

SB0052S03 compared with SB0052S02

~~{Omitted text}~~ shows text that was in SB0052S02 but was omitted in SB0052S03
inserted text shows text that was not in SB0052S02 but was inserted into SB0052S03

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Vehicle Registration Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brady Brammer

House Sponsor: Jason B. Kyle

LONG TITLE

General Description:

This bill allows the State Tax Commission to contract with a designated agent to assist in address verification for vehicles and vessels insured in the state.

Highlighted Provisions:

This bill:

- defines terms;
- allows the State Tax Commission (commission) to contract with a designated agent to determine the address for which a vehicle's or vessel's insurance is tied, to assist the commission in determining whether the owner is a resident of this state;
- based on information provided by the designated agent, allows the commission to investigate whether the owner is a resident for vehicle or vessel registration purposes or otherwise in compliance with relevant registration and tax laws;
- for a person found in violation of certain tax and fee requirements, allows the person 60 days to cure the violation before being subject to a penalty;
- allows the commission to impose penalties in certain circumstances;

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▸ allows funds in the Uninsured Motorist Identification Restricted Account to be used to cover the costs of the designated agent for address verification; {and}

▸ provides a coordination clause to amend S.B. 195, Transportation Amendments, with regard to electric unicycles and similar devices; and

▸ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

This bill provides a coordination clause.

AMENDS:

41-1a-202 (Effective upon governor's approval), as last amended by Laws of Utah 2023, Chapters 81, 532 (**Effective upon governor's approval**), as last amended by Laws of Utah 2023, Chapters 81, 532

41-12a-301 (Effective 05/03/23), as last amended by Laws of Utah 2023, Chapter 94 (**Effective 05/03/23**), as last amended by Laws of Utah 2023, Chapter 94

41-12a-806 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Chapters 268, 319 (**Effective upon governor's approval**), as last amended by Laws of Utah 2024, Chapters 268, 319

59-12-107 (Effective 05/04/22), as last amended by Laws of Utah 2022, Chapter 273 (**Effective 05/04/22**), as last amended by Laws of Utah 2022, Chapter 273

Utah Code Sections affected by Coordination Clause:

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

Section 1. Section **41-1a-202** is amended to read:

41-1a-202. Definitions -- Vehicles exempt from registration -- Registration of vehicles after establishing residency.

(1) [In] As used in this section:

(a) "Designated agent" means the same as that term is defined in Section 41-12a-803.

[{a}] (b) "Domicile" means the place:

(i) where an individual has a fixed permanent home and principal establishment;

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- 43 (ii) to which the individual if absent, intends to return; and
44 (iii) in which the individual and his family voluntarily reside, not for a special or temporary purpose,
but with the intention of making a permanent home.
- 46 ~~[(b)]~~ (c)
- (i) "Resident" means any of the following:
- 47 (A) an individual who:
- 48 (I) has established a domicile in this state;
- 49 (II) regardless of domicile, remains in this state for an aggregate period of six months or more during
any calendar year;
- 51 (III) engages in a trade, profession, or occupation in this state or who accepts employment in other than
seasonal work in this state and who does not commute into the state;
- 54 (IV) declares himself to be a resident of this state for the purpose of obtaining a driver license or motor
vehicle registration; or
- 56 (V) declares himself a resident of Utah to obtain privileges not ordinarily extended to nonresidents,
including going to school, or placing children in school without paying nonresident tuition or fees;
or
- 59 (B) any individual, partnership, limited liability company, firm, corporation, association, or other
entity that:
- 61 (I) maintains a main office, branch office, or warehouse facility in this state and that bases and operates
a motor vehicle in this state; or
- 63 (II) operates a motor vehicle in intrastate transportation for other than seasonal work.
- 65 (ii) "Resident" does not include any of the following:
- 66 (A) a member of the military temporarily stationed in Utah;
- 67 (B) an out-of-state student, as classified by the institution of higher education, enrolled with the
equivalent of seven or more quarter hours, regardless of whether the student engages in a trade,
profession, or occupation in this state or accepts employment in this state; and
- 71 (C) an individual domiciled in another state or a foreign country that:
- 72 (I) is engaged in public, charitable, educational, or religious services for a government agency or an
organization that qualifies for tax-exempt status under Internal Revenue Code Section 501(c)(3);
- 75 (II) is not compensated for services rendered other than expense reimbursements; and
- 77 (III) is temporarily in Utah for a period not to exceed 24 months.

