

1

Tax Modifications

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: Daniel McCay

2

3

LONG TITLE

- 4

~~→ [Committee Note:~~

- 5

~~**The Revenue and Taxation Interim Committee recommended this bill.**~~

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~~**Legislative Vote: 15 voting for 0 voting against 3 absent } ←**~~

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General Description:

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This bill modifies tax provisions.

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Highlighted Provisions:

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This bill:

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▶ consolidates certain State Tax Commission reports in relation to federal tax law changes;

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▶ provides penalty provisions that apply if a producer fails to file a Form 1099 for mineral

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production tax withholding or fails to file the Form 1099 on time;

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▶ modifies filing requirements applicable to producers for mineral production tax

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withholding;

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▶ clarifies assessment requirements for the common areas of a condominium or community

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association;

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▶ increases property valuation thresholds for which county reporting to the State Tax

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Commission and the Revenue and Taxation Interim Committee is required;

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▶ modifies the definition of "indigent individual," as applied to property tax relief, by

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removing language that limits a finding of extreme hardship to counties;

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▶ allows a taxpayer to appeal a county's denial of the taxpayer's application for property tax

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relief on the basis of late filing;

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▶ consolidates a list of all privilege tax exemptions within the privilege tax statute;

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▶ consolidates certain tax credit review requirements applicable to the Utah low-income

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housing tax credit;

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▶ expands the definition of "Utah unrelated business income," as applied to corporate

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income tax, to include allocated income;

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▶ modifies the taxpayer tax credit to align with federal tax changes;

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▶ extends provisions allowing for pass-through entities to pay taxes on behalf of individuals;

- 31 ▶ expands the definition of "short-term rental," as applied to sales and use tax, to include
 32 rentals involving real property;
- 33 ▶ requires a county that imposes the 1% local option sales and use tax to distribute revenue
 34 collected within a newly-incorporated municipality to that municipality for a certain
 35 period;
- 36 ▶ increases the weight-based motor vehicle exemption for the motor vehicle rental tax;
- 37 ▶ modifies the motor vehicle exemptions for the tourism, recreation, cultural, convention,
 38 and airport facilities tax to match the exemptions for the motor vehicle rental tax;
- 39 ▶ requires a taxing entity to provide notice of the reauthorization of certain local option
 40 sales taxes to the State Tax Commission within a certain period before the
 41 reauthorization takes effect;
- 42 ▶ prohibits the State Tax Commission from enforcing a reauthorized local option sales tax
 43 unless the taxing entity provides timely notice of the reauthorization;
- 44 ▶ repeals obsolete tax provisions, including the income tax credit for items using cleaner
 45 burning fuels and the inheritance tax; and
- 46 ▶ makes technical and conforming changes.

47 **Money Appropriated in this Bill:**

48 None

49 **Other Special Clauses:**

50 This bill provides a special effective date.

51 This bill provides retrospective operation.

52 **Utah Code Sections Affected:**

53 AMENDS:

54 **38-12-101 (Effective 05/06/26)**, as last amended by Laws of Utah 2009, Chapter 212

55 **59-1-213 (Effective 05/06/26)**, as last amended by Laws of Utah 2016, Chapter 135

56 **59-1-214 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 225

57 **59-1-401 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws of
 58 Utah 2025, Chapter 258

59 **59-1-1410 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 275

60 **59-1-1413 (Effective 05/06/26)**, as enacted by Laws of Utah 2009, Chapter 212

61 **59-2-301.1 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
 62 Session, Chapter 15

63 **59-2-303.3 (Effective 05/06/26) (Applies beginning 01/01/26)**, as enacted by Laws of
 64 Utah 2024, Chapter 263

- 65 **59-2a-101 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025,
66 Chapter 172
- 67 **59-2a-106 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025,
68 Chapter 172
- 69 **59-4-101 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 31
- 70 **59-6-103 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws of
71 Utah 2017, Chapter 226
- 72 **59-7-607 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 413
- 73 **59-7-801 (Effective 05/06/26)**, as last amended by Laws of Utah 2005, Chapter 225
- 74 **59-10-1010 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 413
- 75 **59-10-1018 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws
76 of Utah 2023, Chapter 459
- 77 **59-10-1403.2 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by
78 Laws of Utah 2023, Chapter 470
- 79 **59-12-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
80 Session, Chapters 9, 12
- 81 **59-12-203 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 438
- 82 **59-12-603 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
83 Session, Chapter 17
- 84 **59-12-703 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
85 Session, Chapter 17
- 86 **59-12-806 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
87 Session, Chapter 17
- 88 **59-12-1201 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 285
- 89 **59-12-1402 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapters 290,
90 399
- 91 **59-12-2403 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, First Special
92 Session, Chapter 12
- 93 ENACTS:
- 94 **59-4-103 (Effective 05/06/26)**, Utah Code Annotated 1953
- 95 REPEALS:
- 96 **59-7-606 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws of
97 Utah 2003, Chapter 198
- 98 **59-11-101 (Effective 05/06/26) (Applies beginning 01/01/26)**, as renumbered and

99 amended by Laws of Utah 1987, Chapter 2
 100 **59-11-102 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws
 101 of Utah 2010, Chapter 218
 102 **59-11-103 (Effective 05/06/26) (Applies beginning 01/01/26)**, as renumbered and
 103 amended by Laws of Utah 1987, Chapter 2
 104 **59-11-104 (Effective 05/06/26) (Applies beginning 01/01/26)**, as renumbered and
 105 amended by Laws of Utah 1987, Chapter 2
 106 **59-11-105 (Effective 05/06/26) (Applies beginning 01/01/26)**, as renumbered and
 107 amended by Laws of Utah 1987, Chapter 2
 108 **59-11-106 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws
 109 of Utah 1988, Chapter 212
 110 **59-11-107 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws
 111 of Utah 1993, Second Special Session, Chapters 1, 1
 112 **59-11-109 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws
 113 of Utah 1993, Second Special Session, Chapters 1, 1
 114 **59-11-110 (Effective 05/06/26) (Applies beginning 01/01/26)**, as renumbered and
 115 amended by Laws of Utah 1987, Chapters 2, 3
 116 **59-11-111 (Effective 05/06/26) (Applies beginning 01/01/26)**, as renumbered and
 117 amended by Laws of Utah 1987, Chapter 2
 118 **59-11-112 (Effective 05/06/26) (Applies beginning 01/01/26)**, as renumbered and
 119 amended by Laws of Utah 1987, Chapter 2
 120 **59-11-113 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws
 121 of Utah 2009, Chapter 212
 122 **59-11-114 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws
 123 of Utah 2010, Chapter 324
 124 **59-11-115 (Effective 05/06/26) (Applies beginning 01/01/26)**, as renumbered and
 125 amended by Laws of Utah 1987, Chapter 2

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

128 Section 1. Section **38-12-101** is amended to read:

129 **38-12-101 (Effective 05/06/26). Definitions.**

130 For purposes of this chapter:

131 (1) "Lien" means:

132 (a) failure to pay money owed for property, services, or a notice of interest, a judgment,

- 133 or any other encumbrance on the title, that becomes a charge against or interest in:
- 134 (i) real property, a building, a structure, or an improvement including any franchise,
- 135 privilege, appurtenance, machinery, or fixture pertaining to or used in connection
- 136 with any real property, building, structure, or improvement;
- 137 (ii) personal property; or
- 138 (iii) a judgment, settlement, or compromise; or
- 139 (b) a tax as provided in Section 59-1-1413, 59-5-108, 59-5-208, [~~59-11-110,~~]or
- 140 59-12-112.

- 141 (2) "Lien" does not mean a charge against or interest in, for failure to pay money owed for
- 142 property, services, or a judgment, any:
- 143 (a) bank account;
- 144 (b) pension; or
- 145 (c) garnishment.

146 Section 2. Section **59-1-213** is amended to read:

147 **59-1-213 (Effective 05/06/26). Annual report on Internal Revenue Code changes.**

- 148 (1) The commission shall annually provide an electronic report to the Revenue and
- 149 Taxation Interim Committee on or before [~~the~~]October [~~interim meeting~~] 1 concerning
- 150 the impacts of the reliance of this title on the Internal Revenue Code, including:
- 151 [~~(+)~~] (a) any modification to the Internal Revenue Code that is likely to have a fiscal
- 152 impact on state revenues:
- 153 [~~(a)~~] (i) that became effective:
- 154 [~~(+)~~] (A) if the commission is preparing its initial report in accordance with this
- 155 section, during the previous calendar year; or
- 156 [~~(+)~~] (B) if the commission has prepared a previous report in accordance with this
- 157 section, after the most recent report prepared in accordance with this section; or
- 158 [~~(b)~~] (ii) that have been enacted and will become effective prior to the end of the
- 159 calendar year that begins January 1 following the current report prepared in
- 160 accordance with this section;
- 161 [~~(2)~~] (b) the fiscal impacts a modification described in Subsection [~~(+)~~] (1)(a) may have
- 162 on state revenues; and
- 163 [~~(3)~~] (c) statutory or administrative options to:
- 164 [~~(a)~~] (i) implement the effects on this title of a modification described in Subsection [~~(+)~~]
- 165 (1)(a); or
- 166 [~~(b)~~] (ii) change this title to prevent this title from implementing a modification

described in Subsection [(+) (1)(a).

(2) In a year in which the commission, the Office of the Legislative Fiscal Analyst, and the Governor's Office of Planning and Budget predict a material increase in state income tax revenue for the next fiscal year by consensus in accordance with Section 59-1-214, the commission shall submit the report described in Subsection 59-1-214(4)(a) as part of the report required under this section for the same year.

Section 3. Section **59-1-214** is amended to read:

59-1-214 (Effective 05/06/26). Reporting on federal tax law changes expected to result in a material increase in state income tax revenue.

(1) As used in this section:

(a) "Federal tax law change" means any modification to the Internal Revenue Code approved by Congress.

(b) "Material increase in state income tax revenue" means a net increase in revenue the state is expected to receive from the income taxes imposed under this title for a fiscal year, as compared to the latest consensus revenue estimates adopted by the Executive Appropriations Committee, that is equal to or greater than .5% of the revenue the state received from the income taxes imposed under this title for the preceding fiscal year.

(c) "Specified entities" means the commission, the Office of the Legislative Fiscal Analyst, and the Governor's Office of Planning and Budget.

(2) The specified entities shall annually determine by consensus whether federal tax law changes will likely result in a material increase in state income tax revenue for:

(a) the next fiscal year; and

(b) the first taxable year in which the federal tax law change takes effect.

(3) In determining whether federal tax law changes will likely result in a material increase in state income tax revenue under Subsection (2), the specified entities may consider:

(a) federal tax law changes enacted in any taxable year;

(b) legislative action to increase or offset increases in state income tax revenue; and

(c) any other factors the specified entities determine to be relevant.

(4)(a) The commission shall submit to the Revenue and Taxation Interim Committee an electronic report ~~[on or before October 1 of each]~~ in any year in which the specified entities, by consensus, predict a material increase in state income tax revenue [by consensus] for the next fiscal year under Subsection (2).

(b) The report described in Subsection (4)(a) shall include:

- 201 (i) a description of each federal tax law change expected to result in a material
 202 increase in state income tax revenue for the next fiscal year; and
 203 (ii) an estimate of the amount of the material increase in state income tax revenue that
 204 the state is expected to receive for the next fiscal year as a result of the federal tax
 205 law changes described under Subsection (4)(b)(i), based on consensus between the
 206 specified entities.
- 207 (c) The commission shall submit the report described in Subsection (4)(a):
 208 (i) on or before October 1 of the year in which the consensus prediction under
 209 Subsection (2) is made; and
 210 (ii) as part of the annual report required under Section 59-1-213 for the same year.
- 211 (5) Upon receiving the report described in Subsection (4)(a), the Revenue and Taxation
 212 Interim Committee shall:
 213 (a) review the information provided in the report; and
 214 (b) if the Revenue and Taxation Interim Committee decides to recommend legislative
 215 action to the Legislature in order to negate the material increase in state income tax
 216 revenue predicted for the next fiscal year, prepare legislation for consideration in the
 217 next annual general session.
- 218 (6)(a) If the commission submits a report under Subsection (4), the specified entities
 219 shall, following the Legislature's next annual general session, determine by consensus
 220 whether legislative action taken during the annual general session negates the
 221 specified entities' initial prediction of a material increase in state income tax revenue
 222 for the next fiscal year.
- 223 (b)(i) If the specified entities determine by consensus under Subsection (6)(a) that
 224 legislative action taken during the annual general session does not negate the
 225 specified entities' initial prediction of a material increase in state income tax
 226 revenue for the next fiscal year, the commission shall submit to the Division of
 227 Finance an electronic report on or before the June 1 following the annual general
 228 session.
- 229 (ii) The report described in this Subsection (6)(b) shall include the information
 230 required by Subsection (4)(b)(ii).

231 Section 4. Section **59-1-401** is amended to read:

232 **59-1-401 (Effective 05/06/26) (Applies beginning 01/01/26). Definitions --**
 233 **Offenses and penalties -- Rulemaking authority -- Statute of limitations -- Commission**
 234 **authority to waive, reduce, or compromise penalty or interest.**

- 235 (1) As used in this section:
- 236 (a) "Tax, fee, or charge" means:
- 237 (i) a tax, fee, or charge the commission administers under:
- 238 (A) this title;
- 239 (B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
- 240 (C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
- 241 (D) Section 19-6-410.5;
- 242 (E) Section 19-6-714;
- 243 (F) Section 19-6-805;
- 244 (G) Section 34A-2-202;
- 245 (H) Section 40-6-14;
- 246 (I) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service
- 247 Charges; or
- 248 (J) Title 79, Chapter 6, Part 11, [~~Energy Project Assessment~~] Utah Energy Council;
- 249 or
- 250 (ii) another amount that by statute is subject to a penalty imposed under this section.
- 251 (b) "Tax, fee, or charge" does not include a tax, fee, or charge imposed under:
- 252 (i) Title 41, Chapter 1a, Motor Vehicle Act, except for Section 41-1a-301;
- 253 (ii) Title 41, Chapter 3, Motor Vehicle Business Regulation Act;
- 254 (iii) Chapter 2, Property Tax Act, except for Section 59-2-1309;
- 255 (iv) Chapter 3, Tax Equivalent Property Act; or
- 256 (v) Chapter 4, Privilege Tax.
- 257 (2)(a) The due date for filing a return is:
- 258 (i) if the person filing the return is not allowed by law an extension of time for filing
- 259 the return, the day on which the return is due as provided by law; or
- 260 (ii) if the person filing the return is allowed by law an extension of time for filing the
- 261 return, the earlier of:
- 262 (A) the date the person files the return; or
- 263 (B) the last day of that extension of time as allowed by law.
- 264 (b) A penalty in the amount described in Subsection (2)(c) is imposed if a person files a
- 265 return after the due date described in Subsection (2)(a).
- 266 (c) For purposes of Subsection (2)(b), the penalty is an amount equal to the greater of:
- 267 (i) \$20; or
- 268 (ii)(A) 2% of the unpaid tax, fee, or charge due on the return if the return is filed

- 269 no later than five days after the due date described in Subsection (2)(a);
- 270 (B) 5% of the unpaid tax, fee, or charge due on the return if the return is filed
- 271 more than five days after the due date but no later than 15 days after the due
- 272 date described in Subsection (2)(a); or
- 273 (C) 10% of the unpaid tax, fee, or charge due on the return if the return is filed
- 274 more than 15 days after the due date described in Subsection (2)(a).
- 275 (d) This Subsection (2) does not apply to:
- 276 (i) an amended return; or
- 277 (ii) a return with no tax due.
- 278 (3)(a) Except as provided in Subsection (15), a person is subject to a penalty for failure
- 279 to pay a tax, fee, or charge if:
- 280 (i) the person files a return on or before the due date for filing a return described in
- 281 Subsection (2)(a), but fails to pay the tax, fee, or charge due on the return on or
- 282 before that due date;
- 283 (ii) the person:
- 284 (A) is subject to a penalty under Subsection (2)(b); and
- 285 (B) fails to pay the tax, fee, or charge due on a return within a 90-day period after
- 286 the due date for filing a return described in Subsection (2)(a);
- 287 (iii)(A) the person is subject to a penalty under Subsection (2)(b); and
- 288 (B) the commission estimates an amount of tax due for that person in accordance
- 289 with Subsection 59-1-1406(2);
- 290 (iv) the person:
- 291 (A) is mailed a notice of deficiency; and
- 292 (B) within a 30-day period after the day on which the notice of deficiency
- 293 described in Subsection (3)(a)(iv)(A) is mailed:
- 294 (I) does not file a petition for redetermination or a request for agency action;
- 295 and
- 296 (II) fails to pay the tax, fee, or charge due on a return;
- 297 (v)(A) the commission:
- 298 (I) issues an order constituting final agency action resulting from a timely filed
- 299 petition for redetermination or a timely filed request for agency action; or
- 300 (II) is considered to have denied a request for reconsideration under Subsection
- 301 63G-4-302(3)(b) resulting from a timely filed petition for redetermination
- 302 or a timely filed request for agency action; and

- 303 (B) the person fails to pay the tax, fee, or charge due on a return within a 30-day
304 period after the date the commission:
- 305 (I) issues the order constituting final agency action described in Subsection
306 (3)(a)(v)(A)(I); or
- 307 (II) is considered to have denied the request for reconsideration described in
308 Subsection (3)(a)(v)(A)(II); or
- 309 (vi) the person fails to pay the tax, fee, or charge within a 30-day period after the date
310 of a final judicial decision resulting from a timely filed petition for judicial review.
- 311 (b) For purposes of Subsection (3)(a), the penalty is an amount equal to the greater of:
- 312 (i) \$20; or
- 313 (ii)(A) 2% of the unpaid tax, fee, or charge due on the return if the activated tax,
314 fee, or charge due on the return is paid no later than five days after the due date
315 for filing a return described in Subsection (2)(a);
- 316 (B) 5% of the unpaid tax, fee, or charge due on the return if the activated tax, fee,
317 or charge due on the return is paid more than five days after the due date for
318 filing a return described in Subsection (2)(a) but no later than 15 days after that
319 due date; or
- 320 (C) 10% of the unpaid tax, fee, or charge due on the return if the activated tax, fee,
321 or charge due on the return is paid more than 15 days after the due date for
322 filing a return described in Subsection (2)(a).
- 323 (4)(a) In the case of any underpayment of estimated tax or quarterly installments
324 required by Sections 59-5-107, 59-5-207, 59-7-504, and 59-9-104, there shall be
325 added a penalty in an amount determined by applying the interest rate provided under
326 Section 59-1-402 plus four percentage points to the amount of the underpayment for
327 the period of the underpayment.
- 328 (b)(i) For purposes of Subsection (4)(a), the amount of the underpayment shall be the
329 excess of the required installment over the amount, if any, of the installment paid
330 on or before the due date for the installment.
- 331 (ii) The period of the underpayment shall run from the due date for the installment to
332 whichever of the following dates is the earlier:
- 333 (A) the original due date of the tax return, without extensions, for the taxable year;
334 or
- 335 (B) with respect to any portion of the underpayment, the date on which that
336 portion is paid.

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

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

347 (i) for a person filing a corporate franchise or income tax return under Chapter 7,
348 Corporate Franchise and Income Taxes, the payment required by Subsection
349 59-7-507(1)(b); or

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

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

355 (6) If a person does not file a return within an extension of time allowed by Section
356 59-7-505 or 59-10-516, the person:

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

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

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

360 (A) \$20; or

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

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

364 (A) \$20; or

365 (B) 10% of the unpaid tax due on the return, unpaid as of the day on which the
366 return is due as provided by law, not including the extension of time.

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

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

- 371 underpayment that is due to negligence.
- 372 (ii) Except as provided in Subsection (7)(d), if any portion of an underpayment of a
373 tax, fee, or charge is due to intentional disregard of law or rule, the penalty is 15%
374 of the entire underpayment.
- 375 (iii) If any portion of an underpayment is due to an intent to evade a tax, fee, or
376 charge, the penalty is the greater of \$500 per period or 50% of the entire
377 underpayment.
- 378 (iv) If any portion of an underpayment is due to fraud with intent to evade a tax, fee,
379 or charge, the penalty is the greater of \$500 per period or 100% of the entire
380 underpayment.
- 381 (b) If the commission determines that a person is liable for a penalty imposed under
382 Subsection (7)(a)(ii), (iii), or (iv), the commission shall notify the person of the
383 proposed penalty.
- 384 (i) The notice of proposed penalty shall:
- 385 (A) set forth the basis of the assessment; and
386 (B) be mailed by certified mail, postage prepaid, to the person's last-known
387 address.
- 388 (ii) Upon receipt of the notice of proposed penalty, the person against whom the
389 penalty is proposed may:
- 390 (A) pay the amount of the proposed penalty at the place and time stated in the
391 notice; or
392 (B) proceed in accordance with the review procedures of Subsection (7)(b)(iii).
- 393 (iii) A person against whom a penalty is proposed in accordance with this Subsection
394 (7) may contest the proposed penalty by filing a petition for an adjudicative
395 proceeding with the commission.
- 396 (iv)(A) If the commission determines that a person is liable for a penalty under
397 this Subsection (7), the commission shall assess the penalty and give notice and
398 demand for payment.
- 399 (B) The commission shall mail the notice and demand for payment described in
400 Subsection (7)(b)(iv)(A):
401 (I) to the person's last-known address; and
402 (II) in accordance with Section 59-1-1404.
- 403 (c) A seller that voluntarily collects a tax under Subsection 59-12-107(2)(d) is not
404 subject to the penalty under Subsection (7)(a)(i) if on or after July 1, 2001:

- 405 (i) a court of competent jurisdiction issues a final unappealable judgment or order
406 determining that:
- 407 (A) the seller meets one or more of the criteria described in Subsection 59-12-107
408 (2)(a) or is a seller required to pay or collect and remit sales and use taxes
409 under Subsection 59-12-107(2)(b) or (2)(c); and
- 410 (B) the commission or a county, city, or town may require the seller to collect a
411 tax under Subsections 59-12-103(2)(a) through (e); or
- 412 (ii) the commission issues a final unappealable administrative order determining that:
- 413 (A) the seller meets one or more of the criteria described in Subsection 59-12-107
414 (2)(a) or is a seller required to pay or collect and remit sales and use taxes
415 under Subsection 59-12-107(2)(b) or (2)(c); and
- 416 (B) the commission or a county, city, or town may require the seller to collect a
417 tax under Subsections 59-12-103(2)(a) through (e).
- 418 (d) A seller that voluntarily collects a tax under Subsection 59-12-107(2)(d) is not
419 subject to the penalty under Subsection (7)(a)(ii) if:
- 420 (i)(A) a court of competent jurisdiction issues a final unappealable judgment or
421 order determining that:
- 422 (I) the seller meets one or more of the criteria described in Subsection
423 59-12-107(2)(a) or is a seller required to pay or collect and remit sales and
424 use taxes under Subsection 59-12-107(2)(b) or (2)(c); and
- 425 (II) the commission or a county, city, or town may require the seller to collect a
426 tax under Subsections 59-12-103(2)(a) through (e); or
- 427 (B) the commission issues a final unappealable administrative order determining
428 that:
- 429 (I) the seller meets one or more of the criteria described in Subsection
430 59-12-107(2)(a) or is a seller required to pay or collect and remit sales and
431 use taxes under Subsection 59-12-107(2)(b) or (2)(c); and
- 432 (II) the commission or a county, city, or town may require the seller to collect a
433 tax under Subsections 59-12-103(2)(a) through (e); and
- 434 (ii) the seller's intentional disregard of law or rule is warranted by existing law or by
435 a nonfrivolous argument for the extension, modification, or reversal of existing
436 law or the establishment of new law.
- 437 (8)(a) Subject to Subsections (8)(b) and (c), the penalty for failure to file an information
438 return, information report, or a complete supporting schedule is \$50 for each

- 439 information return, information report, or supporting schedule up to a maximum of
440 \$1,000.
- 441 (b) If an employer is subject to a penalty under Subsection (13), the employer may not
442 be subject to a penalty under Subsection (8)(a).
- 443 (c) If an employer is subject to a penalty under this Subsection (8) for failure to file a
444 return in accordance with Subsection 59-10-406(3) on or before the due date
445 described in Subsection 59-10-406(3)(b)(ii), the commission may not impose a
446 penalty under this Subsection (8) unless the return is filed more than 14 days after the
447 due date described in Subsection 59-10-406(3)(b)(ii).
- 448 (9) If a person, in furtherance of a frivolous position, has a prima facie intent to delay or
449 impede administration of a law relating to a tax, fee, or charge and files a purported
450 return that fails to contain information from which the correctness of reported tax, fee, or
451 charge liability can be determined or that clearly indicates that the tax, fee, or charge
452 liability shown is substantially incorrect, the penalty is \$500.
- 453 (10)(a) A seller that fails to remit a tax, fee, or charge monthly as required by Subsection
454 59-12-108(1)(a):
- 455 (i) is subject to a penalty described in Subsection (2); and
456 (ii) may not retain the percentage of sales and use taxes that would otherwise be
457 allowable under Subsection 59-12-108(2).
- 458 (b) A seller that fails to remit a tax, fee, or charge by electronic funds transfer as
459 required by Subsection 59-12-108(1)(a)(ii)(B):
- 460 (i) is subject to a penalty described in Subsection (2); and
461 (ii) may not retain the percentage of sales and use taxes that would otherwise be
462 allowable under Subsection 59-12-108(2).
- 463 (11)(a) A person is subject to the penalty provided in Subsection (11)(c) if that person:
- 464 (i) commits an act described in Subsection (11)(b) with respect to one or more of the
465 following documents:
- 466 (A) a return;
467 (B) an affidavit;
468 (C) a claim; or
469 (D) a document similar to Subsections (11)(a)(i)(A) through (C);
- 470 (ii) knows or has reason to believe that the document described in Subsection
471 (11)(a)(i) will be used in connection with any material matter administered by the
472 commission; and

- 473 (iii) knows that the document described in Subsection (11)(a)(i), if used in connection
474 with any material matter administered by the commission, would result in an
475 understatement of another person's liability for a tax, fee, or charge.
- 476 (b) The following acts apply to Subsection (11)(a)(i):
- 477 (i) preparing any portion of a document described in Subsection (11)(a)(i);
 - 478 (ii) presenting any portion of a document described in Subsection (11)(a)(i);
 - 479 (iii) procuring any portion of a document described in Subsection (11)(a)(i);
 - 480 (iv) advising in the preparation or presentation of any portion of a document
481 described in Subsection (11)(a)(i);
 - 482 (v) aiding in the preparation or presentation of any portion of a document described
483 in Subsection (11)(a)(i);
 - 484 (vi) assisting in the preparation or presentation of any portion of a document
485 described in Subsection (11)(a)(i); or
 - 486 (vii) counseling in the preparation or presentation of any portion of a document
487 described in Subsection (11)(a)(i).
- 488 (c) For purposes of Subsection (11)(a), the penalty:
- 489 (i) shall be imposed by the commission;
 - 490 (ii) is \$500 for each document described in Subsection (11)(a)(i) with respect to
491 which the person described in Subsection (11)(a) meets the requirements of
492 Subsection (11)(a); and
 - 493 (iii) is in addition to any other penalty provided by law.
- 494 (d) The commission may seek a court order to enjoin a person from engaging in conduct
495 that is subject to a penalty under this Subsection (11).
- 496 (e) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
497 commission may make rules prescribing the documents that are similar to
498 Subsections (11)(a)(i)(A) through (C).
- 499 (12)(a) Criminal offenses and penalties are provided in Subsections (12)(b) through (e).
- 500 (b)(i) A person who is required by this title or any laws the commission administers
501 or regulates to register with or obtain a license or permit from the commission,
502 who operates without having registered or secured a license or permit, or who
503 operates when the registration, license, or permit is expired or not current, is guilty
504 of a class B misdemeanor.
 - 505 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(b)(i), the
506 penalty may not:

- 507 (A) be less than \$500; or
508 (B) exceed \$1,000.
- 509 (c)(i) With respect to a tax, fee, or charge, a person who knowingly and intentionally,
510 and without a reasonable good faith basis, fails to make, render, sign, or verify a
511 return within the time required by law or to supply information within the time
512 required by law, or who makes, renders, signs, or verifies a false or fraudulent
513 return or statement, or who supplies false or fraudulent information, is guilty of a
514 third degree felony.
- 515 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(c)(i), the
516 penalty may not:
517 (A) be less than \$1,000; or
518 (B) exceed \$5,000.
- 519 (d)(i) A person who intentionally or willfully attempts to evade or defeat a tax, fee, or
520 charge or the payment of a tax, fee, or charge is, in addition to other penalties
521 provided by law, guilty of a second degree felony.
- 522 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(d)(i), the
523 penalty may not:
524 (A) be less than \$1,500; or
525 (B) exceed \$25,000.
- 526 (e)(i) A person is guilty of a second degree felony if that person commits an act:
527 (A) described in Subsection (12)(e)(ii) with respect to one or more of the
528 following documents:
529 (I) a return;
530 (II) an affidavit;
531 (III) a claim; or
532 (IV) a document similar to Subsections (12)(e)(i)(A)(I) through (III); and
533 (B) subject to Subsection (12)(e)(iii), with knowledge that the document described
534 in Subsection (12)(e)(i)(A):
535 (I) is false or fraudulent as to any material matter; and
536 (II) could be used in connection with any material matter administered by the
537 commission.
- 538 (ii) The following acts apply to Subsection (12)(e)(i):
539 (A) preparing any portion of a document described in Subsection (12)(e)(i)(A);
540 (B) presenting any portion of a document described in Subsection (12)(e)(i)(A);

- 541 (C) procuring any portion of a document described in Subsection (12)(e)(i)(A);
542 (D) advising in the preparation or presentation of any portion of a document
543 described in Subsection (12)(e)(i)(A);
544 (E) aiding in the preparation or presentation of any portion of a document
545 described in Subsection (12)(e)(i)(A);
546 (F) assisting in the preparation or presentation of any portion of a document
547 described in Subsection (12)(e)(i)(A); or
548 (G) counseling in the preparation or presentation of any portion of a document
549 described in Subsection (12)(e)(i)(A).
- 550 (iii) This Subsection (12)(e) applies:
- 551 (A) regardless of whether the person for which the document described in
552 Subsection (12)(e)(i)(A) is prepared or presented:
- 553 (I) knew of the falsity of the document described in Subsection (12)(e)(i)(A); or
554 (II) consented to the falsity of the document described in Subsection
555 (12)(e)(i)(A); and
- 556 (B) in addition to any other penalty provided by law.
- 557 (iv) Notwithstanding Section 76-3-301, for purposes of this Subsection (12)(e), the
558 penalty may not:
- 559 (A) be less than \$1,500; or
560 (B) exceed \$25,000.
- 561 (v) The commission may seek a court order to enjoin a person from engaging in
562 conduct that is subject to a penalty under this Subsection (12)(e).
- 563 (vi) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
564 the commission may make rules prescribing the documents that are similar to
565 Subsections (12)(e)(i)(A)(I) through (III).
- 566 (f) The statute of limitations for prosecution for a violation of this Subsection (12) is the
567 later of six years:
- 568 (i) from the date the tax should have been remitted; or
569 (ii) after the day on which the person commits the criminal offense.
- 570 (13)(a) [~~Subject to Subsection (13)(b), an~~] An employer that is required to file a form
571 with the commission in accordance with Subsection 59-10-406(8) or (9) is subject to
572 a penalty described in Subsection (13)(b) if the employer:
- 573 (i) fails to file the form with the commission in an electronic format approved by the
574 commission as required by Subsection 59-10-406(8) or (9);

- 575 (ii) fails to file the form on or before the due date provided in Subsection 59-10-406
576 (8) or (9);
- 577 (iii) fails to provide accurate information on the form; or
- 578 (iv) fails to provide all of the information required by the Internal Revenue Service to
579 be contained on the form.
- 580 (b) For purposes of Subsection (13)(a), the penalty is:
- 581 (i) \$30 per form, not to exceed \$75,000 in a calendar year, if the employer files the
582 form in accordance with Subsection 59-10-406(8) or (9), more than 14 days~~[after~~
583 ~~the due date provided in Subsection 59-10-406(8) or (9)]~~, but no later than [30] 60
584 days, after the due date provided in Subsection 59-10-406(8) or (9);
- 585 (ii) \$60 per form, not to exceed \$200,000 in a calendar year, if the employer files the
586 form in accordance with Subsection 59-10-406(8) or (9), more than [30] 60 days
587 after the due date provided in Subsection 59-10-406(8) or (9) but on or before
588 June 1; or
- 589 (iii) \$100 per form, not to exceed \$500,000 in a calendar year, if the employer:
- 590 (A) files the form in accordance with Subsection 59-10-406(8) or (9) after June 1;
591 or
592 (B) fails to file the form.
- 593 (c) A producer that is required to file a form with the commission in accordance with
594 Subsection 59-6-103(3) is subject to a penalty described in Subsection (13)(d) if the
595 producer:
- 596 (i) fails to file the form with the commission in the format approved by the
597 commission as required by Subsection 59-6-103(3);
- 598 (ii) fails to file the form on or before the due date provided in Subsection 59-6-103(3);
- 599 (iii) fails to provide accurate information on the form; or
- 600 (iv) fails to provide all of the information required by the Internal Revenue Service to
601 be contained on the form.
- 602 (d) For purposes of Subsection (13)(c), the penalty is:
- 603 (i) \$30 per form, not to exceed \$75,000 in a calendar year, if the producer files the
604 form in accordance with Subsection 59-6-103(3), more than 14 days, but no later
605 than 60 days, after the due date provided in Subsection 59-6-103(3);
- 606 (ii) \$60 per form, not to exceed \$200,000 in a calendar year, if the producer files the
607 form in accordance with Subsection 59-6-103(3), more than 60 days after the due
608 date provided in Subsection 59-6-103(3) but on or before June 1; or

- 609 (iii) \$100 per form, not to exceed \$500,000 in a calendar year, if the producer:
 610 (A) files the form in accordance with Subsection 59-6-103(3) after June 1; or
 611 (B) fails to file the form.
- 612 (14) Upon making a record of the commission's actions, and upon reasonable cause shown,
 613 the commission may waive, reduce, or compromise any of the penalties or interest
 614 imposed under this part.
- 615 (15) Failure to pay a tax described in Subsection 59-10-1403.2(2) shall be subject to a
 616 penalty as described in Subsection (3) except that the penalty shall be:
- 617 (a) assessed only if the pass-through entity reports tax paid on a Utah Schedule K-1 but
 618 does not pay some or all of the tax reported; and
- 619 (b) calculated based on the difference between the amount of tax reported and the
 620 amount of tax paid.

