the retailer represents that the tangible personal property, product transferred
793 electronically, or service is purchased by the retailer for resale; and

794 [~~(b)~~] (ii) the tangible personal property, product transferred electronically, or service is
795 not subsequently resold.

796 (9) If any sale of property or service subject to the tax is made to a person prepaying
797 sales or use tax in accordance with Title 63M, Chapter 5, Resource Development Act, or to a
798 contractor or subcontractor of that person[-];

799 (a) the person to whom such payment or consideration is payable is not responsible for
800 the collection or payment of the sales or use tax;

801 (b) and the person prepaying the sales or use tax is responsible for the collection or
802 payment of the sales or use tax if the person prepaying the sales or use tax represents that the
803 amount prepaid as sales or use tax has not been fully credited against sales or use tax due and
804 payable under the rules promulgated by the commission.

805 (10) (a) For purposes of this Subsection (10):

806 (i) Except as provided in Subsection (10)(a)(ii), "bad debt" [~~is as~~] means the same as
807 that term is defined in Section 166, Internal Revenue Code.

- 808 (ii) [~~Notwithstanding Subsection (10)(a)(i), "bad]~~ Bad debt" does not include:
- 809 (A) an amount included in the purchase price of tangible personal property, a product
- 810 transferred electronically, or a service that is:
- 811 (I) not a transaction described in Subsection 59-12-103(1); or
- 812 (II) exempt under Section 59-12-104;
- 813 (B) a financing charge;
- 814 (C) interest;
- 815 (D) a tax imposed under this chapter on the purchase price of tangible personal
- 816 property, a product transferred electronically, or a service;
- 817 (E) an uncollectible amount on tangible personal property or a product transferred
- 818 electronically that:
- 819 (I) is subject to a tax under this chapter; and
- 820 (II) remains in the possession of a seller until the full purchase price is paid;
- 821 (F) an expense incurred in attempting to collect any debt; or
- 822 (G) an amount that a seller does not collect on repossessed property.
- 823 (b) (i) To the extent an amount remitted in accordance with Subsection (4)(d) later
- 824 becomes bad debt, a seller may deduct the bad debt from the total amount from which a tax
- 825 under this chapter is calculated on a return.
- 826 (ii) A qualifying purchaser, as defined in Subsection (4)(e)(ii)(A), may deduct from the
- 827 total amount of taxes due under this chapter the amount of tax the qualifying purchaser paid on
- 828 the qualifying purchaser's purchase of tangible personal property converted into real property to
- 829 the extent that:
- 830 (A) tax was remitted in accordance with Subsection (4)(e) on that tangible personal
- 831 property converted into real property;
- 832 (B) the qualifying purchaser's sale of that tangible personal property converted into real
- 833 property later becomes bad debt; and
- 834 (C) the books and records that the qualifying purchaser keeps in the qualifying
- 835 purchaser's regular course of business identify by reasonable and verifiable standards that the
- 836 tangible personal property was converted into real property.
- 837 (c) A seller may file a refund claim with the commission if:
- 838 (i) the amount of bad debt for the time period described in Subsection (10)(e) exceeds

839 the amount of the seller's sales that are subject to a tax under this chapter for that same time
840 period; and

841 (ii) as provided in Section 59-1-1410.

842 (d) A bad debt deduction under this section may not include interest.

843 (e) A bad debt may be deducted under this Subsection (10) on a return for the time
844 period during which the bad debt:

845 (i) is written off as uncollectible in the seller's books and records; and

846 (ii) would be eligible for a bad debt deduction:

847 (A) for federal income tax purposes; and

848 (B) if the seller were required to file a federal income tax return.

849 (f) If a seller recovers any portion of bad debt for which the seller makes a deduction or
850 claims a refund under this Subsection (10), the seller shall report and remit a tax under this
851 chapter:

852 (i) on the portion of the bad debt the seller recovers; and

853 (ii) on a return filed for the time period for which the portion of the bad debt is
854 recovered.

855 (g) For purposes of reporting a recovery of a portion of bad debt under Subsection
856 (10)(f), a seller shall apply amounts received on the bad debt in the following order:

857 (i) in a proportional amount:

858 (A) to the purchase price of the tangible personal property, product transferred
859 electronically, or service; and

860 (B) to the tax due under this chapter on the tangible personal property, product
861 transferred electronically, or service; and

862 (ii) to:

863 (A) interest charges;

864 (B) service charges; and

865 (C) other charges.

866 (h) A seller's certified service provider may make a deduction or claim a refund for bad
867 debt on behalf of the seller:

868 (i) in accordance with this Subsection (10); and

869 (ii) if the certified service provider credits or refunds the entire amount of the bad debt

870 deduction or refund to the seller.

871 (i) A seller may allocate bad debt among the states that are members of the agreement
872 if the seller's books and records support that allocation.

873 (11) (a) A seller may not, with intent to evade any tax, fail to timely remit the full
874 amount of tax required by this chapter.

875 (b) A violation of this section is punishable as provided in Section 59-1-401.

876 (c) Each person [~~who~~] that fails to pay any tax to the state or any amount of tax
877 required to be paid to the state, except amounts determined to be due by the commission under
878 Chapter 1, Part 14, Assessment, Collections, and Refunds Act, or Section 59-12-111, within
879 the time required by this chapter, or [~~who~~] that fails to file any return as required by this
880 chapter, shall pay, in addition to the tax, penalties and interest as provided in Sections 59-1-401
881 and 59-1-402.

882 (d) For purposes of prosecution under this section, each quarterly tax period in which a
883 seller, with intent to evade any tax, collects a tax and fails to timely remit the full amount of the
884 tax required to be remitted[;] constitutes a separate offense.

885 Section 5. Section **59-12-107 (Contingently Effective)** is amended to read:

886 **59-12-107 (Contingently Effective). Definitions -- Collection, remittance, and**
887 **payment of tax by sellers or other persons -- Returns -- Reports -- Direct payment by**
888 **purchaser of vehicle -- Other liability for collection -- Rulemaking authority -- Credits --**
889 **Treatment of bad debt -- Penalties and interest.**

890 (1) As used in this section:

891 (a) "Ownership" means direct ownership or indirect ownership through a parent,
892 subsidiary, or affiliate.

893 (b) "Related seller" means a seller that:

894 (i) meets one or more of the criteria described in Subsection (2)(a)(i); and

895 (ii) delivers tangible personal property, a service, or a product transferred electronically
896 that is sold:

897 (A) by a seller that does not meet one or more of the criteria described in Subsection
898 (2)(a)(i); and

899 (B) to a purchaser in the state.

