

1 **County Classification Amendments**

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Walt Brooks

Senate Sponsor: Don L. Ipson

3 **LONG TITLE**

4 **General Description:**

5 This bill modifies the population requirements for county classification.

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ modifies definitions;
- 9 ▶ modifies the population requirements for county classification;
- 10 ▶ modifies a sales and use tax exemption applicable to airports in certain counties; and
- 11 ▶ makes technical and conforming changes.

12 **Money Appropriated in this Bill:**

13 None

14 **Other Special Clauses:**

15 None

16 **Utah Code Sections Affected:**

17 **AMENDS:**

18 **17-50-501**, as last amended by Laws of Utah 2021, Chapter 24

19 **35A-16-102**, as last amended by Laws of Utah 2024, Chapter 338

20 **59-12-104**, as last amended by Laws of Utah 2024, Chapter 35

21 **63N-4-801**, as last amended by Laws of Utah 2024, Chapters 438, 513

22 **72-2-133**, as enacted by Laws of Utah 2023, Chapter 372

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

25 Section 1. Section **17-50-501** is amended to read:

26 **17-50-501 . Classification of counties.**

27 (1) Each county shall be classified according to its population.

28 (2)(a) A county with a population of 1,000,000 or more is a county of the first class.

29 (b) A county with a population of [~~175,000~~] 250,000 or more but less than 1,000,000 is a
30 county of the second class.

- 31 (c) A county with a population of [~~40,000~~] 55,000 or more but less than [~~175,000~~] 250,000
32 is a county of the third class.
- 33 (d) A county with a population of [~~11,000~~] 15,000 or more but less than [~~40,000~~] 55,000
34 is a county of the fourth class.
- 35 (e) A county with a population of [~~4,000~~] 5,000 or more but less than [~~11,000~~] 15,000 is a
36 county of the fifth class.
- 37 (f) A county with a population less than [~~4,000~~] 5,000 is a county of the sixth class.

38 Section 2. Section **35A-16-102** is amended to read:

39 **35A-16-102 . Definitions.**

40 As used in this chapter:

- 41 (1) "Board" means the Utah Homeless Services Board created in Section 35A-16-204.
- 42 (2) "Client" means an individual who is experiencing homelessness or an individual at risk
43 of becoming homeless.
- 44 (3) "Chief executive officer" means the same as that term is defined in Section 11-51-102.
- 45 (4) "Collaborative applicant" means the entity designated by a continuum of care to collect
46 and submit data and apply for funds on behalf of the continuum of care, as required by
47 the United States Department of Housing and Urban Development.
- 48 (5) "Continuum of care" means a regional or local planning body designated by the United
49 States Department of Housing and Urban Development to coordinate services for
50 individuals experiencing homelessness within an area of the state.
- 51 (6) "Coordinator" means the state homelessness coordinator appointed under Section
52 63J-4-202.
- 53 (7) "Executive committee" means the executive committee of the board.
- 54 (8) "Exit destination" means:
- 55 (a) a homeless situation;
- 56 (b) an institutional situation;
- 57 (c) a temporary housing situation;
- 58 (d) a permanent housing situation; or
- 59 (e) other.
- 60 (9) "First-tier eligible municipality" means a municipality that:
- 61 (a) is located within:
- 62 (i) a county of the first or second class; or
- 63 (ii) a county of the third class, if the municipality has a population of 100,000 or
64 more;

- 65 (b) as determined by the office, has or is proposed to have an eligible shelter within the
66 municipality's geographic boundaries within the following fiscal year;
- 67 (c) due to the location of an eligible shelter within the municipality's geographic
68 boundaries, requires eligible services; and
- 69 (d) is certified as a first-tier eligible municipality in accordance with Section 35A-16-404.
- 70 (10) "Homeless Management Information System" or "HMIS" means an information
71 technology system that:
- 72 (a) is used to collect client-level data and data on the provision of housing and services
73 to homeless individuals and individuals at risk of homelessness in the state; and
- 74 (b) meets the requirements of the United States Department of Housing and Urban
75 Development.
- 76 (11) "Homeless services budget" means the comprehensive annual budget and overview of
77 all homeless services available in the state described in Subsection 35A-16-203(1)(b).
- 78 (12) "Local homeless council" means a local planning body designated by the steering
79 committee to coordinate services for individuals experiencing homelessness within an
80 area of the state.
- 81 (13) "Office" means the Office of Homeless Services.
- 82 (14) "Second-tier eligible municipality" means a municipality that:
- 83 (a) is located within:
- 84 (i) a county of the [~~third,~~] fourth, fifth, or sixth class; or
- 85 (ii) a county of the third class, if the municipality has a population of less than
86 100,000;
- 87 (b) as determined by the office, has or is proposed to have an eligible shelter within the
88 municipality's geographic boundaries within the following fiscal year;
- 89 (c) due to the location of an eligible shelter within the municipality's geographic
90 boundaries, requires eligible services; and
- 91 (d) is certified as a second-tier eligible municipality in accordance with Section
92 35A-16-404.
- 93 (15)(a) "Service provider" means a state agency, a local government, or a private
94 organization that provides services to clients.
- 95 (b) "Service provider" includes a correctional facility and the Administrative Office of
96 the Courts.
- 97 (16) "Steering committee" means the Utah Homeless Network Steering Committee created
98 in Section 35A-16-206.

99 (17) "Strategic plan" means the statewide strategic plan to minimize homelessness in the
100 state described in Subsection 35A-16-203(1)(c).

101 (18) "Type of homelessness" means:

102 (a) chronic homelessness;

103 (b) episodic homelessness;

104 (c) situational homelessness; or

105 (d) family homelessness.