621 Section 5. Section **59-1-1410** is amended to read:

622 **59-1-1410 (Effective 05/06/26). Action for collection of tax, fee, or charge --**
 623 **Action for refund or credit of liability -- Denial of refund claim under appeal -- Appeal of**
 624 **denied refund claim.**

- 625 (1)(a) Except as provided in Subsections (3) through (7) and Sections 59-5-114, 59-7-519,
 626 and 59-10-536, [~~and 59-11-113,~~]the commission shall assess a tax, fee, or charge
 627 within three years after the day on which a person files a return.
- 628 (b) Except as provided in Subsections (3) through (7), if the commission does not assess
 629 a tax, fee, or charge within the three-year period provided in Subsection (1)(a), the
 630 commission may not commence a proceeding to collect the tax, fee, or charge.
- 631 (2)(a) Except as provided in Subsection (2)(b), for purposes of this part, a return filed
 632 before the last day prescribed by statute or rule for filing the return is considered to
 633 be filed on the last day for filing the return.
- 634 (b) A return of withholding tax under Chapter 10, Part 4, Withholding of Tax, is
 635 considered to be filed on April 15 of the succeeding calendar year if the return:
- 636 (i) is for a period ending with or within a calendar year; and
- 637 (ii) is filed before April 15 of the succeeding calendar year.
- 638 (3) The commission may assess a tax, fee, or charge or commence a proceeding for the
 639 collection of a tax, fee, or charge at any time if:
- 640 (a) a person:
- 641 (i) files a:
- 642 (A) false return with intent to evade; or

- 643 (B) fraudulent return with intent to evade; or
644 (ii) fails to file a return; or
645 (b) the commission estimates the amount of tax, fee, or charge due in accordance with
646 Subsection 59-1-1406(2).
- 647 (4) The commission may extend the period to assess a tax, fee, or charge or to commence a
648 proceeding to collect a tax, fee, or charge if:
649 (a) the three-year period under Subsection (1) has not expired; and
650 (b) the commission and the person sign a written agreement:
651 (i) authorizing the extension; and
652 (ii) providing for the length of the extension.
- 653 (5) The commission may make an assessment as provided in Subsection (6) if:
654 (a) the commission delays an audit at the request of a person;
655 (b) the person subsequently refuses to agree to an extension request by the commission;
656 and
657 (c) the three-year period under Subsection (1) expires before the commission completes
658 the audit.
- 659 (6) An assessment under Subsection (5) shall be:
660 (a) for the time period for which the commission could not make the assessment because
661 of the expiration of the three-year period; and
662 (b) in an amount equal to the difference between:
663 (i) the commission's estimate of the amount of tax, fee, or charge the person would
664 have been assessed for the time period described in Subsection (6)(a); and
665 (ii) the amount of tax, fee, or charge the person actually paid for the time period
666 described in Subsection (6)(a).
- 667 (7) If a person erroneously pays a liability, overpays a liability, pays a liability more than
668 once, or the commission erroneously receives, collects, or computes a liability, the
669 commission shall:
670 (a) credit the liability against any amount of liability the person owes; and
671 (b) refund any balance to:
672 (i) the person; or
673 (ii)(A) the person's assign;
674 (B) the person's personal representative;
675 (C) the person's successor; or
676 (D) a person similar to Subsections (7)(b)(ii)(A) through (C) as determined by the

677 commission by rule made in accordance with Title 63G, Chapter 3, Utah
678 Administrative Rulemaking Act.

679 (8)(a) Except as provided in Subsection (8)(b) or Section 19-12-203, 59-7-522,
680 59-10-529, or 59-12-110, the commission may not make a credit or refund unless a
681 person files a claim with the commission within the later of:

682 (i) three years from the due date of the return, including the period of any extension
683 of time provided in statute for filing the return; or

684 (ii) two years from the date the tax was paid.

685 (b) The commission shall extend the time period for a person to file a claim under
686 Subsection (8)(a) if:

687 (i) the time period described in Subsection (8)(a) has not expired; and

688 (ii) the commission and the person sign a written agreement:

689 (A) authorizing the extension; and

690 (B) providing for the length of the extension.

691 (9) If the commission denies a claim for a credit or refund, a person may request a
692 redetermination of the denial by filing a petition or request for agency action with the
693 commission:

694 (a)(i) within a 30-day period after the day on which the commission mails a notice of
695 denial for the claim for credit or refund; or

696 (ii) within a 90-day period after the day on which the commission mails a notice of
697 denial for the claim for credit or refund, if the notice is addressed to a person
698 outside the United States or the District of Columbia; and

699 (b) in accordance with:

700 (i) Section 59-1-501; and

701 (ii) Title 63G, Chapter 4, Administrative Procedures Act.

702 (10) The action of the commission on a person's petition for redetermination of a denial of a
703 claim for credit or refund is final 30 days after the day on which the commission sends
704 the commission's decision or order, unless the person seeks judicial review.

705 Section 6. Section **59-1-1413** is amended to read:

706 **59-1-1413 (Effective 05/06/26). Lien for a liability.**

707 (1) In addition to Section 40-6-14, 59-5-108, 59-5-208, [~~59-11-110,~~]59-12-112, 59-13-302,
708 or 59-13-311, if a person that owes a liability fails to pay that liability after the
709 commission mails notice and demand under Section 59-1-1411, the amount of liability,
710 plus any administrative cost, is a lien in favor of the state upon all property and rights to

711 property, whether real or personal, belonging to that person.

712 (2) Unless another date is specifically established by law, the lien imposed by this section:

713 (a) arises at the time the commission makes the assessment of the tax, fee, or charge that
714 is part of the liability; and

715 (b) continues until the liability and administrative costs described in Subsection (1), or a
716 judgment against the person arising from that liability and administrative costs:

717 (i) is satisfied; or

718 (ii) is unenforceable because the time period described in Subsection 59-1-1414(8)
719 has elapsed.

720 Section 7. Section **59-2-301.1** is amended to read:

721 **59-2-301.1 (Effective 05/06/26). Assessment of property subject to a conservation**
722 **easement -- Assessment of golf course or hunting club -- Assessment of common areas.**

723 (1) As used in this section:

724 (a) "Association" means the same as that term is defined in Section 57-8a-102.

725 (b) "Common area" means:

726 (i) for a condominium project subject to Title 57, Chapter 8, Condominium
727 Ownership Act, the following property, unless otherwise provided in the
728 declaration or lawful amendments to the declaration:

729 (A) the land included within the condominium project, whether leasehold or in fee
730 simple;

731 (B) the foundations, columns, girders, beams, supports, main walls, roofs, halls,
732 corridors, lobbies, stairs, stairways, fire escapes, entrances, and exits of the
733 building;

734 (C) the basements, yards, gardens, parking areas, and storage spaces;

735 (D) the premises for lodging of janitors or persons in charge of the property;

736 (E) installations of central services such as power, light, gas, hot and cold water,
737 heating, refrigeration, air conditioning, and incinerating;

738 (F) the elevators, tanks, pumps, motors, fans, compressors, ducts, and in general
739 all apparatus and installations existing for common use;

740 (G) community and commercial facilities as may be provided for in the
741 declaration; and

742 (H) all other parts of the property necessary or convenient to the property's
743 existence, maintenance, and safety or normally in common use; and

744 (ii) for an association subject to Title 57, Chapter 8a, Community Association Act,

745 property that the association:

746 (A) owns;

747 (B) maintains;

748 (C) repairs; or

749 (D) administers.

750 (c) "Condominium project" means the same as that term is defined in Section 57-8-3.

751 (d) "Declaration" means the same as that term is defined in Section 57-8-3.

752 [(4)] (2) In assessing the fair market value of property subject to a conservation easement
753 under Title 57, Chapter 18, Land Conservation Easement Act, a county assessor shall
754 consider factors relating to the property and neighboring property that affect the fair
755 market value of the property being assessed, including:

756 (a) value that transfers to neighboring property because of the presence of a conservation
757 easement on the property being assessed;

758 (b) practical and legal restrictions on the development potential of the property because
759 of the presence of the conservation easement;

760 (c) the absence of neighboring property similarly subject to a conservation easement to
761 provide a basis for comparing values between properties; and

762 (d) any other factor that causes the fair market value of the property to be affected
763 because of the presence of a conservation easement.

764 [(2)] (3)(a) In assessing the fair market value of a golf course or hunting club, a county
765 assessor shall consider factors relating to the golf course or hunting club and
766 neighboring property that affect the fair market value of the golf course or hunting
767 club, including:

768 (i) value that transfers to neighboring property because of the presence of the golf
769 course or hunting club;

770 (ii) practical and legal restrictions on the development potential of the golf course or
771 hunting club; and

772 (iii) the history of operation of the golf course or hunting club and the likelihood that
773 the present use will continue into the future.

774 (b) The valuation method a county assessor may use in determining the fair market value
775 of a golf course or hunting club includes:

776 (i) the cost approach;

777 (ii) the income capitalization approach; and

778 (iii) the sales comparison approach.

779 (4)(a) When a plat contains a common area:

- 780 (i) for purposes of assessment, each parcel that the plat creates has an equal
 781 ownership interest in the common area within the plat, unless the plat or an
 782 accompanying recorded document indicates a different division of interest for
 783 assessment purposes; and
 784 (ii) each instrument describing a parcel on the plat by the parcel's identifying plat
 785 number implicitly includes the ownership interest in the common area, even if that
 786 ownership interest is not explicitly stated in the instrument.

787 ~~[(3)]~~ (b) Except as otherwise provided by the plat or accompanying recorded document, a
 788 county assessor shall assess a common area ~~[and facility as defined in Section 57-8-3~~
 789 ~~or a common area as defined in Section 57-8a-102]~~ consistent with the equal
 790 ownership interests described in Subsection ~~[10-20-809(4) or 17-79-709(4)]~~ (4)(a)
 791 and may not assess the common area ~~[and facility or common area]~~ in a manner that
 792 reflects a different division of interest.

793 ~~[(4)]~~ (c) In assessing the fair market value of property that is a common area ~~[or facility~~
 794 ~~under Title 57, Chapter 8, Condominium Ownership Act, or a common area under~~
 795 ~~Title 57, Chapter 8a, Community Association Act]~~, a county assessor shall consider
 796 factors relating to the property and neighboring property that affect the fair market
 797 value of the property being assessed, including:

- 798 ~~[(a)]~~ (i) value that transfers to neighboring property because the property is a common
 799 area ~~[or facility]~~;
 800 ~~[(b)]~~ (ii) practical and legal restrictions on the development potential of the property
 801 because the property is a common area ~~[or facility]~~;
 802 ~~[(c)]~~ (iii) the absence of neighboring property similarly situated as a common area ~~[or~~
 803 ~~facility]~~ to provide a basis for comparing values between properties; and
 804 ~~[(d)]~~ (iv) any other factor that causes the fair market value of the property to be
 805 affected because the property is a common area ~~[or facility]~~.

806 Section 8. Section **59-2-303.3** is amended to read:

807 **59-2-303.3 (Effective 05/06/26) (Applies beginning 01/01/26). Automatic review**
 808 **for property with qualifying increase -- Reporting requirements.**

809 (1) As used in this section~~[;]~~ :

- 810 (a) ~~["qualifying"]~~ "Qualifying increase" means a valuation increase that is ~~it~~ **equal to or**
 810a **more than 150% higher than the previous year's valuation for residential property, or** ~~it~~
 810b equal to or

811 more than ~~[+50%]~~ 350% higher than the previous year's valuation for ~~Ĥ~~ → any other ← ~~Ĥ~~
 811a property ~~Ĥ~~ → that is not residential property, ← ~~Ĥ~~ that:

812 ~~[(a)]~~ (i) is county assessed; and

813 ~~[(b)]~~ (ii) on or after January 1 of the previous year and before January 1 of the current
 814 year, has not had:

815 ~~[(i)]~~ (A) a physical improvement if the fair market value of the physical
 816 improvement increases enough to result in the valuation increase solely as a
 817 result of the physical improvement;

818 ~~[(ii)]~~ (B) a zoning change if the fair market value of the real property increases
 819 enough to result in the valuation increase solely as a result of the zoning
 820 change; or

821 ~~[(iii)]~~ (C) a change in the legal description of the real property, if the fair market
 822 value of the real property increases enough to result in the valuation increase
 823 solely as a result of the change in the legal description of the real property.

824 (b) "Specified property" means a property:

825 (i) that requires a review in accordance with Subsection (2); and

826 (ii) for which the qualifying increase is equal to or more than \$250,000.

827 ~~(2)(a) For the calendar year beginning on January 1, 2023, the county assessor shall~~
 828 ~~review the assessment of the property with a qualifying increase on or before May~~
 829 ~~31, 2024.]~~

830 ~~[(b)]~~ (a) ~~[For a calendar year beginning on or after January 1, 2024, the]~~ The county
 831 assessor shall review the assessment of a property with a qualifying increase before
 832 delivery of the assessment book to the county auditor in accordance with Section
 833 59-2-311.

834 ~~[(c)]~~ (b) The county assessor shall retain a record of the properties for which the county
 835 assessor conducts a review in accordance with this Subsection (2) and the results of
 836 that review.

837 (3)(a) When the county assessor conducts the review described in Subsection (2):

838 (i) if the county assessor determines that the assessed value of the property reflects
 839 the property's fair market value, the county assessor may not adjust the property's
 840 assessed value; or

841 (ii) if the county assessor determines that the assessed value of the property does not
 842 reflect the review property's fair market value, the county assessor shall adjust the
 843 assessed value of the review property to reflect the fair market value.

844 ~~[(b) If a county assessor makes an adjustment under Subsection (3)(a) for the calendar~~
 845 ~~year beginning on January 1, 2023, the county legislative body shall authorize a~~
 846 ~~refund of the property tax that is overpaid as a result of the adjustment.]~~

847 ~~[(e)]~~ (b) If a county assessor makes an adjustment under Subsection (3)(a)~~[for the~~
 848 ~~calendar year beginning on January 1, 2024]~~, the county assessor shall list the
 849 adjusted value set in accordance with this section as the original assessed value on
 850 the valuation notice sent in accordance with Section 59-2-919.1.

851 (4)(a) Upon completing the review described in Subsection (2), the county assessor shall
 852 report to the commission:

853 (i) the number of properties that:

854 (A) required a review in accordance with Subsection (2); and

855 (B) the county reduced the value as a result of the review; ~~[and]~~

856 (ii) the parcel number of any specified property~~[:]~~ for which the county assessor did
 857 not reduce the value as a result of the review; and

858 ~~[(A) that required a review in accordance with Subsection (2);]~~

859 ~~[(B) that has an increase in value of \$50,000 or more; and]~~

860 ~~[(C) for which the county assessor did not reduce the value.]~~

861 (iii) for each specified property, the property type and the reasons for the qualifying
 862 increase.

863 (b)(i) A county that has any specified property ~~[subject to a review in accordance~~
 864 ~~with this section]~~for two consecutive years shall report to the Revenue and
 865 Taxation Interim Committee:

866 (A) at the same meeting or a meeting after the meeting during which the
 867 commission makes the report described in Section 59-2-1008;

868 (B) in the same year as the commission report; and

869 (C) on the number of specified properties ~~[with a qualifying increase and the~~
 870 ~~reasons for the qualifying increases.]~~ in the county during the consecutive
 871 two-year period for which the report under this Subsection (4)(b) is required.

872 (ii) The requirement to report under this Subsection (4)(b) applies if the county has a
 873 specified property ~~[that is subject to review under this section]~~in each of two
 874 consecutive years regardless of whether the specified property~~[that is subject to~~
 875 ~~review]~~ is the same property for each year.

876 ~~[(iii) The requirement to report does not apply if the qualifying increase is less than~~
 877 ~~\$50,000.]~~

- 878 (5) The review process described in this section does not supersede or otherwise affect a
879 taxpayer's right to appeal or to seek judicial review of the valuation or equalization of a
880 review property in accordance with:
- 881 (a) Part 10, Equalization;
 - 882 (b) Chapter 1, Part 6, Judicial Review; or
 - 883 (c) Title 63G, Chapter 4, Part 4, Judicial Review.
- 884 Section 9. Section **59-2a-101** is amended to read:
- 885 **59-2a-101 (Effective 05/06/26). Definitions.**
- 886 As used in this chapter:
- 887 (1) "Active component of the United States Armed Forces" means the same as that term is
888 defined in Section 59-10-1027.
 - 889 (2) "Active duty claimant" means a member of an active component of the United States
890 Armed Forces or a reserve component of the United States Armed Forces who:
 - 891 (a) performed qualifying active duty military service; and
 - 892 (b) applies for an exemption described in Part 6, Active Duty Armed Forces Exemption.
 - 893 (3) "Adjusted taxable value limit" means:
 - 894 (a) for the calendar year that begins on January 1, 2023, \$479,504; or
 - 895 (b) for each calendar year after the calendar year that begins on January 1, 2023, the
896 amount of the adjusted taxable value limit for the previous year plus an amount
897 calculated by multiplying the amount of the adjusted taxable value limit for the
898 previous year by the actual percent change in the consumer price index during the
899 previous calendar year.
 - 900 (4) "Claim" means:
 - 901 (a) a claim for tax abatement described in Subsection (21)(a) or a credit under Part 2,
902 Renter's Credit, or Part 3, Homeowner's Credit;
 - 903 (b) an exemption under Part 5, Veteran Armed Forces Exemption, or Part 6, Active Duty
904 Armed Forces Exemption; or
 - 905 (c) an application for an abatement under Part 4, Abatement for Indigent Individuals, or
906 a deferral under Part 7, Discretionary Deferral, Part 8, Nondiscretionary Deferral for
907 Property with Qualifying Increase, or Part 9, Nondiscretionary Deferral for Elderly
908 Property Owners.
 - 909 (5)(a) "Claimant" means a homeowner or renter who:
 - 910 (i) files a claim under Part 2, Renter's Credit, or Part 3, Homeowner's Credit, for a
911 residence;

- 912 (ii) is domiciled in this state for the entire calendar year for which a claim for relief is
913 filed; and
- 914 (iii) on or before December 31 of the year for which a claim for relief is filed, is:
915 (A) 66 years old or older if the individual was born on or before December 31,
916 1959; or
917 (B) 67 years old or older if the individual was born on or after January 1, 1960.
- 918 (b) Notwithstanding Subsection (5)(a), "claimant" includes a surviving spouse:
919 (i) regardless of:
920 (A) the age of the surviving spouse; or
921 (B) the age of the deceased spouse at the time of death;
922 (ii) if the surviving spouse meets:
923 (A) the requirements described in Subsections (5)(a)(i) and (5)(a)(ii); and
924 (B) the income requirements described in Part 2, Renter's Credit, if the surviving
925 spouse is filing a claim for a renter's credit, or Part 3, Homeowner's Credit, if
926 the surviving spouse is filing a claim for a homeowner's credit;
927 (iii) if the surviving spouse is part of the same household of the deceased spouse at
928 the time of death of the deceased spouse; and
929 (iv) if the surviving spouse is unmarried at the time the surviving spouse files the
930 claim.
- 931 (c) If two or more individuals of a household are able to meet the qualifications for a
932 claimant, the individuals may determine among them as to who the claimant shall be,
933 but if the individuals are unable to agree, the matter shall be referred to the county
934 legislative body for a determination of the claimant of an owned residence and to the
935 commission for a determination of the claimant of a rented residence.
- 936 (6) "Consumer price index" means:
937 (a) for Part 2, Renter's Credit, and Part 3, Homeowner's Credit, the Consumer Price
938 Index - All Urban Consumers, Housing United States Cities Average, published by
939 the Bureau of Labor Statistics of the United States Department of Labor; and
940 (b) for the other parts of this chapter, the same as that term is described in Section
941 1(f)(4), Internal Revenue Code, and defined in Section 1(f)(5), Internal Revenue
942 Code.
- 943 (7) "Deceased veteran with a disability" means a deceased individual who was a veteran
944 with a disability at the time the individual died.
- 945 (8) "Deferral" means a postponement of a tax due date or a tax notice charge granted in

- 946 accordance with Section 59-2a-701, 59-2a-801, or 59-2a-901.
- 947 (9) "Eligible owner" means an owner of an attached or a detached single-family residence:
- 948 (a)(i) who is 75 years old or older on or before December 31 of the year in which the
- 949 individual applies for a deferral under Part 9, Nondiscretionary Deferral for
- 950 Elderly Property Owners;
- 951 (ii) whose household income does not exceed 200% of the maximum household
- 952 income certified to a homeowner's credit described in Section 59-2a-305; and
- 953 (iii) whose household liquid resources do not exceed 20 times the amount of property
- 954 taxes levied on the owner's residence for the preceding calendar year; or
- 955 (b) that is a trust described in Section 59-2a-109 if the grantor of the trust is an
- 956 individual described in Subsection (9)(a).
- 957 (10) "Eligible property" means property owned by a veteran claimant that is:
- 958 (a) the veteran claimant's primary residence, including a residence that the veteran
- 959 claimant does not reside in because the veteran claimant is admitted as an inpatient at
- 960 a health care facility as defined in Section 26B-4-501; or
- 961 (b) tangible personal property that:
- 962 (i) is held exclusively for personal use; and
- 963 (ii) is not used in a trade or business.
- 964 (11)(a) "Gross rent" means rent actually paid in cash or the cash equivalent solely for the
- 965 right of occupancy, at arm's length, of a residence, exclusive of charges for any
- 966 utilities, services, furniture, furnishings, or personal appliances furnished by the
- 967 landlord as a part of the rental agreement.
- 968 (b) If a claimant occupies two or more residences in the year, "gross rent" means the
- 969 total rent paid for the residences during the one-year period for which the renter files
- 970 a claim under this part.
- 971 (12)(a) "Homeowner" means:
- 972 (i) an individual whose name is listed on the deed of a residence; or
- 973 (ii) if a residence is owned in a qualifying trust, an individual who is a grantor,
- 974 trustor, or settlor or holds another similar role in the trust.
- 975 (b) "Homeowner" does not include:
- 976 (i) if a residence is owned by any type of entity other than a qualifying trust, an
- 977 individual who holds an ownership interest in that entity; or
- 978 (ii) an individual who is listed on a deed of a residence along with an entity other
- 979 than a qualifying trust.

- 980 (13) "Homeowner's credit" means a credit against a claimant's property tax liability.
- 981 (14) "Household" means the association of individuals who live in the same dwelling,
982 sharing the dwelling's furnishings, facilities, accommodations, and expenses.
- 983 (15)(a) "Household income" means all income received by all members of a claimant's
984 household in:
- 985 (i) for a claimant who owns a residence, the calendar year preceding the calendar
986 year in which property taxes are due; or
- 987 (ii) for a claimant who rents a residence, the year for which a claim is filed.
- 988 (b) "Household income" does not include income received by a member of a claimant's
989 household who is:
- 990 (i) under 18 years old; or
- 991 (ii) a parent or a grandparent, through blood, marriage, or adoption, of the claimant or
992 the claimant's spouse.
- 993 (16) "Household liquid resources" means the following resources that are not included in an
994 individual's household income and held by one or more members of the individual's
995 household:
- 996 (a) cash on hand;
- 997 (b) money in a checking or savings account;
- 998 (c) savings certificates; and
- 999 (d) stocks or bonds.
- 1000 (17) "Income" means the sum of:
- 1001 (a) federal adjusted gross income as defined in Section 62, Internal Revenue Code; and
- 1002 (b) nontaxable income.
- 1003 (18) "Indigent individual" means a poor individual as described in Utah Constitution,
1004 Article XIII, Section 3, Subsection (4), who:
- 1005 (a)(i) is 65 years old or older; or
- 1006 (ii) is less than 65 years old and:
- 1007 (A) ~~[the county finds that]~~ extreme hardship would prevail on the individual if the
1008 county does not defer or abate the individual's taxes; or
- 1009 (B) the individual has a disability;
- 1010 (b) has a total household income of less than the maximum household income certified
1011 to a homeowner's credit described in Section 59-2a-305;
- 1012 (c) resides for at least 10 months of the year in the residence that would be subject to the
1013 requested abatement; and

- 1014 (d) cannot pay the tax assessed on the individual's residence when the tax becomes due.
- 1015 (19) "Military entity" means:
- 1016 (a) the United States Department of Veterans Affairs;
- 1017 (b) an active component of the United States Armed Forces; or
- 1018 (c) a reserve component of the United States Armed Forces.
- 1019 (20)(a) "Nontaxable income" means amounts excluded from adjusted gross income
- 1020 under the Internal Revenue Code, including:
- 1021 (i) capital gains;
- 1022 (ii) loss carry forwards claimed during the taxable year in which a claimant files for
- 1023 relief under this chapter;
- 1024 (iii) depreciation claimed pursuant to the Internal Revenue Code by a claimant on the
- 1025 residence for which the claimant files for relief under this chapter;
- 1026 (iv) support money received;
- 1027 (v) nontaxable strike benefits;
- 1028 (vi) the gross amount of a pension or annuity, including benefits under the Railroad
- 1029 Retirement Act of 1974, 45 U.S.C. Sec. 231 et seq., and veterans disability
- 1030 pensions;
- 1031 (vii) except for payments described in Subsection (20)(b)(vi), payments received
- 1032 under the Social Security Act;
- 1033 (viii) state unemployment insurance amounts;
- 1034 (ix) nontaxable interest received from any source;
- 1035 (x) workers' compensation;
- 1036 (xi) the gross amount of "loss of time" insurance; and
- 1037 (xii) voluntary contributions to a tax-deferred retirement plan.
- 1038 (b) "Nontaxable income" does not include:
- 1039 (i) public assistance;
- 1040 (ii) aid, assistance, or contributions from a tax-exempt nongovernmental source;
- 1041 (iii) surplus foods;
- 1042 (iv) relief in kind supplied by a public or private agency;
- 1043 (v) relief provided under this chapter;
- 1044 (vi) [~~Social Security Disability Income~~] social security disability income payments
- 1045 received under the Social Security Act;
- 1046 (vii) federal tax refunds;
- 1047 (viii) federal child tax credits received under 26 U.S.C. Sec. 24;

- 1048 (ix) federal earned income tax credits received under 26 U.S.C. Sec. 32;
1049 (x) payments received under a reverse mortgage;
1050 (xi) payments or reimbursements to senior program volunteers under 42 U.S.C. Sec.
1051 5058; or
1052 (xii) gifts or bequests.
- 1053 (21)(a) "Property taxes accrued" means property taxes, exclusive of special assessments,
1054 delinquent interest, and charges for service, levied on 35% of the fair market value,
1055 as reflected on the assessment roll, of a claimant's residence in this state.
- 1056 (b) For a mobile home, "property taxes accrued" includes taxes imposed on both the land
1057 upon which the home is situated and on the structure of the home itself, whether
1058 classified as real property or personal property taxes.
- 1059 (c) The relief described in Subsection (21)(a) constitutes:
- 1060 (i) a tax abatement for the poor in accordance with Utah Constitution, Article XIII,
1061 Section 3; and
1062 (ii) the residential exemption provided for in Section 59-2-103.
- 1063 (d) For purposes of this Subsection (21), property taxes accrued are levied on the lien
1064 date.
- 1065 (e) When a household owns and occupies two or more different residences in this state
1066 in the same calendar year, and neither residence is acquired or sold during the
1067 calendar year for which relief is claimed under this part, property taxes accrued shall
1068 relate only to the residence occupied on the lien date by the household as the
1069 household's principal place of residence.
- 1070 (f)(i) If a residence is an integral part of a large unit such as a farm or a multipurpose
1071 or multidwelling building, property taxes accrued shall be calculated on the
1072 percentage that the value of the residence is of the total value of the unit.
- 1073 (ii) For purposes of this Subsection (21)(f), "unit" refers to the parcel of property
1074 covered by a single tax statement of which the residence is a part.
- 1075 (22) "Property taxes due" means:
- 1076 (a) for a claimant:
- 1077 (i) the taxes due for which the county or the commission grants a tax abatement for
1078 the poor described in Subsection (21) or a credit; and
1079 (ii) for the calendar year for which the tax abatement for the poor or credit is granted;
- 1080 (b) for an indigent individual:
- 1081 (i) the taxes due for which a county granted an abatement under Section 59-2a-401;