900 (c) "Substantial ownership interest" means an ownership interest in a business entity if

901 that ownership interest is greater than the degree of ownership of equity interest specified in 15
902 U.S.C. Sec. 78p, with respect to a person other than a director or an officer.

903 (2) (a) Except as provided in Subsection (2)[~~(e)~~](f), Section 59-12-107.1, or Section
904 59-12-123, and subject to Subsection (2)[~~(f)~~](g), each seller shall pay or collect and remit the
905 sales and use taxes imposed by this chapter if within this state the seller:

906 (i) has or utilizes:

907 (A) an office;

908 (B) a distribution house;

909 (C) a sales house;

910 (D) a warehouse;

911 (E) a service enterprise; or

912 (F) a place of business similar to Subsections (2)(a)(i)(A) through (E);

913 (ii) maintains a stock of goods;

914 (iii) regularly solicits orders, regardless of whether or not the orders are accepted in the
915 state, unless the seller's only activity in the state is:

916 (A) advertising; or

917 (B) solicitation by:

918 (I) direct mail;

919 (II) electronic mail;

920 (III) the Internet;

921 (IV) telecommunications service; or

922 (V) a means similar to Subsection (2)(a)(iii)(A) or (B);

923 (iv) regularly engages in the delivery of property in the state other than by:

924 (A) common carrier; or

925 (B) United States mail; or

926 (v) regularly engages in an activity directly related to the leasing or servicing of
927 property located within the state.

928 (b) A seller is considered to be engaged in the business of selling tangible personal
929 property, a service, or a product transferred electronically for use in the state, and shall pay or
930 collect and remit the sales and use taxes imposed by this chapter if:

931 (i) the seller holds a substantial ownership interest in, or is owned in whole or in

932 substantial part by, a related seller; and

933 (ii) (A) the seller sells the same or a substantially similar line of products as the related
934 seller and does so under the same or a substantially similar business name; or

935 (B) the place of business described in Subsection (2)(a)(i) of the related seller or an in
936 state employee of the related seller is used to advertise, promote, or facilitate sales by the seller
937 to a purchaser.

938 (c) Each seller that does not meet one or more of the criteria provided for in Subsection
939 (2)(a) or is not a seller required to pay or collect and remit the sales and use taxes imposed by
940 this chapter under Subsection (2)(b) shall pay or collect and remit the sales and use tax
941 imposed by this chapter if the seller:

942 (i) sells tangible personal property, products transferred electronically, or services for
943 storage, use, or consumption in the state; and

944 (ii) in either the previous calendar year or the current calendar year:

945 (A) receives gross revenue from the sale of tangible personal property, any product
946 transferred electronically, or services for storage, use, or consumption in the state of more than
947 \$100,000; or

948 (B) sells tangible personal property, products transferred electronically, or services for
949 storage, use, or consumption in the state in 200 or more separate transactions.

950 ~~[(c)]~~ (d) A seller that does not meet one or more of the criteria provided for in
951 Subsection (2)(a) or is not a seller required to pay or collect and remit sales and use taxes under
952 Subsection (2)(b) or (2)(c) may voluntarily:

953 ~~[(i) except as provided in Subsection (2)(c)(ii), may voluntarily:]~~

954 ~~[(A)]~~ (i) collect a tax on a transaction described in Subsection 59-12-103(1); and

955 ~~[(B)]~~ (ii) remit the tax to the commission as provided in this part~~[; or]~~.

956 ~~[(ii) notwithstanding Subsection (2)(c)(i), shall collect a tax on a transaction described~~
957 ~~in Subsection 59-12-103(1) if Section 59-12-103.1 requires the seller to collect the tax.]~~

958 ~~[(d)]~~ (e) The collection and remittance of a tax under this chapter by a seller that is
959 registered under the agreement may not be used as a factor in determining whether that seller is
960 required by Subsection (2) to:

961 (i) pay a tax, fee, or charge under:

962 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

- 963 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
964 (C) Section 19-6-714;
965 (D) Section 19-6-805;
966 (E) Title 69, Chapter 2, Part 4, 911 Emergency Service Charges; or
967 (F) this title; or

968 (ii) collect and remit a tax, fee, or charge under:

- 969 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
970 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
971 (C) Section 19-6-714;
972 (D) Section 19-6-805;
973 (E) Title 69, Chapter 2, Part 4, 911 Emergency Service Charges; or
974 (F) this title.

975 [~~(e)~~] (f) A person shall pay a use tax imposed by this chapter on a transaction described
976 in Subsection 59-12-103(1) if:

977 (i) the seller did not collect a tax imposed by this chapter on the transaction; and

978 (ii) the person:

979 (A) stores the tangible personal property or product transferred electronically in the
980 state;

981 (B) uses the tangible personal property or product transferred electronically in the state;

982 or

983 (C) consumes the tangible personal property or product transferred electronically in the
984 state.

985 [~~(f)~~] (g) The ownership of property that is located at the premises of a printer's facility
986 with which the retailer has contracted for printing and that consists of the final printed product,
987 property that becomes a part of the final printed product, or copy from which the printed
988 product is produced, shall not result in the retailer being considered to have or maintain an
989 office, distribution house, sales house, warehouse, service enterprise, or other place of
990 business, or to maintain a stock of goods, within this state.

991 (3) (a) Except as provided in Section 59-12-107.1, a tax under this chapter shall be
992 collected from a purchaser.

993 (b) A seller may not collect as tax an amount, without regard to fractional parts of one

994 cent, in excess of the tax computed at the rates prescribed by this chapter.

995 (c) (i) Each seller shall:

996 (A) give the purchaser a receipt for the tax collected; or

997 (B) bill the tax as a separate item and declare the name of this state and the seller's
998 sales and use tax license number on the invoice for the sale.

999 (ii) The receipt or invoice is prima facie evidence that the seller has collected the tax
1000 and relieves the purchaser of the liability for reporting the tax to the commission as a
1001 consumer.

1002 (d) A seller is not required to maintain a separate account for the tax collected, but is
1003 considered to be a person charged with receipt, safekeeping, and transfer of public money.

1004 (e) Taxes collected by a seller pursuant to this chapter shall be held in trust for the
1005 benefit of the state and for payment to the commission in the manner and at the time provided
1006 for in this chapter.

1007 (f) If any seller, during any reporting period, collects as a tax an amount in excess of
1008 the lawful state and local percentage of total taxable sales allowed under this chapter, the seller
1009 shall remit to the commission the full amount of the tax imposed under this chapter, plus any
1010 excess.