106 Section 3. Section **59-12-104** is amended to read:

107 **59-12-104 . Exemptions.**

108 Exemptions from the taxes imposed by this chapter are as follows:

109 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
110 under Chapter 13, Motor and Special Fuel Tax Act;

111 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political
112 subdivisions; however, this exemption does not apply to sales of:

113 (a) construction materials except:

114 (i) construction materials purchased by or on behalf of institutions of the public
115 education system as defined in Utah Constitution, Article X, Section 2, provided
116 the construction materials are clearly identified and segregated and installed or
117 converted to real property which is owned by institutions of the public education
118 system; and

119 (ii) construction materials purchased by the state, its institutions, or its political
120 subdivisions which are installed or converted to real property by employees of the
121 state, its institutions, or its political subdivisions; or

122 (b) tangible personal property in connection with the construction, operation,
123 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or
124 facilities providing additional project capacity, as defined in Section 11-13-103;

125 (3)(a) sales of an item described in Subsection (3)(b) from a vending machine if:

126 (i) the proceeds of each sale do not exceed \$1; and

127 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
128 the cost of the item described in Subsection (3)(b) as goods consumed; and

129 (b) Subsection (3)(a) applies to:

130 (i) food and food ingredients; or

131 (ii) prepared food;

132 (4)(a) sales of the following to a commercial airline carrier for in-flight consumption:

- 133 (i) alcoholic beverages;
- 134 (ii) food and food ingredients; or
- 135 (iii) prepared food;
- 136 (b) sales of tangible personal property or a product transferred electronically:
- 137 (i) to a passenger;
- 138 (ii) by a commercial airline carrier; and
- 139 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 140 (c) services related to Subsection (4)(a) or (b);
- 141 (5) sales of parts and equipment for installation in an aircraft operated by a common carrier
- 142 in interstate or foreign commerce;
- 143 (6) sales of commercials, motion picture films, prerecorded audio program tapes or records,
- 144 and prerecorded video tapes by a producer, distributor, or studio to a motion picture
- 145 exhibitor, distributor, or commercial television or radio broadcaster;
- 146 (7)(a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of
- 147 cleaning or washing of tangible personal property if the cleaning or washing of the
- 148 tangible personal property is not assisted cleaning or washing of tangible personal
- 149 property;
- 150 (b) if a seller that sells at the same business location assisted cleaning or washing of
- 151 tangible personal property and cleaning or washing of tangible personal property that
- 152 is not assisted cleaning or washing of tangible personal property, the exemption
- 153 described in Subsection (7)(a) applies if the seller separately accounts for the sales of
- 154 the assisted cleaning or washing of the tangible personal property; and
- 155 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah
- 156 Administrative Rulemaking Act, the commission may make rules:
- 157 (i) governing the circumstances under which sales are at the same business location;
- 158 and
- 159 (ii) establishing the procedures and requirements for a seller to separately account for
- 160 sales of assisted cleaning or washing of tangible personal property;
- 161 (8) sales made to or by religious or charitable institutions in the conduct of their regular
- 162 religious or charitable functions and activities, if the requirements of Section 59-12-104.1
- 163 are fulfilled;
- 164 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this
- 165 state if:
- 166 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;

- 167 (b) the vehicle is not registered in this state; and
168 (c)(i) the vehicle is not used in this state; or
169 (ii) the vehicle is used in this state:
170 (A) if the vehicle is not used to conduct business, for a time period that does not
171 exceed the longer of:
172 (I) 30 days in any calendar year; or
173 (II) the time period necessary to transport the vehicle to the borders of this
174 state; or
175 (B) if the vehicle is used to conduct business, for the time period necessary to
176 transport the vehicle to the borders of this state;
177 (10)(a) amounts paid for an item described in Subsection (10)(b) if:
178 (i) the item is intended for human use; and
179 (ii)(A) a prescription was issued for the item; or
180 (B) the item was purchased by a hospital or other medical facility; and
181 (b)(i) Subsection (10)(a) applies to:
182 (A) a drug;
183 (B) a syringe; or
184 (C) a stoma supply; and
185 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
186 the commission may by rule define the terms:
187 (A) "syringe"; or
188 (B) "stoma supply";
189 (11) purchases or leases exempt under Section 19-12-201;
190 (12)(a) sales of an item described in Subsection (12)(c) served by:
191 (i) the following if the item described in Subsection (12)(c) is not available to the
192 general public:
193 (A) a church; or
194 (B) a charitable institution; or
195 (ii) an institution of higher education if:
196 (A) the item described in Subsection (12)(c) is not available to the general public;
197 or
198 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal
199 plan offered by the institution of higher education; or
200 (b) sales of an item described in Subsection (12)(c) provided for a patient by:

- 201 (i) a medical facility; or
202 (ii) a nursing facility; and
203 (c) Subsections (12)(a) and (b) apply to:
204 (i) food and food ingredients;
205 (ii) prepared food; or
206 (iii) alcoholic beverages;
207 (13)(a) except as provided in Subsection (13)(b), the sale of tangible personal property
208 or a product transferred electronically by a person:
209 (i) regardless of the number of transactions involving the sale of that tangible
210 personal property or product transferred electronically by that person; and
211 (ii) not regularly engaged in the business of selling that type of tangible personal
212 property or product transferred electronically;
213 (b) this Subsection (13) does not apply if:
214 (i) the sale is one of a series of sales of a character to indicate that the person is
215 regularly engaged in the business of selling that type of tangible personal property
216 or product transferred electronically;
217 (ii) the person holds that person out as regularly engaged in the business of selling
218 that type of tangible personal property or product transferred electronically;
219 (iii) the person sells an item of tangible personal property or product transferred
220 electronically that the person purchased as a sale that is exempt under Subsection
221 (25); or
222 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws
223 of this state in which case the tax is based upon:
224 (A) the bill of sale, lease agreement, or other written evidence of value of the
225 vehicle or vessel being sold; or
226 (B) in the absence of a bill of sale, lease agreement, or other written evidence of
227 value, the fair market value of the vehicle or vessel being sold at the time of the
228 sale as determined by the commission; and
229 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
230 commission shall make rules establishing the circumstances under which:
231 (i) a person is regularly engaged in the business of selling a type of tangible personal
232 property or product transferred electronically;
233 (ii) a sale of tangible personal property or a product transferred electronically is one
234 of a series of sales of a character to indicate that a person is regularly engaged in