- 1082 and
- 1083 (ii) for the calendar year for which the county grants the abatement;
- 1084 (c) for an active duty claimant:
- 1085 (i) the taxes due for which the county or the commission grants an exemption; and
- 1086 (ii) for the calendar year for which the exemption is granted; or
- 1087 (d) for a veteran claimant:
- 1088 (i)(A) the taxes due for which the county or the commission grants an exemption;
- 1089 and
- 1090 (B) for the calendar year for which the exemption is granted; and
- 1091 (ii) a uniform fee on tangible personal property described in Section 59-2-405 that is:
- 1092 (A) owned by the veteran claimant; and
- 1093 (B) assessed for the calendar year for which the county grants an exemption.
- 1094 (23) "Property taxes paid" means an amount equal to the sum of:
- 1095 (a) the amount of property taxes, and for a veteran claimant, uniform fee, paid for the
- 1096 taxable year for which the individual applied for relief described in this chapter; and
- 1097 (b) the amount of the relief the county grants under this chapter.
- 1098 (24) "Public assistance" means:
- 1099 (a) medical assistance provided under Title 26B, Chapter 3, Health Care -
- 1100 Administration and Assistance;
- 1101 (b) SNAP benefits as defined in Section 35A-1-102;
- 1102 (c) services or benefits provided under Title 35A, Chapter 3, Employment Support Act;
- 1103 and
- 1104 (d) foster care maintenance payments provided from the General Fund or under Title
- 1105 IV-E of the Social Security Act.
- 1106 (25) "Qualifying active duty military service" means at least 200 days, regardless of
- 1107 whether consecutive, in any continuous 365-day period of active duty military service
- 1108 outside the state in an active component of the United States Armed Forces or a reserve
- 1109 component of the United States Armed Forces, if the days of active duty military service:
- 1110 (a) were completed in the year before an individual applies for an exemption described
- 1111 in Section 59-2a-601; and
- 1112 (b) have not previously been counted as qualifying active duty military service for
- 1113 purposes of qualifying for an exemption described in Section 59-2a-601 or applying
- 1114 for the exemption as described in Section 59-2a-602.
- 1115 (26) "Qualifying disabled veteran claimant" means a veteran claimant who has a 100%

- 1116 service-connected disability rating by the Veterans Benefits Administration that is
1117 permanent and total.
- 1118 (27) "Qualifying increase" means a valuation that is equal to or more than 150% higher
1119 than the previous year's valuation for property that:
- 1120 (a) is county assessed; and
- 1121 (b) on or after January 1 of the previous year and before January 1 of the current year
1122 has not had:
- 1123 (i) a physical improvement if the fair market value of the physical improvement
1124 increases enough to result in the valuation increase solely as a result of the
1125 physical improvement;
- 1126 (ii) a zoning change if the fair market value of the real property increases enough to
1127 result in the valuation increase solely as a result of the zoning change; or
- 1128 (iii) a change in the legal description of the real property, if the fair market value of
1129 the real property increases enough to result in the valuation increase solely as a
1130 result of the change in the legal description of the real property.
- 1131 (28) "Qualifying trust" means a trust holding title to real or tangible personal property for
1132 which an individual:
- 1133 (a) makes a claim under this part;
- 1134 (b) proves to the satisfaction of the county that title to the portion of the trust will revert
1135 in the individual upon the exercise of a power:
- 1136 (i) by:
- 1137 (A) the individual as grantor, trustor, settlor, or in another similar role of the trust;
- 1138 (B) a nonadverse party; or
- 1139 (C) both the individual and a nonadverse party; and
- 1140 (ii) regardless of whether the power is a power:
- 1141 (A) to revoke;
- 1142 (B) to terminate;
- 1143 (C) to alter;
- 1144 (D) to amend; or
- 1145 (E) to appoint; and
- 1146 (c) is obligated to pay the taxes on that portion of the trust property beginning January 1
1147 of the year the individual makes the claim.
- 1148 (29) "Relative" means a spouse, child, parent, grandparent, grandchild, brother, sister,
1149 parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or a

- 1150 spouse of any of these individuals.
- 1151 (30) "Rental assistance payment" means any payment that:
- 1152 (a) is made by a:
- 1153 (i) governmental entity;
- 1154 (ii) charitable organization; or
- 1155 (iii) religious organization; and
- 1156 (b) is specifically designated for the payment of rent of a claimant:
- 1157 (i) for the calendar year for which the claimant seeks a renter's credit under this part;
- 1158 and
- 1159 (ii) regardless of whether the payment is made to the claimant or the landlord.
- 1160 (31) "Reserve component of the United States Armed Forces" means the same as that term
- 1161 is defined in Section 59-10-1027.
- 1162 (32)(a)(i) "Residence" means a dwelling in this state, whether owned or rented, and
- 1163 so much of the land surrounding the dwelling, not exceeding one acre, as is
- 1164 reasonably necessary for use of the dwelling as a home.
- 1165 (ii) "Residence" includes a dwelling that is:
- 1166 (A) a part of a multidwelling or multipurpose building and a part of the land upon
- 1167 which the multidwelling or multipurpose building is built; and
- 1168 (B) a mobile home, manufactured home, or houseboat.
- 1169 (b) "Residence" does not include personal property such as furniture, furnishings, or
- 1170 appliances.
- 1171 (c) For purposes of this Subsection (32), "owned" includes a vendee in possession under
- 1172 a land contract or one or more joint tenants or tenants in common.
- 1173 (33) "Statement of disability" means a document:
- 1174 (a) issued by a military entity; and
- 1175 (b) that lists the percentage of disability for the veteran with a disability or deceased
- 1176 veteran with a disability.
- 1177 (34) "Tax notice charge" means the same as that term is defined in Section 59-2-1301.5.
- 1178 (35) "Veteran claimant" means one of the following individuals who applies for an
- 1179 exemption described in Section 59-2a-501:
- 1180 (a) a veteran with a disability;
- 1181 (b) the unmarried surviving spouse of:
- 1182 (i) a deceased veteran with a disability; or
- 1183 (ii) a veteran who was killed in action or died in the line of duty; or

1184 (c) a minor orphan of:

1185 (i) a deceased veteran with a disability; or

1186 (ii) a veteran who was killed in action or died in the line of duty.

1187 (36) "Veteran who was killed in action or died in the line of duty" means an individual who
 1188 was killed in action or died in the line of duty in an active component of the United
 1189 States Armed Forces or a reserve component of the United States Armed Forces,
 1190 regardless of whether that individual had a disability at the time that individual was
 1191 killed in action or died in the line of duty.

1192 (37) "Veteran with a disability" means an individual with a disability who, during military
 1193 training or a military conflict, acquired a disability in the line of duty in an active
 1194 component of the United States Armed Forces or a reserve component of the United
 1195 States Armed Forces, as determined by a military entity.

1196 Section 10. Section **59-2a-106** is amended to read:

1197 **59-2a-106 (Effective 05/06/26). Denial of relief -- Appeal.**

1198 Any person aggrieved by the denial in whole or in part of relief claimed under this
 1198a chapter[;
 -1199 ~~except when the denial is based upon late filing of claim for relief;~~] may appeal the denial to
 1200 the commission by filing a notice of appeal in accordance with Section 59-2-1006.

1201 Section 11. Section **59-4-101** is amended to read:

1202 **59-4-101 (Effective 05/06/26). Tax basis -- Assessment and collection --**

1203 **Designation of person to receive notice.**

1204 (1)(a) [~~Except as provided in Subsections (1)(b), (1)(e), and (3)~~] Subject to Subsection
 1205 (1)(b) and except as provided in Section 59-4-103, a tax is imposed on the possession
 1206 or other beneficial use enjoyed by any person of any real or personal property that is
 1207 exempt for any reason from taxation, if that property is used in connection with a
 1208 business conducted for profit.

1209 (b) Any interest remaining in the state in state lands after subtracting amounts paid or
 1210 due in part payment of the purchase price as provided in Subsection 59-2-1103
 1211 (2)(b)(i) under a contract of sale is subject to taxation under this chapter regardless of
 1212 whether the property is used in connection with a business conducted for profit.

1213 [~~(e) The tax imposed under Subsection (1)(a) does not apply to property exempt from~~
 1214 ~~taxation under Section 59-2-1114.~~]

1215 (2)(a) The tax imposed under this chapter is the same amount that the ad valorem
 1216 property tax would be if the possessor or user were the owner of the property.

1217 (b) The amount of any payments that are made in lieu of taxes is credited against the tax
1218 imposed on the beneficial use of property owned by the federal government.

1219 [~~(3) A tax is not imposed under this chapter on the following:~~]

1220 [~~(a) the use of property that is a concession in, or relative to, the use of a public airport,
1221 park, fairground, or similar property that is available as a matter of right to the use of
1222 the general public;~~]

1223 [~~(b) the use or possession of property by a religious, educational, or charitable
1224 organization;~~]

1225 [~~(c) the use or possession of property if the revenue generated by the possessor or user of
1226 the property through its possession or use of the property inures only to the benefit of
1227 a religious, educational, or charitable organization and not to the benefit of any other
1228 person;~~]

1229 [~~(d) the possession or other beneficial use of public land occupied under the terms of an
1230 agricultural lease or permit issued by the United States or this state;~~]

1231 [~~(e) the use or possession of any lease, permit, or easement unless the lease, permit, or
1232 easement entitles the lessee or permittee to exclusive possession of the premises to
1233 which the lease, permit, or easement relates;~~]

1234 [~~(f) the use or possession of property by a public agency, as defined in Section 11-13-103,
1235 to the extent that the ownership interest of the public agency in that property is
1236 subject to a fee in lieu of ad valorem property tax under Section 11-13-302; or]~~

1237 [~~(g) the possession or beneficial use of public property as a tollway by a private entity
1238 through a tollway development agreement as defined in Section 72-6-202.~~]

1239 [(4) For purposes of Subsection (3)(e):]

1240 [(a) every lessee, permittee, or other holder of a right to remove or extract the mineral
1241 covered by the holder's lease, right permit, or easement, except from brines of the
1242 Great Salt Lake, is considered to be in possession of the premises, regardless of
1243 whether another party has a similar right to remove or extract another mineral from
1244 the same property; and]

1245 [(b) a lessee, permittee, or holder of an easement still has exclusive possession of the
1246 premises if the owner has the right to enter the premises, approve leasehold
1247 improvements, or inspect the premises.]

1248 [(5)] (3)(a) A tax imposed under this chapter is assessed to the possessors or users of the
1249 property on the same forms, and collected and, subject to Sections 11-70-203 and
1250 11-59-207, distributed at the same time and in the same manner, as taxes assessed

1251 owners, possessors, or other claimants of property that is subject to ad valorem
1252 property taxation.

1253 (b) The tax imposed under this chapter is not a lien against the property, and no
1254 tax-exempt property may be attached, encumbered, sold, or otherwise affected for the
1255 collection of the tax.

1256 ~~[(6)]~~ (4)(a)(i) Except as provided in Subsection ~~[(6)(a)(ii)]~~ (4)(a)(ii), if a governmental
1257 entity is required under this chapter to send information or notice to a person, the
1258 governmental entity shall send the information or notice to:

1259 (A) the person required under the applicable provision of this chapter; and

1260 (B) each person designated in accordance with Subsection ~~[(6)(b)]~~ (4)(b) by the
1261 person described in Subsection ~~[(6)(a)(i)(A)]~~ (4)(a)(i)(A).

1262 (ii) If a governmental entity is required under Section 59-2-919.1 or 59-2-1317 to
1263 send information or notice to a person, the governmental entity shall send the
1264 information or notice to:

1265 (A) the person required under the applicable section; or

1266 (B) one person designated in accordance with Subsection ~~[(6)(b)]~~ (4)(b) by the
1267 person described in Subsection ~~[(6)(a)(ii)(A)]~~ (4)(a)(ii)(A).

1268 (b)(i) A person to whom a governmental entity is required under this chapter to send
1269 information or notice may designate a person to receive the information or notice
1270 in accordance with Subsection ~~[(6)(a)]~~ (4)(a).

1271 (ii) To make a designation described in Subsection ~~[(6)(b)(i)]~~ (4)(b)(i), the person
1272 shall submit a written request to the governmental entity on a form prescribed by
1273 the commission.

1274 (c) A person who makes a designation described in Subsection ~~[(6)(b)]~~ (4)(b) may revoke
1275 the designation by submitting a written request to the governmental entity on a form
1276 prescribed by the commission.

1277 ~~[(7)]~~ (5) Sections 59-2-301.1 through 59-2-301.7 apply for purposes of assessing a tax under
1278 this chapter.

1279 Section 12. Section **59-4-103** is enacted to read:

1280 **59-4-103 (Effective 05/06/26). Exemptions from privilege tax.**

1281 (1) As used in this section:

1282 (a) "Additional project capacity" means the same as that term is defined in Section
1283 11-13-103.

1284 (b) "Project" means the same as that term is defined in Section 11-13-103.

- 1285 (c) "Public agency" means the same as that term is defined in Section 11-13-103.
- 1286 (d) "Qualified stadium" means the same as that term is defined in Section 11-70-101.
- 1287 (e) "Tollway development agreement" means the same as that term is defined in Section
- 1288 72-6-202.
- 1289 (2) The tax imposed under this chapter does not apply to the following:
- 1290 (a) the use or possession of property exempt from taxation under Section 59-2-1114;
- 1291 (b) the use or possession of property that is a concession in, or relative to, the use of a
- 1292 public airport, park, fairground, or similar property that is available as a matter of
- 1293 right to the use of the general public;
- 1294 (c) the use or possession of property by a religious, educational, or charitable
- 1295 organization;
- 1296 (d) the use or possession of property for which all revenue generated from the use or
- 1297 possession of the property inures only to the benefit of a religious, educational, or
- 1298 charitable organization and not to the benefit of any other person;
- 1299 (e) the use or possession of public land occupied under the terms of an agricultural lease
- 1300 or permit issued by the United States or this state;
- 1301 (f) subject to Subsection (3), the use or possession of any lease, permit, or easement
- 1302 unless the lease, permit, or easement entitles the lessee or permittee to exclusive
- 1303 possession of the premises to which the lease, permit, or easement relates;
- 1304 (g) the use or possession of property by a public agency to the extent that the ownership
- 1305 interest of the public agency in that property is subject to a fee in lieu of ad valorem
- 1306 property tax under Section 11-13-302;
- 1307 (h) the use or possession of public property as a tollway by a private entity through a
- 1308 tollway development agreement;
- 1309 (i) in accordance with Section 11-12-312, the use or possession of a project or facility
- 1310 providing additional project capacity to the extent that the project or facility is subject
- 1311 to impact alleviation payments, fees in lieu of ad valorem property taxes, or ad
- 1312 valorem property taxes;
- 1313 (j) in accordance with Subsection 11-70-203(1)(b), the use or possession of a qualified
- 1314 stadium during the construction of the qualified stadium and before title to the
- 1315 stadium is conveyed to the Utah Fairpark Area Investment and Restoration District,
- 1316 created in Section 11-70-201; or
- 1317 (k) in accordance with Subsection 63H-1-501(7), the use or possession of a hotel, a hotel
- 1318 condominium unit in a condominium project, or a commercial condominium unit in a

1319 condominium project owned by the military installation development authority,
 1320 created in Section 63H-1-201, regardless of whether the military installation
 1321 development authority enters into a long-term operating agreement with a privately
 1322 owned entity under which the privately owned entity agrees to operate the property.

1323 (3) For purposes of Subsection (2)(f):

1324 (a) each lessee, permittee, or other holder of a right to remove or extract the mineral
 1325 covered by the holder's lease, right permit, or easement, except from brines of the
 1326 Great Salt Lake, is considered to be in possession of the premises, regardless of
 1327 whether another party has a similar right to remove or extract another mineral from
 1328 the same property; and

1329 (b) a lessee, permittee, or holder of an easement still has exclusive possession of the
 1330 premises if the owner has the right to enter the premises, approve leasehold
 1331 improvements, or inspect the premises.

1332 Section 13. Section **59-6-103** is amended to read:

1333 **59-6-103 (Effective 05/06/26) (Applies beginning 01/01/26). Returns and**
 1334 **payments required of producers.**

1335 (1)(a) Subject to Subsection (1)(b), a producer required to deduct and withhold an
 1336 amount under this chapter shall file a withholding return with the commission:

1337 (i) for the amounts required to be deducted and withheld under this chapter during the
 1338 preceding calendar quarter; ~~and]~~

1339 (ii) in an electronic format ~~[prescribed]~~ approved by the commission~~[-]~~ ; and

1340 ~~(iii) that contains any information the commission requires.~~

1341 (b) A withholding return described in Subsection (1)(a) is due on or before the last day
 1342 of April, July, October, and January.

1343 (c)(i) Each producer shall file an annual return containing the information that the
 1344 commission requires.

1345 (ii) The producer shall file the annual return:

1346 (A) in an electronic format the commission approves; and

1347 (B) on or before January 31 of the year following that for which the return is made.

1348 ~~[(e) A withholding return described in Subsection (1)(a) shall contain:]~~

1349 ~~[(i) the name and address of each person receiving a payment subject to the deduction~~
 1350 ~~and withholding requirements of this chapter for the calendar quarter for which~~
 1351 ~~the withholding return is filed;]~~

1352 ~~[(ii) for each person described in Subsection (1)(c)(i), the amount of payment the~~

1353 person would have received from the production of minerals by the producer had
1354 the deduction and withholding required by this chapter not been made for the
1355 calendar quarter for which the withholding return is filed;]

1356 [(iii) for each person described in Subsection (1)(c)(i), the amount of deduction and
1357 withholding under this chapter for the calendar quarter for which the withholding
1358 return is filed;]

1359 [(iv) the name or description of the property from which the production of minerals
1360 occurs that results in a payment subject to deduction and withholding under this
1361 chapter; and]

1362 [(v) for each person described in Subsection (1)(c)(i), the interest of the person in the
1363 production of minerals that results in a payment subject to deduction and
1364 withholding under this chapter.]

1365 (2)(a) If a producer receives an exemption certificate filed in accordance with Section
1366 59-6-102.1 from a business entity, the producer shall file a withholding return with
1367 the commission:

1368 (i) ~~[on a form prescribed by the commission]~~ in a format the commission approves;
1369 and

1370 (ii) on or before the January 31 following the last day of the taxable year for which
1371 the producer receives the exemption certificate from the business entity.

1372 (b) The withholding return required by Subsection (2)(a) shall contain:

1373 (i) the name and address of the business entity that files the exemption certificate in
1374 accordance with Section 59-6-102.1;

1375 (ii) the amount of the payment made by the producer to the business entity that would
1376 have been subject to deduction and withholding under this chapter had the
1377 business entity not filed the exemption certificate in accordance with Section
1378 59-6-102.1;

1379 (iii) the name or description of the property from which the production of minerals
1380 occurs that would have resulted in a payment subject to deduction and
1381 withholding under this chapter had the business entity not filed the exemption
1382 certificate in accordance with Section 59-6-102.1; and

1383 (iv) the interest of the business entity in the production of minerals that would have
1384 resulted in a payment subject to deduction and withholding under this chapter had
1385 the business entity not filed the exemption certificate in accordance with Section
1386 59-6-102.1.

- 1387 (3)(a) Subject to Subsections (3)(b) and (c), the commission shall require a producer that
1388 issues the following forms for a taxable year to file the forms with the commission in
1389 an electronic format approved by the commission:
- 1390 (i) a federal Form 1099 filed for purposes of withholding under this section; or
 - 1391 (ii) a federal form substantially similar to a form described in Subsection (3)(a)(i) if
1392 designated by the commission in accordance with Subsection (3)(d).
- 1393 (b) A producer that is required to file a form with the commission in accordance with
1394 Subsection (3)(a) shall file the form on or before January 31.
- 1395 (c) A producer that is required to file a form with the commission in accordance with
1396 Subsection (3)(a) shall provide:
- 1397 (i) accurate information on the form; and
 - 1398 (ii) all of the information required by the Internal Revenue Service to be contained on
1399 the form.
- 1400 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
1401 purposes of Subsection (3)(a), the commission may designate a federal form as being
1402 substantially similar to a form described in Subsection (3)(a)(i) if:
- 1403 (i) for purposes of federal individual income taxes, a different federal form contains
1404 substantially similar information to a form described in Subsection (3)(a)(i); or
 - 1405 (ii) the Internal Revenue Service replaces a form described in Subsection (3)(a)(i)
1406 with a different federal form.

1407 Section 14. Section **59-7-607** is amended to read:

1408 **59-7-607 (Effective 05/06/26). Utah low-income housing tax credit.**

- 1409 (1) As used in this section:
- 1410 (a) "Allocation certificate" means a certificate in a form prescribed by the commission
1411 and issued by the corporation to a housing sponsor that specifies the aggregate
1412 amount of the tax credit awarded under this section to a qualified development and
1413 includes:
 - 1414 (i) the aggregate annual amount of the tax credit awarded that may be claimed by one
1415 or more qualified taxpayers; and
 - 1416 (ii) the credit period over which the tax credit may be claimed by one or more
1417 qualified taxpayers.
 - 1418 (b) "Building" means a qualified low-income building as defined in Section 42(c),
1419 Internal Revenue Code.
 - 1420 (c) "Corporation" means the Utah Housing Corporation created in Section 63H-8-201.

- 1421 (d) Except as provided in Subsection (5)(c), "credit period" means the same as that term
1422 is defined in Section 42(f)(1), Internal Revenue Code.
- 1423 (e) "Designated reporter" means, as selected by a housing sponsor, the housing sponsor
1424 or one of the housing sponsor's direct or indirect partners, members, or shareholders
1425 that will provide information to the commission regarding the allocation of tax
1426 credits under this section.
- 1427 (f) "Federal low-income housing tax credit" means the federal tax credit described in
1428 Section 42, Internal Revenue Code.
- 1429 (g) "Housing sponsor" means an entity that owns a qualified development.
- 1430 (h) "Pass-through entity" means the same as that term is defined in Section 59-10-1402.
- 1431 (i)(i) Subject to Subsection (1)(i)(ii), "pass-through entity taxpayer" means the same
1432 as that term is defined in Section 59-10-1402.
- 1433 (ii) The determination of whether a pass-through entity taxpayer is considered a
1434 partner, member, or shareholder of a pass-through entity shall be made in
1435 accordance with applicable state law governing the pass-through entity.
- 1436 (j) "Qualified allocation plan" means a qualified allocation plan adopted by the
1437 corporation in accordance with Section 42(m), Internal Revenue Code.
- 1438 (k) "Qualified development" means a "qualified low-income housing project":
1439 (i) as defined in Section 42(g)(1), Internal Revenue Code; and
1440 (ii) that is located in the state.
- 1441 (l)(i) "Qualified taxpayer" means a person that:
1442 (A) owns a direct interest or an indirect interest, through one or more pass-through
1443 entities, in a qualified development; and
1444 (B) meets the requirements to claim a tax credit under this section.
- 1445 (ii) "Qualified taxpayer" includes a pass-through entity taxpayer to which a tax credit
1446 under this section is passed through by a pass-through entity.
- 1447 (2)(a) A qualified taxpayer may claim a nonrefundable tax credit under this section
1448 against taxes otherwise due under this chapter, Chapter 8, Gross Receipts Tax on
1449 Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act,
1450 or Chapter 9, Taxation of Admitted Insurers.
- 1451 (b) The tax credit shall be in an amount equal to the tax credit amount specified on the
1452 allocation certificate that the corporation issues to a housing sponsor under this
1453 section.
- 1454 (c)(i) For a calendar year beginning on or before December 31, 2016, the aggregate

- 1455 annual tax credit that the corporation may allocate for each year of the credit
1456 period ~~[pursuant to]~~ in accordance with this section and Section 59-10-1010 is an
1457 amount equal to the product of:
- 1458 (A) 12.5 cents; and
 - 1459 (B) the population of Utah.
- 1460 (ii) For a calendar year beginning on or after January 1, 2017, but beginning on or
1461 before December 31, 2022, the aggregate annual tax credit that the corporation
1462 may allocate for each year of the credit period ~~[pursuant to]~~ in accordance with this
1463 section and Section 59-10-1010 is an amount equal to the product of:
- 1464 (A) 34.5 cents; and
 - 1465 (B) the population of Utah.
- 1466 (iii) For a calendar year beginning on or after January 1, 2023, but beginning on or
1467 before December 31, 2028, the aggregate annual tax credit that the corporation
1468 may allocate for each year of the credit period ~~[pursuant to]~~ in accordance with this
1469 section and Section 59-10-1010 is \$10,000,000.
- 1470 (iv) For a calendar year beginning on or after January 1, 2024, in addition to the
1471 amount of annual tax credits available for allocation as described in Subsections
1472 (2)(c)(i) through (2)(c)(iii), the corporation shall have the following tax credit
1473 amounts available for allocation:
- 1474 (A) any tax credits allocated in a calendar year that are subsequently returned to
1475 the corporation or recaptured by the corporation may be allocated in the
1476 following year, except no tax credits under this Subsection (2)(c)(iv) shall be
1477 allocated after December 31, 2028; and
 - 1478 (B) if the actual amount of tax credits allocated in a calendar year to qualified
1479 developments is less than the total amount of credits available to be allocated
1480 to qualified developments, the balance of the credits but no more than 15% of
1481 the total amount of credits available for allocation to qualified developments
1482 may be allocated by the corporation to qualified developments in the following
1483 calendar year, except no tax credits under this Subsection (2)(c)(iv) shall be
1484 allocated after December 31, 2028.
- 1485 (v) For a calendar year beginning on or after January 1, 2029, the aggregate annual
1486 tax credit that the corporation may allocate for each year of the credit period
1487 pursuant to this section and Section 59-10-1010 is the amount described in
1488 Subsection (2)(c)(ii).

- 1489 (vi) For purposes of this Subsection (2)(c), the population of Utah shall be
1490 determined in accordance with Section 146(j), Internal Revenue Code.
- 1491 (d)(i) Subject to Subsection (2)(d)(ii), a qualified taxpayer that is a pass-through
1492 entity may allocate a tax credit under this section to one or more of the
1493 pass-through entity's pass-through entity taxpayers in any manner agreed upon,
1494 regardless of whether:
- 1495 (A) the pass-through entity taxpayer is eligible to claim any portion of a federal
1496 low-income housing tax credit for the qualified development;
 - 1497 (B) the allocation of the tax credit has substantial economic effect within the
1498 meaning of Section 704(b), Internal Revenue Code; or
 - 1499 (C) the pass-through entity taxpayer is considered a partner for federal income tax
1500 purposes.
- 1501 (ii) With respect to a tax year, a qualified taxpayer that is a pass-through entity
1502 taxpayer may claim a tax credit allocated to the qualified taxpayer by a
1503 pass-through entity under Subsection (2)(d)(i) so long as the qualified taxpayer's
1504 ownership interest in the pass-through entity is:
- 1505 (A) acquired on or before December 31 of the tax year to which the tax credit
1506 relates; and
 - 1507 (B) reflected in the report required in Subsection (6)(b) for the tax year to which
1508 the tax credit relates.
- 1509 (e) If a qualified taxpayer that is a pass-through entity taxpayer assigns to another
1510 taxpayer the pass-through entity taxpayer's ownership interest in a pass-through
1511 entity, including the pass-through entity taxpayer's interest in the tax credit associated
1512 with the ownership interest, the assignee shall be considered a qualified taxpayer and
1513 may claim the tax credit so long as the assignee's ownership interest in the
1514 pass-through entity is:
- 1515 (i) acquired on or before December 31 of the tax year to which the tax credit relates;
1516 and
 - 1517 (ii) reflected in the report required in Subsection (6)(b) for the tax year to which the
1518 tax credit relates.
- 1519 (3)(a) The corporation shall determine criteria and procedures for allocating the tax
1520 credit under this section and Section 59-10-1010 and incorporate the criteria and
1521 procedures into the corporation's qualified allocation plan.
- 1522 (b) The corporation shall create the criteria under Subsection (3)(a) based on:

- 1523 (i) the number of affordable housing units to be created in Utah for low and moderate
1524 income persons in a qualified development;
- 1525 (ii) the level of area median income being served by a qualified development;
- 1526 (iii) the need for the tax credit for the economic feasibility of a qualified
1527 development; and
- 1528 (iv) the extended period for which a qualified development commits to remain as
1529 affordable housing.
- 1530 (4) Any housing sponsor may apply to the corporation for a tax credit allocation under this
1531 section.
- 1532 (5)(a)(i) The corporation shall determine the amount of the tax credit to allocate to a
1533 qualified development in accordance with the qualified allocation plan.
- 1534 (ii)(A) Before the allocation certificate is issued to the housing sponsor, the
1535 corporation shall send to the housing sponsor written notice of the corporation's
1536 preliminary determination of the tax credit amount to be allocated to the
1537 qualified development.
- 1538 (B) The notice described in Subsection (5)(a)(ii)(A) shall specify the corporation's
1539 preliminary determination of the tax credit amount to be allocated to the
1540 qualified development for each year of the credit period and state that
1541 allocation of the tax credit is contingent upon the issuance of an allocation
1542 certificate.
- 1543 (iii) Upon approving a final cost certification in accordance with the qualified
1544 allocation plan, the corporation shall issue an allocation certificate to the housing
1545 sponsor as evidence of the allocation.
- 1546 (iv) The amount of the tax credit specified in an allocation certificate may not exceed
1547 100% of the federal low-income housing tax credit awarded to a qualified
1548 development.
- 1549 (b)(i) Notwithstanding Subsection (5)(a), if a housing sponsor applies to the
1550 corporation for a tax credit under this section and an allocation certificate is not
1551 yet issued, a qualified taxpayer may claim a tax credit based upon the
1552 corporation's preliminary determination of the tax credit amount as stated in the
1553 notice under Subsection (5)(a)(ii).
- 1554 (ii) Upon issuance of the allocation certificate to the housing sponsor, a qualified
1555 taxpayer that claims a tax credit under this Subsection (5)(b) shall file an amended
1556 tax return to adjust the tax credit amount if the amount previously claimed by the

- 1557 qualified taxpayer is different than the amount specified in the allocation
 1558 certificate.
- 1559 (c) The amount of tax credit that may be claimed in the first year of the credit period
 1560 may not be reduced as a result of the calculation in Section 42(f)(2), Internal Revenue
 1561 Code.
- 1562 (d) On or before January 31 of each year, the corporation shall provide to the
 1563 commission in a form prescribed by the commission a report that describes each
 1564 allocation certificate that the corporation issued during the previous calendar year.
- 1565 (6)(a) A housing sponsor shall provide to the commission identification of the housing
 1566 sponsor's designated reporter.
- 1567 (b) For each tax year in which a qualified taxpayer claims a tax credit [~~is claimed~~] under
 1568 this section, the designated reporter shall provide to the commission in a form [
 1569 ~~prescribed~~] approved by the commission:
- 1570 (i) a list of each qualified taxpayer that has been allocated a portion of the tax credit
 1571 awarded in the allocation certificate for that tax year;
- 1572 (ii) the amount of tax credit that has been allocated to each qualified taxpayer
 1573 described in Subsection (6)(b)(i) for that tax year; and
- 1574 (iii) any other information [~~, as prescribed by~~] the commission [~~;~~] requires to
 1575 demonstrate that the aggregate annual amount of tax credits allocated to all
 1576 qualified taxpayers for that tax year does not exceed the aggregate annual tax
 1577 credit amount specified in the allocation certificate.
- 1578 (7)(a) All elections made by a housing sponsor [~~pursuant to~~] in accordance with Section
 1579 42, Internal Revenue Code, shall apply to this section.
- 1580 (b)(i) If a qualified development is required to recapture a portion of any federal
 1581 low-income housing tax credit, then each qualified taxpayer that has been
 1582 allocated a portion of a tax credit under this section shall also be required to
 1583 recapture a portion of the tax credit under this section.
- 1584 (ii) The state recapture amount [~~shall be~~] is equal to the percentage of the state tax
 1585 credit that equals the proportion the federal recapture amount bears to the original
 1586 federal low-income housing tax credit amount subject to recapture.
- 1587 (iii) The designated reporter shall identify each qualified taxpayer that is required to
 1588 recapture a portion of any state tax credit as described in this Subsection (7)(b).
- 1589 (8)(a) [~~Any~~] The corporation may reallocate any tax credits returned to the corporation in
 1590 any year [~~may be reallocated~~] within the same time period as provided in Section 42,

- 1591 Internal Revenue Code.
- 1592 (b) Tax credits that are unallocated by the corporation in any year may be carried over
1593 for allocation in subsequent years.
- 1594 (9)(a) If a tax credit is not claimed by a qualified taxpayer in the year in which it is
1595 earned because the tax credit is more than the tax owed by the qualified taxpayer, the
1596 tax credit may be carried back three years or may be carried forward five years as a
1597 credit against the tax.
- 1598 (b) Carryover tax credits under Subsection (9)(a) shall be applied against the tax:
1599 (i) before the application of the tax credits earned in the current year; and
1600 (ii) on a first-earned first-used basis.
- 1601 (10) Any tax credit taken in this section may be subject to an annual audit by the
1602 commission.
- 1603 (11) The corporation shall provide annually [~~provide~~]an electronic report to the Revenue
1604 and Taxation Interim Committee that includes:
1605 (a) the purpose and effectiveness of the tax credits;
1606 (b) any recommendations for legislative changes to the aggregate tax credit amount that
1607 the corporation is authorized to allocate each year under Subsection (2)(c); and
1608 (c) the benefits of the tax credits to the state.
- 1609 (12) The commission may, in consultation with the corporation, make rules in accordance
1610 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to implement this
1611 section.
- 1612 (13)[~~(a) Beginning in 2026, and every three years thereafter~~] As part of the Revenue and
1613 Taxation Interim Committee's review of the tax credit required by Section 59-7-159,
1614 the Revenue and Taxation Interim Committee shall:
1615 (a) conduct a review of the aggregate tax credit amount that the corporation is authorized
1616 to allocate and has allocated each year under Subsection (2)(c)[-] ; and
1617 (b) consider any recommendations provided by the corporation under Subsection (11)(b).
1618 [~~(b) In a review under this Subsection (13), the Revenue and Taxation Interim~~
1619 ~~Committee shall:~~]
1620 [(i) study any recommendations provided by the corporation under Subsection
1621 (11)(b); and]
1622 [(ii) if the Revenue and Taxation Interim Committee decides to recommend
1623 legislative action to the Legislature, prepare legislation for consideration by the
1624 Legislature in the next general session.]