1011 (g) If the accounting methods regularly employed by the seller in the transaction of the
1012 seller's business are such that reports of sales made during a calendar month or quarterly period
1013 will impose unnecessary hardships, the commission may accept reports at intervals that, in the
1014 commission's opinion, will[, ~~in the commission's opinion,~~] better suit the convenience of the
1015 taxpayer or seller and will not jeopardize collection of the tax.

1016 (h) (i) For a purchase paid with specie legal tender as defined in Section 59-1-1501.1,
1017 and until such time as the commission accepts specie legal tender for the payment of a tax
1018 under this chapter, if the commission requires a seller to remit a tax under this chapter in legal
1019 tender other than specie legal tender, the seller shall state on the seller's books and records and
1020 on an invoice, bill of sale, or similar document provided to the purchaser:

1021 (A) the purchase price in specie legal tender and in the legal tender the seller is
1022 required to remit to the commission;

1023 (B) subject to Subsection (3)(h)(ii), the amount of tax due under this chapter in specie
1024 legal tender and in the legal tender the seller is required to remit to the commission;

1025 (C) the tax rate under this chapter applicable to the purchase; and

1026 (D) the date of the purchase.

1027 (ii) (A) Subject to Subsection (3)(h)(ii)(B), for purposes of determining the amount of
1028 tax due under Subsection (3)(h)(i), a seller shall use the most recent London fixing price for the
1029 specie legal tender the purchaser paid.

1030 (B) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1031 commission may make rules for determining the amount of tax due under Subsection (3)(h)(i)
1032 if the London fixing price is not available for a particular day.

1033 (4) (a) Except as provided in Subsections (5) through (7) and Section 59-12-108, the
1034 sales or use tax imposed by this chapter is due and payable to the commission quarterly on or
1035 before the last day of the month next succeeding each quarterly calendar [~~quarterly~~] period.

1036 (b) (i) Each seller shall, on or before the last day of the month next succeeding each
1037 quarterly calendar [~~quarterly~~] period, file with the commission a return for the preceding
1038 quarterly period.

1039 (ii) The seller shall remit with the return under Subsection (4)(b)(i) the amount of the
1040 tax required under this chapter to be collected or paid for the period covered by the return.

1041 (c) Except as provided in Subsection (5)(c), a return shall contain information and be in
1042 a form the commission prescribes by rule.

1043 (d) (i) Subject to Subsection (4)(d)(ii), the sales tax as computed in the return shall be
1044 based on the total nonexempt sales made during the period for which the return is filed,
1045 including both cash and charge sales.

1046 (ii) For a sale that includes the delivery or installation of tangible personal property at a
1047 location other than a seller's place of business described in Subsection (2)(a)(i), if the delivery
1048 or installation is separately stated on an invoice or receipt, a seller may compute the tax due on
1049 the sale for purposes of Subsection (4)(d)(i) based on the amount the seller receives for that
1050 sale during each period for which the seller receives payment for the sale.

1051 (e) (i) The use tax as computed in the return shall be based on the total amount of
1052 purchases for storage, use, or other consumption in this state made during the period for which
1053 the return is filed, including both cash and charge purchases.

1054 (ii) (A) As used in this Subsection (4)(e)(ii), "qualifying purchaser" means a purchaser
1055 [~~who~~] that is required to remit taxes under this chapter, but is not required to remit taxes

1056 monthly in accordance with Section 59-12-108, and [~~who~~] that converts tangible personal
1057 property into real property.

1058 (B) Subject to Subsections (4)(e)(ii)(C) and (D), a qualifying purchaser may remit the
1059 taxes due under this chapter on tangible personal property for which the qualifying purchaser
1060 claims an exemption as allowed under Subsection 59-12-104(23) or (25) based on the period in
1061 which the qualifying purchaser receives payment, in accordance with Subsection (4)(e)(ii)(C),
1062 for the conversion of the tangible personal property into real property.

1063 (C) A qualifying purchaser remitting taxes due under this chapter in accordance with
1064 Subsection (4)(e)(ii)(B) shall remit an amount equal to the total amount of tax due on the
1065 qualifying purchaser's purchase of the tangible personal property that was converted into real
1066 property multiplied by a fraction, the numerator of which is the payment received in the period
1067 for the qualifying purchaser's sale of the tangible personal property that was converted into real
1068 property and the denominator of which is the entire sales price for the qualifying purchaser's
1069 sale of the tangible personal property that was converted into real property.

1070 (D) A qualifying purchaser may remit taxes due under this chapter in accordance with
1071 this Subsection (4)(e)(ii) only if the books and records that the qualifying purchaser keeps in
1072 the qualifying purchaser's regular course of business identify by reasonable and verifiable
1073 standards that the tangible personal property was converted into real property.

1074 (f) (i) Subject to Subsection (4)(f)(ii) and in accordance with Title 63G, Chapter 3,
1075 Utah Administrative Rulemaking Act, the commission may by rule extend the time for making
1076 returns and paying the taxes.

1077 (ii) An extension under Subsection (4)(f)(i) may not be for more than 90 days.

1078 (g) The commission may require returns and payment of the tax to be made for other
1079 than quarterly periods if the commission considers it necessary in order to ensure the payment
1080 of the tax imposed by this chapter.

1081 (h) (i) The commission may require a seller that files a simplified electronic return with
1082 the commission to file an additional electronic report with the commission.

1083 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1084 commission may make rules providing:

1085 (A) the information required to be included in the additional electronic report described
1086 in Subsection (4)(h)(i); and

1087 (B) one or more due dates for filing the additional electronic report described in
1088 Subsection (4)(h)(i).

1089 (5) (a) As used in this Subsection (5) and Subsection (6)(b), "remote seller" means a
1090 seller that is:

1091 (i) registered under the agreement;

1092 (ii) described in Subsection (2)(c); and

1093 (iii) not a:

1094 (A) model 1 seller;

1095 (B) model 2 seller; or

1096 (C) model 3 seller.

1097 (b) (i) Except as provided in Subsection (5)(b)(ii), a tax a remote seller collects in
1098 accordance with Subsection (2)(c) is due and payable:

1099 (A) to the commission;

1100 (B) annually; and

1101 (C) on or before the last day of the month immediately following the last day of each
1102 calendar year.

1103 (ii) The commission may require that a tax a remote seller collects in accordance with
1104 Subsection (2)(c) be due and payable:

1105 (A) to the commission; and

1106 (B) on the last day of the month immediately following any month in which the seller
1107 accumulates a total of at least \$1,000 in agreement sales and use tax.