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(iii) Notwithstanding Subsections ~~[(1)(b)(i) and (ii)]~~ (1)(c)(i) and (ii), "resident" includes the owner of a vehicle equipped with an automated driving system as defined in Section 41-26-102.1 if the vehicle is physically present in the state for more than 30 consecutive days in a calendar year.

(2)

(a) Registration under this chapter is not required for any:

(i) vehicle registered in another state and owned by a nonresident of the state or operating under a temporary registration permit issued by the division or a dealer authorized by this chapter, driven or moved upon a highway in conformance with the provisions of this chapter relating to manufacturers, transporters, dealers, lien holders, or interstate vehicles;

(ii) vehicle driven or moved upon a highway only for the purpose of crossing the highway from one property to another;

(iii) implement of husbandry, whether of a type otherwise subject to registration or not, that is only incidentally operated or moved upon a highway;

(iv) special mobile equipment;

(v) vehicle owned or leased by the federal government;

(vi) motor vehicle not designed, used, or maintained for the transportation of passengers for hire or for the transportation of property if the motor vehicle is registered in another state and is owned and operated by a nonresident of this state;

(vii) vehicle or combination of vehicles designed, used, or maintained for the transportation of persons for hire or for the transportation of property if the vehicle or combination of vehicles is registered in another state and is owned and operated by a nonresident of this state and if the vehicle or combination of vehicles has a gross laden weight of 26,000 pounds or less;

(viii) trailer of 750 pounds or less unladen weight and not designed, used, and maintained for hire for the transportation of property or person;

(ix) single-axle trailer unless that trailer is:

(A) a commercial vehicle;

(B) a trailer designed, used, and maintained for hire for the transportation of property or person; or

(C) a travel trailer, camping trailer, or fifth wheel trailer of 750 pounds or more laden weight;

(x) manufactured home or mobile home;

(xi) off-highway vehicle currently registered under Section 41-22-3 if the off-highway vehicle is:

(A) being towed;

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- (B) operated on a street or highway designated as open to off-highway vehicle use; or
- (C) operated in the manner prescribed in Subsections 41-22-10.3(1) through (3);
- (xii) off-highway implement of husbandry operated in the manner prescribed in Subsections 41-22-5.5(3) through (5);
- (xiii) modular and prebuilt homes conforming to the uniform building code and presently regulated by the United States Department of Housing and Urban Development that are not constructed on a permanent chassis;
- (xiv) electric assisted bicycle defined under Section 41-6a-102;
- (xv) motor assisted scooter defined under Section 41-6a-102; or
- (xvi) electric personal assistive mobility device defined under Section 41-6a-102.
- (b) For purposes of an implement of husbandry as described in Subsection (2)(a)(iii), incidental operation on a highway includes operation that is:
- (i) transportation of raw agricultural materials or other agricultural related operations; and
- (ii) limited to 100 miles round trip on a highway.
- (3)
- (a) Unless otherwise exempted under Subsection (2), registration under this chapter is required for any motor vehicle, combination of vehicles, trailer, semitrailer, vintage vehicle, or restored-modified vehicle within 60 days of the owner establishing residency in this state.
- (b)
- (i) The commission may contract with a designated agent described in Chapter 12a, Part 8, Uninsured Motorist Identification Database Program, to determine the address for which a contract for owner's or operator's security pertaining to a certain vehicle or vessel is tied.
- (ii) If the information provided by the designated agent under Subsection (3)(b)(i) indicates that the owner of a vehicle or vessel is a resident of this state, the commission may investigate to ensure compliance with this chapter, Chapter 22, Off-highway Vehicles, Title 59, Chapter 12, Sales and Use Tax Act, and Title 73, Chapter 18, State Boating Act.
- (c) If the commission's investigation described in Subsection (3)(b)(ii) determines that the owner of the vehicle or vessel is not in compliance with this chapter, Chapter 22, Off-highway Vehicles, Title 59, Chapter 12, Sales and Use Tax Act, or Title 73, Chapter 18, State Boating Act, the commission:
- (i) may impose a penalty on the owner of the vehicle or vessel of \$150; and

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(ii) shall provide notice of noncompliance to the owner of the vehicle or vessel and allow 60 days after the date on which the notice was issued for the owner of the vehicle or vessel to comply with the provisions identified in the commission's investigation described in Subsection (3)(b)(ii).