1625 Section 15. Section **59-7-801** is amended to read:

1626 **59-7-801 (Effective 05/06/26). Definitions.**

1627 For purposes of this part:

1628 (1) "Unrelated business income" means unrelated business income as determined under
1629 Section 512, Internal Revenue Code.

1630 (2) "Utah unrelated business income" means the unrelated business income allocated or
1631 apportioned to Utah in accordance with Part 3, Allocation and Apportionment of Income
1632 - Utah UDITPA Provisions.

1633 Section 16. Section **59-10-1010** is amended to read:

1634 **59-10-1010 (Effective 05/06/26). Utah low-income housing tax credit.**

1635 (1) As used in this section:

1636 (a) "Allocation certificate" means a certificate in a form prescribed by the commission
1637 and issued by the corporation to a housing sponsor that specifies the aggregate
1638 amount of the tax credit awarded under this section to a qualified development and
1639 includes:

1640 (i) the aggregate annual amount of the tax credit awarded that may be claimed by one
1641 or more qualified taxpayers; and

1642 (ii) the credit period over which the tax credit may be claimed by one or more
1643 qualified taxpayers.

1644 (b) "Building" means a qualified low-income building as defined in Section 42(c),
1645 Internal Revenue Code.

1646 (c) "Corporation" means the Utah Housing Corporation created in Section 63H-8-201.

1647 (d) Except as provided in Subsection (5)(c), "credit period" means the same as that term
1648 is defined in Section 42(f)(1), Internal Revenue Code.

1649 (e) "Designated reporter" means, as selected by a housing sponsor, the housing sponsor
1650 or one of the housing sponsor's direct or indirect partners, members, or shareholders
1651 that will provide information to the commission regarding the allocation of tax
1652 credits under this section.

1653 (f) "Federal low-income housing credit" means the federal low-income housing credit
1654 described in Section 42, Internal Revenue Code.

1655 (g) "Housing sponsor" means an entity that owns a qualified development.

1656 (h) "Pass-through entity" means the same as that term is defined in Section 59-10-1402.

1657 (i)(i) Subject to Subsection (1)(i)(ii), "pass-through entity taxpayer" means the same
1658 as that term is defined in Section 59-10-1402.

- 1659 (ii) The determination of whether a pass-through entity taxpayer is considered a
1660 partner, member, or shareholder of a pass-through entity shall be made in
1661 accordance with applicable state law governing the pass-through entity.
- 1662 (j) "Qualified allocation plan" means a qualified allocation plan adopted by the
1663 corporation in accordance with Section 42(m), Internal Revenue Code.
- 1664 (k) "Qualified development" means a "qualified low-income housing project":
1665 (i) as defined in Section 42(g)(1), Internal Revenue Code; and
1666 (ii) that is located in the state.
- 1667 (l)(i) "Qualified taxpayer" means a claimant, estate, or trust that:
1668 (A) owns a direct or indirect interest, through one or more pass-through entities, in
1669 a qualified development; and
1670 (B) meets the requirements to claim a tax credit under this section.
- 1671 (ii) "Qualified taxpayer" includes a pass-through entity taxpayer to which a tax credit
1672 under this section is passed through by a pass-through entity.
- 1673 (2)(a) A qualified taxpayer may claim a nonrefundable tax credit under this section
1674 against taxes otherwise due under this chapter.
- 1675 (b) The tax credit shall be in an amount equal to the tax credit amount specified on the
1676 allocation certificate that the corporation issues to a housing sponsor under this
1677 section.
- 1678 (c)(i) For a calendar year beginning on or before December 31, 2016, the aggregate
1679 annual tax credit that the corporation may allocate for each year of the credit
1680 period [~~pursuant to~~] in accordance with this section and Section 59-7-607 is an
1681 amount equal to the product of:
1682 (A) 12.5 cents; and
1683 (B) the population of Utah.
- 1684 (ii) For a calendar year beginning on or after January 1, 2017, but beginning on or
1685 before December 31, 2022, the aggregate annual tax credit that the corporation
1686 may allocate for each year of the credit period [~~pursuant to~~] in accordance with this
1687 section and Section 59-7-607 is an amount equal to the product of:
1688 (A) 34.5 cents; and
1689 (B) the population of Utah.
- 1690 (iii) For a calendar year beginning on or after January 1, 2023, but beginning on or
1691 before December 31, 2028, the aggregate annual tax credit that the corporation
1692 may allocate for each year of the credit period [~~pursuant to~~] in accordance with this

- 1693 section and Section 59-7-607 is \$10,000,000.
- 1694 (iv) For a calendar year beginning on or after January 1, 2024, in addition to the
1695 amount of annual tax credits available for allocation as described in Subsections
1696 (2)(c)(i) through (2)(c)(iii), the corporation shall have the following tax credit
1697 amounts available for allocation:
- 1698 (A) any tax credits allocated in a calendar year that are subsequently returned to
1699 the corporation or recaptured by the corporation may be allocated in the
1700 following calendar year, except no tax credits under this Subsection (2)(c)(iv)
1701 shall be allocated after December 31, 2028; and
- 1702 (B) if the actual amount of tax credits allocated in a calendar year to qualified
1703 developments is less than the total amount of credits available to be allocated
1704 to qualified developments, the balance of the credits but no more than 15% of
1705 the total amount of credits available for allocation to qualified developments
1706 may be allocated by the corporation to qualified developments in the following
1707 calendar year, except no tax credits under this Subsection (2)(c)(iv) shall be
1708 allocated after December 31, 2028.
- 1709 (v) For a calendar year beginning on or after January 1, 2029, the aggregate annual
1710 tax credit that the corporation may allocate for each year of the credit period
1711 pursuant to this section and Section 59-7-607 is the amount described in
1712 Subsection (2)(c)(ii).
- 1713 (vi) For purposes of this Subsection (2)(c), the population of Utah shall be
1714 determined in accordance with Section 146(j), Internal Revenue Code.
- 1715 (d)(i) Subject to Subsection (2)(d)(ii), a qualified taxpayer that is a pass-through
1716 entity may allocate a tax credit under this section to one or more of the
1717 pass-through entity's pass-through entity taxpayers in any manner agreed upon,
1718 regardless of whether:
- 1719 (A) the pass-through entity taxpayer is eligible to claim any portion of a federal
1720 low-income housing tax credit for the qualified development;
- 1721 (B) the allocation of the tax credit has substantial economic effect within the
1722 meaning of Section 704(b), Internal Revenue Code; or
- 1723 (C) the pass-through entity taxpayer is considered a partner for federal income tax
1724 purposes.
- 1725 (ii) With respect to a tax year, a qualified taxpayer that is a pass-through entity
1726 taxpayer may claim a tax credit allocated to the qualified taxpayer by a

- 1727 pass-through entity under Subsection (2)(d)(i) so long as the qualified taxpayer's
1728 ownership interest in the pass-through entity is:
- 1729 (A) acquired on or before December 31 of the tax year to which the tax credit
1730 relates; and
- 1731 (B) reflected in the report required in Subsection (6)(b) for the tax year to which
1732 the tax credit relates.
- 1733 (e) If a qualified taxpayer that is a pass-through entity taxpayer assigns to another
1734 taxpayer the pass-through entity taxpayer's ownership interest in a pass-through
1735 entity, including the pass-through entity taxpayer's interest in the tax credit associated
1736 with the ownership interest, the assignee shall be considered a qualified taxpayer and
1737 may claim the tax credit so long as the assignee's ownership interest in the
1738 pass-through entity is:
- 1739 (i) acquired on or before December 31 of the tax year to which the tax credit relates;
1740 and
- 1741 (ii) reflected in the report required in Subsection (6)(b) for the tax year to which the
1742 tax credit relates.
- 1743 (3)(a) The corporation shall determine criteria and procedures for allocating the tax
1744 credit under this section and Section 59-7-607 and incorporate the criteria and
1745 procedures into the corporation's qualified allocation plan.
- 1746 (b) The corporation shall create the criteria under Subsection (3)(a) based on:
- 1747 (i) the number of affordable housing units to be created in Utah for low and moderate
1748 income persons in a qualified development;
- 1749 (ii) the level of area median income being served by a qualified development;
- 1750 (iii) the need for the tax credit for the economic feasibility of a qualified
1751 development; and
- 1752 (iv) the extended period for which a qualified development commits to remain as
1753 affordable housing.
- 1754 (4) Any housing sponsor may apply to the corporation for a tax credit allocation under this
1755 section.
- 1756 (5)(a)(i) The corporation shall determine the amount of the tax credit to allocate to a
1757 qualified development in accordance with the qualified allocation plan.
- 1758 (ii)(A) Before the allocation certificate is issued to the housing sponsor, the
1759 corporation shall send to the housing sponsor written notice of the corporation's
1760 preliminary determination of the tax credit amount to be allocated to the

- 1761 qualified development.
- 1762 (B) The notice described in Subsection (5)(a)(ii)(A) shall specify the corporation's
1763 preliminary determination of the tax credit amount to be allocated to the
1764 qualified development for each year of the credit period and state that
1765 allocation of the tax credit is contingent upon the issuance of an allocation
1766 certificate.
- 1767 (iii) Upon approving a final cost certification in accordance with the qualified
1768 allocation plan, the corporation shall issue an allocation certificate to the housing
1769 sponsor as evidence of the allocation.
- 1770 (iv) The amount of the tax credit specified in an allocation certificate may not exceed
1771 100% of the federal low-income housing credit awarded to a qualified
1772 development.
- 1773 (b)(i) Notwithstanding Subsection (5)(a), if a housing sponsor applies to the
1774 corporation for a tax credit under this section and an allocation certificate is not
1775 yet issued, a qualified taxpayer may claim a tax credit based upon the
1776 corporation's preliminary determination of the tax credit amount as stated in the
1777 notice under Subsection (5)(a)(ii).
- 1778 (ii) Upon issuance of the allocation certificate to the housing sponsor, a qualified
1779 taxpayer that claims a tax credit under this Subsection (5)(b) shall file an amended
1780 tax return to adjust the tax credit amount if the amount previously claimed by the
1781 qualified taxpayer is different than the amount specified in the allocation
1782 certificate.
- 1783 (c) The amount of tax credit that may be claimed in the first year of the credit period
1784 may not be reduced as a result of the calculation in Section 42(f)(2), Internal Revenue
1785 Code.
- 1786 (d) On or before January 31 of each year, the corporation shall provide to the
1787 commission in a form [~~prescribed~~] approved by the commission a report that
1788 describes each allocation certificate that the corporation issued during the previous
1789 calendar year.
- 1790 (6)(a) A housing sponsor shall provide to the commission identification of the housing
1791 sponsor's designated reporter.
- 1792 (b) For each tax year in which a qualified taxpayer claims a tax credit [~~is claimed~~] under
1793 this section, the designated reporter shall provide to the commission in a form [
1794 ~~prescribed~~] approved by the commission:

- 1795 (i) a list of each qualified taxpayer that has been allocated a portion of the tax credit
 1796 awarded in the allocation certificate for that tax year;
- 1797 (ii) the amount of tax credit that has been allocated to each qualified taxpayer
 1798 described in Subsection (6)(b)(i) for that tax year; and
- 1799 (iii) any other information~~[, as prescribed by]~~ the commission~~;~~ requires to
 1800 demonstrate that the aggregate annual amount of tax credits allocated to all
 1801 qualified taxpayers for that tax year does not exceed the aggregate annual tax
 1802 credit amount specified in the allocation certificate.
- 1803 (7)(a) All elections made by a housing sponsor ~~[pursuant to]~~ in accordance with Section
 1804 42, Internal Revenue Code, shall apply to this section.
- 1805 (b)(i) If a qualified taxpayer is required to recapture a portion of any federal
 1806 low-income housing credit, the qualified taxpayer that has been allocated a portion
 1807 of a tax credit under this section shall also be required to recapture a portion of the
 1808 tax credit under this section.
- 1809 (ii) The state recapture amount ~~[shall be]~~ is equal to the percentage of the state tax
 1810 credit that equals the proportion the federal recapture amount bears to the original
 1811 federal low-income housing credit amount subject to recapture.
- 1812 (iii) The designated reporter shall identify each qualified taxpayer that is required to
 1813 recapture a portion of any state tax credits as described in this Subsection (7)(b).
- 1814 (8)(a) ~~[Any]~~ The corporation may reallocate any tax credits returned to the corporation in
 1815 any year ~~[may be reallocated]~~ within the same time period as provided in Section 42,
 1816 Internal Revenue Code.
- 1817 (b) Tax credits that are unallocated by the corporation in any year may be carried over
 1818 for allocation in subsequent years.
- 1819 (9)(a) If a tax credit is not claimed by a qualified taxpayer in the year in which it is
 1820 earned because the tax credit is more than the tax owed by the qualified taxpayer, the
 1821 tax credit may be carried back three years or may be carried forward five years as a
 1822 credit against the tax.
- 1823 (b) Carryover tax credits under Subsection (9)(a) shall be applied against the tax:
 1824 (i) before the application of the tax credits earned in the current year; and
 1825 (ii) on a first-earned first-used basis.
- 1826 (10) Any tax credit taken in this section may be subject to an annual audit by the
 1827 commission.
- 1828 (11) The corporation shall provide annually ~~[provide]~~ an electronic report to the Revenue

1829 and Taxation Interim Committee that includes:

1830 (a) the purpose and effectiveness of the tax credits;

1831 (b) any recommendations for legislative changes to the aggregate tax credit amount that
1832 the corporation is authorized to allocate each year under Subsection (2)(c); and

1833 (c) the benefits of the tax credits to the state.

1834 (12) The commission may, in consultation with the corporation, promulgate rules to
1835 implement this section.

1836 (13)~~[(a) Beginning in 2026, and every three years thereafter]~~ As part of the Revenue and
1837 Taxation Interim Committee's review of the tax credit required by Section 59-10-137,
1838 the Revenue and Taxation Interim Committee shall:

1839 (a) conduct a review of the aggregate tax credit amount that the corporation is authorized
1840 to allocate and has allocated each year under Subsection (2)(c)~~[-]~~ ; and

1841 (b) consider any recommendations provided by the corporation under Subsection (11)(b).

1842 ~~[(b) In a review under this Subsection (13), the Revenue and Taxation Interim~~
1843 ~~Committee shall:]~~

1844 ~~[(i) study any recommendations provided by the corporation under Subsection~~
1845 ~~(11)(b); and]~~

1846 ~~[(ii) if the Revenue and Taxation Interim Committee decides to recommend~~
1847 ~~legislative action to the Legislature, prepare legislation for consideration by the~~
1848 ~~Legislature in the next general session.]~~

1849 Section 17. Section **59-10-1018** is amended to read:

1850 **59-10-1018 (Effective 05/06/26) (Applies beginning 01/01/26). Definitions --**

1851 **Nonrefundable taxpayer tax credits.**

1852 (1) As used in this section:

1853 (a) "Head of household filing status" means a head of household, as defined in Section
1854 2(b), Internal Revenue Code, who files a single federal individual income tax return
1855 for the taxable year.

1856 (b) "Joint filing status" means:

1857 (i) spouses who file a single return jointly under this chapter for a taxable year; or

1858 (ii) a surviving spouse, as defined in Section 2(a), Internal Revenue Code, who files a
1859 single federal individual income tax return for the taxable year.

1860 (c) "Qualifying dependent" means an individual with respect to whom the claimant is
1861 allowed to claim a tax credit under Section 24, Internal Revenue Code, on the
1862 claimant's federal individual income tax return for the taxable year.

- 1863 (d) "Single filing status" means:
- 1864 (i) a single individual who files a single federal individual income tax return for the
- 1865 taxable year; or
- 1866 (ii) a married individual who:
- 1867 (A) does not file a single federal individual income tax return jointly with that
- 1868 married individual's spouse for the taxable year; and
- 1869 (B) files a single federal individual income tax return for the taxable year.
- 1870 (e) "State or local income tax" means the lesser of:
- 1871 (i) the amount of state or local income tax that the claimant:
- 1872 (A) pays for the taxable year; and
- 1873 (B) reports on the claimant's federal individual income tax return for the taxable
- 1874 year~~[-, regardless of whether the claimant is allowed an itemized deduction on~~
- 1875 ~~the claimant's federal individual income tax return for the taxable year for the~~
- 1876 ~~full amount of state or local income tax paid]; and~~
- 1877 (ii) [\$10,000] the amount of state or local income tax that is included and allowed as
- 1878 an itemized deduction on the claimant's federal individual income tax return for
- 1879 the taxable year.
- 1880 (f)(i) "Utah itemized deduction" means the amount the claimant deducts as allowed
- 1881 as an itemized deduction on the claimant's federal individual income tax return for
- 1882 that taxable year minus any amount of state or local income tax for the taxable
- 1883 year.
- 1884 (ii) "Utah itemized deduction" does not include any amount of qualified business
- 1885 income that the claimant subtracts as allowed by Section 199A, Internal Revenue
- 1886 Code, on the claimant's federal income tax return for that taxable year.
- 1887 (g) "Utah personal exemption" means, subject to Subsection (6), \$1,750 multiplied by
- 1888 the number of the claimant's qualifying dependents plus an additional qualifying
- 1889 dependent in the year of a qualifying dependent's birth.
- 1890 (2) Except as provided in Section 59-10-1002.2, and subject to Subsections (3) through (5),
- 1891 a claimant may claim a nonrefundable tax credit against taxes otherwise due under this
- 1892 part equal to the sum of:
- 1893 (a)(i) for a claimant that deducts the standard deduction on the claimant's federal
- 1894 individual income tax return for the taxable year, 6% of the amount the claimant
- 1895 deducts as allowed as the standard deduction on the claimant's federal individual
- 1896 income tax return for that taxable year; or

- 1897 (ii) for a claimant that itemizes deductions on the claimant's federal individual
1898 income tax return for the taxable year, 6% of the amount of the claimant's Utah
1899 itemized deduction; and
- 1900 (b) 6% of the claimant's Utah personal exemption.
- 1901 (3) A claimant may not carry forward or carry back a tax credit under this section.
- 1902 (4) The tax credit allowed by Subsection (2) shall be reduced by \$.013 for each dollar by
1903 which a claimant's state taxable income exceeds:
- 1904 (a) for a claimant who has a single filing status, \$15,095;
- 1905 (b) for a claimant who has a head of household filing status, \$22,643; or
- 1906 (c) for a claimant who has a joint filing status, \$30,190.
- 1907 (5)(a) For a taxable year beginning on or after January 1, 2022, the commission shall
1908 increase or decrease annually the following dollar amounts by a percentage equal to
1909 the percentage difference between the consumer price index for the preceding
1910 calendar year and the consumer price index for calendar year 2020:
- 1911 (i) the dollar amount listed in Subsection (4)(a); and
- 1912 (ii) the dollar amount listed in Subsection (4)(b).
- 1913 (b) After the commission increases or decreases the dollar amounts listed in Subsection
1914 (5)(a), the commission shall round those dollar amounts listed in Subsection (5)(a) to
1915 the nearest whole dollar.
- 1916 (c) After the commission rounds the dollar amounts as required by Subsection (5)(b), the
1917 commission shall increase or decrease the dollar amount listed in Subsection (4)(c) so
1918 that the dollar amount listed in Subsection (4)(c) is equal to the product of:
- 1919 (i) the dollar amount listed in Subsection (4)(a); and
- 1920 (ii) two.
- 1921 (d) For purposes of Subsection (5)(a), the commission shall calculate the consumer price
1922 index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.
- 1923 (6)(a) For a taxable year beginning on or after January 1, 2022, the commission shall
1924 increase annually the Utah personal exemption amount listed in Subsection (1)(g) by
1925 a percentage equal to the percentage by which the consumer price index for the
1926 preceding calendar year exceeds the consumer price index for calendar year 2020.
- 1927 (b) After the commission increases the Utah personal exemption amount as described in
1928 Subsection (6)(a), the commission shall round the Utah personal exemption amount
1929 to the nearest whole dollar.
- 1930 (c) For purposes of Subsection (6)(a), the commission shall calculate the consumer price

1931 index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

1932 Section 18. Section **59-10-1403.2** is amended to read:

1933 **59-10-1403.2 (Effective 05/06/26) (Applies beginning 01/01/26). Pass-through**
 1934 **entity payment or withholding of tax on behalf of a pass-through entity taxpayer --**
 1935 **Exceptions to payment or withholding requirement -- Procedures and requirements --**
 1936 **Failure to pay or withhold a tax on behalf of a pass-through entity taxpayer.**

1937 (1)(a) Except as provided in Subsections (1)(b) and (2), for a taxable year, a
 1938 pass-through entity shall pay or withhold a tax:

1939 (i) on:

1940 (A) the business income of the pass-through entity; and

1941 (B) the nonbusiness income of the pass-through entity derived from or connected
 1942 with Utah sources; and

1943 (ii) on behalf of a pass-through entity taxpayer.

1944 (b) A pass-through entity is not required to pay or withhold a tax under Subsection (1)(a):

1945 (i) on behalf of a final pass-through entity taxpayer who is a resident individual;

1946 (ii) if the pass-through entity is an organization exempt from taxation under
 1947 Subsection 59-7-102(1)(a);

1948 (iii) if the pass-through entity:

1949 (A) is a plan under Section 401, 408, or 457, Internal Revenue Code; and

1950 (B) is not required to file a return under Chapter 7, Corporate Franchise and
 1951 Income Taxes, or this chapter;

1952 (iv) if the pass-through entity is a publicly traded partnership:

1953 (A) as defined in Section 7704(b), Internal Revenue Code;

1954 (B) that is classified as a partnership for federal income tax purposes; and

1955 (C) that files an annual information return reporting the following with respect to
 1956 each partner of the publicly traded partnership with income derived from or
 1957 connected with Utah sources that exceeds \$500 in a taxable year:

1958 (I) the partner's name;

1959 (II) the partner's address;

1960 (III) the partner's taxpayer identification number; and

1961 (IV) other information required by the commission; or

1962 (v) on behalf of a final pass-through entity taxpayer that is a nonresident individual if
 1963 the pass-through entity pays the tax described in Subsection (2).

1964 (2)(a) [~~For each taxable year that begins on or after January 1, 2022, but begins on or~~

- 1965 before ~~December 31, 2025,~~ a] A pass-through entity that is not a disregarded
 1966 pass-through entity may elect to pay a tax in an amount equal to the product of:
- 1967 (i) the percentage listed in Subsection 59-10-104(2); and
 - 1968 (ii) voluntary taxable income.
- 1969 (b) A pass-through entity that elects to pay the tax in accordance with Subsection (2)(a)
 1970 shall notify any final pass-through entity taxpayer of that election.
- 1971 (c) A pass-through entity that pays a tax described in Subsection (2)(a) shall provide to
 1972 each final pass-through entity taxpayer a statement that states:
- 1973 (i) the amount of tax paid under Subsection (2)(a) on the income attributed to the
 1974 final pass-through entity taxpayer; and
 - 1975 (ii) the amount of tax paid to another state by the pass-through entity on income:
 1976 (A) attributed to the final pass-through entity taxpayer; and
 1977 (B) that the commission determines is substantially similar to the tax under
 1978 Subsection (2)(a).
- 1979 (d) A payment of the tax described in Subsection (2)(a) on or before the last day of the
 1980 taxable year:
- 1981 (i) is an irrevocable election to be subject to the tax for the taxable year; and
 - 1982 (ii) may not be refunded.
- 1983 (3)(a) Subject to Subsection (3)(b), the tax a pass-through entity shall pay or withhold on
 1984 behalf of a pass-through entity taxpayer for a taxable year is an amount:
- 1985 (i) determined by the commission by rule made in accordance with Title 63G,
 1986 Chapter 3, Utah Administrative Rulemaking Act; and
 - 1987 (ii) that the commission estimates will be sufficient to pay the tax liability of the
 1988 pass-through entity taxpayer under this chapter with respect to the income
 1989 described in Subsection (1)(a)(i) or (2)(a)(ii) of that pass-through entity for the
 1990 taxable year.
- 1991 (b) The rules the commission makes in accordance with Subsection (3)(a):
- 1992 (i) except as provided in Subsection (3)(c):
 1993 (A) shall:
 1994 (I) for a pass-through entity except for a pass-through entity that is an S
 1995 corporation, take into account items of income, gain, loss, deduction, and
 1996 credit as analyzed on the schedule for reporting partners' distributive share
 1997 items as part of the federal income tax return for the pass-through entity; or
 1998 (II) for a pass-through entity that is an S corporation, take into account items of

- 1999 income, gain, loss, deduction, and credit as reconciled on the schedule for
2000 reporting shareholders' pro rata share items as part of the federal income tax
2001 return for the pass-through entity; and
- 2002 (B) notwithstanding Subsection (3)(b)(ii)(D), take into account the refundable tax
2003 credit provided in Section 59-6-102; and
- 2004 (ii) may not take into account the following items if taking those items into account
2005 does not result in an accurate estimate of a pass-through entity taxpayer's tax
2006 liability under this chapter for the taxable year:
- 2007 (A) a capital loss;
- 2008 (B) a passive loss;
- 2009 (C) another item of deduction or loss if that item of deduction or loss is generally
2010 subject to significant reduction or limitation in calculating:
- 2011 (I) for a pass-through entity taxpayer that is classified as a C corporation for
2012 federal income tax purposes, unadjusted income as defined in Section
2013 59-7-101;
- 2014 (II) for a pass-through entity that is classified as an individual, partnership, or S
2015 corporation for federal income tax purposes, adjusted gross income; or
- 2016 (III) for a pass-through entity that is classified as an estate or a trust for federal
2017 income tax purposes, unadjusted income as defined in Section 59-10-103; or
- 2018 (D) a tax credit allowed against a tax imposed under:
- 2019 (I) Chapter 7, Corporate Franchise and Income Taxes; or
- 2020 (II) this chapter.
- 2021 (c) The rules the commission makes in accordance with Subsection (3)(a) may establish
2022 a method for taking into account items of income, gain, loss, deduction, or credit of a
2023 pass-through entity if:
- 2024 (i) for a pass-through entity except for a pass-through entity that is an S corporation,
2025 the pass-through entity does not analyze the items of income, gain, loss,
2026 deduction, or credit on the schedule for reporting partners' distributive share items
2027 as part of the federal income tax return for the pass-through entity; or
- 2028 (ii) for a pass-through entity that is an S corporation, the pass-through entity does not
2029 reconcile the items of income, gain, loss, deduction, or credit on the schedule for
2030 reporting shareholders' pro rata share items as part of the federal income tax return
2031 for the pass-through entity.
- 2032 (4)(a) Except as provided in Subsection (4)(b), a pass-through entity shall remit to the

- 2033 commission the tax the pass-through entity pays or withholds on behalf of a
2034 pass-through entity taxpayer under this section:
- 2035 (i) on or before the due date of the pass-through entity's return, not including
2036 extensions; and
- 2037 (ii) on a form provided by the commission.
- 2038 (b) A pass-through entity shall remit the tax described in Subsection (2) on or before the
2039 last day of the pass-through entity's taxable year.
- 2040 (c) The commission shall consider only the amount of tax remitted as provided in
2041 Subsection (4)(b), on or before the last day of the pass-through entity's taxable year
2042 as a payment described in Subsection (2).
- 2043 (d) Except as provided in Subsection (1)(b), a pass-through entity that files an amended
2044 return under this part shall pay or withhold tax on any increase in the income
2045 described in Subsection (1)(a)(i) on behalf of the pass-through entity taxpayer and
2046 remit that tax to the commission.
- 2047 (5) A pass-through entity shall provide a statement to a pass-through entity taxpayer on
2048 behalf of whom the pass-through entity pays or withholds a tax under this section
2049 showing the amount of tax the pass-through entity pays or withholds under this section
2050 for the taxable year on behalf of the pass-through entity taxpayer.
- 2051 (6) Notwithstanding Section 59-1-401 or 59-1-402, the commission may not collect an
2052 amount under this section for a taxable year from a pass-through entity and shall waive
2053 any penalty and interest on that amount if:
- 2054 (a) the pass-through entity fails to pay or withhold the tax on the amount as required by
2055 this section on behalf of the pass-through entity taxpayer;
- 2056 (b) the pass-through entity taxpayer:
- 2057 (i) files a return on or before the due date for filing the pass-through entity's return,
2058 including extensions; and
- 2059 (ii) on or before the due date including extensions described in Subsection (6)(b)(i),
2060 pays the tax on the amount for the taxable year:
- 2061 (A) if the pass-through entity taxpayer is classified as a C corporation for federal
2062 income tax purposes, under Chapter 7, Corporate Franchise and Income Taxes;
2063 or
- 2064 (B) if the pass-through entity taxpayer is classified as an estate, individual,
2065 partnership, S corporation, or a trust for federal income tax purposes, under this
2066 chapter; and

- 2067 (c) the pass-through entity applies to the commission.
- 2068 (7) Notwithstanding Section 59-1-401 or 59-1-402, the commission may not collect an
2069 amount under this section for a taxable year from a pass-through entity that is a trust and
2070 shall waive any penalty and interest on that amount if:
- 2071 (a) the pass-through entity fails to pay or withhold the tax on the amount as required by
2072 this section on behalf of a dependent beneficiary;
- 2073 (b) the pass-through entity applies to the commission; and
- 2074 (c)(i) the dependent beneficiary complies with the requirements of Subsection (6)(b);
2075 or
- 2076 (ii)(A) the dependent beneficiary's adjusted gross income for the taxable year does
2077 not exceed the basic standard deduction for the dependent beneficiary, as
2078 calculated under Section 63, Internal Revenue Code, for that taxable year; and
- 2079 (B) the trustee of the trust retains a statement of dependent beneficiary income on
2080 behalf of the dependent beneficiary.
- 2081 (8) If a pass-through entity would have otherwise qualified for a waiver of a penalty and
2082 interest under Subsection (7), except that the trustee of a trust has not applied to the
2083 commission as required by Subsection (7)(b) or retained the statement of dependent
2084 beneficiary income required by Subsection (7)(c)(ii)(B), it is a rebuttable presumption in
2085 an audit that the pass-through entity would have otherwise qualified for the waiver of the
2086 penalty and interest under Subsection (7).