1108 (c) (i) If a remote seller remits a tax to the commission in accordance with Subsection
1109 (5)(b), the remote seller shall file a return:

1110 (A) with the commission;

1111 (B) with respect to the tax;

1112 (C) containing information prescribed by the commission; and

1113 (D) on a form prescribed by the commission.

1114 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1115 commission shall make rules prescribing:

1116 (A) the information required to be contained in a return described in Subsection

1117 (5)(c)(i); and

1118 (B) the form described in Subsection (5)(c)(i)(D).

1119 (d) A tax a remote seller collects in accordance with this Subsection (5) shall be
1120 calculated on the basis of the total amount of taxable transactions under Subsection
1121 59-12-103(1) the remote seller completes, including:

1122 (i) a cash transaction; and
1123 (ii) a charge transaction.

1124 (6) (a) Except as provided in Subsection (6)(b), a tax a seller that files a simplified
1125 electronic return collects in accordance with this chapter is due and payable:

1126 (i) monthly on or before the last day of the month immediately following the month for
1127 which the seller collects a tax under this chapter; and
1128 (ii) for the month for which the seller collects a tax under this chapter.

1129 (b) A tax a remote seller that files a simplified electronic return collects in accordance
1130 with this chapter is due and payable as provided in Subsection (5).

1131 (7) (a) On each vehicle sale made by other than a regular licensed vehicle dealer, the
1132 purchaser shall pay the sales or use tax directly to the commission if the vehicle is subject to
1133 titling or registration under the laws of this state.

1134 (b) The commission shall collect the tax described in Subsection (7)(a) when the
1135 vehicle is titled or registered.

1136 (8) If any sale of tangible personal property or any other taxable transaction under
1137 Subsection 59-12-103(1), is made by a wholesaler to a retailer[;]:

1138 (a) the wholesaler is not responsible for the collection or payment of the tax imposed
1139 on the sale; and
1140 (b) the retailer is responsible for the collection or payment of the tax imposed on the
1141 sale if:

1142 ~~(a)~~ (i) the retailer represents that the tangible personal property, product transferred
1143 electronically, or service is purchased by the retailer for resale; and
1144 ~~(b)~~ (ii) the tangible personal property, product transferred electronically, or service is
1145 not subsequently resold.

1146 (9) If any sale of property or service subject to the tax is made to a person prepaying
1147 sales or use tax in accordance with Title 63M, Chapter 5, Resource Development Act, or to a
1148 contractor or subcontractor of that person[;]:

1149 (a) the person to whom such payment or consideration is payable is not responsible for
1150 the collection or payment of the sales or use tax; and

1151 (b) the person prepaying the sales or use tax is responsible for the collection or
1152 payment of the sales or use tax if the person prepaying the sales or use tax represents that the
1153 amount prepaid as sales or use tax has not been fully credited against sales or use tax due and
1154 payable under the rules promulgated by the commission.

1155 (10) (a) For purposes of this Subsection (10):

1156 (i) Except as provided in Subsection (10)(a)(ii), "bad debt" ~~[is-as]~~ means the same as
1157 that term is defined in Section 166, Internal Revenue Code.

1158 ~~[(ii) Notwithstanding Subsection (10)(a)(i), "bad]~~

1159 (ii) "Bad debt" does not include:

1160 (A) an amount included in the purchase price of tangible personal property, a product
1161 transferred electronically, or a service that is:

1162 (I) not a transaction described in Subsection 59-12-103(1);

1163 (II) exempt under Section 59-12-104; or

1164 (III) exempt under Section 59-12-104.8;

1165 (B) a financing charge;

1166 (C) interest;

1167 (D) a tax imposed under this chapter on the purchase price of tangible personal
1168 property, a product transferred electronically, or a service;

1169 (E) an uncollectible amount on tangible personal property or a product transferred
1170 electronically that:

1171 (I) is subject to a tax under this chapter; and

1172 (II) remains in the possession of a seller until the full purchase price is paid;

1173 (F) an expense incurred in attempting to collect any debt; or

1174 (G) an amount that a seller does not collect on repossessed property.

1175 (b) (i) To the extent an amount remitted in accordance with Subsection (4)(d) later
1176 becomes bad debt, a seller may deduct the bad debt from the total amount from which a tax
1177 under this chapter is calculated on a return.

1178 (ii) A qualifying purchaser, as defined in Subsection (4)(e)(ii)(A), may deduct from the
1179 total amount of taxes due under this chapter the amount of tax the qualifying purchaser paid on

1180 the qualifying purchaser's purchase of tangible personal property converted into real property to
1181 the extent that:

1182 (A) tax was remitted in accordance with Subsection (4)(e) on that tangible personal
1183 property converted into real property;

1184 (B) the qualifying purchaser's sale of that tangible personal property converted into real
1185 property later becomes bad debt; and

1186 (C) the books and records that the qualifying purchaser keeps in the qualifying
1187 purchaser's regular course of business identify by reasonable and verifiable standards that the
1188 tangible personal property was converted into real property.

1189 (c) A seller may file a refund claim with the commission if:

1190 (i) the amount of bad debt for the time period described in Subsection (10)(e) exceeds
1191 the amount of the seller's sales that are subject to a tax under this chapter for that same time
1192 period; and

1193 (ii) as provided in Section 59-1-1410.

1194 (d) A bad debt deduction under this section may not include interest.

1195 (e) A bad debt may be deducted under this Subsection (10) on a return for the time
1196 period during which the bad debt:

1197 (i) is written off as uncollectible in the seller's books and records; and

1198 (ii) would be eligible for a bad debt deduction:

1199 (A) for federal income tax purposes; and

1200 (B) if the seller were required to file a federal income tax return.

1201 (f) If a seller recovers any portion of bad debt for which the seller makes a deduction or
1202 claims a refund under this Subsection (10), the seller shall report and remit a tax under this
1203 chapter:

1204 (i) on the portion of the bad debt the seller recovers; and

1205 (ii) on a return filed for the time period for which the portion of the bad debt is
1206 recovered.

1207 (g) For purposes of reporting a recovery of a portion of bad debt under Subsection
1208 (10)(f), a seller shall apply amounts received on the bad debt in the following order:

1209 (i) in a proportional amount:

1210 (A) to the purchase price of the tangible personal property, product transferred

1211 electronically, or service; and

1212 (B) to the tax due under this chapter on the tangible personal property, product

1213 transferred electronically, or service; and

1214 (ii) to:

1215 (A) interest charges;

1216 (B) service charges; and

1217 (C) other charges.