(d) If the owner of a vehicle or vessel fails to comply as directed within the time period described in Subsection (3)(c), the commission created in Section 41-3-104 may impose on the owner of the vehicle or vessel a penalty equal to the greater of:

(i) if the commission finds there was an underpayment of tax under Title 59, Chapter 12, Sales and Use Tax Act, a penalty as provided in Subsection 59-1-401(7); or

(ii) \$500.

(e) Upon making a record of the commission's actions, and upon reasonable cause shown, the commission may waive, reduce, or compromise any penalty imposed under Subsection (3)(c) or (3)(d).

(f)

(i) The commission shall deposit money from a penalty under Subsections (3)(c)(i) and (3)(d)(ii) for failure to properly register or title a vehicle or vessel pursuant to this chapter, Chapter 22, Off-highway Vehicles, or Title 73, Chapter 18, State Boating Act, into the Uninsured Motorist Identification Restricted Account created in Section 41-12a-806.

(ii) The commission shall deposit money from a penalty under this Subsection (3)(d)(i) for failure to pay a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act, into the General Fund.

(4) A motor vehicle that is registered under Section 41-3-306 is exempt from the registration requirements of this part for the time period that the registration under Section 41-3-306 is valid.

(5) A vehicle that has been issued a nonrepairable certificate may not be registered under this chapter.

Section 2. Section **41-12a-301** is amended to read:

41-12a-301. Definitions -- Requirement of owner's or operator's security -- Exceptions.

(1) As used in this section:

(a) "Highway" means the same as that term is defined in Section 41-1a-102.

(b) "Local education agency" or "LEA" means the same as that term is defined in Section 53E-1-102.

(c) "Quasi-public road or parking area" means the same as that term is defined in Section 41-6a-214.

(2) Except as provided in Subsection (5):

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(a) every resident owner of a motor vehicle shall maintain owner's or operator's security in effect at any time that the motor vehicle is operated on a highway or on a quasi-public road or parking area or registered within the state; and

(b) every nonresident owner of a motor vehicle that has been physically present in this state for:

(i) 90 or fewer days during the preceding 365 days shall maintain the type and amount of owner's or operator's security required in his place of residence, in effect continuously throughout the period the motor vehicle remains within Utah; or

(ii) more than 90 days during the preceding 365 days shall thereafter maintain owner's or operator's security in effect continuously throughout the period the motor vehicle remains within Utah.

(3)

(a) Except as provided in Subsection (5), the state and all of its political subdivisions and their respective departments, institutions, or agencies shall maintain owner's or operator's security in effect continuously for their motor vehicles.

(b) Any other state is considered a nonresident owner of its motor vehicles and is subject to Subsection (2)(b).

(4) The United States, any political subdivision of it, or any of its agencies may maintain owner's or operator's security in effect for their motor vehicles.

(5) Owner's or operator's security is not required for any of the following:

(a) off-highway vehicles registered under Section 41-22-3 when operated either:

(i) on a highway designated as open for off-highway vehicle use; or

(ii) in the manner prescribed by Subsections 41-22-10.3(1) through (3);

(b) off-highway implements of husbandry operated in the manner prescribed by Subsections 41-22-5.5(3) through (5);

(c) electric assisted bicycles as defined under Section 41-6a-102;

(d) motor assisted scooters as defined under Section 41-6a-102;

(e) electric personal assistive mobility devices as defined under Section 41-6a-102; or

(f) an LEA, for a school bus that the LEA authorizes a state entity or political subdivision of the state to use.

(6) If an LEA authorizes a state entity or political subdivision of the state to use a school bus:

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(a) the state entity or political subdivision shall maintain owner's or operator's security during the term of the school bus use in an amount that is greater than or equal to any governmental immunity liability limit;

(b) the state entity or the political subdivision shall indemnify and defend the LEA for any claim that arises from the school bus use including a claim directed at the LEA, unless the claim arises from the sole negligence of the LEA; and

(c) if the school district maintains owner's or operator's security for the school bus during the term of school bus use, the owner's and operator's security maintained by the state entity or political subdivision of the state is primary to the owner's and operator's security maintained by the LEA.