2087 Section 19. Section **59-12-102** is amended to read:

2088 **59-12-102 (Effective 07/01/26). Definitions.**

2089 As used in this chapter:

- 2090 (1) "800 service" means a telecommunications service that:
- 2091 (a) allows a caller to dial a toll-free number without incurring a charge for the call; and
- 2092 (b) is typically marketed:
- 2093 (i) under the name 800 toll-free calling;
- 2094 (ii) under the name 855 toll-free calling;
- 2095 (iii) under the name 866 toll-free calling;
- 2096 (iv) under the name 877 toll-free calling;
- 2097 (v) under the name 888 toll-free calling; or
- 2098 (vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the
2099 Federal Communications Commission.
- 2100 (2)(a) "900 service" means an inbound toll telecommunications service that:

- 2101 (i) a subscriber purchases;
- 2102 (ii) allows a customer of the subscriber described in Subsection (2)(a)(i) to call in to
- 2103 the subscriber's:
- 2104 (A) prerecorded announcement; or
- 2105 (B) live service; and
- 2106 (iii) is typically marketed:
- 2107 (A) under the name 900 service; or
- 2108 (B) under a name similar to Subsection (2)(a)(iii)(A) as designated by the Federal
- 2109 Communications Commission.
- 2110 (b) "900 service" does not include a charge for:
- 2111 (i) a collection service a seller of a telecommunications service provides to a
- 2112 subscriber; or
- 2113 (ii) the following a subscriber sells to the subscriber's customer:
- 2114 (A) a product; or
- 2115 (B) a service.
- 2116 (3)(a) "Adaptive driving equipment" means mobility enhancing equipment:
- 2117 (i) to be installed in a motor vehicle; and
- 2118 (ii) regardless of who provides the equipment or parts.
- 2119 (b) "Adaptive driving equipment" includes:
- 2120 (i) a wheelchair or scooter lift;
- 2121 (ii) equipment to secure a wheelchair;
- 2122 (iii) a swivel seat;
- 2123 (iv) a hand or foot control; and
- 2124 (v) a steering aid.
- 2125 (4)(a) "Admission or user fees" includes season passes.
- 2126 (b) "Admission or user fees" does not include:
- 2127 (i) annual membership dues to private organizations; or
- 2128 (ii) a lesson, including a lesson that involves as part of the lesson equipment or a
- 2129 facility listed in Subsection 59-12-103(1)(f).
- 2130 (5) "Affiliate" or "affiliated person" means a person that, with respect to another person:
- 2131 (a) has an ownership interest of more than 5%, whether direct or indirect, in that other
- 2132 person; or
- 2133 (b) is related to the other person because a third person, or a group of third persons who
- 2134 are affiliated persons with respect to each other, holds an ownership interest of more

- 2135 than 5%, whether direct or indirect, in the related persons.
- 2136 (6) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on
2137 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax
2138 Agreement after November 12, 2002.
- 2139 (7) "Agreement combined tax rate" means the sum of the tax rates:
2140 (a) listed under Subsection (8); and
2141 (b) that are imposed within a local taxing jurisdiction.
- 2142 (8) "Agreement sales and use tax" means a tax imposed under:
2143 (a) Subsection 59-12-103(2)(a)(i)(A);
2144 (b) Subsection 59-12-103(2)(a)(i)(B);
2145 (c) Subsection 59-12-103(2)(b)(i);
2146 (d) Subsection 59-12-103(2)(c)(i);
2147 (e) Subsection 59-12-103(2)(d);
2148 (f) Subsection 59-12-103(2)(e)(i)(A);
2149 (g) Section 59-12-204;
2150 (h) Section 59-12-401;
2151 (i) Section 59-12-402;
2152 (j) Section 59-12-402.1;
2153 (k) Section 59-12-703;
2154 (l) Section 59-12-802;
2155 (m) Section 59-12-804;
2156 (n) Section 59-12-1102;
2157 (o) Section 59-12-1302;
2158 (p) Section 59-12-1402;
2159 (q) Section 59-12-1802;
2160 (r) Section 59-12-2003;
2161 (s) Section 59-12-2103;
2162 (t) Section 59-12-2213;
2163 (u) Section 59-12-2214;
2164 (v) Section 59-12-2215;
2165 (w) Section 59-12-2216;
2166 (x) Section 59-12-2217;
2167 (y) Section 59-12-2218;
2168 (z) Section 59-12-2219;

- 2169 (aa) Section 59-12-2220; or
2170 (bb) Section 59-12-2402.
- 2171 (9) "Aircraft" means the same as that term is defined in Section 72-10-102.
- 2172 (10) "Aircraft maintenance, repair, and overhaul provider" means a business entity:
- 2173 (a) except for:
- 2174 (i) an airline as defined in Section 59-2-102; or
2175 (ii) an affiliated group, as defined in Section 59-7-101, except that "affiliated group"
2176 includes a corporation that is qualified to do business but is not otherwise doing
2177 business in the state, of an airline; and
- 2178 (b) that has the workers, expertise, and facilities to perform the following, regardless of
2179 whether the business entity performs the following in this state:
- 2180 (i) check, diagnose, overhaul, and repair:
- 2181 (A) an onboard system of a fixed wing turbine powered aircraft; and
2182 (B) the parts that comprise an onboard system of a fixed wing turbine powered
2183 aircraft;
- 2184 (ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered
2185 aircraft engine;
- 2186 (iii) perform at least the following maintenance on a fixed wing turbine powered
2187 aircraft:
- 2188 (A) an inspection;
2189 (B) a repair, including a structural repair or modification;
2190 (C) changing landing gear; and
2191 (D) addressing issues related to an aging fixed wing turbine powered aircraft;
- 2192 (iv) completely remove the existing paint of a fixed wing turbine powered aircraft
2193 and completely apply new paint to the fixed wing turbine powered aircraft; and
2194 (v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that
2195 results in a change in the fixed wing turbine powered aircraft's certification
2196 requirements by the authority that certifies the fixed wing turbine powered aircraft.
- 2197 (11) "Alcoholic beverage" means a beverage that:
- 2198 (a) is suitable for human consumption; and
2199 (b) contains .5% or more alcohol by volume.
- 2200 (12) "Alternative energy" means:
- 2201 (a) biomass energy;
2202 (b) geothermal energy;

- 2203 (c) hydroelectric energy;
- 2204 (d) solar energy;
- 2205 (e) wind energy; or
- 2206 (f) energy that is derived from:
- 2207 (i) coal-to-liquids;
- 2208 (ii) nuclear fuel;
- 2209 (iii) oil-impregnated diatomaceous earth;
- 2210 (iv) oil sands;
- 2211 (v) oil shale;
- 2212 (vi) petroleum coke; or
- 2213 (vii) waste heat from:
- 2214 (A) an industrial facility; or
- 2215 (B) a power station in which an electric generator is driven through a process in
- 2216 which water is heated, turns into steam, and spins a steam turbine.
- 2217 (13)(a) Subject to Subsection (13)(b), "alternative energy electricity production facility"
- 2218 means a facility that:
- 2219 (i) uses alternative energy to produce electricity; and
- 2220 (ii) has a production capacity of two megawatts or greater.
- 2221 (b) A facility is an alternative energy electricity production facility regardless of whether
- 2222 the facility is:
- 2223 (i) connected to an electric grid; or
- 2224 (ii) located on the premises of an electricity consumer.
- 2225 (14)(a) "Ancillary service" means a service associated with, or incidental to, the
- 2226 provision of telecommunications service.
- 2227 (b) "Ancillary service" includes:
- 2228 (i) a conference bridging service;
- 2229 (ii) a detailed communications billing service;
- 2230 (iii) directory assistance;
- 2231 (iv) a vertical service; or
- 2232 (v) a voice mail service.
- 2233 (15) "Area agency on aging" means the same as that term is defined in Section 26B-6-101.
- 2234 (16) "Assisted amusement device" means an amusement device, skill device, or ride device
- 2235 that is started and stopped by an individual:
- 2236 (a) who is not the purchaser or renter of the right to use or operate the amusement

- 2237 device, skill device, or ride device; and
- 2238 (b) at the direction of the seller of the right to use the amusement device, skill device, or
2239 ride device.
- 2240 (17) "Assisted cleaning or washing of tangible personal property" means cleaning or
2241 washing of tangible personal property if the cleaning or washing labor is primarily
2242 performed by an individual:
- 2243 (a) who is not the purchaser of the cleaning or washing of the tangible personal property;
2244 and
- 2245 (b) at the direction of the seller of the cleaning or washing of the tangible personal
2246 property.
- 2247 (18) "Authorized carrier" means:
- 2248 (a) in the case of vehicles operated over public highways, the holder of credentials
2249 indicating that the vehicle is or will be operated pursuant to both the International
2250 Registration Plan and the International Fuel Tax Agreement;
- 2251 (b) in the case of aircraft, the holder of a Federal Aviation Administration operating
2252 certificate or air carrier's operating certificate; or
- 2253 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling
2254 stock, a person who uses locomotives, freight cars, railroad work equipment, or other
2255 rolling stock in more than one state.
- 2256 (19)(a) "Biomass energy" means any of the following that is used as the primary source
2257 of energy to produce fuel or electricity:
- 2258 (i) material from a plant or tree; or
- 2259 (ii) other organic matter that is available on a renewable basis, including:
- 2260 (A) slash and brush from forests and woodlands;
- 2261 (B) animal waste;
- 2262 (C) waste vegetable oil;
- 2263 (D) methane or synthetic gas produced at a landfill, as a byproduct of the
2264 treatment of wastewater residuals, or through the conversion of a waste
2265 material through a nonincineration, thermal conversion process;
- 2266 (E) aquatic plants; and
- 2267 (F) agricultural products.
- 2268 (b) "Biomass energy" does not include:
- 2269 (i) black liquor; or
- 2270 (ii) treated woods.

- 2271 (20)(a) "Bundled transaction" means the sale of two or more items of tangible personal
2272 property, products, or services if the tangible personal property, products, or services
2273 are:
- 2274 (i) distinct and identifiable; and
 - 2275 (ii) sold for one nonitemized price.
- 2276 (b) "Bundled transaction" does not include:
- 2277 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on
2278 the basis of the selection by the purchaser of the items of tangible personal
2279 property included in the transaction;
 - 2280 (ii) the sale of real property;
 - 2281 (iii) the sale of services to real property;
 - 2282 (iv) the retail sale of tangible personal property and a service if:
 - 2283 (A) the tangible personal property:
 - 2284 (I) is essential to the use of the service; and
 - 2285 (II) is provided exclusively in connection with the service; and
 - 2286 (B) the service is the true object of the transaction;
 - 2287 (v) the retail sale of two services if:
 - 2288 (A) one service is provided that is essential to the use or receipt of a second
2289 service;
 - 2290 (B) the first service is provided exclusively in connection with the second service;
2291 and
 - 2292 (C) the second service is the true object of the transaction;
 - 2293 (vi) a transaction that includes tangible personal property or a product subject to
2294 taxation under this chapter and tangible personal property or a product that is not
2295 subject to taxation under this chapter if the:
 - 2296 (A) seller's purchase price of the tangible personal property or product subject to
2297 taxation under this chapter is de minimis; or
 - 2298 (B) seller's sales price of the tangible personal property or product subject to
2299 taxation under this chapter is de minimis; and
 - 2300 (vii) the retail sale of tangible personal property that is not subject to taxation under
2301 this chapter and tangible personal property that is subject to taxation under this
2302 chapter if:
 - 2303 (A) that retail sale includes:
 - 2304 (I) food and food ingredients;

- 2305 (II) a drug;
- 2306 (III) durable medical equipment;
- 2307 (IV) mobility enhancing equipment;
- 2308 (V) an over-the-counter drug;
- 2309 (VI) a prosthetic device; or
- 2310 (VII) a medical supply; and
- 2311 (B) subject to Subsection (20)(f):
- 2312 (I) the seller's purchase price of the tangible personal property subject to
- 2313 taxation under this chapter is 50% or less of the seller's total purchase price
- 2314 of that retail sale; or
- 2315 (II) the seller's sales price of the tangible personal property subject to taxation
- 2316 under this chapter is 50% or less of the seller's total sales price of that retail
- 2317 sale.
- 2318 (c)(i) For purposes of Subsection (20)(a)(i), tangible personal property, a product, or
- 2319 a service that is distinct and identifiable does not include:
- 2320 (A) packaging that:
- 2321 (I) accompanies the sale of the tangible personal property, product, or service;
- 2322 and
- 2323 (II) is incidental or immaterial to the sale of the tangible personal property,
- 2324 product, or service;
- 2325 (B) tangible personal property, a product, or a service provided free of charge with
- 2326 the purchase of another item of tangible personal property, a product, or a
- 2327 service; or
- 2328 (C) an item of tangible personal property, a product, or a service included in the
- 2329 definition of "purchase price."
- 2330 (ii) For purposes of Subsection (20)(c)(i)(B), an item of tangible personal property, a
- 2331 product, or a service is provided free of charge with the purchase of another item
- 2332 of tangible personal property, a product, or a service if the sales price of the
- 2333 purchased item of tangible personal property, product, or service does not vary
- 2334 depending on the inclusion of the tangible personal property, product, or service
- 2335 provided free of charge.
- 2336 (d)(i) For purposes of Subsection (20)(a)(ii), property sold for one nonitemized price
- 2337 does not include a price that is separately identified by tangible personal property,
- 2338 product, or service on the following, regardless of whether the following is in

- 2339 paper format or electronic format:
- 2340 (A) a binding sales document; or
- 2341 (B) another supporting sales-related document that is available to a purchaser.
- 2342 (ii) For purposes of Subsection (20)(d)(i), a binding sales document or another
- 2343 supporting sales-related document that is available to a purchaser includes:
- 2344 (A) a bill of sale;
- 2345 (B) a contract;
- 2346 (C) an invoice;
- 2347 (D) a lease agreement;
- 2348 (E) a periodic notice of rates and services;
- 2349 (F) a price list;
- 2350 (G) a rate card;
- 2351 (H) a receipt; or
- 2352 (I) a service agreement.
- 2353 (e)(i) For purposes of Subsection (20)(b)(vi), the sales price of tangible personal
- 2354 property or a product subject to taxation under this chapter is de minimis if:
- 2355 (A) the seller's purchase price of the tangible personal property or product is 10%
- 2356 or less of the seller's total purchase price of the bundled transaction; or
- 2357 (B) the seller's sales price of the tangible personal property or product is 10% or
- 2358 less of the seller's total sales price of the bundled transaction.
- 2359 (ii) For purposes of Subsection (20)(b)(vi), a seller:
- 2360 (A) shall use the seller's purchase price or the seller's sales price to determine if
- 2361 the purchase price or sales price of the tangible personal property or product
- 2362 subject to taxation under this chapter is de minimis; and
- 2363 (B) may not use a combination of the seller's purchase price and the seller's sales
- 2364 price to determine if the purchase price or sales price of the tangible personal
- 2365 property or product subject to taxation under this chapter is de minimis.
- 2366 (iii) For purposes of Subsection (20)(b)(vi), a seller shall use the full term of a service
- 2367 contract to determine if the sales price of tangible personal property or a product is
- 2368 de minimis.
- 2369 (f) For purposes of Subsection (20)(b)(vii)(B), a seller may not use a combination of the
- 2370 seller's purchase price and the seller's sales price to determine if tangible personal
- 2371 property subject to taxation under this chapter is 50% or less of the seller's total
- 2372 purchase price or sales price of that retail sale.

- 2373 (21) "Car sharing" means the same as that term is defined in Section 13-48a-101.
- 2374 (22) "Car-sharing program" means the same as that term is defined in Section 13-48a-101.
- 2375 (23) "Certified automated system" means software certified by the governing board of the
- 2376 agreement that:
- 2377 (a) calculates the agreement sales and use tax imposed within a local taxing jurisdiction:
- 2378 (i) on a transaction; and
- 2379 (ii) in the states that are members of the agreement;
- 2380 (b) determines the amount of agreement sales and use tax to remit to a state that is a
- 2381 member of the agreement; and
- 2382 (c) maintains a record of the transaction described in Subsection (23)(a)(i).
- 2383 (24) "Certified service provider" means an agent certified:
- 2384 (a) by the governing board of the agreement; and
- 2385 (b) to perform a seller's sales and use tax functions for an agreement sales and use tax, as
- 2386 outlined in the contract between the governing board of the agreement and the
- 2387 certified service provider, other than the seller's obligation under Section 59-12-124
- 2388 to remit a tax on the seller's own purchases.
- 2389 (25)(a) Subject to Subsection (25)(b), "clothing" means all human wearing apparel
- 2390 suitable for general use.
- 2391 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2392 commission shall make rules:
- 2393 (i) listing the items that constitute "clothing"; and
- 2394 (ii) that are consistent with the list of items that constitute "clothing" under the
- 2395 agreement.
- 2396 (26) "Coal-to-liquid" means the process of converting coal into a liquid synthetic fuel.
- 2397 (27) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other fuels
- 2398 that does not constitute industrial use under Subsection (61) or residential use under
- 2399 Subsection (117).
- 2400 (28)(a) "Common carrier" means a person engaged in or transacting the business of
- 2401 transporting passengers, freight, merchandise, or other property for hire within this
- 2402 state.
- 2403 (b)(i) "Common carrier" does not include a person that, at the time the person is
- 2404 traveling to or from that person's place of employment, transports a passenger to
- 2405 or from the passenger's place of employment.
- 2406 (ii) For purposes of Subsection (28)(b)(i), in accordance with Title 63G, Chapter 3,

- 2407 Utah Administrative Rulemaking Act, the commission may make rules defining
2408 what constitutes a person's place of employment.
- 2409 (c) "Common carrier" does not include a person that provides transportation network
2410 services, as defined in Section 13-51-102.
- 2411 (29) "Component part" includes:
- 2412 (a) poultry, dairy, and other livestock feed, and their components;
- 2413 (b) baling ties and twine used in the baling of hay and straw;
- 2414 (c) fuel used for providing temperature control of orchards and commercial greenhouses
2415 doing a majority of their business in wholesale sales, and for providing power for
2416 off-highway type farm machinery; and
- 2417 (d) feed, seeds, and seedlings.
- 2418 (30) "Computer" means an electronic device that accepts information:
- 2419 (a)(i) in digital form; or
- 2420 (ii) in a form similar to digital form; and
- 2421 (b) manipulates that information for a result based on a sequence of instructions.
- 2422 (31) "Computer software" means a set of coded instructions designed to cause:
- 2423 (a) a computer to perform a task; or
- 2424 (b) automatic data processing equipment to perform a task.
- 2425 (32) "Computer software maintenance contract" means a contract that obligates a seller of
2426 computer software to provide a customer with:
- 2427 (a) future updates or upgrades to computer software;
- 2428 (b) support services with respect to computer software; or
- 2429 (c) a combination of Subsections (32)(a) and (b).
- 2430 (33)(a) "Conference bridging service" means an ancillary service that links two or more
2431 participants of an audio conference call or video conference call.
- 2432 (b) "Conference bridging service" may include providing a telephone number as part of
2433 the ancillary service described in Subsection (33)(a).
- 2434 (c) "Conference bridging service" does not include a telecommunications service used to
2435 reach the ancillary service described in Subsection (33)(a).
- 2436 (34) "Construction materials" means any tangible personal property that will be converted
2437 into real property.
- 2438 (35) "Delivered electronically" means delivered to a purchaser by means other than tangible
2439 storage media.
- 2440 (36)(a) "Delivery charge" means a charge:

- 2441 (i) by a seller of:
- 2442 (A) tangible personal property;
- 2443 (B) a product transferred electronically; or
- 2444 (C) a service; and
- 2445 (ii) for preparation and delivery of the tangible personal property, product transferred
- 2446 electronically, or services described in Subsection (36)(a)(i) to a location
- 2447 designated by the purchaser.
- 2448 (b) "Delivery charge" includes a charge for the following:
- 2449 (i) transportation;
- 2450 (ii) shipping;
- 2451 (iii) postage;
- 2452 (iv) handling;
- 2453 (v) crating; or
- 2454 (vi) packing.
- 2455 (37) "Detailed telecommunications billing service" means an ancillary service of separately
- 2456 stating information pertaining to individual calls on a customer's billing statement.
- 2457 (38) "Dietary supplement" means a product, other than tobacco, that:
- 2458 (a) is intended to supplement the diet;
- 2459 (b) contains one or more of the following dietary ingredients:
- 2460 (i) a vitamin;
- 2461 (ii) a mineral;
- 2462 (iii) an herb or other botanical;
- 2463 (iv) an amino acid;
- 2464 (v) a dietary substance for use by humans to supplement the diet by increasing the
- 2465 total dietary intake; or
- 2466 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient
- 2467 described in Subsections (38)(b)(i) through (v);
- 2468 (c)(i) except as provided in Subsection (38)(c)(ii), is intended for ingestion in:
- 2469 (A) tablet form;
- 2470 (B) capsule form;
- 2471 (C) powder form;
- 2472 (D) softgel form;
- 2473 (E) gelcap form; or
- 2474 (F) liquid form; or

- 2475 (ii) if the product is not intended for ingestion in a form described in Subsections
2476 (38)(c)(i)(A) through (F), is not represented:
2477 (A) as conventional food; and
2478 (B) for use as a sole item of:
2479 (I) a meal; or
2480 (II) the diet; and
2481 (d) is required to be labeled as a dietary supplement:
2482 (i) identifiable by the "Supplemental Facts" box found on the label; and
2483 (ii) as required by 21 C.F.R. Sec. 101.36.
- 2484 (39)(a) "Digital audio work" means a work that results from the fixation of a series of
2485 musical, spoken, or other sounds.
2486 (b) "Digital audio work" includes a ringtone.
- 2487 (40) "Digital audio-visual work" means a series of related images which, when shown in
2488 succession, imparts an impression of motion, together with accompanying sounds, if any.
- 2489 (41) "Digital book" means a work that is generally recognized in the ordinary and usual
2490 sense as a book.
- 2491 (42)(a) "Direct mail" means printed material delivered or distributed by United States
2492 mail or other delivery service:
2493 (i) to:
2494 (A) a mass audience; or
2495 (B) addressees on a mailing list provided:
2496 (I) by a purchaser of the mailing list; or
2497 (II) at the discretion of the purchaser of the mailing list; and
2498 (ii) if the cost of the printed material is not billed directly to the recipients.
- 2499 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a
2500 purchaser to a seller of direct mail for inclusion in a package containing the printed
2501 material.
- 2502 (c) "Direct mail" does not include multiple items of printed material delivered to a single
2503 address.
- 2504 (43) "Directory assistance" means an ancillary service of providing:
2505 (a) address information; or
2506 (b) telephone number information.
- 2507 (44)(a) "Disposable home medical equipment or supplies" means medical equipment or
2508 supplies that:

- 2509 (i) cannot withstand repeated use; and
- 2510 (ii) are purchased by, for, or on behalf of a person other than:
- 2511 (A) a health care facility as defined in Section 26B-2-201;
- 2512 (B) a health care provider as defined in Section 78B-3-403;
- 2513 (C) an office of a health care provider described in Subsection (44)(a)(ii)(B); or
- 2514 (D) a person similar to a person described in Subsections (44)(a)(ii)(A) through
- 2515 (C).
- 2516 (b) "Disposable home medical equipment or supplies" does not include:
- 2517 (i) a drug;
- 2518 (ii) durable medical equipment;
- 2519 (iii) a hearing aid;
- 2520 (iv) a hearing aid accessory;
- 2521 (v) mobility enhancing equipment; or
- 2522 (vi) tangible personal property used to correct impaired vision, including:
- 2523 (A) eyeglasses; or
- 2524 (B) contact lenses.
- 2525 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2526 commission may by rule define what constitutes medical equipment or supplies.
- 2527 (45) "Drilling equipment manufacturer" means a facility:
- 2528 (a) located in the state;
- 2529 (b) with respect to which 51% or more of the manufacturing activities of the facility
- 2530 consist of manufacturing component parts of drilling equipment;
- 2531 (c) that uses pressure of 800,000 or more pounds per square inch as part of the
- 2532 manufacturing process; and
- 2533 (d) that uses a temperature of 2,000 or more degrees Fahrenheit as part of the
- 2534 manufacturing process.
- 2535 (46)(a) "Drug" means a compound, substance, or preparation, or a component of a
- 2536 compound, substance, or preparation that is:
- 2537 (i) recognized in:
- 2538 (A) the official United States Pharmacopoeia;
- 2539 (B) the official Homeopathic Pharmacopoeia of the United States;
- 2540 (C) the official National Formulary; or
- 2541 (D) a supplement to a publication listed in Subsections (46)(a)(i)(A) through (C);
- 2542 (ii) intended for use in the:

- 2543 (A) diagnosis of disease;
- 2544 (B) cure of disease;
- 2545 (C) mitigation of disease;
- 2546 (D) treatment of disease; or
- 2547 (E) prevention of disease; or
- 2548 (iii) intended to affect:
- 2549 (A) the structure of the body; or
- 2550 (B) any function of the body.
- 2551 (b) "Drug" does not include:
- 2552 (i) food and food ingredients;
- 2553 (ii) a dietary supplement;
- 2554 (iii) an alcoholic beverage; or
- 2555 (iv) a prosthetic device.
- 2556 (47)(a) "Durable medical equipment" means equipment that:
- 2557 (i) can withstand repeated use;
- 2558 (ii) is primarily and customarily used to serve a medical purpose;
- 2559 (iii) generally is not useful to a person in the absence of illness or injury; and
- 2560 (iv) is not worn in or on the body.
- 2561 (b) "Durable medical equipment" includes parts used in the repair or replacement of the
- 2562 equipment described in Subsection (47)(a).
- 2563 (c) "Durable medical equipment" does not include mobility enhancing equipment.
- 2564 (48) "Electronic" means:
- 2565 (a) relating to technology; and
- 2566 (b) having:
- 2567 (i) electrical capabilities;
- 2568 (ii) digital capabilities;
- 2569 (iii) magnetic capabilities;
- 2570 (iv) wireless capabilities;
- 2571 (v) optical capabilities;
- 2572 (vi) electromagnetic capabilities; or
- 2573 (vii) capabilities similar to Subsections (48)(b)(i) through (vi).
- 2574 (49) "Electronic financial payment service" means an establishment:
- 2575 (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and
- 2576 Clearinghouse Activities, of the 2012 North American Industry Classification System

- 2577 of the federal Executive Office of the President, Office of Management and Budget;
2578 and
- 2579 (b) that performs electronic financial payment services.
- 2580 (50) "Employee" means the same as that term is defined in Section 59-10-401.
- 2581 (51) "Fixed guideway" means a public transit facility that uses and occupies:
- 2582 (a) rail for the use of public transit; or
- 2583 (b) a separate right-of-way for the use of public transit.
- 2584 (52) "Fixed wing turbine powered aircraft" means an aircraft that:
- 2585 (a) is powered by turbine engines;
- 2586 (b) operates on jet fuel; and
- 2587 (c) has wings that are permanently attached to the fuselage of the aircraft.
- 2588 (53) "Fixed wireless service" means a telecommunications service that provides radio
2589 communication between fixed points.
- 2590 (54)(a) "Food and food ingredients" means substances:
- 2591 (i) regardless of whether the substances are in:
- 2592 (A) liquid form;
- 2593 (B) concentrated form;
- 2594 (C) solid form;
- 2595 (D) frozen form;
- 2596 (E) dried form; or
- 2597 (F) dehydrated form; and
- 2598 (ii) that are:
- 2599 (A) sold for:
- 2600 (I) ingestion by humans; or
- 2601 (II) chewing by humans; and
- 2602 (B) consumed for the substance's:
- 2603 (I) taste; or
- 2604 (II) nutritional value.
- 2605 (b) "Food and food ingredients" includes an item described in Subsection (100)(b)(iii).
- 2606 (c) "Food and food ingredients" does not include:
- 2607 (i) an alcoholic beverage;
- 2608 (ii) tobacco; or
- 2609 (iii) prepared food.
- 2610 (55)(a) "Fundraising sales" means sales:

- 2611 (i)(A) made by a school; or
2612 (B) made by a school student;
- 2613 (ii) that are for the purpose of raising funds for the school to purchase equipment,
2614 materials, or provide transportation; and
2615 (iii) that are part of an officially sanctioned school activity.
- 2616 (b) For purposes of Subsection (55)(a)(iii), "officially sanctioned school activity" means
2617 a school activity:
- 2618 (i) that is conducted in accordance with a formal policy adopted by the school or
2619 school district governing the authorization and supervision of fundraising
2620 activities;
- 2621 (ii) that does not directly or indirectly compensate an individual teacher or other
2622 educational personnel by direct payment, commissions, or payment in kind; and
2623 (iii) the net or gross revenue from which is deposited in a dedicated account
2624 controlled by the school or school district.
- 2625 (56) "Geothermal energy" means energy contained in heat that continuously flows outward
2626 from the earth that is used as the sole source of energy to produce electricity.
- 2627 (57) "Governing board of the agreement" means the governing board of the agreement that
2628 is:
- 2629 (a) authorized to administer the agreement; and
2630 (b) established in accordance with the agreement.
- 2631 (58)(a) For purposes of Subsection 59-12-104(41), "governmental entity" means:
- 2632 (i) the executive branch of the state, including all departments, institutions, boards,
2633 divisions, bureaus, offices, commissions, and committees;
- 2634 (ii) the judicial branch of the state, including the courts, the Judicial Council, the
2635 Administrative Office of the Courts, and similar administrative units in the
2636 judicial branch;
- 2637 (iii) the legislative branch of the state, including the House of Representatives, the
2638 Senate, Legislative Services, the Office of Legislative Research and General
2639 Counsel, the Office of the Legislative Auditor General, and the Office of the
2640 Legislative Fiscal Analyst;
- 2641 (iv) the National Guard;
- 2642 (v) an independent entity as defined in Section 63E-1-102; or
2643 (vi) a political subdivision as defined in Section 17B-1-102.
- 2644 (b) "Governmental entity" does not include the state systems of public and higher

- 2645 education, including:
- 2646 (i) a school;
- 2647 (ii) the State Board of Education;
- 2648 (iii) the Utah Board of Higher Education; or
- 2649 (iv) an institution of higher education listed in Section 53H-1-102.
- 2650 (59) "Hydroelectric energy" means water used as the sole source of energy to produce
- 2651 electricity.
- 2652 (60) "Individual-owned shared vehicle" means the same as that term is defined in Section
- 2653 13-48a-101.
- 2654 (61) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil, or other
- 2655 fuels:
- 2656 (a) in mining or extraction of minerals;
- 2657 (b) in agricultural operations to produce an agricultural product up to the time of harvest
- 2658 or placing the agricultural product into a storage facility, including:
- 2659 (i) commercial greenhouses;
- 2660 (ii) irrigation pumps;
- 2661 (iii) farm machinery;
- 2662 (iv) implements of husbandry as defined in Section 41-1a-102 that are not registered
- 2663 under Title 41, Chapter 1a, Part 2, Registration; and
- 2664 (v) other farming activities;
- 2665 (c) in manufacturing tangible personal property at an establishment described in:
- 2666 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
- 2667 the federal Executive Office of the President, Office of Management and Budget;
- 2668 or
- 2669 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
- 2670 American Industry Classification System of the federal Executive Office of the
- 2671 President, Office of Management and Budget;
- 2672 (d) by a scrap recycler if:
- 2673 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to
- 2674 process one or more of the following items into prepared grades of processed
- 2675 materials for use in new products:
- 2676 (A) iron;
- 2677 (B) steel;
- 2678 (C) nonferrous metal;

- 2679 (D) paper;
- 2680 (E) glass;
- 2681 (F) plastic;
- 2682 (G) textile; or
- 2683 (H) rubber; and
- 2684 (ii) the new products under Subsection (61)(d)(i) would otherwise be made with
- 2685 nonrecycled materials; or
- 2686 (e) in producing a form of energy or steam described in Subsection 54-2-1(3)(a) by a
- 2687 cogeneration facility as defined in Section 54-2-1.
- 2688 (62)(a) "Installation charge" means a charge for installing:
- 2689 (i) tangible personal property; or
- 2690 (ii) a product transferred electronically.
- 2691 (b) "Installation charge" does not include a charge for:
- 2692 (i) repairs or renovations of:
- 2693 (A) tangible personal property; or
- 2694 (B) a product transferred electronically; or
- 2695 (ii) attaching tangible personal property or a product transferred electronically:
- 2696 (A) to other tangible personal property; and
- 2697 (B) as part of a manufacturing or fabrication process.
- 2698 (63) "Institution of higher education" means an institution of higher education listed in
- 2699 Section 53H-1-102.
- 2700 (64)(a) "Lease" or "rental" means a transfer of possession or control of tangible personal
- 2701 property or a product transferred electronically for:
- 2702 (i)(A) a fixed term; or
- 2703 (B) an indeterminate term; and
- 2704 (ii) consideration.
- 2705 (b) "Lease" or "rental" includes:
- 2706 (i) an agreement covering a motor vehicle and trailer if the amount of consideration
- 2707 may be increased or decreased by reference to the amount realized upon sale or
- 2708 disposition of the property as defined in Section 7701(h)(1), Internal Revenue
- 2709 Code; and
- 2710 (ii) car sharing.
- 2711 (c) "Lease" or "rental" does not include:
- 2712 (i) a transfer of possession or control of property under a security agreement or

- 2713 deferred payment plan that requires the transfer of title upon completion of the
2714 required payments;
- 2715 (ii) a transfer of possession or control of property under an agreement that requires
2716 the transfer of title:
- 2717 (A) upon completion of required payments; and
2718 (B) if the payment of an option price does not exceed the greater of:
- 2719 (I) \$100; or
2720 (II) 1% of the total required payments; or
- 2721 (iii) providing tangible personal property along with an operator for a fixed period of
2722 time or an indeterminate period of time if the operator is necessary for equipment
2723 to perform as designed.
- 2724 (d) For purposes of Subsection (64)(c)(iii), an operator is necessary for equipment to
2725 perform as designed if the operator's duties exceed the:
- 2726 (i) set-up of tangible personal property;
2727 (ii) maintenance of tangible personal property; or
2728 (iii) inspection of tangible personal property.
- 2729 (65) "Lesson" means a fixed period of time for the duration of which a trained instructor:
2730 (a) is present with a student in person or by video; and
2731 (b) actively instructs the student, including by providing observation or feedback.
- 2732 (66) "Life science establishment" means an establishment in this state that is classified
2733 under the following NAICS codes of the 2007 North American Industry Classification
2734 System of the federal Executive Office of the President, Office of Management and
2735 Budget:
- 2736 (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;
2737 (b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus
2738 Manufacturing; or
2739 (c) NAICS Code 334517, Irradiation Apparatus Manufacturing.
- 2740 (67) "Life science research and development facility" means a facility owned, leased, or
2741 rented by a life science establishment if research and development is performed in 51%
2742 or more of the total area of the facility.
- 2743 (68) "Load and leave" means delivery to a purchaser by use of a tangible storage media if
2744 the tangible storage media is not physically transferred to the purchaser.
- 2745 (69) "Local taxing jurisdiction" means a:
2746 (a) county that is authorized to impose an agreement sales and use tax;

- 2747 (b) city that is authorized to impose an agreement sales and use tax; or
2748 (c) town that is authorized to impose an agreement sales and use tax.
- 2749 (70) "Manufactured home" means the same as that term is defined in Section 15A-1-302.
- 2750 (71) "Manufacturing facility" means:
- 2751 (a) an establishment described in:
- 2752 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
2753 the federal Executive Office of the President, Office of Management and Budget;
2754 or
- 2755 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
2756 American Industry Classification System of the federal Executive Office of the
2757 President, Office of Management and Budget;
- 2758 (b) a scrap recycler if:
- 2759 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to
2760 process one or more of the following items into prepared grades of processed
2761 materials for use in new products:
- 2762 (A) iron;
2763 (B) steel;
2764 (C) nonferrous metal;
2765 (D) paper;
2766 (E) glass;
2767 (F) plastic;
2768 (G) textile; or
2769 (H) rubber; and
- 2770 (ii) the new products under Subsection (71)(b)(i) would otherwise be made with
2771 nonrecycled materials; or
- 2772 (c) a cogeneration facility as defined in Section 54-2-1 if the cogeneration facility is
2773 placed in service on or after May 1, 2006.
- 2774 (72)(a) "Marketplace" means a physical or electronic place, platform, or forum where
2775 tangible personal property, a product transferred electronically, or a service is offered
2776 for sale.
- 2777 (b) "Marketplace" includes a store, a booth, an Internet website, a catalog, or a dedicated
2778 sales software application.
- 2779 (73)(a) "Marketplace facilitator" means a person, including an affiliate of the person,
2780 that enters into a contract, an agreement, or otherwise with sellers, for consideration,

- 2781 to facilitate the sale of a seller's product through a marketplace that the person owns,
2782 operates, or controls and that directly or indirectly:
- 2783 (i) does any of the following:
- 2784 (A) lists, makes available, or advertises tangible personal property, a product
2785 transferred electronically, or a service for sale by a marketplace seller on a
2786 marketplace that the person owns, operates, or controls;
- 2787 (B) facilitates the sale of a marketplace seller's tangible personal property, product
2788 transferred electronically, or service by transmitting or otherwise
2789 communicating an offer or acceptance of a retail sale between the marketplace
2790 seller and a purchaser using the marketplace;
- 2791 (C) owns, rents, licenses, makes available, or operates any electronic or physical
2792 infrastructure or any property, process, method, copyright, trademark, or patent
2793 that connects a marketplace seller to a purchaser for the purpose of making a
2794 retail sale of tangible personal property, a product transferred electronically, or
2795 a service;
- 2796 (D) provides a marketplace for making, or otherwise facilitates, a retail sale of
2797 tangible personal property, a product transferred electronically, or a service,
2798 regardless of ownership or control of the tangible personal property, the
2799 product transferred electronically, or the service that is the subject of the retail
2800 sale;
- 2801 (E) provides software development or research and development activities related
2802 to any activity described in this Subsection (73)(a)(i), if the software
2803 development or research and development activity is directly related to the
2804 person's marketplace;
- 2805 (F) provides or offers fulfillment or storage services for a marketplace seller;
- 2806 (G) sets prices for the sale of tangible personal property, a product transferred
2807 electronically, or a service by a marketplace seller;
- 2808 (H) provides or offers customer service to a marketplace seller or a marketplace
2809 seller's purchaser or accepts or assists with taking orders, returns, or exchanges
2810 of tangible personal property, a product transferred electronically, or a service
2811 sold by a marketplace seller on the person's marketplace; or
- 2812 (I) brands or otherwise identifies sales as those of the person; and
- 2813 (ii) does any of the following:
- 2814 (A) collects the sales price or purchase price of a retail sale of tangible personal

- 2815 property, a product transferred electronically, or a service;
- 2816 (B) provides payment processing services for a retail sale of tangible personal
2817 property, a product transferred electronically, or a service;
- 2818 (C) charges, collects, or otherwise receives a selling fee, listing fee, referral fee,
2819 closing fee, a fee for inserting or making available tangible personal property, a
2820 product transferred electronically, or a service on the person's marketplace, or
2821 other consideration for the facilitation of a retail sale of tangible personal
2822 property, a product transferred electronically, or a service, regardless of
2823 ownership or control of the tangible personal property, the product transferred
2824 electronically, or the service that is the subject of the retail sale;
- 2825 (D) through terms and conditions, an agreement, or another arrangement with a
2826 third person, collects payment from a purchase for a retail sale of tangible
2827 personal property, a product transferred electronically, or a service and
2828 transmits that payment to the marketplace seller, regardless of whether the
2829 third person receives compensation or other consideration in exchange for the
2830 service; or
- 2831 (E) provides a virtual currency for a purchaser to use to purchase tangible personal
2832 property, a product transferred electronically, or service offered for sale.
- 2833 (b) "Marketplace facilitator" does not include:
- 2834 (i) a person that only provides payment processing services; or
- 2835 (ii) a person described in Subsection (73)(a) to the extent the person is facilitating a
2836 sale for a seller that is a restaurant as defined in Section 59-12-602.
- 2837 (74) "Marketplace seller" means a seller that makes one or more retail sales through a
2838 marketplace that a marketplace facilitator owns, operates, or controls, regardless of
2839 whether the seller is required to be registered to collect and remit the tax under this part.
- 2840 (75) "Member of the immediate family of the producer" means a person who is related to a
2841 producer described in Subsection 59-12-104(20)(a) as a:
- 2842 (a) child or stepchild, regardless of whether the child or stepchild is:
- 2843 (i) an adopted child or adopted stepchild; or
- 2844 (ii) a foster child or foster stepchild;
- 2845 (b) grandchild or stepgrandchild;
- 2846 (c) grandparent or stepgrandparent;
- 2847 (d) nephew or stepnephew;
- 2848 (e) niece or stepniece;

- 2849 (f) parent or stepparent;
- 2850 (g) sibling or stepsibling;
- 2851 (h) spouse;
- 2852 (i) person who is the spouse of a person described in Subsections (75)(a) through (g); or
- 2853 (j) person similar to a person described in Subsections (75)(a) through (i) as determined
- 2854 by the commission by rule made in accordance with Title 63G, Chapter 3, Utah
- 2855 Administrative Rulemaking Act.
- 2856 (76) "Mobile home" means the same as that term is defined in Section 15A-1-302.
- 2857 (77) "Mobile telecommunications service" means the same as that term is defined in the
- 2858 Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.
- 2859 (78)(a) "Mobile wireless service" means a telecommunications service, regardless of the
- 2860 technology used, if:
- 2861 (i) the origination point of the conveyance, routing, or transmission is not fixed;
- 2862 (ii) the termination point of the conveyance, routing, or transmission is not fixed; or
- 2863 (iii) the origination point described in Subsection (78)(a)(i) and the termination point
- 2864 described in Subsection (78)(a)(ii) are not fixed.
- 2865 (b) "Mobile wireless service" includes a telecommunications service that is provided by
- 2866 a commercial mobile radio service provider.
- 2867 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2868 commission may by rule define "commercial mobile radio service provider."
- 2869 (79)(a) "Mobility enhancing equipment" means equipment that is:
- 2870 (i) primarily and customarily used to provide or increase the ability to move from one
- 2871 place to another;
- 2872 (ii) appropriate for use in a:
- 2873 (A) home; or
- 2874 (B) motor vehicle; and
- 2875 (iii) not generally used by persons with normal mobility.
- 2876 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of
- 2877 the equipment described in Subsection (79)(a).
- 2878 (c) "Mobility enhancing equipment" does not include:
- 2879 (i) a motor vehicle;
- 2880 (ii) equipment on a motor vehicle if that equipment is normally provided by the
- 2881 motor vehicle manufacturer;
- 2882 (iii) durable medical equipment; or

- 2883 (iv) a prosthetic device.
- 2884 (80) "Model 1 seller" means a seller registered under the agreement that has selected a
2885 certified service provider as the seller's agent to perform the seller's sales and use tax
2886 functions for agreement sales and use taxes, as outlined in the contract between the
2887 governing board of the agreement and the certified service provider, other than the
2888 seller's obligation under Section 59-12-124 to remit a tax on the seller's own purchases.
- 2889 (81) "Model 2 seller" means a seller registered under the agreement that:
- 2890 (a) except as provided in Subsection (81)(b), has selected a certified automated system
2891 to perform the seller's sales tax functions for agreement sales and use taxes; and
2892 (b) retains responsibility for remitting all of the sales tax:
- 2893 (i) collected by the seller; and
2894 (ii) to the appropriate local taxing jurisdiction.
- 2895 (82)(a) Subject to Subsection (82)(b), "model 3 seller" means a seller registered under
2896 the agreement that has:
- 2897 (i) sales in at least five states that are members of the agreement;
2898 (ii) total annual sales revenue of at least \$500,000,000;
2899 (iii) a proprietary system that calculates the amount of tax:
- 2900 (A) for an agreement sales and use tax; and
2901 (B) due to each local taxing jurisdiction; and
2902 (iv) entered into a performance agreement with the governing board of the agreement.
- 2903 (b) For purposes of Subsection (82)(a), "model 3 seller" includes an affiliated group of
2904 sellers using the same proprietary system.
- 2905 (83) "Model 4 seller" means a seller that is registered under the agreement and is not a
2906 model 1 seller, model 2 seller, or model 3 seller.
- 2907 (84) "Modular home" means a modular unit as defined in Section 15A-1-302.
- 2908 (85) "Motor vehicle" means the same as that term is defined in Section 41-1a-102.
- 2909 (86) "Oil sands" means impregnated bituminous sands that:
- 2910 (a) contain a heavy, thick form of petroleum that is released when heated, mixed with
2911 other hydrocarbons, or otherwise treated;
2912 (b) yield mixtures of liquid hydrocarbon; and
2913 (c) require further processing other than mechanical blending before becoming finished
2914 petroleum products.
- 2915 (87) "Oil shale" means a group of fine black to dark brown shales containing kerogen
2916 material that yields petroleum upon heating and distillation.

- 2917 (88) "Optional computer software maintenance contract" means a computer software
2918 maintenance contract that a customer is not obligated to purchase as a condition to the
2919 retail sale of computer software.
- 2920 (89)(a) "Other fuels" means products that burn independently to produce heat or energy.
2921 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible
2922 personal property.
- 2923 (90)(a) "Paging service" means a telecommunications service that provides transmission
2924 of a coded radio signal for the purpose of activating a specific pager.
2925 (b) For purposes of Subsection (90)(a), the transmission of a coded radio signal includes
2926 a transmission by message or sound.
- 2927 (91) "Pawn transaction" means the same as that term is defined in Section 13-32a-102.
- 2928 (92) "Pawnbroker" means the same as that term is defined in Section 13-32a-102.
- 2929 (93)(a) "Permanently attached to real property" means that for tangible personal property
2930 attached to real property:
- 2931 (i) the attachment of the tangible personal property to the real property:
2932 (A) is essential to the use of the tangible personal property; and
2933 (B) suggests that the tangible personal property will remain attached to the real
2934 property in the same place over the useful life of the tangible personal
2935 property; or
- 2936 (ii) if the tangible personal property is detached from the real property, the
2937 detachment would:
2938 (A) cause substantial damage to the tangible personal property; or
2939 (B) require substantial alteration or repair of the real property to which the
2940 tangible personal property is attached.
- 2941 (b) "Permanently attached to real property" includes:
2942 (i) the attachment of an accessory to the tangible personal property if the accessory is:
2943 (A) essential to the operation of the tangible personal property; and
2944 (B) attached only to facilitate the operation of the tangible personal property;
2945 (ii) a temporary detachment of tangible personal property from real property for a
2946 repair or renovation if the repair or renovation is performed where the tangible
2947 personal property and real property are located; or
2948 (iii) property attached to oil, gas, or water pipelines, except for the property listed in
2949 Subsection (93)(c)(iii) or (iv).
- 2950 (c) "Permanently attached to real property" does not include:

- 2951 (i) the attachment of portable or movable tangible personal property to real property
 2952 if that portable or movable tangible personal property is attached to real property
 2953 only for:
- 2954 (A) convenience;
 2955 (B) stability; or
 2956 (C) for an obvious temporary purpose;
- 2957 (ii) the detachment of tangible personal property from real property except for the
 2958 detachment described in Subsection (93)(b)(ii);
- 2959 (iii) an attachment of the following tangible personal property to real property if the
 2960 attachment to real property is only through a line that supplies water, electricity,
 2961 gas, telecommunications, cable, or supplies a similar item as determined by the
 2962 commission by rule made in accordance with Title 63G, Chapter 3, Utah
 2963 Administrative Rulemaking Act:
- 2964 (A) a computer;
 2965 (B) a telephone;
 2966 (C) a television; or
 2967 (D) tangible personal property similar to Subsections (93)(c)(iii)(A) through (C)
 2968 as determined by the commission by rule made in accordance with Title 63G,
 2969 Chapter 3, Utah Administrative Rulemaking Act; or
- 2970 (iv) an item listed in Subsection (139)(c).
- 2971 (94) "Person" includes any individual, firm, partnership, joint venture, association,
 2972 corporation, estate, trust, business trust, receiver, syndicate, this state, any county, city,
 2973 municipality, district, or other local governmental entity of the state, or any group or
 2974 combination acting as a unit.
- 2975 (95) "Place of primary use":
- 2976 (a) for telecommunications service other than mobile telecommunications service,
 2977 means the street address representative of where the customer's use of the
 2978 telecommunications service primarily occurs, which shall be:
- 2979 (i) the residential street address of the customer; or
 2980 (ii) the primary business street address of the customer; or
- 2981 (b) for mobile telecommunications service, means the same as that term is defined in the
 2982 Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.
- 2983 (96)(a) "Postpaid calling service" means a telecommunications service a person obtains
 2984 by making a payment on a call-by-call basis:

- 2985 (i) through the use of a:
- 2986 (A) bank card;
- 2987 (B) credit card;
- 2988 (C) debit card; or
- 2989 (D) travel card; or
- 2990 (ii) by a charge made to a telephone number that is not associated with the origination
- 2991 or termination of the telecommunications service.
- 2992 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling
- 2993 service, that would be a prepaid wireless calling service if the service were
- 2994 exclusively a telecommunications service.
- 2995 (97) "Postproduction" means an activity related to the finishing or duplication of a medium
- 2996 described in Subsection 59-12-104(54)(a).
- 2997 (98) "Prepaid calling service" means a telecommunications service:
- 2998 (a) that allows a purchaser access to telecommunications service that is exclusively
- 2999 telecommunications service;
- 3000 (b) that:
- 3001 (i) is paid for in advance; and
- 3002 (ii) enables the origination of a call using an:
- 3003 (A) access number; or
- 3004 (B) authorization code;
- 3005 (c) that is dialed:
- 3006 (i) manually; or
- 3007 (ii) electronically; and
- 3008 (d) sold in predetermined units or dollars that decline:
- 3009 (i) by a known amount; and
- 3010 (ii) with use.
- 3011 (99) "Prepaid wireless calling service" means a telecommunications service:
- 3012 (a) that provides the right to utilize:
- 3013 (i) mobile wireless service; and
- 3014 (ii) other service that is not a telecommunications service, including:
- 3015 (A) the download of a product transferred electronically;
- 3016 (B) a content service; or
- 3017 (C) an ancillary service;
- 3018 (b) that:

- 3019 (i) is paid for in advance; and
3020 (ii) enables the origination of a call using an:
3021 (A) access number; or
3022 (B) authorization code;
- 3023 (c) that is dialed:
3024 (i) manually; or
3025 (ii) electronically; and
- 3026 (d) sold in predetermined units or dollars that decline:
3027 (i) by a known amount; and
3028 (ii) with use.
- 3029 (100)(a) "Prepared food" means:
3030 (i) food:
3031 (A) sold in a heated state; or
3032 (B) heated by a seller;
3033 (ii) two or more food ingredients mixed or combined by the seller for sale as a single
3034 item; or
3035 (iii) except as provided in Subsection (100)(c), food sold with an eating utensil
3036 provided by the seller, including a:
3037 (A) plate;
3038 (B) knife;
3039 (C) fork;
3040 (D) spoon;
3041 (E) glass;
3042 (F) cup;
3043 (G) napkin; or
3044 (H) straw.
- 3045 (b) "Prepared food" does not include:
3046 (i) food that a seller only:
3047 (A) cuts;
3048 (B) repackages; or
3049 (C) pasteurizes;
3050 (ii)(A) the following:
3051 (I) raw egg;
3052 (II) raw fish;

- 3053 (III) raw meat;
- 3054 (IV) raw poultry; or
- 3055 (V) a food containing an item described in Subsections (100)(b)(ii)(A)(I)
- 3056 through (IV); and
- 3057 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of
- 3058 the Food and Drug Administration's Food Code that a consumer cook the items
- 3059 described in Subsection (100)(b)(ii)(A) to prevent food borne illness; or
- 3060 (iii) the following if sold without eating utensils provided by the seller:
- 3061 (A) food and food ingredients sold by a seller if the seller's proper primary
- 3062 classification under the 2002 North American Industry Classification System
- 3063 of the federal Executive Office of the President, Office of Management and
- 3064 Budget, is manufacturing in Sector 311, Food Manufacturing, except for
- 3065 Subsector 3118, Bakeries and Tortilla Manufacturing;
- 3066 (B) food and food ingredients sold in an unheated state:
- 3067 (I) by weight or volume; and
- 3068 (II) as a single item; or
- 3069 (C) a bakery item, including:
- 3070 (I) a bagel;
- 3071 (II) a bar;
- 3072 (III) a biscuit;
- 3073 (IV) bread;
- 3074 (V) a bun;
- 3075 (VI) a cake;
- 3076 (VII) a cookie;
- 3077 (VIII) a croissant;
- 3078 (IX) a danish;
- 3079 (X) a donut;
- 3080 (XI) a muffin;
- 3081 (XII) a pastry;
- 3082 (XIII) a pie;
- 3083 (XIV) a roll;
- 3084 (XV) a tart;
- 3085 (XVI) a torte; or
- 3086 (XVII) a tortilla.

- 3087 (c) An eating utensil provided by the seller does not include the following used to
3088 transport the food:
- 3089 (i) a container; or
 - 3090 (ii) packaging.
- 3091 (101) "Prescription" means an order, formula, or recipe that is issued:
- 3092 (a)(i) orally;
 - 3093 (ii) in writing;
 - 3094 (iii) electronically; or
 - 3095 (iv) by any other manner of transmission; and
 - 3096 (b) by a licensed practitioner authorized by the laws of a state.
- 3097 (102)(a) "Prewritten computer software" means computer software that is not designed
3098 and developed:
- 3099 (i) by the author or other creator of the computer software; and
 - 3100 (ii) to the specifications of a specific purchaser.
- 3101 (b) "Prewritten computer software" includes:
- 3102 (i) a prewritten upgrade to computer software if the prewritten upgrade to the
3103 computer software is not designed and developed:
 - 3104 (A) by the author or other creator of the computer software; and
 - 3105 (B) to the specifications of a specific purchaser;
 - 3106 (ii) computer software designed and developed by the author or other creator of the
3107 computer software to the specifications of a specific purchaser if the computer
3108 software is sold to a person other than the purchaser; or
 - 3109 (iii) except as provided in Subsection (102)(c), prewritten computer software or a
3110 prewritten portion of prewritten computer software:
 - 3111 (A) that is modified or enhanced to any degree; and
 - 3112 (B) if the modification or enhancement described in Subsection (102)(b)(iii)(A) is
3113 designed and developed to the specifications of a specific purchaser.
- 3114 (c) "Prewritten computer software" does not include a modification or enhancement
3115 described in Subsection (102)(b)(iii) if the charges for the modification or
3116 enhancement are:
- 3117 (i) reasonable; and
 - 3118 (ii) subject to Subsections 59-12-103(2)(f)(ii) and (2)(g)(i), separately stated on the
3119 invoice or other statement of price provided to the purchaser at the time of sale or
3120 later, as demonstrated by:

- 3121 (A) the books and records the seller keeps at the time of the transaction in the
3122 regular course of business, including books and records the seller keeps at the
3123 time of the transaction in the regular course of business for nontax purposes;
3124 (B) a preponderance of the facts and circumstances at the time of the transaction;
3125 and
3126 (C) the understanding of all of the parties to the transaction.

3127 (103)(a) "Private communications service" means a telecommunications service:

- 3128 (i) that entitles a customer to exclusive or priority use of one or more
3129 communications channels between or among termination points; and
3130 (ii) regardless of the manner in which the one or more communications channels are
3131 connected.

3132 (b) "Private communications service" includes the following provided in connection
3133 with the use of one or more communications channels:

- 3134 (i) an extension line;
3135 (ii) a station;
3136 (iii) switching capacity; or
3137 (iv) another associated service that is provided in connection with the use of one or
3138 more communications channels as defined in Section 59-12-215.

3139 (104)(a) "Product transferred electronically" means a product transferred electronically
3140 that would be subject to a tax under this chapter if that product was transferred in a
3141 manner other than electronically.

3142 (b) "Product transferred electronically" does not include:

- 3143 (i) an ancillary service;
3144 (ii) computer software; or
3145 (iii) a telecommunications service.

3146 (105)(a) "Prosthetic device" means a device that is worn on or in the body to:

- 3147 (i) artificially replace a missing portion of the body;
3148 (ii) prevent or correct a physical deformity or physical malfunction; or
3149 (iii) support a weak or deformed portion of the body.

3150 (b) "Prosthetic device" includes:

- 3151 (i) parts used in the repairs or renovation of a prosthetic device;
3152 (ii) replacement parts for a prosthetic device;
3153 (iii) a dental prosthesis; or
3154 (iv) a hearing aid.

- 3155 (c) "Prosthetic device" does not include:
- 3156 (i) corrective eyeglasses; or
- 3157 (ii) contact lenses.
- 3158 (106)(a) "Protective equipment" means an item:
- 3159 (i) for human wear; and
- 3160 (ii) that is:
- 3161 (A) designed as protection:
- 3162 (I) to the wearer against injury or disease; or
- 3163 (II) against damage or injury of other persons or property; and
- 3164 (B) not suitable for general use.
- 3165 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 3166 commission shall make rules:
- 3167 (i) listing the items that constitute "protective equipment"; and
- 3168 (ii) that are consistent with the list of items that constitute "protective equipment"
- 3169 under the agreement.
- 3170 (107)(a) For purposes of Subsection 59-12-104(41), "publication" means any written or
- 3171 printed matter, other than a photocopy:
- 3172 (i) regardless of:
- 3173 (A) characteristics;
- 3174 (B) copyright;
- 3175 (C) form;
- 3176 (D) format;
- 3177 (E) method of reproduction; or
- 3178 (F) source; and
- 3179 (ii) made available in printed or electronic format.
- 3180 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 3181 commission may by rule define the term "photocopy."
- 3182 (108)(a) "Purchase price" and "sales price" mean the total amount of consideration:
- 3183 (i) valued in money; and
- 3184 (ii) for which tangible personal property, a product transferred electronically, or
- 3185 services are:
- 3186 (A) sold;
- 3187 (B) leased; or
- 3188 (C) rented.