1218 (h) A seller's certified service provider may make a deduction or claim a refund for bad

1219 debt on behalf of the seller:

1220 (i) in accordance with this Subsection (10); and

1221 (ii) if the certified service provider credits or refunds the entire amount of the bad debt

1222 deduction or refund to the seller.

1223 (i) A seller may allocate bad debt among the states that are members of the agreement

1224 if the seller's books and records support that allocation.

1225 (11) (a) A seller may not, with intent to evade any tax, fail to timely remit the full

1226 amount of tax required by this chapter.

1227 (b) A violation of this section is punishable as provided in Section 59-1-401.

1228 (c) Each person [~~who~~] that fails to pay any tax to the state or any amount of tax

1229 required to be paid to the state, except amounts determined to be due by the commission under

1230 Chapter 1, Part 14, Assessment, Collections, and Refunds Act, or Section 59-12-111, within

1231 the time required by this chapter, or [~~who~~] that fails to file any return as required by this

1232 chapter, shall pay, in addition to the tax, penalties and interest as provided in Sections 59-1-401

1233 and 59-1-402.

1234 (d) For purposes of prosecution under this section, each quarterly tax period in which a

1235 seller, with intent to evade any tax, collects a tax and fails to timely remit the full amount of the

1236 tax required to be remitted[;] constitutes a separate offense.

1237 Section 6. Section **59-12-108** is amended to read:

1238 **59-12-108. Monthly payment -- Amount of tax a seller may retain -- Penalty --**

1239 **Certain amounts allocated to local taxing jurisdictions.**

1240 (1) (a) Notwithstanding Section 59-12-107, a seller that has a tax liability under this

1241 chapter of \$50,000 or more for the previous calendar year shall:

- 1242 (i) file a return with the commission:
1243 (A) monthly on or before the last day of the month immediately following the month
1244 for which the seller collects a tax under this chapter; and
1245 (B) for the month for which the seller collects a tax under this chapter; and
1246 (ii) except as provided in Subsection (1)(b), remit with the return required by
1247 Subsection (1)(a)(i) the amount the person is required to remit to the commission for each tax,
1248 fee, or charge described in Subsection (1)(c):
1249 (A) if that seller's tax liability under this chapter for the previous calendar year is less
1250 than \$96,000, by any method permitted by the commission; or
1251 (B) if that seller's tax liability under this chapter for the previous calendar year is
1252 \$96,000 or more, by electronic funds transfer.
1253 (b) A seller shall remit electronically with the return required by Subsection (1)(a)(i)
1254 the amount the seller is required to remit to the commission for each tax, fee, or charge
1255 described in Subsection (1)(c) if that seller:
1256 (i) is required by Section 59-12-107 to file the return electronically; or
1257 (ii) (A) is required to collect and remit a tax under Section 59-12-107; and
1258 (B) files a simplified electronic return.
1259 (c) Subsections (1)(a) and (b) apply to the following taxes, fees, or charges:
1260 (i) a tax under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
1261 (ii) a fee under Section 19-6-714;
1262 (iii) a fee under Section 19-6-805;
1263 (iv) a charge under Title 69, Chapter 2, Part 4, 911 Emergency Service Charges; or
1264 (v) a tax under this chapter.
1265 (d) Notwithstanding Subsection (1)(a)(ii) and in accordance with Title 63G, Chapter 3,
1266 Utah Administrative Rulemaking Act, the commission shall make rules providing for a method
1267 for making same-day payments other than by electronic funds transfer if making payments by
1268 electronic funds transfer fails.
1269 (e) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1270 commission shall establish by rule procedures and requirements for determining the amount a
1271 seller is required to remit to the commission under this Subsection (1).
1272 (2) (a) Except as provided in Subsection (3), a seller subject to Subsection (1) or a

1273 seller described in Subsection (4) may retain each month the amount allowed by this
1274 Subsection (2).

1275 (b) A seller subject to Subsection (1) or a seller described in Subsection (4) may retain
1276 each month 1.31% of any amounts the seller is required to remit to the commission:

1277 (i) for a transaction described in Subsection 59-12-103(1) that is subject to a state tax
1278 and a local tax imposed in accordance with the following, for the month for which the seller is
1279 filing a return in accordance with Subsection (1):

1280 (A) Subsection 59-12-103(2)(a);

1281 (B) Subsection 59-12-103(2)(b); and

1282 (C) Subsection 59-12-103(2)(d); and

1283 (ii) for an agreement sales and use tax.

1284 (c) (i) A seller subject to Subsection (1) or a seller described in Subsection (4) may
1285 retain each month the amount calculated under Subsection (2)(c)(ii) for a transaction described
1286 in Subsection 59-12-103(1) that is subject to the state tax and the local tax imposed in
1287 accordance with Subsection 59-12-103(2)(c).

1288 (ii) For purposes of Subsection (2)(c)(i), the amount a seller may retain is an amount
1289 equal to the sum of:

1290 (A) 1.31% of any amounts the seller is required to remit to the commission for:

1291 (I) the state tax and the local tax imposed in accordance with Subsection

1292 59-12-103(2)(c);

1293 (II) the month for which the seller is filing a return in accordance with Subsection (1);

1294 and

1295 (III) an agreement sales and use tax; and

1296 (B) 1.31% of the difference between:

1297 (I) the amounts the seller would have been required to remit to the commission:

1298 (Aa) in accordance with Subsection 59-12-103(2)(a) if the transaction had been subject
1299 to the state tax and the local tax imposed in accordance with Subsection 59-12-103(2)(a);

1300 (Bb) for the month for which the seller is filing a return in accordance with Subsection
1301 (1); and

1302 (Cc) for an agreement sales and use tax; and

1303 (II) the amounts the seller is required to remit to the commission for:

- 1304 (Aa) the state tax and the local tax imposed in accordance with Subsection
 1305 59-12-103(2)(c);
- 1306 (Bb) the month for which the seller is filing a return in accordance with Subsection (1);
 1307 and
- 1308 (Cc) an agreement sales and use tax.
- 1309 (d) A seller subject to Subsection (1) or a seller described in Subsection (4) may retain
 1310 each month 1% of any amounts the seller is required to remit to the commission:
- 1311 (i) for the month for which the seller is filing a return in accordance with Subsection
 1312 (1); and
- 1313 (ii) under:
- 1314 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
 1315 (B) Subsection 59-12-603(1)(a)(i)(A); or
 1316 (C) Subsection 59-12-603(1)(a)(i)(B).
- 1317 (3) A state government entity that is required to remit taxes monthly in accordance
 1318 with Subsection (1) may not retain any amount under Subsection (2).
- 1319 (4) A seller that has a tax liability under this chapter for the previous calendar year of
 1320 less than \$50,000 may:
- 1321 (a) voluntarily meet the requirements of Subsection (1); and
 1322 (b) if the seller voluntarily meets the requirements of Subsection (1), retain the
 1323 amounts allowed by Subsection (2).
- 1324 ~~[(5) (a) Subject to Subsections (5)(b) through (d), a seller that voluntarily collects and~~
 1325 ~~remits a tax in accordance with Subsection 59-12-107(2)(c)(i) may retain an amount equal to~~
 1326 ~~18% of any amounts the seller would otherwise remit to the commission:]~~
- 1327 ~~[(i) if the seller obtains a license under Section 59-12-106 for the first time on or after~~
 1328 ~~January 1, 2014; and]~~
- 1329 ~~[(ii) for:]~~
- 1330 ~~[(A) an agreement sales and use tax; and]~~
- 1331 ~~[(B) the time period for which the seller files a return in accordance with this section.]~~
- 1332 ~~[(b) If a seller retains an amount under this Subsection (5), the seller may not retain any~~
 1333 ~~other amount under this section.]~~
- 1334 ~~[(c) If a seller retains an amount under this Subsection (5), the commission may require~~

1335 ~~the seller to file a return by:]~~

1336 ~~[(i) electronic means; or]~~

1337 ~~[(ii) a means other than electronic means.]~~

1338 ~~[(d) A seller may not retain an amount under this Subsection (5) if the seller is required~~
1339 ~~to collect or remit a tax under this section in accordance with Section 59-12-103.1.]~~

1340 ~~[(6)]~~ (5) Penalties for late payment shall be as provided in Section 59-1-401.

1341 ~~[(7)]~~ (6) (a) Except as provided in Subsection ~~[(7)]~~ (6)(c), for any amounts required to
1342 be remitted to the commission under this part, the commission shall each month calculate an
1343 amount equal to the difference between:

1344 (i) the total amount retained for that month by all sellers had the percentages listed
1345 under Subsections (2)(b) and (2)(c)(ii) been 1.5%; and

1346 (ii) the total amount retained for that month by all sellers at the percentages listed
1347 under Subsections (2)(b) and (2)(c)(ii).

1348 (b) The commission shall each month allocate the amount calculated under Subsection
1349 ~~[(7)]~~ (6)(a) to each county, city, and town on the basis of the proportion of agreement sales and
1350 use tax that the commission distributes to each county, city, and town for that month compared
1351 to the total agreement sales and use tax that the commission distributes for that month to all
1352 counties, cities, and towns.

1353 (c) The amount the commission calculates under Subsection ~~[(7)]~~ (6)(a) may not
1354 include an amount collected from a tax that:

1355 (i) the state imposes within a county, city, or town, including the unincorporated area
1356 of a county; and

1357 (ii) is not imposed within the entire state.

1358 Section 7. Section **59-12-211** is amended to read:

1359 **59-12-211. Definitions -- Location of certain transactions -- Reports to**
1360 **commission -- Direct payment provision for a seller making certain purchases --**
1361 **Exceptions.**

1362 (1) As used in this section:

1363 (a) (i) "Receipt" and "receive" mean:

1364 (A) taking possession of tangible personal property;

1365 (B) making first use of a service; or

- 1366 (C) for a product transferred electronically, the earlier of:
1367 (I) taking possession of the product transferred electronically; or
1368 (II) making first use of the product transferred electronically.
- 1369 (ii) "Receipt" and "receive" do not include possession by a shipping company on behalf
1370 of a purchaser.
- 1371 (b) "Transportation equipment" means:
1372 (i) a locomotive or rail car that is used to carry a person or property in interstate
1373 commerce;
1374 (ii) a truck or truck-tractor:
1375 (A) with a gross vehicle weight rating of 10,001 pounds or more;
1376 (B) registered under Section 41-1a-301; and
1377 (C) operated under the authority of a carrier authorized and certificated:
1378 (I) by the United States Department of Transportation or another federal authority; and
1379 (II) to engage in carrying a person or property in interstate commerce;
1380 (iii) a trailer, semitrailer, or passenger bus that is:
1381 (A) registered under Section 41-1a-301; and
1382 (B) operated under the authority of a carrier authorized and certificated:
1383 (I) by the United States Department of Transportation or another federal authority; and
1384 (II) to engage in carrying a person or property in interstate commerce;
1385 (iv) an aircraft that is operated by an air carrier authorized and certificated:
1386 (A) by the United States Department of Transportation or another federal or foreign
1387 authority; and
1388 (B) to engage in carrying a person or property in interstate commerce; or
1389 (v) a container designed for use on, or a component part attached or secured on, an
1390 item of equipment listed in Subsections (1)(b)(i) through (iv).
- 1391 (2) Except as provided in Subsections (8) and (14), if tangible personal property, a
1392 product transferred electronically, or a service that is subject to taxation under this chapter is
1393 received by a purchaser at a business location of a seller, the location of the transaction is the
1394 business location of the seller.
- 1395 (3) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9), (11),
1396 and (14), if tangible personal property, a product transferred electronically, or a service that is

1397 subject to taxation under this chapter is not received by a purchaser at a business location of a
1398 seller, the location of the transaction is the location where the purchaser takes receipt of the
1399 tangible personal property or service.

1400 (4) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9), (11),
1401 and (14), if Subsection (2) or (3) does not apply, the location of the transaction is the location
1402 indicated by an address for or other information on the purchaser if:

1403 (a) the address or other information is available from the seller's business records; and

1404 (b) use of the address or other information from the seller's records does not constitute
1405 bad faith.

1406 (5) (a) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9),
1407 (11), and (14), if Subsection (2), (3), or (4) does not apply, the location of the transaction is the
1408 location indicated by an address for the purchaser if:

1409 (i) the address is obtained during the consummation of the transaction; and

1410 (ii) use of the address described in Subsection (5)(a)(i) does not constitute bad faith.

1411 (b) An address used under Subsection (5)(a) includes the address of a purchaser's
1412 payment instrument if no other address is available.