- 235 the business of selling that type of tangible personal property or product
236 transferred electronically; or
- 237 (iii) a person holds that person out as regularly engaged in the business of selling a
238 type of tangible personal property or product transferred electronically;
- 239 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal
240 operating repair or replacement parts, or materials, except for office equipment or office
241 supplies, by:
- 242 (a) a manufacturing facility that:
- 243 (i) is located in the state; and
- 244 (ii) uses or consumes the machinery, equipment, normal operating repair or
245 replacement parts, or materials:
- 246 (A) in the manufacturing process to manufacture an item sold as tangible personal
247 property, as the commission may define that phrase in accordance with Title
248 63G, Chapter 3, Utah Administrative Rulemaking Act; or
- 249 (B) for a scrap recycler, to process an item sold as tangible personal property, as
250 the commission may define that phrase in accordance with Title 63G, Chapter
251 3, Utah Administrative Rulemaking Act;
- 252 (b) an establishment, as the commission defines that term in accordance with Title 63G,
253 Chapter 3, Utah Administrative Rulemaking Act, that:
- 254 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
255 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for
256 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except
257 Fuels) Mining, of the 2002 North American Industry Classification System of the
258 federal Executive Office of the President, Office of Management and Budget;
- 259 (ii) is located in the state; and
- 260 (iii) uses or consumes the machinery, equipment, normal operating repair or
261 replacement parts, or materials in:
- 262 (A) the production process to produce an item sold as tangible personal property,
263 as the commission may define that phrase in accordance with Title 63G,
264 Chapter 3, Utah Administrative Rulemaking Act;
- 265 (B) research and development, as the commission may define that phrase in
266 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 267 (C) transporting, storing, or managing tailings, overburden, or similar waste
268 materials produced from mining;

269 (D) developing or maintaining a road, tunnel, excavation, or similar feature used
 270 in mining; or

271 (E) preventing, controlling, or reducing dust or other pollutants from mining; or

272 (c) an establishment, as the commission defines that term in accordance with Title 63G,
 273 Chapter 3, Utah Administrative Rulemaking Act, that:

274 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
 275 American Industry Classification System of the federal Executive Office of the
 276 President, Office of Management and Budget;

277 (ii) is located in the state; and

278 (iii) uses or consumes the machinery, equipment, normal operating repair or
 279 replacement parts, or materials in the operation of the web search portal;

280 (15)(a) sales of the following if the requirements of Subsection (15)(b) are met:

281 (i) tooling;

282 (ii) special tooling;

283 (iii) support equipment;

284 (iv) special test equipment; or

285 (v) parts used in the repairs or renovations of tooling or equipment described in
 286 Subsections (15)(a)(i) through (iv); and

287 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:

288 (i) the tooling, equipment, or parts are used or consumed exclusively in the
 289 performance of any aerospace or electronics industry contract with the United
 290 States government or any subcontract under that contract; and

291 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
 292 title to the tooling, equipment, or parts is vested in the United States government
 293 as evidenced by:

294 (A) a government identification tag placed on the tooling, equipment, or parts; or

295 (B) listing on a government-approved property record if placing a government
 296 identification tag on the tooling, equipment, or parts is impractical;

297 (16) sales of newspapers or newspaper subscriptions;

298 (17)(a) except as provided in Subsection (17)(b), tangible personal property or a product
 299 transferred electronically traded in as full or part payment of the purchase price,
 300 except that for purposes of calculating sales or use tax upon vehicles not sold by a
 301 vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:

302 (i) the bill of sale or other written evidence of value of the vehicle being sold and the

- 303 vehicle being traded in; or
- 304 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
- 305 fair market value of the vehicle being sold and the vehicle being traded in, as
- 306 determined by the commission; and
- 307 (b) Subsection (17)(a) does not apply to the following items of tangible personal
- 308 property or products transferred electronically traded in as full or part payment of the
- 309 purchase price:
- 310 (i) money;
- 311 (ii) electricity;
- 312 (iii) water;
- 313 (iv) gas; or
- 314 (v) steam;
- 315 (18)(a)(i) except as provided in Subsection (18)(b), sales of tangible personal
- 316 property or a product transferred electronically used or consumed primarily and
- 317 directly in farming operations, regardless of whether the tangible personal
- 318 property or product transferred electronically:
- 319 (A) becomes part of real estate; or
- 320 (B) is installed by a farmer, contractor, or subcontractor; or
- 321 (ii) sales of parts used in the repairs or renovations of tangible personal property or a
- 322 product transferred electronically if the tangible personal property or product
- 323 transferred electronically is exempt under Subsection (18)(a)(i); and
- 324 (b) amounts paid or charged for the following are subject to the taxes imposed by this
- 325 chapter:
- 326 (i)(A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or
- 327 supplies if used in a manner that is incidental to farming; and
- 328 (B) tangible personal property that is considered to be used in a manner that is
- 329 incidental to farming includes:
- 330 (I) hand tools; or
- 331 (II) maintenance and janitorial equipment and supplies;
- 332 (ii)(A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a
- 333 product transferred electronically if the tangible personal property or product
- 334 transferred electronically is used in an activity other than farming; and
- 335 (B) tangible personal property or a product transferred electronically that is
- 336 considered to be used in an activity other than farming includes:

- 337 (I) office equipment and supplies; or
338 (II) equipment and supplies used in:
339 (Aa) the sale or distribution of farm products;
340 (Bb) research; or
341 (Cc) transportation; or
342 (iii) a vehicle required to be registered by the laws of this state during the period
343 ending two years after the date of the vehicle's purchase;
- 344 (19) sales of hay;
- 345 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden,
346 farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
347 garden, farm, or other agricultural produce is sold by:
348 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
349 agricultural produce;
350 (b) an employee of the producer described in Subsection (20)(a); or
351 (c) a member of the immediate family of the producer described in Subsection (20)(a);
- 352 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under
353 the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
- 354 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
355 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
356 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
357 manufacturer, processor, wholesaler, or retailer;
- 358 (23) a product stored in the state for resale;
- 359 (24)(a) purchases of a product if:
360 (i) the product is:
361 (A) purchased outside of this state;
362 (B) brought into this state:
363 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
364 (II) by a nonresident person who is not living or working in this state at the
365 time of the purchase;
366 (C) used for the personal use or enjoyment of the nonresident person described in
367 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state;
368 and
369 (D) not used in conducting business in this state; and
370 (ii) for:

- 371 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use
372 of the product for a purpose for which the product is designed occurs outside of
373 this state;
- 374 (B) a boat, the boat is registered outside of this state; or
375 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
376 registered outside of this state;
- 377 (b) the exemption provided for in Subsection (24)(a) does not apply to:
378 (i) a lease or rental of a product; or
379 (ii) a sale of a vehicle exempt under Subsection (33); and
380 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
381 purposes of Subsection (24)(a), the commission may by rule define what constitutes
382 the following:
383 (i) conducting business in this state if that phrase has the same meaning in this
384 Subsection (24) as in Subsection (63);
385 (ii) the first use of a product if that phrase has the same meaning in this Subsection
386 (24) as in Subsection (63); or
387 (iii) a purpose for which a product is designed if that phrase has the same meaning in
388 this Subsection (24) as in Subsection (63);
- 389 (25) a product purchased for resale in the regular course of business, either in its original
390 form or as an ingredient or component part of a manufactured or compounded product;
- 391 (26) a product upon which a sales or use tax was paid to some other state, or one of its
392 subdivisions, except that the state shall be paid any difference between the tax paid and
393 the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment
394 is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local
395 Sales and Use Tax Act;
- 396 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person
397 for use in compounding a service taxable under the subsections;
- 398 (28) purchases made in accordance with the special supplemental nutrition program for
399 women, infants, and children established in 42 U.S.C. Sec. 1786;
- 400 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement
401 parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of
402 the 1987 Standard Industrial Classification Manual of the federal Executive Office of the
403 President, Office of Management and Budget;
- 404 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State

- 405 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard
406 motor is:
- 407 (a) not registered in this state; and
408 (b)(i) not used in this state; or
409 (ii) used in this state:
- 410 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for
411 a time period that does not exceed the longer of:
412 (I) 30 days in any calendar year; or
413 (II) the time period necessary to transport the boat, boat trailer, or outboard
414 motor to the borders of this state; or
415 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the
416 time period necessary to transport the boat, boat trailer, or outboard motor to
417 the borders of this state;
- 418 (31) sales of aircraft manufactured in Utah;
- 419 (32) amounts paid for the purchase of telecommunications service for purposes of
420 providing telecommunications service;
- 421 (33) sales, leases, or uses of the following:
422 (a) a vehicle by an authorized carrier; or
423 (b) tangible personal property that is installed on a vehicle:
424 (i) sold or leased to or used by an authorized carrier; and
425 (ii) before the vehicle is placed in service for the first time;
- 426 (34)(a) 45% of the sales price of any new manufactured home; and
427 (b) 100% of the sales price of any used manufactured home;
- 428 (35) sales relating to schools and fundraising sales;
- 429 (36) sales or rentals of durable medical equipment if:
430 (a) a person presents a prescription for the durable medical equipment; and
431 (b) the durable medical equipment is used for home use only;
- 432 (37)(a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
433 Section 72-11-102; and
434 (b) the commission shall by rule determine the method for calculating sales exempt
435 under Subsection (37)(a) that are not separately metered and accounted for in utility
436 billings;
- 437 (38) sales to a ski resort of:
438 (a) snowmaking equipment;

- 439 (b) ski slope grooming equipment;
- 440 (c) passenger ropeways as defined in Section 72-11-102; or
- 441 (d) parts used in the repairs or renovations of equipment or passenger ropeways
- 442 described in Subsections (38)(a) through (c);
- 443 (39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel
- 444 oil, or other fuels for industrial use;
- 445 (40)(a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
- 446 amusement, entertainment, or recreation an unassisted amusement device as defined
- 447 in Section 59-12-102;
- 448 (b) if a seller that sells or rents at the same business location the right to use or operate
- 449 for amusement, entertainment, or recreation one or more unassisted amusement
- 450 devices and one or more assisted amusement devices, the exemption described in
- 451 Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of
- 452 the right to use or operate for amusement, entertainment, or recreation for the assisted
- 453 amusement devices; and
- 454 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah
- 455 Administrative Rulemaking Act, the commission may make rules:
- 456 (i) governing the circumstances under which sales are at the same business location;
- 457 and
- 458 (ii) establishing the procedures and requirements for a seller to separately account for
- 459 the sales or rentals of the right to use or operate for amusement, entertainment, or
- 460 recreation for assisted amusement devices;
- 461 (41)(a) sales of photocopies by:
- 462 (i) a governmental entity; or
- 463 (ii) an entity within the state system of public education, including:
- 464 (A) a school; or
- 465 (B) the State Board of Education; or
- 466 (b) sales of publications by a governmental entity;
- 467 (42) amounts paid for admission to an athletic event at an institution of higher education
- 468 that is subject to the provisions of Title IX of the Education Amendments of 1972, 20
- 469 U.S.C. Sec. 1681 et seq.;
- 470 (43)(a) sales made to or by:
- 471 (i) an area agency on aging; or
- 472 (ii) a senior citizen center owned by a county, city, or town; or

- 473 (b) sales made by a senior citizen center that contracts with an area agency on aging;
474 (44) sales or leases of semiconductor fabricating, processing, research, or development
475 materials regardless of whether the semiconductor fabricating, processing, research, or
476 development materials:
477 (a) actually come into contact with a semiconductor; or
478 (b) ultimately become incorporated into real property;
- 479 (45) an amount paid by or charged to a purchaser for accommodations and services
480 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under
481 Section 59-12-104.2;
- 482 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in
483 accordance with Section 41-3-306 for the event period specified on the temporary sports
484 event registration certificate;
- 485 (47)(a) sales or uses of electricity, if the sales or uses are made under a retail tariff
486 adopted by the Public Service Commission only for purchase of electricity produced
487 from a new alternative energy source built after January 1, 2016, as designated in the
488 tariff by the Public Service Commission; and
489 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
490 only to the portion of the tariff rate a customer pays under the tariff described in
491 Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection
492 (47)(a) that the customer would have paid absent the tariff;
- 493 (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for
494 the mobility enhancing equipment;
- 495 (49) sales of water in a:
496 (a) pipe;
497 (b) conduit;
498 (c) ditch; or
499 (d) reservoir;
- 500 (50) sales of currency or coins that constitute legal tender of a state, the United States, or a
501 foreign nation;
- 502 (51)(a) sales of an item described in Subsection (51)(b) if the item:
503 (i) does not constitute legal tender of a state, the United States, or a foreign nation;
504 and
505 (ii) has a gold, silver, or platinum content of 50% or more; and
506 (b) Subsection (51)(a) applies to a gold, silver, or platinum:

- 507 (i) ingot;
- 508 (ii) bar;
- 509 (iii) medallion; or
- 510 (iv) decorative coin;
- 511 (52) amounts paid on a sale-leaseback transaction;
- 512 (53) sales of a prosthetic device:
- 513 (a) for use on or in a human; and
- 514 (b)(i) for which a prescription is required; or
- 515 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
- 516 (54)(a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
- 517 machinery or equipment by an establishment described in Subsection (54)(c) if the
- 518 machinery or equipment is primarily used in the production or postproduction of the
- 519 following media for commercial distribution:
- 520 (i) a motion picture;
- 521 (ii) a television program;
- 522 (iii) a movie made for television;
- 523 (iv) a music video;
- 524 (v) a commercial;
- 525 (vi) a documentary; or
- 526 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
- 527 commission by administrative rule made in accordance with Subsection (54)(d); or
- 528 (b) purchases, leases, or rentals of machinery or equipment by an establishment
- 529 described in Subsection (54)(c) that is used for the production or postproduction of
- 530 the following are subject to the taxes imposed by this chapter:
- 531 (i) a live musical performance;
- 532 (ii) a live news program; or
- 533 (iii) a live sporting event;
- 534 (c) the following establishments listed in the 1997 North American Industry
- 535 Classification System of the federal Executive Office of the President, Office of
- 536 Management and Budget, apply to Subsections (54)(a) and (b):
- 537 (i) NAICS Code 512110; or
- 538 (ii) NAICS Code 51219; and
- 539 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 540 commission may by rule:

- 541 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);
542 or
543 (ii) define:
- 544 (A) "commercial distribution";
 - 545 (B) "live musical performance";
 - 546 (C) "live news program"; or
 - 547 (D) "live sporting event";
- 548 (55)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on
549 or before June 30, 2027, of tangible personal property that:
- 550 (i) is leased or purchased for or by a facility that:
 - 551 (A) is an alternative energy electricity production facility;
 - 552 (B) is located in the state; and
 - 553 (C)(I) becomes operational on or after July 1, 2004; or
 - 554 (II) has its generation capacity increased by one or more megawatts on or after
 - 555 July 1, 2004, as a result of the use of the tangible personal property;
 - 556 (ii) has an economic life of five or more years; and
 - 557 (iii) is used to make the facility or the increase in capacity of the facility described in
558 Subsection (55)(a)(i) operational up to the point of interconnection with an
559 existing transmission grid including:
 - 560 (A) a wind turbine;
 - 561 (B) generating equipment;
 - 562 (C) a control and monitoring system;
 - 563 (D) a power line;
 - 564 (E) substation equipment;
 - 565 (F) lighting;
 - 566 (G) fencing;
 - 567 (H) pipes; or
 - 568 (I) other equipment used for locating a power line or pole; and
 - 569 (b) this Subsection (55) does not apply to:
 - 570 (i) tangible personal property used in construction of:
 - 571 (A) a new alternative energy electricity production facility; or
 - 572 (B) the increase in the capacity of an alternative energy electricity production
 - 573 facility;
 - 574 (ii) contracted services required for construction and routine maintenance activities;

- 575 and
- 576 (iii) unless the tangible personal property is used or acquired for an increase in
- 577 capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal
- 578 property used or acquired after:
- 579 (A) the alternative energy electricity production facility described in Subsection
- 580 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
- 581 (B) the increased capacity described in Subsection (55)(a)(i) is operational as
- 582 described in Subsection (55)(a)(iii);
- 583 (56)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on
- 584 or before June 30, 2027, of tangible personal property that:
- 585 (i) is leased or purchased for or by a facility that:
- 586 (A) is a waste energy production facility;
- 587 (B) is located in the state; and
- 588 (C)(I) becomes operational on or after July 1, 2004; or
- 589 (II) has its generation capacity increased by one or more megawatts on or after
- 590 July 1, 2004, as a result of the use of the tangible personal property;
- 591 (ii) has an economic life of five or more years; and
- 592 (iii) is used to make the facility or the increase in capacity of the facility described in
- 593 Subsection (56)(a)(i) operational up to the point of interconnection with an
- 594 existing transmission grid including:
- 595 (A) generating equipment;
- 596 (B) a control and monitoring system;
- 597 (C) a power line;
- 598 (D) substation equipment;
- 599 (E) lighting;
- 600 (F) fencing;
- 601 (G) pipes; or
- 602 (H) other equipment used for locating a power line or pole; and
- 603 (b) this Subsection (56) does not apply to:
- 604 (i) tangible personal property used in construction of:
- 605 (A) a new waste energy facility; or
- 606 (B) the increase in the capacity of a waste energy facility;
- 607 (ii) contracted services required for construction and routine maintenance activities;
- 608 and

- 609 (iii) unless the tangible personal property is used or acquired for an increase in
610 capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used
611 or acquired after:
- 612 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as
613 described in Subsection (56)(a)(iii); or
- 614 (B) the increased capacity described in Subsection (56)(a)(i) is operational as
615 described in Subsection (56)(a)(iii);
- 616 (57)(a) leases of five or more years or purchases made on or after July 1, 2004, but on
617 or before June 30, 2027, of tangible personal property that:
- 618 (i) is leased or purchased for or by a facility that:
- 619 (A) is located in the state;
- 620 (B) produces fuel from alternative energy, including:
- 621 (I) methanol; or
622 (II) ethanol; and
- 623 (C)(I) becomes operational on or after July 1, 2004; or
624 (II) has its capacity to produce fuel increase by 25% or more on or after July 1,
625 2004, as a result of the installation of the tangible personal property;
- 626 (ii) has an economic life of five or more years; and
- 627 (iii) is installed on the facility described in Subsection (57)(a)(i);
- 628 (b) this Subsection (57) does not apply to:
- 629 (i) tangible personal property used in construction of:
- 630 (A) a new facility described in Subsection (57)(a)(i); or
631 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or
- 632 (ii) contracted services required for construction and routine maintenance activities;
633 and
- 634 (iii) unless the tangible personal property is used or acquired for an increase in
635 capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used
636 or acquired after:
- 637 (A) the facility described in Subsection (57)(a)(i) is operational; or
638 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
- 639 (58)(a) subject to Subsection (58)(b), sales of tangible personal property or a product
640 transferred electronically to a person within this state if that tangible personal
641 property or product transferred electronically is subsequently shipped outside the
642 state and incorporated pursuant to contract into and becomes a part of real property