- 3189 (b) "Purchase price" and "sales price" include:
- 3190 (i) the seller's cost of the tangible personal property, a product transferred
- 3191 electronically, or services sold;
- 3192 (ii) expenses of the seller, including:
- 3193 (A) the cost of materials used;
- 3194 (B) a labor cost;
- 3195 (C) a service cost;
- 3196 (D) interest;
- 3197 (E) a loss;
- 3198 (F) the cost of transportation to the seller; or
- 3199 (G) a tax imposed on the seller;
- 3200 (iii) a charge by the seller for any service necessary to complete the sale; or
- 3201 (iv) consideration a seller receives from a person other than the purchaser if:
- 3202 (A)(I) the seller actually receives consideration from a person other than the
- 3203 purchaser; and
- 3204 (II) the consideration described in Subsection (108)(b)(iv)(A)(I) is directly
- 3205 related to a price reduction or discount on the sale;
- 3206 (B) the seller has an obligation to pass the price reduction or discount through to
- 3207 the purchaser;
- 3208 (C) the amount of the consideration attributable to the sale is fixed and
- 3209 determinable by the seller at the time of the sale to the purchaser; and
- 3210 (D)(I)(Aa) the purchaser presents a certificate, coupon, or other
- 3211 documentation to the seller to claim a price reduction or discount; and
- 3212 (Bb) a person other than the seller authorizes, distributes, or grants the
- 3213 certificate, coupon, or other documentation with the understanding that
- 3214 the person other than the seller will reimburse any seller to whom the
- 3215 certificate, coupon, or other documentation is presented;
- 3216 (II) the purchaser identifies that purchaser to the seller as a member of a group
- 3217 or organization allowed a price reduction or discount, except that a
- 3218 preferred customer card that is available to any patron of a seller does not
- 3219 constitute membership in a group or organization allowed a price reduction
- 3220 or discount; or
- 3221 (III) the price reduction or discount is identified as a third party price reduction
- 3222 or discount on the:

3223 (Aa) invoice the purchaser receives; or
3224 (Bb) certificate, coupon, or other documentation the purchaser presents.

3225 (c) "Purchase price" and "sales price" do not include:

3226 (i) a discount:

3227 (A) in a form including:

3228 (I) cash;

3229 (II) term; or

3230 (III) coupon;

3231 (B) that is allowed by a seller;

3232 (C) taken by a purchaser on a sale; and

3233 (D) that is not reimbursed by a third party; or

3234 (ii) subject to Subsections 59-12-103(2)(f)(ii) and (2)(g)(i), the following if
3235 separately stated on an invoice, bill of sale, or similar document provided to the
3236 purchaser at the time of sale or later, as demonstrated by the books and records the
3237 seller keeps at the time of the transaction in the regular course of business,
3238 including books and records the seller keeps at the time of the transaction in the
3239 regular course of business for nontax purposes, by a preponderance of the facts
3240 and circumstances at the time of the transaction, and by the understanding of all of
3241 the parties to the transaction:

3242 (A) the following from credit extended on the sale of tangible personal property or
3243 services:

3244 (I) a carrying charge;

3245 (II) a financing charge; or

3246 (III) an interest charge;

3247 (B) a delivery charge;

3248 (C) an installation charge;

3249 (D) a manufacturer rebate on a motor vehicle; or

3250 (E) a tax or fee legally imposed directly on the consumer.

3251 (109) "Purchaser" means a person to whom:

3252 (a) a sale of tangible personal property is made;

3253 (b) a product is transferred electronically; or

3254 (c) a service is furnished.

3255 (110) "Qualifying data center" means a data center facility that:

3256 (a) houses a group of networked server computers in one physical location in order to

- 3257 disseminate, manage, and store data and information;
- 3258 (b) is located in the state;
- 3259 (c) is a new operation constructed on or after July 1, 2016;
- 3260 (d) consists of one or more buildings that total 150,000 or more square feet;
- 3261 (e) is owned or leased by:
- 3262 (i) the operator of the data center facility; or
- 3263 (ii) a person under common ownership, as defined in Section 59-7-101, of the
- 3264 operator of the data center facility; and
- 3265 (f) is located on one or more parcels of land that are owned or leased by:
- 3266 (i) the operator of the data center facility; or
- 3267 (ii) a person under common ownership, as defined in Section 59-7-101, of the
- 3268 operator of the data center facility.
- 3269 (111) "Qualifying energy storage manufacturing facility" means a facility that
- 3270 manufactures, in the state, equipment or devices that store and discharge energy for the
- 3271 purpose of providing electrical power.
- 3272 (112) "Regularly rented" means:
- 3273 (a) rented to a guest for value three or more times during a calendar year; or
- 3274 (b) advertised or held out to the public as a place that is regularly rented to guests for
- 3275 value.
- 3276 (113) "Rental" means the same as that term is defined in Subsection (64).
- 3277 (114)(a) "Repairs or renovations of tangible personal property" means:
- 3278 (i) a repair or renovation of tangible personal property that is not permanently
- 3279 attached to real property; or
- 3280 (ii) attaching tangible personal property or a product transferred electronically to
- 3281 other tangible personal property or detaching tangible personal property or a
- 3282 product transferred electronically from other tangible personal property if:
- 3283 (A) the other tangible personal property to which the tangible personal property or
- 3284 product transferred electronically is attached or from which the tangible
- 3285 personal property or product transferred electronically is detached is not
- 3286 permanently attached to real property; and
- 3287 (B) the attachment of tangible personal property or a product transferred
- 3288 electronically to other tangible personal property or detachment of tangible
- 3289 personal property or a product transferred electronically from other tangible
- 3290 personal property is made in conjunction with a repair or replacement of

3291 tangible personal property or a product transferred electronically.

3292 (b) "Repairs or renovations of tangible personal property" does not include:

3293 (i) attaching prewritten computer software to other tangible personal property if the

3294 other tangible personal property to which the prewritten computer software is

3295 attached is not permanently attached to real property; or

3296 (ii) detaching prewritten computer software from other tangible personal property if

3297 the other tangible personal property from which the prewritten computer software

3298 is detached is not permanently attached to real property.

3299 (115) "Research and development" means the process of inquiry or experimentation aimed

3300 at the discovery of facts, devices, technologies, or applications and the process of

3301 preparing those devices, technologies, or applications for marketing.

3302 (116)(a) "Residential telecommunications services" means a telecommunications service

3303 or an ancillary service that is provided to an individual for personal use:

3304 (i) at a residential address; or

3305 (ii) at an institution, including a nursing home or a school, if the telecommunications

3306 service or ancillary service is provided to and paid for by the individual residing at

3307 the institution rather than the institution.

3308 (b) For purposes of Subsection (116)(a)(i), a residential address includes an:

3309 (i) apartment; or

3310 (ii) other individual dwelling unit.

3311 (117) "Residential use" means the use in or around a home, apartment building, sleeping

3312 quarters, and similar facilities or accommodations.

3313 (118) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose other than:

3314 (a) resale;

3315 (b) sublease; or

3316 (c) subrent.

3317 (119)(a) "Retailer" means any person, unless prohibited by the Constitution of the

3318 United States or federal law, that is engaged in a regularly organized business in

3319 tangible personal property or any other taxable transaction under Subsection

3320 59-12-103(1), and who is selling to the user or consumer and not for resale.

3321 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly

3322 engaged in the business of selling to users or consumers within the state.

3323 (120)(a) "Sale" means any transfer of title, exchange, or barter, conditional or otherwise,

3324 in any manner, of tangible personal property or any other taxable transaction under

- 3325 Subsection 59-12-103(1), for consideration.
- 3326 (b) "Sale" includes:
- 3327 (i) installment and credit sales;
- 3328 (ii) any closed transaction constituting a sale;
- 3329 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this
- 3330 chapter;
- 3331 (iv) any transaction if the possession of property is transferred but the seller retains
- 3332 the title as security for the payment of the price; and
- 3333 (v) any transaction under which right to possession, operation, or use of any article of
- 3334 tangible personal property is granted under a lease or contract and the transfer of
- 3335 possession would be taxable if an outright sale were made.
- 3336 (121) "Sale at retail" means the same as that term is defined in Subsection (118).
- 3337 (122) "Sale-leaseback transaction" means a transaction by which title to tangible personal
- 3338 property or a product transferred electronically that is subject to a tax under this chapter
- 3339 is transferred:
- 3340 (a) by a purchaser-lessee;
- 3341 (b) to a lessor;
- 3342 (c) for consideration; and
- 3343 (d) if:
- 3344 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial
- 3345 purchase of the tangible personal property or product transferred electronically;
- 3346 (ii) the sale of the tangible personal property or product transferred electronically to
- 3347 the lessor is intended as a form of financing:
- 3348 (A) for the tangible personal property or product transferred electronically; and
- 3349 (B) to the purchaser-lessee; and
- 3350 (iii) in accordance with generally accepted accounting principles, the
- 3351 purchaser-lessee is required to:
- 3352 (A) capitalize the tangible personal property or product transferred electronically
- 3353 for financial reporting purposes; and
- 3354 (B) account for the lease payments as payments made under a financing
- 3355 arrangement.
- 3356 (123) "Sales price" means the same as that term is defined in Subsection (108).
- 3357 (124)(a) "Sales relating to schools" means the following sales by, amounts paid to, or
- 3358 amounts charged by a school:

- 3359 (i) sales that are directly related to the school's educational functions or activities
3360 including:
3361 (A) the sale of:
3362 (I) textbooks;
3363 (II) textbook fees;
3364 (III) laboratory fees;
3365 (IV) laboratory supplies; or
3366 (V) safety equipment;
3367 (B) the sale of a uniform, protective equipment, or sports or recreational
3368 equipment that:
3369 (I) a student is specifically required to wear as a condition of participation in a
3370 school-related event or school-related activity; and
3371 (II) is not readily adaptable to general or continued usage to the extent that it
3372 takes the place of ordinary clothing;
3373 (C) sales of the following if the net or gross revenue generated by the sales is
3374 deposited into a school district fund or school fund dedicated to school meals:
3375 (I) food and food ingredients; or
3376 (II) prepared food; or
3377 (D) transportation charges for official school activities; or
3378 (ii) amounts paid to or amounts charged by a school for admission to a school-related
3379 event or school-related activity.
- 3380 (b) "Sales relating to schools" does not include:
3381 (i) bookstore sales of items that are not educational materials or supplies;
3382 (ii) except as provided in Subsection (124)(a)(i)(B):
3383 (A) clothing;
3384 (B) clothing accessories or equipment;
3385 (C) protective equipment; or
3386 (D) sports or recreational equipment; or
3387 (iii) amounts paid to or amounts charged by a school for admission to a
3388 school-related event or school-related activity if the amounts paid or charged are
3389 passed through to a person:
3390 (A) other than a:
3391 (I) school;
3392 (II) nonprofit organization authorized by a school board or a governing body of

- 3393 a private school to organize and direct a competitive secondary school
 3394 activity; or
 3395 (III) nonprofit association authorized by a school board or a governing body of
 3396 a private school to organize and direct a competitive secondary school
 3397 activity; and
 3398 (B) that is required to collect sales and use taxes under this chapter.
- 3399 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 3400 commission may make rules defining the term "passed through."
- 3401 (125) For purposes of this section and Section 59-12-104, "school" means:
 3402 (a) an elementary school or a secondary school that:
 3403 (i) is a:
 3404 (A) public school; or
 3405 (B) private school; and
 3406 (ii) provides instruction for one or more grades kindergarten through 12; or
 3407 (b) a public school district.
- 3408 (126)(a) "Seller" means a person that makes a sale, lease, or rental of:
 3409 (i) tangible personal property;
 3410 (ii) a product transferred electronically; or
 3411 (iii) a service.
 3412 (b) "Seller" includes a marketplace facilitator.
- 3413 (127)(a) "Semiconductor fabricating, processing, research, or development materials"
 3414 means tangible personal property or a product transferred electronically if the
 3415 tangible personal property or product transferred electronically is:
 3416 (i) used primarily in the process of:
 3417 (A)(I) manufacturing a semiconductor;
 3418 (II) fabricating a semiconductor; or
 3419 (III) research or development of a:
 3420 (Aa) semiconductor; or
 3421 (Bb) semiconductor manufacturing process; or
 3422 (B) maintaining an environment suitable for a semiconductor; or
 3423 (ii) consumed primarily in the process of:
 3424 (A)(I) manufacturing a semiconductor;
 3425 (II) fabricating a semiconductor; or
 3426 (III) research or development of a:

- 3427 (Aa) semiconductor; or
- 3428 (Bb) semiconductor manufacturing process; or
- 3429 (B) maintaining an environment suitable for a semiconductor.
- 3430 (b) "Semiconductor fabricating, processing, research, or development materials"
- 3431 includes:
- 3432 (i) parts used in the repairs or renovations of tangible personal property or a product
- 3433 transferred electronically described in Subsection (127)(a); or
- 3434 (ii) a chemical, catalyst, or other material used to:
- 3435 (A) produce or induce in a semiconductor a:
- 3436 (I) chemical change; or
- 3437 (II) physical change;
- 3438 (B) remove impurities from a semiconductor; or
- 3439 (C) improve the marketable condition of a semiconductor.
- 3440 (128) "Senior citizen center" means a facility having the primary purpose of providing
- 3441 services to the aged as defined in Section 26B-6-101.
- 3442 (129) "Shared vehicle" means the same as that term is defined in Section 13-48a-101.
- 3443 (130) "Shared vehicle driver" means the same as that term is defined in Section 13-48a-101.
- 3444 (131) "Shared vehicle owner" means the same as that term is defined in Section 13-48a-101.
- 3445 (132)(a) Subject to Subsections (132)(b) and (c), "short-term lodging consumable"
- 3446 means tangible personal property that:
- 3447 (i) a business that provides accommodations and services described in Subsection
- 3448 59-12-103(1)(i) purchases as part of a transaction to provide the accommodations
- 3449 and services to a purchaser;
- 3450 (ii) is intended to be consumed by the purchaser; and
- 3451 (iii) is:
- 3452 (A) included in the purchase price of the accommodations and services; and
- 3453 (B) not separately stated on an invoice, bill of sale, or other similar document
- 3454 provided to the purchaser.
- 3455 (b) "Short-term lodging consumable" includes:
- 3456 (i) a beverage;
- 3457 (ii) a brush or comb;
- 3458 (iii) a cosmetic;
- 3459 (iv) a hair care product;
- 3460 (v) lotion;

3461 (vi) a magazine;

3462 (vii) makeup;

3463 (viii) a meal;

3464 (ix) mouthwash;

3465 (x) nail polish remover;

3466 (xi) a newspaper;

3467 (xii) a notepad;

3468 (xiii) a pen;

3469 (xiv) a pencil;

3470 (xv) a razor;

3471 (xvi) saline solution;

3472 (xvii) a sewing kit;

3473 (xviii) shaving cream;

3474 (xix) a shoe shine kit;

3475 (xx) a shower cap;

3476 (xxi) a snack item;

3477 (xxii) soap;

3478 (xxiii) toilet paper;

3479 (xxiv) a toothbrush;

3480 (xxv) toothpaste; or

3481 (xxvi) an item similar to Subsections (132)(b)(i) through (xxv) as the commission

3482 may provide by rule made in accordance with Title 63G, Chapter 3, Utah

3483 Administrative Rulemaking Act.

3484 (c) "Short-term lodging consumable" does not include:

3485 (i) tangible personal property that is cleaned or washed to allow the tangible personal

3486 property to be reused; or

3487 (ii) a product transferred electronically.

3488 (133)(a) "Short-term rental" means a [~~lease or rental for~~] transfer of possession or control

3489 of real property, tangible personal property, or a product transferred electronically for:

3490 (i) consideration; and

3491 (ii) less than 30 consecutive days.

3492 (b) "Short-term rental" does not include car sharing.

3493 (134) "Simplified electronic return" means the electronic return:

3494 (a) described in Section 318(C) of the agreement; and

- 3495 (b) approved by the governing board of the agreement.
- 3496 (135) "Solar energy" means the sun used as the sole source of energy for producing
3497 electricity.
- 3498 (136)(a) "Sports or recreational equipment" means an item:
- 3499 (i) designed for human use; and
- 3500 (ii) that is:
- 3501 (A) worn in conjunction with:
- 3502 (I) an athletic activity; or
- 3503 (II) a recreational activity; and
- 3504 (B) not suitable for general use.
- 3505 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3506 commission shall make rules:
- 3507 (i) listing the items that constitute "sports or recreational equipment"; and
- 3508 (ii) that are consistent with the list of items that constitute "sports or recreational
3509 equipment" under the agreement.
- 3510 (137) "State" means the state of Utah, its departments, and agencies.
- 3511 (138) "Storage" means any keeping or retention of tangible personal property or any other
3512 taxable transaction under Subsection 59-12-103(1), in this state for any purpose except
3513 sale in the regular course of business.
- 3514 (139)(a) "Tangible personal property" means personal property that:
- 3515 (i) may be:
- 3516 (A) seen;
- 3517 (B) weighed;
- 3518 (C) measured;
- 3519 (D) felt; or
- 3520 (E) touched; or
- 3521 (ii) is in any manner perceptible to the senses.
- 3522 (b) "Tangible personal property" includes:
- 3523 (i) electricity;
- 3524 (ii) water;
- 3525 (iii) gas;
- 3526 (iv) steam; or
- 3527 (v) prewritten computer software, regardless of the manner in which the prewritten
3528 computer software is transferred.

- 3529 (c) "Tangible personal property" includes the following regardless of whether the item is
3530 attached to real property:
- 3531 (i) a dishwasher;
 - 3532 (ii) a dryer;
 - 3533 (iii) a freezer;
 - 3534 (iv) a microwave;
 - 3535 (v) a refrigerator;
 - 3536 (vi) a stove;
 - 3537 (vii) a washer; or
 - 3538 (viii) an item similar to Subsections (139)(c)(i) through (vii) as determined by the
3539 commission by rule made in accordance with Title 63G, Chapter 3, Utah
3540 Administrative Rulemaking Act.
- 3541 (d) "Tangible personal property" does not include a product that is transferred
3542 electronically.
- 3543 (e) "Tangible personal property" does not include the following if attached to real
3544 property, regardless of whether the attachment to real property is only through a line
3545 that supplies water, electricity, gas, telephone, cable, or supplies a similar item as
3546 determined by the commission by rule made in accordance with Title 63G, Chapter 3,
3547 Utah Administrative Rulemaking Act:
- 3548 (i) a hot water heater;
 - 3549 (ii) a water filtration system; or
 - 3550 (iii) a water softener system.
- 3551 (140)(a) "Telecommunications enabling or facilitating equipment, machinery, or
3552 software" means an item listed in Subsection (140)(b) if that item is purchased or
3553 leased primarily to enable or facilitate one or more of the following to function:
- 3554 (i) telecommunications switching or routing equipment, machinery, or software; or
 - 3555 (ii) telecommunications transmission equipment, machinery, or software.
- 3556 (b) The following apply to Subsection (140)(a):
- 3557 (i) a pole;
 - 3558 (ii) software;
 - 3559 (iii) a supplementary power supply;
 - 3560 (iv) temperature or environmental equipment or machinery;
 - 3561 (v) test equipment;
 - 3562 (vi) a tower; or

3563 (vii) equipment, machinery, or software that functions similarly to an item listed in
3564 Subsections (140)(b)(i) through (vi) as determined by the commission by rule
3565 made in accordance with Subsection (140)(c).

3566 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3567 commission may by rule define what constitutes equipment, machinery, or software
3568 that functions similarly to an item listed in Subsections (140)(b)(i) through (vi).

3569 (141) "Telecommunications equipment, machinery, or software required for 911 service"
3570 means equipment, machinery, or software that is required to comply with 47 C.F.R. Sec.
3571 20.18.

3572 (142) "Telecommunications maintenance or repair equipment, machinery, or software"
3573 means equipment, machinery, or software purchased or leased primarily to maintain or
3574 repair one or more of the following, regardless of whether the equipment, machinery, or
3575 software is purchased or leased as a spare part or as an upgrade or modification to one or
3576 more of the following:

3577 (a) telecommunications enabling or facilitating equipment, machinery, or software;

3578 (b) telecommunications switching or routing equipment, machinery, or software; or

3579 (c) telecommunications transmission equipment, machinery, or software.

3580 (143)(a) "Telecommunications service" means the electronic conveyance, routing, or
3581 transmission of audio, data, video, voice, or any other information or signal to a
3582 point, or among or between points.

3583 (b) "Telecommunications service" includes:

3584 (i) an electronic conveyance, routing, or transmission with respect to which a
3585 computer processing application is used to act:

3586 (A) on the code, form, or protocol of the content;

3587 (B) for the purpose of electronic conveyance, routing, or transmission; and

3588 (C) regardless of whether the service:

3589 (I) is referred to as voice over Internet protocol service; or

3590 (II) is classified by the Federal Communications Commission as enhanced or
3591 value added;

3592 (ii) an 800 service;

3593 (iii) a 900 service;

3594 (iv) a fixed wireless service;

3595 (v) a mobile wireless service;

3596 (vi) a postpaid calling service;

- 3597 (vii) a prepaid calling service;
- 3598 (viii) a prepaid wireless calling service; or
- 3599 (ix) a private communications service.
- 3600 (c) "Telecommunications service" does not include:
- 3601 (i) advertising, including directory advertising;
- 3602 (ii) an ancillary service;
- 3603 (iii) a billing and collection service provided to a third party;
- 3604 (iv) a data processing and information service if:
- 3605 (A) the data processing and information service allows data to be:
- 3606 (I)(Aa) acquired;
- 3607 (Bb) generated;
- 3608 (Cc) processed;
- 3609 (Dd) retrieved; or
- 3610 (Ee) stored; and
- 3611 (II) delivered by an electronic transmission to a purchaser; and
- 3612 (B) the purchaser's primary purpose for the underlying transaction is the processed
- 3613 data or information;
- 3614 (v) installation or maintenance of the following on a customer's premises:
- 3615 (A) equipment; or
- 3616 (B) wiring;
- 3617 (vi) Internet access service;
- 3618 (vii) a paging service;
- 3619 (viii) a product transferred electronically, including:
- 3620 (A) music;
- 3621 (B) reading material;
- 3622 (C) a ring tone;
- 3623 (D) software; or
- 3624 (E) video;
- 3625 (ix) a radio and television audio and video programming service:
- 3626 (A) regardless of the medium; and
- 3627 (B) including:
- 3628 (I) furnishing conveyance, routing, or transmission of a television audio and
- 3629 video programming service by a programming service provider;
- 3630 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or

3631 (III) audio and video programming services delivered by a commercial mobile
3632 radio service provider as defined in 47 C.F.R. Sec. 20.3;

3633 (x) a value-added nonvoice data service; or

3634 (xi) tangible personal property.

3635 (144)(a) "Telecommunications service provider" means a person that:

3636 (i) owns, controls, operates, or manages a telecommunications service; and

3637 (ii) engages in an activity described in Subsection (144)(a)(i) for the shared use with
3638 or resale to any person of the telecommunications service.

3639 (b) A person described in Subsection (144)(a) is a telecommunications service provider
3640 whether or not the Public Service Commission of Utah regulates:

3641 (i) that person; or

3642 (ii) the telecommunications service that the person owns, controls, operates, or
3643 manages.

3644 (145)(a) "Telecommunications switching or routing equipment, machinery, or software"
3645 means an item listed in Subsection (145)(b) if that item is purchased or leased
3646 primarily for switching or routing:

3647 (i) an ancillary service;

3648 (ii) data communications;

3649 (iii) voice communications; or

3650 (iv) telecommunications service.

3651 (b) The following apply to Subsection (145)(a):

3652 (i) a bridge;

3653 (ii) a computer;

3654 (iii) a cross connect;

3655 (iv) a modem;

3656 (v) a multiplexer;

3657 (vi) plug in circuitry;

3658 (vii) a router;

3659 (viii) software;

3660 (ix) a switch; or

3661 (x) equipment, machinery, or software that functions similarly to an item listed in
3662 Subsections (145)(b)(i) through (ix) as determined by the commission by rule
3663 made in accordance with Subsection (145)(c).

3664 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

3665 commission may by rule define what constitutes equipment, machinery, or software
3666 that functions similarly to an item listed in Subsections (145)(b)(i) through (ix).

3667 (146)(a) "Telecommunications transmission equipment, machinery, or software" means
3668 an item listed in Subsection (146)(b) if that item is purchased or leased primarily for
3669 sending, receiving, or transporting:

- 3670 (i) an ancillary service;
- 3671 (ii) data communications;
- 3672 (iii) voice communications; or
- 3673 (iv) telecommunications service.

3674 (b) The following apply to Subsection (146)(a):

- 3675 (i) an amplifier;
- 3676 (ii) a cable;
- 3677 (iii) a closure;
- 3678 (iv) a conduit;
- 3679 (v) a controller;
- 3680 (vi) a duplexer;
- 3681 (vii) a filter;
- 3682 (viii) an input device;
- 3683 (ix) an input/output device;
- 3684 (x) an insulator;
- 3685 (xi) microwave machinery or equipment;
- 3686 (xii) an oscillator;
- 3687 (xiii) an output device;
- 3688 (xiv) a pedestal;
- 3689 (xv) a power converter;
- 3690 (xvi) a power supply;
- 3691 (xvii) a radio channel;
- 3692 (xviii) a radio receiver;
- 3693 (xix) a radio transmitter;
- 3694 (xx) a repeater;
- 3695 (xxi) software;
- 3696 (xxii) a terminal;
- 3697 (xxiii) a timing unit;
- 3698 (xxiv) a transformer;

- 3699 (xxv) a wire; or
- 3700 (xxvi) equipment, machinery, or software that functions similarly to an item listed in
- 3701 Subsections (146)(b)(i) through (xxv) as the commission determines by rule made
- 3702 in accordance with Subsection (146)(c).
- 3703 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 3704 commission may by rule define what constitutes equipment, machinery, or software
- 3705 that functions similarly to an item listed in Subsections (146)(b)(i) through (xxv).
- 3706 (147)(a) "Textbook for a higher education course" means a textbook or other printed
- 3707 material that is required for a course:
- 3708 (i) offered by an institution of higher education; and
- 3709 (ii) that the purchaser of the textbook or other printed material attends or will attend.
- 3710 (b) "Textbook for a higher education course" includes a textbook in electronic format.
- 3711 (148) "Tobacco" means:
- 3712 (a) a cigarette;
- 3713 (b) a cigar;
- 3714 (c) chewing tobacco;
- 3715 (d) pipe tobacco; or
- 3716 (e) any other item that contains tobacco.
- 3717 (149) "Unassisted amusement device" means an amusement device, skill device, or ride
- 3718 device that is started and stopped by the purchaser or renter of the right to use or operate
- 3719 the amusement device, skill device, or ride device.
- 3720 (150)(a) "Use" means the exercise of any right or power over tangible personal property,
- 3721 a product transferred electronically, or a service under Subsection 59-12-103(1),
- 3722 incident to the ownership or the leasing of that tangible personal property, product
- 3723 transferred electronically, or service.
- 3724 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal
- 3725 property, a product transferred electronically, or a service in the regular course of
- 3726 business and held for resale.
- 3727 (151) "Value-added nonvoice data service" means a service:
- 3728 (a) that otherwise meets the definition of a telecommunications service except that a
- 3729 computer processing application is used to act primarily for a purpose other than
- 3730 conveyance, routing, or transmission; and
- 3731 (b) with respect to which a computer processing application is used to act on data or
- 3732 information:

- 3733 (i) code;
- 3734 (ii) content;
- 3735 (iii) form; or
- 3736 (iv) protocol.
- 3737 (152)(a) Subject to Subsection (152)(b), "vehicle" means the following that are required
- 3738 to be titled, registered, or titled and registered:
- 3739 (i) an aircraft as defined in Section 72-10-102;
- 3740 (ii) a vehicle as defined in Section 41-1a-102;
- 3741 (iii) an off-highway vehicle as defined in Section 41-22-2; or
- 3742 (iv) a vessel as defined in Section 41-1a-102.
- 3743 (b) For purposes of Subsection 59-12-104(33) only, "vehicle" includes:
- 3744 (i) a vehicle described in Subsection (152)(a); or
- 3745 (ii)(A) a locomotive;
- 3746 (B) a freight car;
- 3747 (C) railroad work equipment; or
- 3748 (D) other railroad rolling stock.
- 3749 (153) "Vehicle dealer" means a person engaged in the business of buying, selling, or
- 3750 exchanging a vehicle as defined in Subsection (152).
- 3751 (154)(a) "Vertical service" means an ancillary service that:
- 3752 (i) is offered in connection with one or more telecommunications services; and
- 3753 (ii) offers an advanced calling feature that allows a customer to:
- 3754 (A) identify a caller; and
- 3755 (B) manage multiple calls and call connections.
- 3756 (b) "Vertical service" includes an ancillary service that allows a customer to manage a
- 3757 conference bridging service.
- 3758 (155)(a) "Voice mail service" means an ancillary service that enables a customer to
- 3759 receive, send, or store a recorded message.
- 3760 (b) "Voice mail service" does not include a vertical service that a customer is required to
- 3761 have in order to utilize a voice mail service.
- 3762 (156)(a) "Waste energy facility" means a facility that generates electricity:
- 3763 (i) using as the primary source of energy waste materials that would be placed in a
- 3764 landfill or refuse pit if it were not used to generate electricity, including:
- 3765 (A) tires;
- 3766 (B) waste coal;

- 3767 (C) oil shale; or
 3768 (D) municipal solid waste; and
 3769 (ii) in amounts greater than actually required for the operation of the facility.

3770 (b) "Waste energy facility" does not include a facility that incinerates:

- 3771 (i) hospital waste as defined in 40 C.F.R. 60.51c; or
 3772 (ii) medical/infectious waste as defined in 40 C.F.R. 60.51c.

3773 (157) "Watercraft" means a vessel as defined in Section 73-18-2.

3774 (158) "Wind energy" means wind used as the sole source of energy to produce electricity.

3775 (159) "ZIP Code" means a Zoning Improvement Plan Code assigned to a geographic
 3776 location by the United States Postal Service.

3777 Section 20. Section **59-12-203** is amended to read:

3778 **59-12-203 (Effective 07/01/26). County, city, or town may levy tax -- Contracts**
 3779 **pursuant to Interlocal Cooperation Act -- Distribution of county tax revenue to newly**
 3780 **incorporated municipality.**

3781 (1) As used in this section[;] :

3782 (a) [~~converted~~] "Converted municipality" means the same as that term is defined in
 3783 Section 10-1-201.5.

3784 (b) "Incorporation date" means the date on which the incorporation of a new
 3785 municipality is effective as described in Section 10-2a-217.

3786 (2) A county, city, or town may impose a sales and use tax under this part.

3787 (3)(a) Except as provided in Subsection (3)(b), if a converted municipality imposes a tax
 3788 under this part, the [~~State Tax Commission~~] commission shall distribute the amount
 3789 that the [~~State Tax Commission~~] commission calculates under Section 59-12-205 to
 3790 the converted municipality.

3791 (b) The [~~State Tax Commission~~] commission shall transfer the amount that would
 3792 otherwise be distributed to a converted municipality under this part to a municipal
 3793 services district created under Title 17B, Chapter 2a, Part 11, Municipal Services
 3794 District Act, if the converted municipality:

3795 (i) provides written notice to the [~~State Tax Commission~~] commission requesting the
 3796 transfer; and

3797 (ii) designates the municipal services district to which the converted municipality
 3798 requests the [~~State Tax Commission~~] commission to transfer the revenues.