Section 3. Section **41-12a-806** is amended to read:

41-12a-806. Restricted account -- Creation -- Funding -- Interest -- Purposes.

(1) There is created within the Transportation Fund a restricted account known as the "Uninsured Motorist Identification Restricted Account."

(2) The account consists of money generated from the following revenue sources:

(a) money received by the state under Subsection 41-1a-202(3);

~~[(a)]~~ (b) money received by the state under Section 41-1a-1218, the uninsured motorist identification fee;

~~[(b)]~~ (c) money received by the state under Section 41-1a-1220, the registration reinstatement fee; and

~~[(e)]~~ (d) appropriations made to the account by the Legislature.

(3)

(a) The account shall earn interest.

(b) All interest earned on account money shall be deposited into the account.

(4) The Legislature shall appropriate money from the account to:

(a) the department to fund the contract with the designated agent;

(b) the department to offset the costs to state and local law enforcement agencies of using the information for the purposes authorized under this part;

(c) the State Tax Commission to:

(i) offset the costs to the Motor Vehicle Division for revoking and reinstating vehicle registrations under Subsection 41-1a-110(2)(a)(ii); and

(ii) cover the contract and other costs of the designated agent for address verification described in Subsection 41-1a-202(3); and

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- 249 (d) the department to reimburse a person for the costs of towing and storing the person's vehicle if:
- 251 (i) the person's vehicle was impounded in accordance with Subsection 41-1a-1101(4);
- 252 (ii) the impounded vehicle had owner's or operator's security in effect for the vehicle at the time of the
impoundment;
- 254 (iii) the database indicated that owner's or operator's security was not in effect for the impounded
vehicle; and
- 256 (iv) the department determines that the person's vehicle was wrongfully impounded.
- 257 (5) The Legislature may appropriate not more than \$2,000,000 annually from the account to the
Peace Officer Standards and Training Division, created under Section 53-6-103, for use in law
enforcement training, including training on the use of the Uninsured Motorist Identification
Database Program created under[~~Title 41,~~] Chapter 12a, Part 8, Uninsured Motorist Identification
Database Program.
- 262 (6)
- (a) By following the procedures in Title 63G, Chapter 4, Administrative Procedures Act, the department
shall hold a hearing to determine whether a person's vehicle was wrongfully impounded under
Subsection 41-1a-1101(4).
- 265 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division shall
make rules establishing procedures for a person to apply for a reimbursement under Subsection (4)
(d).
- 268 (c) A person is not eligible for a reimbursement under Subsection (4)(d) unless the person applies for
the reimbursement within six months from the date that the motor vehicle was impounded.
- 275 Section 4. Section **59-12-107** is amended to read:
- 276 **59-12-107. Definitions -- Collection, remittance, and payment of tax by sellers or other
persons -- Returns -- Reports -- Direct payment by purchaser of vehicle -- Other liability for
collection -- Rulemaking authority -- Credits -- Treatment of bad debt -- Penalties and interest.**
- 276 (1) As used in this section:
- 277 (a) "Ownership" means direct ownership or indirect ownership through a parent, subsidiary, or affiliate.
- 279 (b) "Related seller" means a seller that:
- 280 (i) meets one or more of the criteria described in Subsection (2)(a)(i); and
- 281 (ii) delivers tangible personal property, a service, or a product transferred electronically that is sold:
- 283 (A) by a seller that does not meet one or more of the criteria described in Subsection (2)(a)(i); and