1413 (6) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9), (11),
1414 and (14), if Subsection (2), (3), (4), or (5) does not apply or if a seller does not have sufficient
1415 information to apply Subsection (2), (3), (4), or (5), the location of the transaction is the
1416 location:

1417 (a) indicated by the address from which:

1418 (i) except as provided in Subsection (6)(a)(ii), for tangible personal property that is
1419 subject to taxation under this chapter, the tangible personal property is shipped;

1420 (ii) for computer software delivered electronically or for a product transferred
1421 electronically that is subject to taxation under this chapter, the computer software or product
1422 transferred electronically is first available for transmission by the seller; or

1423 (iii) for a service that is subject to taxation under this chapter, the service is provided;

1424 or

1425 (b) as determined by the seller with respect to a prepaid wireless calling service:

1426 (i) provided in Subsection (6)(a)(iii); or

1427 (ii) associated with the mobile telephone number.

1428 (7) (a) For purposes of this Subsection (7), "shared ZIP Code" means a nine-digit ZIP
1429 Code that is located within two or more local taxing jurisdictions.

1430 (b) If the location of a transaction determined under Subsections (3) through (6) is in a
1431 shared ZIP Code, the location of the transaction is:

1432 (i) if there is only one local taxing jurisdiction that imposes the lowest agreement
1433 combined tax rate for the shared ZIP Code, the local taxing jurisdiction that imposes the lowest
1434 agreement combined tax rate; or

1435 (ii) if two or more local taxing jurisdictions impose the lowest agreement combined tax
1436 rate for the shared ZIP Code, the local taxing jurisdiction that:

1437 (A) imposes the lowest agreement combined tax rate for the shared ZIP Code; and

1438 (B) has located within the local taxing jurisdiction the largest number of street
1439 addresses within the shared ZIP Code.

1440 (c) Notwithstanding any provision under this chapter authorizing or requiring the
1441 imposition of a sales and use tax, for purposes of Subsection (7)(b), a seller shall collect a sales
1442 and use tax imposed under this chapter at the lowest agreement combined tax rate imposed
1443 within the local taxing jurisdiction in which the transaction is located under Subsection (7)(b).

1444 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1445 commission may make rules:

1446 (i) providing for the circumstances under which a seller has exercised due diligence in
1447 determining the nine-digit ZIP Code for an address; or

1448 (ii) notwithstanding Subsection (7)(b), for determining the local taxing jurisdiction
1449 within which a transaction is located if a seller is unable to determine the local taxing
1450 jurisdiction within which the transaction is located under Subsection (7)(b).

1451 (8) The location of a transaction made with a direct payment permit described in
1452 Section 59-12-107.1 is the location where receipt of the tangible personal property, product, or
1453 service by the purchaser occurs.

1454 (9) The location of a purchase of direct mail is the location determined in accordance
1455 with Section 59-12-123.

1456 (10) (a) Except as provided in Subsection (10)(b), the location of a transaction
1457 determined under Subsections (3) through (6), (8), or (9), is the local taxing jurisdiction within
1458 which:

1459 (i) the nine-digit ZIP Code assigned to the location determined under Subsections (3)
1460 through (6), (8), or (9) is located; or

1461 (ii) the five-digit ZIP Code assigned to the location determined under Subsections (3)
1462 through (6), (8), or (9) is located if:

1463 (A) a nine-digit ZIP Code is not available for the location determined under
1464 Subsections (3) through (6), (8), or (9); or

1465 (B) after exercising due diligence, a seller or certified service provider is unable to
1466 determine a nine-digit ZIP Code for the location determined under Subsections (3) through (6),
1467 (8), or (9).

1468 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1469 commission may make rules for determining the local taxing jurisdiction within which a
1470 transaction is located if a seller or certified service provider is unable to determine the local
1471 taxing jurisdiction within which the transaction is located under Subsection (10)(a).

1472 (11) (a) As used in this Subsection (11), "florist delivery transaction" means a
1473 transaction commenced by a florist that transmits an order:

1474 (i) by:

1475 (A) telegraph;

1476 (B) telephone; or

1477 (C) a means of communication similar to Subsection (11)(a)(i)(A) or (B); and

1478 (ii) for delivery to another place:

1479 (A) in this state; or

1480 (B) outside this state.

1481 (b) Notwithstanding Subsections (3) through (6), beginning on January 1, 2009, and
1482 ending on December 31, 2009, the location of a florist delivery transaction is the business
1483 location of the florist that commences the florist delivery transaction.

1484 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1485 commission may by rule:

1486 (i) define:

1487 (A) "business location"; and

1488 (B) "florist";

1489 (ii) define what constitutes a means of communication similar to Subsection

1490 (11)(a)(i)(A) or (B); and

1491 (iii) provide procedures for determining when a transaction is commenced.

1492 (12) (a) Notwithstanding any other provision of this section and except as provided in
1493 Subsection (12)(b), if a purchaser uses computer software and there is not a transfer of a copy
1494 of that software to the purchaser, the location of the transaction is determined in accordance
1495 with Subsections (4) and (5).

1496 (b) If a purchaser uses computer software described in Subsection (12)(a) at more than
1497 one location, the location of the transaction shall be determined in accordance with rules made
1498 by the commission in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
1499 Act.

1500 (13) (a) A tax collected under this chapter shall be reported to the commission on a
1501 form that identifies the location of each transaction that occurs during the return filing period.

1502 (b) The form described in Subsection (13)(a) shall be filed with the commission as
1503 required under this chapter.

1504 (14) This section does not apply to:

1505 (a) amounts charged by a seller for:

1506 (i) telecommunications service except for a prepaid calling service or a prepaid
1507 wireless calling service as provided in Subsection (6)(b) or Section 59-12-215; or

1508 (ii) the retail sale or transfer of:

1509 (A) a motor vehicle other than a motor vehicle that is transportation equipment;

1510 (B) an aircraft other than an aircraft that is transportation equipment;

1511 (C) a watercraft;

1512 (D) a modular home;

1513 (E) a manufactured home; or

1514 (F) a mobile home; or

1515 (iii) except as provided in Section 59-12-214, the lease or rental of tangible personal
1516 property other than tangible personal property that is transportation equipment;

1517 (b) a tax a person pays in accordance with Subsection 59-12-107(2)~~(e)~~(f); or

1518 (c) a retail sale of tangible personal property or a product transferred electronically if:

1519 (i) the seller receives the order for the tangible personal property or product transferred
1520 electronically in this state;

1521 (ii) receipt of the tangible personal property or product transferred electronically by the
1522 purchaser or the purchaser's donee occurs in this state;

1523 (iii) the location where receipt of the tangible personal property or product transferred
1524 electronically by the purchaser occurs is determined in accordance with Subsections (3)
1525 through (5); and

1526 (iv) at the time the seller receives the order, the record keeping system that the seller
1527 uses to calculate the proper amount of tax imposed under this chapter captures the location
1528 where the order is received.