- 643 located outside of this state; and
- 644 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
645 state or political entity to which the tangible personal property is shipped imposes a
646 sales, use, gross receipts, or other similar transaction excise tax on the transaction
647 against which the other state or political entity allows a credit for sales and use taxes
648 imposed by this chapter;
- 649 (59) purchases:
- 650 (a) of one or more of the following items in printed or electronic format:
- 651 (i) a list containing information that includes one or more:
- 652 (A) names; or
- 653 (B) addresses; or
- 654 (ii) a database containing information that includes one or more:
- 655 (A) names; or
- 656 (B) addresses; and
- 657 (b) used to send direct mail;
- 658 (60) redemptions or repurchases of a product by a person if that product was:
- 659 (a) delivered to a pawnbroker as part of a pawn transaction; and
- 660 (b) redeemed or repurchased within the time period established in a written agreement
661 between the person and the pawnbroker for redeeming or repurchasing the product;
- 662 (61)(a) purchases or leases of an item described in Subsection (61)(b) if the item:
- 663 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
664 and
- 665 (ii) has a useful economic life of one or more years; and
- 666 (b) the following apply to Subsection (61)(a):
- 667 (i) telecommunications enabling or facilitating equipment, machinery, or software;
- 668 (ii) telecommunications equipment, machinery, or software required for 911 service;
- 669 (iii) telecommunications maintenance or repair equipment, machinery, or software;
- 670 (iv) telecommunications switching or routing equipment, machinery, or software; or
- 671 (v) telecommunications transmission equipment, machinery, or software;
- 672 (62)(a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
673 personal property or a product transferred electronically that are used in the research
674 and development of alternative energy technology; and
- 675 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
676 commission may, for purposes of Subsection (62)(a), make rules defining what

- 677 constitutes purchases of tangible personal property or a product transferred
678 electronically that are used in the research and development of alternative energy
679 technology;
- 680 (63)(a) purchases of tangible personal property or a product transferred electronically if:
681 (i) the tangible personal property or product transferred electronically is:
682 (A) purchased outside of this state;
683 (B) brought into this state at any time after the purchase described in Subsection
684 (63)(a)(i)(A); and
685 (C) used in conducting business in this state; and
686 (ii) for:
687 (A) tangible personal property or a product transferred electronically other than
688 the tangible personal property described in Subsection (63)(a)(ii)(B), the first
689 use of the property for a purpose for which the property is designed occurs
690 outside of this state; or
691 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
692 registered outside of this state and not required to be registered in this state
693 under Section 41-1a-202 or 73-18-9 based on residency;
- 694 (b) the exemption provided for in Subsection (63)(a) does not apply to:
695 (i) a lease or rental of tangible personal property or a product transferred
696 electronically; or
697 (ii) a sale of a vehicle exempt under Subsection (33); and
698 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
699 purposes of Subsection (63)(a), the commission may by rule define what constitutes
700 the following:
701 (i) conducting business in this state if that phrase has the same meaning in this
702 Subsection (63) as in Subsection (24);
703 (ii) the first use of tangible personal property or a product transferred electronically if
704 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or
705 (iii) a purpose for which tangible personal property or a product transferred
706 electronically is designed if that phrase has the same meaning in this Subsection
707 (63) as in Subsection (24);
- 708 (64) sales of disposable home medical equipment or supplies if:
709 (a) a person presents a prescription for the disposable home medical equipment or
710 supplies;

- 711 (b) the disposable home medical equipment or supplies are used exclusively by the
712 person to whom the prescription described in Subsection (64)(a) is issued; and
713 (c) the disposable home medical equipment and supplies are listed as eligible for
714 payment under:
- 715 (i) Title XVIII, federal Social Security Act; or
716 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;
- 717 (65) sales:
- 718 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District
719 Act; or
720 (b) of tangible personal property to a subcontractor of a public transit district, if the
721 tangible personal property is:
- 722 (i) clearly identified; and
723 (ii) installed or converted to real property owned by the public transit district;
- 724 (66) sales of construction materials:
- 725 (a) purchased on or after July 1, 2010;
726 (b) purchased by, on behalf of, or for the benefit of an international airport:
- 727 (i) located within a county of the first class; and
728 (ii) that has a United States customs office on its premises; and
729 (c) if the construction materials are:
- 730 (i) clearly identified;
731 (ii) segregated; and
732 (iii) installed or converted to real property:
- 733 (A) owned or operated by the international airport described in Subsection
734 (66)(b); and
735 (B) located at the international airport described in Subsection (66)(b);
- 736 (67) sales of construction materials:
- 737 (a) purchased on or after July 1, 2008;
738 (b) purchased by, on behalf of, or for the benefit of a new airport:
- 739 (i) located within a county of the second or third class; and
740 (ii) that is owned or operated by a city in which an airline as defined in Section
741 59-2-102 is headquartered; and
742 (c) if the construction materials are:
- 743 (i) clearly identified;
744 (ii) segregated; and

- 745 (iii) installed or converted to real property:
- 746 (A) owned or operated by the new airport described in Subsection (67)(b);
- 747 (B) located at the new airport described in Subsection (67)(b); and
- 748 (C) as part of the construction of the new airport described in Subsection (67)(b);
- 749 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common
- 750 carrier that is a railroad for use in a locomotive engine;
- 751 (69) purchases and sales described in Section 63H-4-111;
- 752 (70)(a) sales of tangible personal property to an aircraft maintenance, repair, and
- 753 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in
- 754 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
- 755 aircraft's registration lists a state or country other than this state as the location of
- 756 registry of the fixed wing turbine powered aircraft; or
- 757 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
- 758 provider in connection with the maintenance, repair, overhaul, or refurbishment in
- 759 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
- 760 aircraft's registration lists a state or country other than this state as the location of
- 761 registry of the fixed wing turbine powered aircraft;
- 762 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
- 763 (a) to a person admitted to an institution of higher education; and
- 764 (b) by a seller, other than a bookstore owned by an institution of higher education, if
- 765 51% or more of that seller's sales revenue for the previous calendar quarter are sales
- 766 of a textbook for a higher education course;
- 767 (72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5)
- 768 on a purchaser from a business for which the municipality provides an enhanced level of
- 769 municipal services;
- 770 (73) amounts paid or charged for construction materials used in the construction of a new or
- 771 expanding life science research and development facility in the state, if the construction
- 772 materials are:
- 773 (a) clearly identified;
- 774 (b) segregated; and
- 775 (c) installed or converted to real property;
- 776 (74) amounts paid or charged for:
- 777 (a) a purchase or lease of machinery and equipment that:
- 778 (i) are used in performing qualified research:

- 779 (A) as defined in Section 41(d), Internal Revenue Code; and
 780 (B) in the state; and
 781 (ii) have an economic life of three or more years; and
 782 (b) normal operating repair or replacement parts:
 783 (i) for the machinery and equipment described in Subsection (74)(a); and
 784 (ii) that have an economic life of three or more years;
 785 (75) a sale or lease of tangible personal property used in the preparation of prepared food if:
 786 (a) for a sale:
 787 (i) the ownership of the seller and the ownership of the purchaser are identical; and
 788 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
 789 tangible personal property prior to making the sale; or
 790 (b) for a lease:
 791 (i) the ownership of the lessor and the ownership of the lessee are identical; and
 792 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that
 793 tangible personal property prior to making the lease;
 794 (76)(a) purchases of machinery or equipment if:
 795 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
 796 Gambling, and Recreation Industries, of the 2012 North American Industry
 797 Classification System of the federal Executive Office of the President, Office of
 798 Management and Budget;
 799 (ii) the machinery or equipment:
 800 (A) has an economic life of three or more years; and
 801 (B) is used by one or more persons who pay admission or user fees described in
 802 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment;
 803 and
 804 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
 805 (A) amounts paid or charged as admission or user fees described in Subsection
 806 59-12-103(1)(f); and
 807 (B) subject to taxation under this chapter; and
 808 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 809 commission may make rules for verifying that 51% of a purchaser's sales revenue for
 810 the previous calendar quarter is:
 811 (i) amounts paid or charged as admission or user fees described in Subsection
 812 59-12-103(1)(f); and

- 813 (ii) subject to taxation under this chapter;
- 814 (77) purchases of a short-term lodging consumable by a business that provides
815 accommodations and services described in Subsection 59-12-103(1)(i);
- 816 (78) amounts paid or charged to access a database:
- 817 (a) if the primary purpose for accessing the database is to view or retrieve information
818 from the database; and
- 819 (b) not including amounts paid or charged for a:
- 820 (i) digital audio work;
- 821 (ii) digital audio-visual work; or
- 822 (iii) digital book;
- 823 (79) amounts paid or charged for a purchase or lease made by an electronic financial
824 payment service, of:
- 825 (a) machinery and equipment that:
- 826 (i) are used in the operation of the electronic financial payment service; and
827 (ii) have an economic life of three or more years; and
- 828 (b) normal operating repair or replacement parts that:
- 829 (i) are used in the operation of the electronic financial payment service; and
830 (ii) have an economic life of three or more years;
- 831 (80) sales of a fuel cell as defined in Section 54-15-102;
- 832 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
833 product transferred electronically if the tangible personal property or product transferred
834 electronically:
- 835 (a) is stored, used, or consumed in the state; and
- 836 (b) is temporarily brought into the state from another state:
- 837 (i) during a disaster period as defined in Section 53-2a-1202;
- 838 (ii) by an out-of-state business as defined in Section 53-2a-1202;
- 839 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
840 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
- 841 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined in
842 Section 39A-7-102, made pursuant to Title 39A, Chapter 7, Morale, Welfare, and
843 Recreation Program;
- 844 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 845 (84) amounts paid or charged for a purchase or lease made by a qualifying data center or an
846 occupant of a qualifying data center of machinery, equipment, or normal operating

- 847 repair or replacement parts, if the machinery, equipment, or normal operating repair or
848 replacement parts:
- 849 (a) are used in:
- 850 (i) the operation of the qualifying data center; or
851 (ii) the occupant's operations in the qualifying data center; and
- 852 (b) have an economic life of one or more years;
- 853 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle
854 that includes cleaning or washing of the interior of the vehicle;
- 855 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
856 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or
857 supplies used or consumed:
- 858 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
859 in Section 79-6-701 located in the state;
- 860 (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts,
861 chemicals, reagents, solutions, or supplies are used or consumed in:
- 862 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
863 added to gasoline or diesel fuel;
- 864 (ii) research and development;
- 865 (iii) transporting, storing, or managing raw materials, work in process, finished
866 products, and waste materials produced from refining gasoline or diesel fuel, or
867 adding blendstock to gasoline or diesel fuel;
- 868 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
869 refining; or
- 870 (v) preventing, controlling, or reducing pollutants from refining; and
- 871 (c) if the person holds a valid refiner tax exemption certification as defined in Section
872 79-6-701;
- 873 (87) amounts paid to or charged by a proprietor for accommodations and services, as
874 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations
875 tax imposed under Section 63H-1-205;
- 876 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal
877 operating repair or replacement parts, or materials, except for office equipment or office
878 supplies, by an establishment, as the commission defines that term in accordance with
879 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 880 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North

- 881 American Industry Classification System of the federal Executive Office of the
882 President, Office of Management and Budget;
- 883 (b) is located in this state; and
- 884 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
885 materials in the operation of the establishment;
- 886 (89) amounts paid or charged for an item exempt under Section 59-12-104.10;
- 887 (90) sales of a note, leaf, foil, or film, if the item:
- 888 (a) is used as currency;
- 889 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 890 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any
891 transparent polymer holder, coating, or encasement;
- 892 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or
893 surfing facility, if a trained instructor:
- 894 (a) is present with the participant, in person or by video, for the duration of the activity;
895 and
- 896 (b) actively instructs the participant, including providing observation or feedback;
- 897 (92) amounts paid or charged in connection with the construction, operation, maintenance,
898 repair, or replacement of facilities owned by or constructed for:
- 899 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or
900 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;
- 901 (93) amounts paid by the service provider for tangible personal property, other than
902 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels,
903 that:
- 904 (a) is consumed in the performance of a service that is subject to tax under Subsection
905 59-12-103(1)(b), (f), (g), (h), (i), or (j);
- 906 (b) has to be consumed for the service provider to provide the service described in
907 Subsection (93)(a); and
- 908 (c) will be consumed in the performance of the service described in Subsection (93)(a),
909 to one or more customers, to the point that the tangible personal property disappears
910 or cannot be used for any other purpose;
- 911 (94) sales of rail rolling stock manufactured in Utah;
- 912 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or
913 construction materials between establishments, as the commission defines that term in
914 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:

- 915 (a) the establishments are related directly or indirectly through 100% common
916 ownership or control; and
- 917 (b) each establishment is described in one of the following subsectors of the 2022 North
918 American Industry Classification System of the federal Executive Office of the
919 President, Office of Management and Budget:
- 920 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or
921 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing;
- 922 (96) sales of construction materials used for the construction of a qualified stadium, as
923 defined in Section 11-70-101; and
- 924 (97) amounts paid or charged for sales of a cannabinoid product as that term is defined in
925 Section 4-41-102.
- 926 Section 4. Section **63N-4-801** is amended to read:
- 927 **63N-4-801 . Definitions.**
- 928 As used in this part:
- 929 (1) "Advisory committee" means the Rural Opportunity Advisory Committee created in
930 Section 63N-4-804.
- 931 (2) "Association of governments" means an association of political subdivisions of the
932 state, established pursuant to an interlocal agreement under Title 11, Chapter 13,
933 Interlocal Cooperation Act.
- 934 (3)(a) "Business entity" means a sole proprietorship, partnership, association, joint
935 venture, corporation, firm, trust, foundation, or other organization or entity used in
936 carrying on a business.
- 937 (b) "Business entity" does not include a business primarily engaged in the following:
- 938 (i) construction;
- 939 (ii) staffing;
- 940 (iii) retail trade; or
- 941 (iv) public utility activities.
- 942 (4) "CEO board" means a County Economic Opportunity Advisory Board as described in
943 Section 63N-4-803.
- 944 (5) "Fund" means the Rural Opportunity Fund created in Section 63N-4-805.
- 945 (6) "Qualified asset" means a physical asset that provides or supports an essential public
946 service.
- 947 (7) "Qualified project" means a project to build or improve one or more qualified assets for
948 a rural community, including:

- 949 (a) telecom and high-speed Internet infrastructure;
- 950 (b) power and energy infrastructure;
- 951 (c) water and sewerage infrastructure;
- 952 (d) healthcare infrastructure; or
- 953 (e) other infrastructure as defined by rule made by the office in accordance with Title
- 954 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 955 (8) "Rural community" means a rural county or rural municipality.
- 956 (9) "Rural county" means:
- 957 (a) a county of the [~~third,~~] fourth, fifth, or sixth class[-] ; or
- 958 (b) a county of the third class, if the county of the third class has no municipality with a
- 959 population of 100,000 or more.
- 960 (10) "Rural health care special district" means a special service district created to provide
- 961 health care under Subsection 17D-1-201(6) that is located in a rural county or rural
- 962 municipality.
- 963 (11) "Rural municipality" means a city or town located within the boundaries of:
- 964 (a) a county of the [~~third,~~] fourth, fifth, or sixth class; or
- 965 (b) a county of the second or third class, if the municipality has a population of 10,000
- 966 or less.
- 967 (12) "Rural Opportunity Program" or "program" means the Rural Opportunity Program
- 968 created in Section 63N-4-802.
- 969 Section 5. Section **72-2-133** is amended to read:
- 970 **72-2-133 . Rural Transportation Infrastructure Fund -- Creation -- Uses.**
- 971 (1) As used in this section:
- 972 (a) "Graveled road" means the same as that term is defined in Section 72-2-108.
- 973 (b) "Paved road" means the same as that term is defined in Section 72-2-108.
- 974 (c)(i) "Qualifying county" means a county that:
- 975 [(i)] (A) is a county of the third through sixth class, except as provided in
- 976 Subsection (1)(c)(ii);
- 977 [(ii)] (B) has imposed a local option sales and use tax pursuant to:
- 978 [(A)] (I) Section 59-12-2217;
- 979 [(B)] (II) Section 59-12-2218; or
- 980 [(C)] (III) Section 59-12-2219; and
- 981 [(iii)] (C) has not imposed a local option sales and use tax pursuant to Section
- 982 59-12-2220 on or before January 1, 2023.

983 (ii) "Qualifying county" does not include a county of the third class with an airport
984 facilitating commercial flights to three or more airports outside of the state.

985 (d) "Qualifying municipality" means a municipality located within a qualifying county.

986 (e) "Qualifying recipient" means qualifying county or a qualifying municipality.

987 (f) "Road mile" means the same as that term is defined in Section 72-2-108.

988 (g) "Weighted mileage" means the same as that term is defined in Section 72-2-108.

989 (2) There is created in the Transportation Fund an expendable special revenue fund called
990 the Rural Transportation Infrastructure Fund.

991 (3) The Rural Transportation Infrastructure Fund shall be funded by:

992 (a) deposits into the fund as described in Subsection 41-1a-1201(10);

993 (b) appropriations by the Legislature; and

994 (c) other deposits into the fund.

995 (4) The department shall administer the fund.

996 (5) Beginning on January 1, 2024, the department shall annually distribute revenue in the
997 fund among qualifying recipients in the following manner:

998 (a) 50% in the ratio that the class B roads weighted mileage within each county and class
999 C roads weighted mileage within each municipality bear to the total class B and class
1000 C roads weighted mileage within the state; and

1001 (b) 50% in the ratio that the population of a county or municipality bears to the total
1002 population of the state as of the last official federal census or the United States
1003 Census Bureau estimate, whichever is most recent, except that if population estimates
1004 are not available from the United States Census Bureau, population figures shall be
1005 derived from the estimate from the Utah Population Committee.

1006 (6) A qualifying recipient may only use funds distributed as described in this section in the
1007 same manner as class B and class C road funds distributed in accordance with Section
1008 72-2-108.

1009 (7)(a) Before November 1 of each year, the State Tax Commission shall notify the
1010 department and indicate which counties are qualifying counties.

1011 (b) After receiving the notification described in Subsection (7)(a), the department shall
1012 distribute funds for the following year to the municipalities and counties that were
1013 identified as qualifying recipients in the notification described in Subsection (7)(a).

1014 **Section 6. Effective Date.**

1015 This bill takes effect on May 7, 2025.