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- 285 (B) to a purchaser in the state.
- 286 (c) "Substantial ownership interest" means an ownership interest in a business entity if that ownership
interest is greater than the degree of ownership of equity interest specified in 15 U.S.C. Sec. 78p,
with respect to a person other than a director or an officer.
- 290 (2)
- (a) Except as provided in Subsection (2)(f), Section 59-12-107.1, or Section 59-12-123, and subject to
Subsection (2)(g), each seller shall pay or collect and remit the sales and use taxes imposed by this
chapter if within this state the seller:
- 293 (i) has or utilizes:
- 294 (A) an office;
- 295 (B) a distribution house;
- 296 (C) a sales house;
- 297 (D) a warehouse;
- 298 (E) a service enterprise; or
- 299 (F) a place of business similar to Subsections (2)(a)(i)(A) through (E);
- 300 (ii) maintains a stock of goods;
- 301 (iii) regularly solicits orders, regardless of whether or not the orders are accepted in the state, unless
the seller's only activity in the state is:
- 303 (A) advertising; or
- 304 (B) solicitation by:
- 305 (I) direct mail;
- 306 (II) electronic mail;
- 307 (III) the Internet;
- 308 (IV) telecommunications service; or
- 309 (V) a means similar to Subsection (2)(a)(iii)(A) or (B);
- 310 (iv) regularly engages in the delivery of property in the state other than by:
- 311 (A) common carrier; or
- 312 (B) United States mail; or
- 313 (v) regularly engages in an activity directly related to the leasing or servicing of property located
within the state.
- 315

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- (b) A seller is considered to be engaged in the business of selling tangible personal property, a product transferred electronically, or a service for use in the state, and shall pay or collect and remit the sales and use taxes imposed by this chapter if:
- 318 (i) the seller holds a substantial ownership interest in, or is owned in whole or in substantial part by, a
related seller; and
- 320 (ii)
- (A) the seller sells the same or a substantially similar line of products as the related seller and does so under the same or a substantially similar business name; or
- 323 (B) the place of business described in Subsection (2)(a)(i) of the related seller or an in state employee of the related seller is used to advertise, promote, or facilitate sales by the seller to a purchaser.
- 326 (c) Subject to Section 59-12-107.6, each seller that does not meet one or more of the criteria provided for in Subsection (2)(a) or is not a seller required to pay or collect and remit the sales and use taxes imposed by this chapter under Subsection (2)(b) shall pay or collect and remit the sales and use tax imposed by this chapter if the seller:
- 331 (i) sells tangible personal property, products transferred electronically, or services for storage, use, or consumption in the state; and
- 333 (ii) in either the previous calendar year or the current calendar year:
- 334 (A) receives gross revenue from the sale of tangible personal property, products transferred electronically, or services for storage, use, or consumption in the state of more than \$100,000; or
- 337 (B) sells tangible personal property, products transferred electronically, or services for storage, use, or consumption in the state in 200 or more separate transactions.
- 340 (d) A seller that does not meet one or more of the criteria provided for in Subsection (2)(a) or is not a seller required to pay or collect and remit sales and use taxes under Subsection (2)(b), Subsection (2)(c), or Section 59-12-107.6 may voluntarily:
- 343 (i) collect a tax on a transaction described in Subsection 59-12-103(1); and
- 344 (ii) remit the tax to the commission as provided in this part.
- 345 (e) The collection and remittance of a tax under this chapter by a seller that is registered under the agreement may not be used as a factor in determining whether that seller is required by this Subsection (2) to:
- 348 (i) pay a tax, fee, or charge under:
- 349 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

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- 350 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
351 (C) Section 19-6-714;
352 (D) Section 19-6-805;
353 (E) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges; or
355 (F) this title; or
356 (ii) collect and remit a tax, fee, or charge under:
357 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
358 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
359 (C) Section 19-6-714;
360 (D) Section 19-6-805;
361 (E) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges; or
363 (F) this title.
364 (f) A person shall pay a use tax imposed by this chapter on a transaction described in Subsection
59-12-103(1) if:
366 (i) the seller did not collect a tax imposed by this chapter on the transaction; and
367 (ii) the person:
368 (A) stores the tangible personal property or product transferred electronically in the state;
370 (B) uses the tangible personal property or product transferred electronically in the state; or
372 (C) consumes the tangible personal property or product transferred electronically in the state.
374 (g) The ownership of property that is located at the premises of a printer's facility with which the
retailer has contracted for printing and that consists of the final printed product, property that
becomes a part of the final printed product, or copy from which the printed product is produced,
shall not result in the retailer being considered to have or maintain an office, distribution house,
sales house, warehouse, service enterprise, or other place of business, or to maintain a stock of
goods, within this state.
381 (3)
(a) Except as provided in Section 59-12-107.1, a seller shall collect a tax under this chapter from a
purchaser.
383 (b) A seller may not collect as tax an amount, without regard to fractional parts of one cent, in excess of
the tax computed at the rates prescribed by this chapter.
385 (c)