1529 Section 8. Section **59-12-211.1** is amended to read:

1530 **59-12-211.1. Location of a transaction that is subject to a use tax.**

1531 (1) Subject to Subsection (2), a person that is required by Subsection
1532 59-12-107(2)~~(e)~~(f) to pay a use tax on a transaction shall report the location of that
1533 transaction at the person's location.

1534 (2) For purposes of Subsection (1), if a person has more than one location in this state,
1535 the person shall report the location of the transaction at the location at which tangible personal
1536 property, a product transferred electronically, or a service is received.

1537 Section 9. Section **63I-2-259** is amended to read:

1538 **63I-2-259. Repeal dates -- Title 59.**

1539 (1) Section 59-1-102 is repealed on May 14, 2019.

1540 (2) In Section 59-2-926, the language that states "applicable" and "or 53F-2-301.5" is
1541 repealed July 1, 2023.

1542 (3) Subsection 59-2-1007(15) is repealed on December 31, 2018.

1543 (4) If Section 59-12-104.8 is not in effect by December 31, 2028, Subsection
1544 ~~[59-12-103.1(5)]~~ 59-12-103.2(8) is repealed on December 31, 2028.

1545 (5) If Subsection 59-12-104.5(2) is not in effect by December 31, 2028, Subsection
1546 59-12-104.5(2) is repealed on December 31, 2028.

1547 (6) If Section 59-12-104.8 is not in effect by December 31, 2028, Section 59-12-104.8
1548 is repealed on December 31, 2028.

1549 (7) If Subsection 59-12-106(3)(a)(ii)(B) is not in effect by December 31, 2028,
1550 Subsection 59-12-106(3)(a)(ii)(B) is repealed on December 31, 2028.

1551 (8) If Subsection 59-12-107(10)(a)(ii)(A)(III) is not in effect by December 31, 2028,

- 1552 Subsection 59-12-107(10)(a)(ii)(A)(III) is repealed on December 31, 2028.
- 1553 (9) If Subsection 59-12-204(2)(b)(ii) is not in effect by December 31, 2028, Subsection
1554 59-12-204(2)(b)(ii) is repealed on December 31, 2028.
- 1555 (10) If Subsection 59-12-204(6)(b)(ii) is not in effect by December 31, 2028,
1556 Subsection 59-12-204(6)(b)(ii) is repealed on December 31, 2028.
- 1557 (11) If Subsection 59-12-401(1)(b)(ii)(B) is not in effect by December 31, 2028,
1558 Subsection 59-12-401(1)(b)(ii)(B) is repealed on December 31, 2028.
- 1559 (12) If Subsection 59-12-402(1)(b)(ii)(B) is not in effect by December 31, 2028,
1560 Subsection 59-12-402(1)(b)(ii)(B) is repealed on December 31, 2028.
- 1561 (13) If Subsection 59-12-402.1(5)(b)(ii) is not in effect by December 31, 2028,
1562 Subsection 59-12-402.1(5)(b)(ii) is repealed on December 31, 2028.
- 1563 (14) If Subsection 59-12-703(1)(c)(i)(B) is not in effect by December 31, 2028,
1564 Subsection 59-12-703(1)(c)(i)(B) is repealed on December 31, 2028.
- 1565 (15) If Subsection 59-12-802(1)(c)(i)(B) is not in effect by December 31, 2028,
1566 Subsection 59-12-802(1)(c)(i)(B) is repealed on December 31, 2028.
- 1567 (16) If Subsection 59-12-804(1)(b)(i)(B) is not in effect by December 31, 2028,
1568 Subsection 59-12-804(1)(b)(i)(B) is repealed on December 31, 2028.
- 1569 (17) If Subsection 59-12-1102(1)(a)(ii)(B) is not in effect by December 31, 2028,
1570 Subsection 59-12-1102(1)(a)(ii)(B) is repealed on December 31, 2028.
- 1571 (18) If Subsection 59-12-1302(4)(a)(i)(B) is not in effect by December 31, 2028,
1572 Subsection 59-12-1302(4)(a)(i)(B) is repealed on December 31, 2028.
- 1573 (19) If Subsection 59-12-1402(1)(c)(ii)(B) is not in effect by December 31, 2028,
1574 Subsection 59-12-1402(1)(c)(ii)(B) is repealed on December 31, 2028.
- 1575 (20) If Subsection 59-12-1802(2)(b) is not in effect by December 31, 2028, Subsection
1576 59-12-1802(2)(b) is repealed on December 31, 2028.
- 1577 (21) If Subsection 59-12-2003(4)(a)(i)(B) is not in effect by December 31, 2028,
1578 Subsection 59-12-2003(4)(a)(i)(B) is repealed on December 31, 2028.
- 1579 (22) If Subsection 59-12-2103(2)(a)(i)(B) is not in effect by December 31, 2028,
1580 Subsection 59-12-2103(2)(a)(i)(B) is repealed on December 31, 2028.
- 1581 (23) If Subsection 59-12-2204(1)(a)(ii) is not in effect by December 31, 2028,
1582 Subsection 59-12-2204(1)(a)(ii) is repealed on December 31, 2028.

1583 Section 10. **Repealer.**

1584 This bill repeals:

1585 Section **59-12-103.1, Action by Supreme Court of the United States authorizing or**
1586 **action by Congress permitting a state to require certain sellers to collect a sales or use tax**
1587 **-- Collection of tax by commission -- Commission report to Revenue and Taxation**
1588 **Interim Committee -- Revenue and Taxation Interim Committee study -- Division of**
1589 **Finance requirements to make certain deposits and to provide notice.**

1590 Section 11. **Effective date.**

1591 (1) Except as provided in Subsection (2), this bill takes effect on October 1, 2018.

1592 (2) The amendments in this bill to the following sections take effect on January 1,

1593 2019:

1594 (a) Section 59-1-401;

1595 (b) Section 59-12-103.1;

1596 (c) Section 59-12-103.2 (Contingently Superseded);

1597 (d) Section 59-12-103.2 (Contingently Effective);

1598 (e) Section 59-12-107 (Contingently Superseded);

1599 (f) Section 59-12-107 (Contingently Effective);

1600 (g) Section 59-12-211;

1601 (h) Section 59-12-211.1; and

1602 (i) Section 63I-2-259.