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(i) Each seller shall:

- 386 (A) give the purchaser a receipt for the tax collected; or
387 (B) bill the tax as a separate item and declare the name of this state and the seller's sales and use tax
license number on the invoice for the sale.
- 389 (ii) The receipt or invoice is prima facie evidence that the seller has collected the tax and relieves the
purchaser of the liability for reporting the tax to the commission as a consumer.
- 392 (d) A seller is not required to maintain a separate account for the tax collected, but is considered to be a
person charged with receipt, safekeeping, and transfer of public money.
- 395 (e) Taxes collected by a seller pursuant to this chapter shall be held in trust for the benefit of the state
and for payment to the commission in the manner and at the time provided for in this chapter.
- 398 (f) If any seller, during any reporting period, collects as a tax an amount in excess of the lawful state
and local percentage of total taxable sales allowed under this chapter, the seller shall remit to the
commission the full amount of the tax imposed under this chapter, plus any excess.
- 402 (g) If the accounting methods regularly employed by the seller in the transaction of the seller's business
are such that reports of sales made during a calendar month or quarterly period will impose
unnecessary hardships, the commission may accept reports at intervals that, in the commission's
opinion, will better suit the convenience of the taxpayer or seller and will not jeopardize collection
of the tax.
- 407 (h)
- (i) For a purchase paid with specie legal tender as defined in Section 59-1-1501.1, and until such time
as the commission accepts specie legal tender for the payment of a tax under this chapter, if the
commission requires a seller to remit a tax under this chapter in legal tender other than specie legal
tender, the seller shall state on the seller's books and records and on an invoice, bill of sale, or
similar document provided to the purchaser:
- 413 (A) the purchase price in specie legal tender and in the legal tender the seller is required to remit to
the commission;
- 415 (B) subject to Subsection (3)(h)(ii), the amount of tax due under this chapter in specie legal tender
and in the legal tender the seller is required to remit to the commission;
- 418 (C) the tax rate under this chapter applicable to the purchase; and
- 419 (D) the date of the purchase.
- 420 (ii)

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- (A) Subject to Subsection (3)(h)(ii)(B), for purposes of determining the amount of tax due under Subsection (3)(h)(i), a seller shall use the most recent London fixing price for the specie legal tender the purchaser paid.
- 423 (B) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules for determining the amount of tax due under Subsection (3)(h)(i) if the London fixing price is not available for a particular day.
- 427 (4)
- (a) Except as provided in Subsections (5) through (7) and Section 59-12-108, the sales or use tax imposed by this chapter is due and payable to the commission quarterly on or before the last day of the month next succeeding each quarterly calendar period.
- 431 (b)
- (i) Each seller shall, on or before the last day of the month next succeeding each quarterly calendar period, file with the commission a return for the preceding quarterly period.
- 434 (ii) The seller shall remit with the return under Subsection (4)(b)(i) the amount of the tax required under this chapter to be collected or paid for the period covered by the return.
- 437 (c) Except as provided in Subsection (5)(c), a return shall contain information and be in a form the commission prescribes by rule.
- 439 (d)
- (i) Subject to Subsection (4)(d)(ii), the sales tax as computed in the return shall be based on the total nonexempt sales made during the period for which the return is filed, including both cash and charge sales.
- 442 (ii) For a sale that includes the delivery or installation of tangible personal property at a location other than a seller's place of business described in Subsection (2)(a)(i), if the delivery or installation is separately stated on an invoice or receipt, a seller may compute the tax due on the sale for purposes of Subsection (4)(d)(i) based on the amount the seller receives for that sale during each period for which the seller receives payment for the sale.
- 448 (e)
- (i) The use tax as computed in the return shall be based on the total amount of purchases for storage, use, or other consumption in this state made during the period for which the return is filed, including both cash and charge purchases.
- 451 (ii)

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

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

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

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

474 (f)

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

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

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

481 (h)

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

483

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

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

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

(5)

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

(i) registered under the agreement;

(ii) described in Subsection (2)(d); and

(iii) not a:

(A) model 1 seller;

(B) model 2 seller; or

(C) model 3 seller.

(b)

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

(A) to the commission;

(B) annually; and

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

(ii) The commission may require that a tax a voluntary seller collects in accordance with Subsection (2)(d) be due and payable:

(A) to the commission; and

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

(c)

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

(A) with the commission;

(B) with respect to the tax;

(C) containing information prescribed by the commission; and

(D) on a form prescribed by the commission.

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- 514 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission
shall make rules prescribing:
- 516 (A) the information required to be contained in a return described in Subsection (5)(c)(i); and
- 518 (B) the form described in Subsection (5)(c)(i)(D).
- 519 (d) A tax a voluntary seller collects in accordance with this Subsection (5) shall be calculated on the
basis of the total amount of taxable transactions under Subsection 59-12-103(1) the voluntary seller
completes, including:
- 522 (i) a cash transaction; and
- 523 (ii) a charge transaction.
- 524 (6)
- (a) Except as provided in Subsection (6)(b), a tax a seller that files a simplified electronic return collects
in accordance with this chapter is due and payable:
- 526 (i) monthly on or before the last day of the month immediately following the month for which the
seller collects a tax under this chapter; and
- 528 (ii) for the month for which the seller collects a tax under this chapter.
- 529 (b) A tax a voluntary seller that files a simplified electronic return collects in accordance with this
chapter is due and payable as provided in Subsection (5).
- 531 (7)
- (a) On each vehicle sale made by other than a regular licensed vehicle dealer, the purchaser shall pay
the sales or use tax directly to the commission if the vehicle is subject to titling or registration under
the laws of this state.
- 534 (b) The commission shall collect the tax described in Subsection (7)(a) when the vehicle is titled or
registered.
- 536 (c) If a commission investigation under Section 41-1a-202 determines that an owner of a vehicle or
vessel is not in compliance with this chapter, the owner shall pay a liability under this chapter
directly to the commission if the vehicle or vessel is subject to titling or registration under the laws
of this state.
- 540 (8) If any sale of tangible personal property or any other taxable transaction under Subsection
59-12-103(1), is made by a wholesaler to a retailer:
- 542 (a) the wholesaler is not responsible for the collection or payment of the tax imposed on the sale; and
- 544 (b) the retailer is responsible for the collection or payment of the tax imposed on the sale if:

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- 546 (i) the retailer represents that the tangible personal property, product transferred electronically, or
service is purchased by the retailer for resale; and
- 548 (ii) the tangible personal property, product transferred electronically, or service is not subsequently
resold.
- 550 (9) If any sale of property or service subject to the tax is made to a person prepaying sales or use
tax in accordance with Title 63M, Chapter 5, Resource Development Act, or to a contractor or
subcontractor of that person:
- 553 (a) the person to whom such payment or consideration is payable is not responsible for the collection or
payment of the sales or use tax; and
- 555 (b) the person prepaying the sales or use tax is responsible for the collection or payment of the sales or
use tax if the person prepaying the sales or use tax represents that the amount prepaid as sales or use
tax has not been fully credited against sales or use tax due and payable under the rules promulgated
by the commission.
- 559 (10)
- (a) For purposes of this Subsection (10):
- 560 (i) Except as provided in Subsection (10)(a)(ii), "bad debt" means the same as that term is defined
in Section 166, Internal Revenue Code.
- 562 (ii) "Bad debt" does not include:
- 563 (A) an amount included in the purchase price of tangible personal property, a product transferred
electronically, or a service that is:
- 565 (I) not a transaction described in Subsection 59-12-103(1); or
- 566 (II) exempt under Section 59-12-104;
- 567 (B) a financing charge;
- 568 (C) interest;
- 569 (D) a tax imposed under this chapter on the purchase price of tangible personal property, a product
transferred electronically, or a service;
- 571 (E) an uncollectible amount on tangible personal property or a product transferred electronically that:
- 573 (I) is subject to a tax under this chapter; and
- 574 (II) remains in the possession of a seller until the full purchase price is paid;
- 575 (F) an expense incurred in attempting to collect any debt; or
- 576 (G) an amount that a seller does not collect on repossessed property.

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- 577 (b)
- (i) To the extent an amount remitted in accordance with Subsection (4)(d) later becomes bad debt, a seller may deduct the bad debt from the total amount from which a tax under this chapter is calculated on a return.
- 580 (ii) A qualifying purchaser, as defined in Subsection (4)(e)(ii)(A), may deduct from the total amount of taxes due under this chapter the amount of tax the qualifying purchaser paid on the qualifying purchaser's purchase of tangible personal property converted into real property to the extent that:
- 584 (A) tax was remitted in accordance with Subsection (4)(e) on that tangible personal property converted into real property;
- 586 (B) the qualifying purchaser's sale of that tangible personal property converted into real property later becomes bad debt; and
- 588 (C) the books and records that the qualifying purchaser keeps in the qualifying purchaser's regular course of business identify by reasonable and verifiable standards that the tangible personal property was converted into real property.
- 591 (c) A seller may file a refund claim with the commission if:
- 592 (i) the amount of bad debt for the time period described in Subsection (10)(e) exceeds the amount of the seller's sales that are subject to a tax under this chapter for that same time period; and
- 595 (ii) as provided in Section 59-1-1410.
- 596 (d) A bad debt deduction under this section may not include interest.
- 597 (e) A bad debt may be deducted under this Subsection (10) on a return for the time period during which the bad debt:
- 599 (i) is written off as uncollectible in the seller's books and records; and
- 600 (ii) would be eligible for a bad debt deduction:
- 601 (A) for federal income tax purposes; and
- 602 (B) if the seller were required to file a federal income tax return.
- 603 (f) If a seller recovers any portion of bad debt for which the seller makes a deduction or claims a refund under this Subsection (10), the seller shall report and remit a tax under this chapter:
- 606 (i) on the portion of the bad debt the seller recovers; and
- 607 (ii) on a return filed for the time period for which the portion of the bad debt is recovered.
- 609 (g) For purposes of reporting a recovery of a portion of bad debt under Subsection (10)(f), a seller shall apply amounts received on the bad debt in the following order:

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- 611 (i) in a proportional amount:
- 612 (A) to the purchase price of the tangible personal property, product transferred electronically, or
service; and
- 614 (B) to the tax due under this chapter on the tangible personal property, product transferred
electronically, or service; and
- 616 (ii) to:
- 617 (A) interest charges;
- 618 (B) service charges; and
- 619 (C) other charges.
- 620 (h) A seller's certified service provider may make a deduction or claim a refund for bad debt on behalf
of the seller:
- 622 (i) in accordance with this Subsection (10); and
- 623 (ii) if the certified service provider credits or refunds the entire amount of the bad debt deduction or
refund to the seller.
- 625 (i) A seller may allocate bad debt among the states that are members of the agreement if the seller's
books and records support that allocation.
- 627 (11)
- (a) A seller may not, with intent to evade any tax, fail to timely remit the full amount of tax required by
this chapter.
- 629 (b) A violation of this section is punishable as provided in Section 59-1-401.
- 630 (c) Each person that fails to pay any tax to the state or any amount of tax required to be paid to the state,
except amounts determined to be due by the commission under Chapter 1, Part 14, Assessment,
Collections, and Refunds Act, or Section 59-12-111, within the time required by this chapter, or
that fails to file any return as required by this chapter, shall pay, in addition to the tax, penalties and
interest as provided in Sections 59-1-401 and 59-1-402.
- 636 (d) For purposes of prosecution under this section, each quarterly tax period in which a seller, with
intent to evade any tax, collects a tax and fails to timely remit the full amount of the tax required to
be remitted constitutes a separate offense.

643 Section 5. **Effective date.**

Effective date.

This bill takes effect:

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(1) except as provided in Subsection (2), May 7, 2025; or

(2) if approved by two-thirds of all the members elected to each house:

(a) upon approval by the governor;

(b) without the governor's signature, the day following the constitutional time limit of Utah Constitution, Article VII, Section 8; or

(c) in the case of a veto, the date of veto override.

651

Section 6. Coordinating S.B. 52 with S.B. 195.

If S.B. 52, Vehicle Registration Modifications, and S.B. 195, Transportation

Amendments, both pass and become law, the Legislature intends that, on May 7, 2025:

(1) the changes in S.B. 195 to the following sections not be made: Section 41-6a-102, Section 41-6a-1102, and Section 41-1a-1116; and

(2) the following sections enacted in S.B. 195 be deleted: Section 41-6a-1121 and Section 41-6a-1122.

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