3799 (4) A county, city, or town that imposes a sales and use tax under this part may:

3800 (a) enter into agreements authorized by Title 11, Chapter 13, Interlocal Cooperation Act;

3801 and
 3802 (b) use any or all of the revenue collected from the tax for the mutual benefit of local
 3803 governments that elect to contract with one another pursuant to Title 11, Chapter 13,
 3804 Interlocal Cooperation Act.

3805 (5) If a county in which a newly incorporated municipality is located imposes a tax under
 3806 this part, the commission shall distribute to the municipality the revenue collected within
 3807 the boundaries of the municipality from the tax imposed by the county for the period
 3808 that:

3809 (a) begins on the first day of the calendar quarter after the municipality's incorporation
 3810 date; and

3811 (b) ends on the first day of the calendar quarter after 180 days from the municipality's
 3812 incorporation date.

3813 Section 21. Section **59-12-603** is amended to read:

3814 **59-12-603 (Effective 07/01/26). County tax -- Bases -- Rates -- Use of revenue --**
 3815 **Adoption of ordinance required -- Advisory board -- Administration -- Collection --**
 3816 **Administrative charge -- Distribution -- Enactment or repeal of tax or tax rate change --**
 3817 **Effective date -- Notice requirements.**

3818 (1)(a) In addition to any other taxes, a county legislative body may impose, as provided
 3819 in this part, [~~impose~~]a tax as follows:

3820 (i) except as provided in Subsection (1)(c):

3821 (A) a county legislative body [~~of any county~~]may impose a tax of not to exceed
 3822 3% on [~~all~~]short-term rentals of motor vehicles[~~, except for short-term rentals~~
 3823 ~~of motor vehicles made for the purpose of temporarily replacing a person's~~
 3824 ~~motor vehicle that is being repaired pursuant to a repair or an insurance~~
 3825 ~~agreement~~]; and

3826 (B) a county legislative body [~~of any county~~]imposing a tax under Subsection
 3827 (1)(a)(i)(A) may, in addition to imposing the tax under Subsection (1)(a)(i)(A),
 3828 impose a tax of not to exceed 4% on [~~all~~]short-term rentals of motor vehicles[~~,~~
 3829 ~~except for short-term rentals of motor vehicles made for the purpose of~~
 3830 ~~temporarily replacing a person's motor vehicle that is being repaired pursuant~~
 3831 ~~to a repair or an insurance agreement~~];

3832 (ii) a county legislative body [~~of any county~~]may impose a tax of not to exceed 7%
 3833 on [~~all~~]short-term rentals of off-highway vehicles and recreational vehicles;

3834 (iii) a county legislative body [~~of any county~~]may impose a tax of not to exceed 1%

- 3835 of ~~all~~ sales of:
- 3836 (A) alcoholic beverages, food and food ingredients, or prepared food sold by a
- 3837 restaurant; and
- 3838 (B) customized prepared food sold by a convenience store, a gas station, or a
- 3839 grocery store;
- 3840 (iv) a county legislative body of a county of the first class, as classified in Section
- 3841 17-60-104, may impose a tax of not to exceed .5% on charges for the
- 3842 accommodations and services described in Subsection 59-12-103(1)(i); and
- 3843 (v) if a county legislative body ~~[of any county]~~ imposes a tax under Subsection
- 3844 (1)(a)(i), a tax at the same rate applies to car sharing of less than 30 days ~~[-except~~
- 3845 ~~for car sharing for the purpose of temporarily replacing a person's motor vehicle~~
- 3846 ~~that is being repaired pursuant to a repair or an insurance agreement]~~.
- 3847 ~~[(b) A tax imposed under Subsection (1)(a) is subject to the reporting provisions of~~
- 3848 ~~Sections 17-78-704 and 17E-2-406.]~~
- 3849 (b) A county legislative body that imposes a tax under this Subsection (1) shall comply
- 3850 with the reporting requirements described in Sections 17-78-704 and 17E-2-406.
- 3851 (c) A motor vehicle is exempt from a tax under this Subsection (1) if:
- 3852 (i) the motor vehicle has a gross vehicle weight rating of 14,001 pounds or more;
- 3853 (ii) the motor vehicle is rented as a personal household goods moving van; or
- 3854 (iii) the lease or rental of the motor vehicle is made for the purpose of temporarily
- 3855 replacing a person's motor vehicle that is being repaired in accordance with a
- 3856 repair agreement or an insurance agreement.
- 3857 (2)(a) Subject to Subsection (2)(c), a county may use revenue from the imposition of a
- 3858 tax under Subsection (1) for:
- 3859 (i) financing tourism promotion; and
- 3860 (ii) the development, operation, and maintenance of:
- 3861 (A) an airport facility;
- 3862 (B) a convention facility;
- 3863 (C) a cultural facility;
- 3864 (D) a recreation facility; or
- 3865 (E) a tourist facility.
- 3866 (b)(i) In addition to the uses described in Subsection (2)(a) and subject to Subsection
- 3867 (2)(b)(ii), a county of the fourth, fifth, or sixth class, as classified in Section
- 3868 17-60-104, or a county with a population density of fewer than 15 people per

- 3869 square mile may expend the revenue from the imposition of a tax under
 3870 Subsections (1)(a)(i) and (ii) on the following activities to mitigate the impacts of
 3871 tourism:
- 3872 (A) solid waste disposal;
 - 3873 (B) search and rescue activities;
 - 3874 (C) law enforcement activities;
 - 3875 (D) emergency medical services; or
 - 3876 (E) fire protection services.
- 3877 (ii) A county may only expend the revenue as outlined in Subsection (2)(b)(i) if the
 3878 county's tourism tax advisory board created under Subsection 17-31-8(1)(a) has
 3879 prioritized the use of revenue to mitigate the impacts of tourism.
- 3880 (c) A county of the first class, as classified in Section 17-60-104, shall expend at least
 3881 \$450,000 each year of the revenue from the imposition of a tax authorized by
 3882 Subsection (1)(a)(iv) within the county to fund a marketing and ticketing system
 3883 designed to:
- 3884 (i) promote tourism in ski areas within the county by persons that do not reside within
 3885 the state; and
 - 3886 (ii) combine the sale of:
 - 3887 (A) ski lift tickets; and
 - 3888 (B) accommodations and services described in Subsection 59-12-103(1)(i).
- 3889 (3) A tax imposed under this part may be pledged as security for bonds, notes, or other
 3890 evidences of indebtedness incurred by a county, city, or town under Title 11, Chapter 14,
 3891 Local Government Bonding Act, or a community reinvestment agency under Title 17C,
 3892 Chapter 1, Part 5, Agency Bonds, to finance:
- 3893 (a) an airport facility;
 - 3894 (b) a convention facility;
 - 3895 (c) a cultural facility;
 - 3896 (d) a recreation facility; or
 - 3897 (e) a tourist facility.
- 3898 (4)(a) To impose a tax under Subsection (1), the county legislative body shall adopt an
 3899 ordinance imposing the tax.
- 3900 (b) The ordinance under Subsection (4)(a) shall include provisions substantially the
 3901 same as those contained in Part 1, Tax Collection, except that the tax shall be
 3902 imposed only on those items and sales described in Subsection (1).

- 3903 (c) The name of the county as the taxing agency shall be substituted for that of the state
3904 where necessary, and an additional license is not required if one has been or is issued
3905 under Section 59-12-106.
- 3906 (5) To maintain in effect a tax ordinance adopted under this part, each county legislative
3907 body shall adopt, within 30 days of any amendment of any applicable provisions of Part
3908 1, Tax Collection, [~~adopt~~]amendments to the county's tax ordinance to conform with the
3909 applicable amendments to Part 1, Tax Collection.
- 3910 (6)(a) Regardless of whether a county of the first class, as classified in Section 17-60-104,
3911 creates a tourism tax advisory board in accordance with Section 17-78-706, the
3912 county legislative body [~~of the county of the first class~~]shall create a tax advisory
3913 board in accordance with this Subsection (6).
- 3914 (b) The tax advisory board shall be composed of nine members appointed as follows:
3915 (i) four members shall be residents of a county of the first class, as classified in
3916 Section 17-60-104, appointed by the county legislative body [~~of the county of the~~
3917 ~~first class~~]; and
3918 (ii) subject to Subsections (6)(c) and (d), five members shall be mayors of cities or
3919 towns within the county of the first class, as classified in Section 17-60-104,
3920 appointed by an organization representing all mayors of cities and towns within
3921 the county of the first class, as classified in Section 17-60-104.
- 3922 (c) Five members of the tax advisory board constitute a quorum.
- 3923 (d) The county legislative body of the county of the first class, as classified in Section
3924 17-60-104, shall determine:
3925 (i) terms of the members of the tax advisory board;
3926 (ii) procedures and requirements for removing a member of the tax advisory board;
3927 (iii) voting requirements, except that action of the tax advisory board shall be by at
3928 least a majority vote of a quorum of the tax advisory board;
3929 (iv) chairs or other officers of the tax advisory board;
3930 (v) [~~how meetings are to be called~~] the procedures for calling meetings and the
3931 frequency of meetings; and
3932 (vi) the compensation, if any, of members of the tax advisory board.
- 3933 (e) The tax advisory board under this Subsection (6) shall advise the county legislative
3934 body of the county of the first class, as classified in Section 17-60-104, on the
3935 expenditure of revenue collected within the county [~~of the first class~~]from the taxes
3936 described in Subsection [~~(1)~~](a) (1).

- 3937 (7)(a)~~(i)~~ Except as provided in Subsection ~~[(7)(a)(ii)]~~ (7)(b), a tax authorized under
 3938 this part shall be administered, collected, enforced, and interpreted in accordance
 3939 with:
- 3940 ~~[(A)]~~ (i) the same procedures used to administer, collect, enforce, and interpret the tax
 3941 under:
- 3942 ~~[(H)]~~ (A) Part 1, Tax Collection; or
 3943 ~~[(H)]~~ (B) Part 2, Local Sales and Use Tax Act; and
 3944 ~~[(B)]~~ (ii) Chapter 1, General Taxation Policies.
- 3945 ~~[(ii)]~~ (b) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or
 3946 Subsections 59-12-205(2) and (4) through (6).
- 3947 ~~[(b) Except as provided in Subsection (7)(c):]~~
- 3948 ~~[(i) for a tax under this part other than the tax under Subsection (1)(a)(i)(B), the~~
 3949 ~~commission shall distribute the revenue to the county imposing the tax; and]~~
- 3950 ~~[(ii) for a tax under Subsection (1)(a)(i)(B), the commission shall distribute the~~
 3951 ~~revenue according to the distribution formula provided in Subsection (8).]~~
- 3952 (c) The commission shall retain and deposit an administrative charge in accordance with
 3953 Section 59-1-306 from the revenue the commission ~~[collects]~~ receives from a tax
 3954 under this part.
- 3955 (8)(a) The commission shall distribute the revenue for a tax imposed in accordance with
 3956 Subsection (1), other than in accordance with Subsection (1)(a)(i)(B), to the county
 3957 imposing the tax.
- 3958 (b) The commission shall distribute the revenue generated by the tax ~~[under]~~ imposed in
 3959 accordance with Subsection (1)(a)(i)(B) to each county ~~[collecting a tax under]~~
 3960 imposing a tax in accordance with Subsection (1)(a)(i)(B) according to the following
 3961 formula:
- 3962 (i) the commission shall distribute 70% of the revenue based on the percentages
 3963 generated by dividing the revenue collected by each county under Subsection
 3964 (1)(a)(i)(B) by the total revenue collected by all counties under Subsection
 3965 (1)(a)(i)(B); and
- 3966 (ii) the commission shall distribute 30% of the revenue based on the percentages
 3967 generated by dividing the population of each county collecting a tax under
 3968 Subsection (1)(a)(i)(B) by the total population of all counties collecting a tax
 3969 under Subsection (1)(a)(i)(B).
- 3970 ~~[(b)]~~ (c) Population for purposes of ~~[this]~~ Subsection ~~[(8)]~~ (8)(b) shall be based on, to the

- 3971 extent not otherwise required by federal law:
- 3972 (i) the estimate of the Utah Population Committee created in Section 63C-20-103; or
- 3973 (ii) if the Utah Population Committee estimate is not available, the most recent
- 3974 census or census estimate of the United States Bureau of the Census.
- 3975 (9)(a) For purposes of this Subsection (9):
- 3976 (i) "Annexation" means an annexation to a county under Title 17, Chapter 61, Part 3,
- 3977 County Annexation.
- 3978 (ii) "Annexing area" means an area that is annexed into a county.
- 3979 (b)(i) Except as provided in Subsection (9)(c), if a county enacts or repeals a tax or
- 3980 changes the rate of a tax under this part, the enactment, repeal, or change shall
- 3981 take effect:
- 3982 (A) on the first day of a calendar quarter; and
- 3983 (B) after a 90-day period beginning on the day on which the commission receives
- 3984 notice meeting the requirements of Subsection (9)(b)(ii) from the county.
- 3985 (ii) The notice described in Subsection (9)(b)(i)(B) shall state:
- 3986 (A) that the county will enact or repeal a tax or change the rate of a tax under this
- 3987 part;
- 3988 (B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);
- 3989 (C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and
- 3990 (D) if the county enacts the tax or changes the rate of the tax described in
- 3991 Subsection (9)(b)(ii)(A), the rate of the tax.
- 3992 (c)(i) If the billing period for a transaction begins before the effective date of the
- 3993 enactment of the tax or the tax rate increase imposed under Subsection (1), the
- 3994 enactment of the tax or the tax rate increase shall take effect on the first day of the
- 3995 first billing period that begins after the effective date of the enactment of the tax
- 3996 or the tax rate increase.
- 3997 (ii) If the billing period for a transaction begins before the effective date of the repeal
- 3998 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the
- 3999 tax or the tax rate decrease shall take effect on the first day of the last billing
- 4000 period that began before the effective date of the repeal of the tax or the tax rate
- 4001 decrease.
- 4002 (d)(i) Except as provided in Subsection (9)(e), if the annexation will result in the
- 4003 enactment, repeal, or change in the rate of a tax under this part for an annexing
- 4004 area, the enactment, repeal, or change shall take effect:

- 4005 (A) on the first day of a calendar quarter; and
- 4006 (B) after a 90-day period beginning on the day on which the commission receives
- 4007 notice meeting the requirements of Subsection (9)(d)(ii) from the county that
- 4008 annexes the annexing area.
- 4009 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:
- 4010 (A) that the annexation described in Subsection (9)(d)(i) will result in an
- 4011 enactment, repeal, or change in the rate of a tax under this part for the annexing
- 4012 area;
- 4013 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);
- 4014 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and
- 4015 (D) if the county enacts the tax or changes the rate of the tax described in
- 4016 Subsection (9)(d)(ii)(A), the rate of the tax.
- 4017 (e)(i) If the billing period for a transaction begins before the effective date of the
- 4018 enactment of the tax or the tax rate increase imposed under Subsection (1), the
- 4019 enactment of the tax or the tax rate increase shall take effect on the first day of the
- 4020 first billing period that begins after the effective date of the enactment of the tax
- 4021 or the tax rate increase.
- 4022 (ii) If the billing period for a transaction begins before the effective date of the repeal
- 4023 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the
- 4024 tax or the tax rate decrease shall take effect on the first day of the last billing
- 4025 period that began before the effective date of the repeal of the tax or the tax rate
- 4026 decrease.

4027 Section 22. Section **59-12-703** is amended to read:

4028 **59-12-703 (Effective 07/01/26). Opinion question election -- Base -- Rate --**

4029 **Imposition of tax -- Expenditure of revenue -- Administration -- Enactment,**

4030 **reauthorization, or repeal of tax -- Effective date -- Notice requirements -- Requirements**

4031 **for enforcement of reauthorized tax.**

- 4032 (1)(a) Subject to the other provisions of this section, a county legislative body may
- 4033 submit an opinion question to the residents of that county, by majority vote of all
- 4034 members of the legislative body, so that each resident of the county, except residents
- 4035 in municipalities that have already imposed a sales and use tax under Part 14, City or
- 4036 Town Option Funding for Botanical, Cultural, Recreational, and Zoological
- 4037 Organizations or Facilities, has an opportunity to express the resident's opinion on the
- 4038 imposition of a local sales and use tax of .1% on the transactions described in

- 4039 Subsection 59-12-103(1) located within the county, to:
- 4040 (i) fund cultural facilities, recreational facilities, and zoological facilities, botanical
- 4041 organizations, cultural organizations, and zoological organizations, and rural radio
- 4042 stations, in that county; or
- 4043 (ii) provide funding for a botanical organization, cultural organization, or zoological
- 4044 organization to pay for use of a bus or facility rental if that use of the bus or
- 4045 facility rental is in furtherance of the botanical organization's, cultural
- 4046 organization's, or zoological organization's primary purpose.
- 4047 (b) The opinion question required by this section shall state:
- 4048 "Shall (insert the name of the county), Utah, be authorized to impose a .1% sales and use
- 4049 tax for (list the purposes for which the revenue collected from the sales and use tax shall be
- 4050 expended)?"
- 4051 (c) A county legislative body may not impose a tax under this section on:
- 4052 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
- 4053 are exempt from taxation under Section 59-12-104;
- 4054 (ii) sales and uses within a municipality that has already imposed a sales and use tax
- 4055 under Part 14, City or Town Option Funding for Botanical, Cultural, Recreational,
- 4056 and Zoological Organizations or Facilities; and
- 4057 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and
- 4058 food ingredients.
- 4059 (d) For purposes of this Subsection (1), the location of a transaction shall be determined
- 4060 in accordance with Sections 59-12-211 through 59-12-215.
- 4061 (e) A county legislative body imposing a tax under this section shall impose the tax on
- 4062 the purchase price or sales price for amounts paid or charged for food and food
- 4063 ingredients if the food and food ingredients are sold as part of a bundled transaction
- 4064 attributable to food and food ingredients and tangible personal property other than
- 4065 food and food ingredients.
- 4066 (f) The election shall follow the procedures outlined in Title 11, Chapter 14, Local
- 4067 Government Bonding Act.
- 4068 (2)(a) If the county legislative body determines that a majority of the county's registered
- 4069 voters voting on the imposition of the tax have voted in favor of the imposition of the
- 4070 tax in accordance with Subsection (1), the county legislative body may impose the
- 4071 tax by a majority vote of all members of the legislative body on the transactions:
- 4072 (i) described in Subsection (1); and

- 4073 (ii) within the county, including the cities and towns located in the county, except
4074 those cities and towns that have already imposed a sales and use tax under Part 14,
4075 City or Town Option Funding for Botanical, Cultural, Recreational, and
4076 Zoological Organizations or Facilities.
- 4077 (b) A county legislative body may revise county ordinances to reflect statutory changes
4078 to the distribution formula or eligible recipients of revenue generated from a tax
4079 imposed under Subsection (2)(a) without submitting an opinion question to residents
4080 of the county.
- 4081 (3)(a) After the residents of a county of the third, fourth, fifth, or sixth class, as classified
4082 in Section 17-60-104, authorize a tax under this part in accordance with Subsection
4083 (1) for two consecutive 10-year periods, the tax may be reauthorized only by a
4084 majority vote of the members of the county legislative body.
- 4085 (b) For purposes of reauthorizing the tax in accordance with Subsection (3)(a), the
4086 county legislative body shall post the purposes for imposing the tax at least 24 hours
4087 before the meeting at which the county legislative body votes to reauthorize the tax.
- 4088 (4) Subject to Section 59-12-704, a county shall expend revenue collected from a tax
4089 imposed under Subsection (2) or (3):
- 4090 (a) to fund cultural facilities, recreational facilities, and zoological facilities located
4091 within the county or a city or town located in the county, except a city or town that
4092 has already imposed a sales and use tax under Part 14, City or Town Option Funding
4093 for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities;
- 4094 (b) to fund ongoing operating expenses of:
- 4095 (i) recreational facilities described in Subsection (4)(a);
- 4096 (ii) botanical organizations, cultural organizations, and zoological organizations
4097 within the county; and
- 4098 (iii) rural radio stations within the county; and
- 4099 (c)(i) as stated in the opinion question described in Subsection (1) if the county
4100 authorizes the tax in accordance with Subsections (1) and (2); or
- 4101 (ii) for the purposes posted by the members of the county legislative body if the
4102 county legislative body reauthorizes the tax in accordance with Subsection (3).
- 4103 (5)(a) A tax authorized under this part shall be:
- 4104 (i) except as provided in Subsection (5)(b), administered, collected, enforced, and
4105 interpreted in accordance with:
- 4106 (A) the same procedures used to administer, collect, enforce, and interpret the tax

- 4107 under:
- 4108 (I) Part 1, Tax Collection; or
- 4109 (II) Part 2, Local Sales and Use Tax Act; and
- 4110 (B) Chapter 1, General Taxation Policies; and
- 4111 (ii) levied for a period of 10 years and may be reauthorized at the end of the 10-year
- 4112 period in accordance with this section.
- 4113 (b) A tax under this part is not subject to Subsections 59-12-205(2) and (4) through (6).
- 4114 (6)(a) For purposes of this Subsection (6):
- 4115 (i) "Annexation" means an annexation to a county under Title 17, Chapter 61, Part 2,
- 4116 Consolidation of Counties, or Part 3, County Annexation.
- 4117 (ii) "Annexing area" means an area that is annexed into a county.
- 4118 (b)(i) Except as provided in Subsection (6)(c) or (d), and subject to Subsection (7), if
- 4119 a county enacts, reauthorizes, or repeals a tax under this part, the enactment,
- 4120 reauthorization, or repeal shall take effect:
- 4121 (A) on the first day of a calendar quarter; and
- 4122 (B) after a 90-day period beginning on the date the commission receives notice
- 4123 meeting the requirements of Subsection (6)(b)(ii) from the county.
- 4124 (ii) The notice described in Subsection (6)(b)(i)(B) shall state:
- 4125 (A) that the county will enact, reauthorize, or repeal a tax under this part;
- 4126 (B) the statutory authority for the tax described in Subsection (6)(b)(ii)(A);
- 4127 (C) the effective date of the tax described in Subsection (6)(b)(ii)(A); and
- 4128 (D) if the county enacts or reauthorizes the tax described in Subsection
- 4129 (6)(b)(ii)(A), the rate of the tax.
- 4130 (c)(i) If the billing period for a transaction begins before the effective date of the
- 4131 enactment or reauthorization of the tax under this section, the enactment or
- 4132 reauthorization of the tax takes effect on the first day of the first billing period that
- 4133 begins on or after the effective date of the enactment or reauthorization of the tax.
- 4134 (ii) The repeal of a tax applies to a billing period if the billing statement for the
- 4135 billing period is produced on or after the effective date of the repeal of the tax
- 4136 imposed under this section.
- 4137 (d)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of
- 4138 sales and use tax rates published in the catalogue, an enactment, reauthorization,
- 4139 or repeal of a tax described in Subsection (6)(b)(i) takes effect:
- 4140 (A) on the first day of a calendar quarter; and

4141 (B) beginning 60 days after the effective date of the enactment, reauthorization, or
4142 repeal under Subsection (6)(b)(i).

4143 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
4144 the commission may by rule define the term "catalogue sale."

4145 (e)(i) Except as provided in Subsection (6)(f) or (g), if an annexation will result in the
4146 enactment or repeal of a tax under this part for an annexing area, the enactment or
4147 repeal shall take effect:

4148 (A) on the first day of a calendar quarter; and

4149 (B) after a 90-day period beginning on the date the commission receives notice
4150 meeting the requirements of Subsection (6)(e)(ii) from the county that annexes
4151 the annexing area.

4152 (ii) The notice described in Subsection (6)(e)(i)(B) shall state:

4153 (A) that the annexation described in Subsection (6)(e)(i) will result in an
4154 enactment or repeal of a tax under this part for the annexing area;

4155 (B) the statutory authority for the tax described in Subsection (6)(e)(ii)(A);

4156 (C) the effective date of the tax described in Subsection (6)(e)(ii)(A); and

4157 (D) the rate of the tax described in Subsection (6)(e)(ii)(A).

4158 (f)(i) If the billing period for a transaction begins before the effective date of the
4159 enactment of the tax under this section, the enactment of the tax takes effect on the
4160 first day of the first billing period that begins on or after the effective date of the
4161 enactment of the tax.

4162 (ii) The repeal of a tax applies to a billing period if the billing statement for the
4163 billing period is produced on or after the effective date of the repeal of the tax
4164 imposed under this section.

4165 (g)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of
4166 sales and use tax rates published in the catalogue, an enactment or repeal of a tax
4167 described in Subsection (6)(e)(i) takes effect:

4168 (A) on the first day of a calendar quarter; and

4169 (B) beginning 60 days after the effective date of the enactment or repeal under
4170 Subsection (6)(e)(i).

4171 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
4172 the commission may by rule define the term "catalogue sale."

4173 (7)(a) If a county reauthorizes a tax under this part in accordance with Subsection (3)(a)
4174 or (5)(a)(ii), the county shall provide to the commission notice of the reauthorization

4175 that meets the requirements of Subsection (6)(b)(ii) at least 90 days before the first
 4176 day of the calendar quarter in which the reauthorization first takes effect.

4177 (b) The commission may not enforce a tax under this part due for reauthorization unless
 4178 the commission receives timely notice of the reauthorization as provided in
 4179 Subsection (7)(a).

4180 Section 23. Section **59-12-806** is amended to read:

4181 **59-12-806 (Effective 07/01/26). Enactment, reauthorization, or repeal of tax --**

4182 **Tax rate change -- Effective date -- Notice requirements -- Requirements for enforcement**
 4183 **of reauthorized tax.**

4184 (1) For purposes of this section:

4185 (a) "Annexation" means an annexation to:

4186 (i) a county under Title 17, Chapter 61, Part 2, Consolidation of Counties, or Part 3,
 4187 County Annexation; or

4188 (ii) a city under Title 10, Chapter 2, Part 8, Annexation.

4189 (b) "Annexing area" means an area that is annexed into a county or city.

4190 (2)(a) Except as provided in Subsection (2)(c) or (d), and subject to Subsection (4), if, on
 4191 or after July 1, 2004, a county or city enacts, reauthorizes, or repeals a tax or changes
 4192 the rate of a tax under this part, the enactment, reauthorization, repeal, or change shall
 4193 take effect:

4194 (i) on the first day of a calendar quarter; and

4195 (ii) after a 90-day period beginning on the date the commission receives notice
 4196 meeting the requirements of Subsection (2)(b) from the county or city.

4197 (b) The notice described in Subsection (2)(a)(ii) shall state:

4198 (i) that the county or city will enact, reauthorize, or repeal a tax or change the rate of
 4199 a tax under this part;

4200 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);

4201 (iii) the effective date of the tax described in Subsection (2)(b)(i); and

4202 (iv) if the county or city enacts or reauthorizes the tax or changes the rate of the tax
 4203 described in Subsection (2)(b)(i), the rate of the tax.

4204 (c)(i) The enactment or reauthorization of a tax or a tax rate increase takes effect on
 4205 the first day of the first billing period:

4206 (A) that begins on or after the effective date of the enactment~~[of the tax or the]~~ ,
 4207 reauthorization, or tax rate increase; and

4208 (B) if the billing period for the transaction begins before the effective date of the

- 4209 enactment~~[of the tax or the]~~ , reauthorization, or tax rate increase imposed
 4210 under:
- 4211 (I) Section 59-12-802; or
 4212 (II) Section 59-12-804.
- 4213 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
 4214 statement for the billing period is rendered on or after the effective date of the
 4215 repeal of the tax or the tax rate decrease imposed under:
- 4216 (A) Section 59-12-802; or
 4217 (B) Section 59-12-804.
- 4218 (d)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of
 4219 sales and use tax rates published in the catalogue, an enactment, reauthorization,
 4220 repeal, or change in the rate of a tax described in Subsection (2)(a) takes effect:
- 4221 (A) on the first day of a calendar quarter; and
 4222 (B) beginning 60 days after the effective date of the enactment, reauthorization,
 4223 repeal, or change in the rate of the tax under Subsection (2)(a).
- 4224 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
 4225 the commission may by rule define the term "catalogue sale."
- 4226 (3)(a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs on
 4227 or after July 1, 2004, the annexation will result in the enactment, repeal, or change in
 4228 the rate of a tax under this part for an annexing area, the enactment, repeal, or change
 4229 shall take effect:
- 4230 (i) on the first day of a calendar quarter; and
 4231 (ii) after a 90-day period beginning on the date the commission receives notice
 4232 meeting the requirements of Subsection (3)(b) from the county or city that
 4233 annexes the annexing area.
- 4234 (b) The notice described in Subsection (3)(a)(ii) shall state:
- 4235 (i) that the annexation described in Subsection (3)(a) will result in an enactment,
 4236 repeal, or change in the rate of a tax under this part for the annexing area;
 4237 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);
 4238 (iii) the effective date of the tax described in Subsection (3)(b)(i); and
 4239 (iv) if the county or city enacts the tax or changes the rate of the tax described in
 4240 Subsection (3)(b)(i), the rate of the tax.
- 4241 (c)(i) The enactment of a tax or a tax rate increase takes effect on the first day of the
 4242 first billing period:

4243 (A) that begins on or after the effective date of the enactment of the tax or the tax
4244 rate increase; and

4245 (B) if the billing period for the transaction begins before the effective date of the
4246 enactment of the tax or the tax rate increase imposed under:

4247 (I) Section 59-12-802; or

4248 (II) Section 59-12-804.

4249 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
4250 statement for the billing period is rendered on or after the effective date of the
4251 repeal of the tax or the tax rate decrease imposed under:

4252 (A) Section 59-12-802; or

4253 (B) Section 59-12-804.

4254 (d)(i) If a tax due under this [chapter] part on a catalogue sale is computed on the
4255 basis of sales and use tax rates published in the catalogue, an enactment, repeal, or
4256 change in the rate of a tax described in Subsection (3)(a) takes effect:

4257 (A) on the first day of a calendar quarter; and

4258 (B) beginning 60 days after the effective date of the enactment, repeal, or change
4259 in the rate of a tax under Subsection (3)(a).

4260 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
4261 the commission may by rule define the term "catalogue sale."

4262 (4)(a) If a city or county reauthorizes a tax under this part in accordance with Subsection
4263 59-12-802(5) or 59-12-804(4), the city or county shall provide to the commission
4264 notice of the reauthorization that meets the requirements of Subsection (3)(b) at least
4265 90 days before the first day of the calendar quarter in which the reauthorization first
4266 takes effect.

4267 (5) The commission may not enforce a tax under this part due for reauthorization unless the
4268 commission receives timely notice of the reauthorization as provided in Subsection (4)(a).

4269 Section 24. Section **59-12-1201** is amended to read:

4270 **59-12-1201 (Effective 07/01/26). Motor vehicle rental tax -- Rate -- Exemptions --**
4271 **Administration, collection, enforcement, and interpretation of tax -- Administrative**
4272 **charge -- Deposits.**

4273 (1) As used in this section:

4274 ~~[(a) "Fairpark district board" means the board of the fairpark district.]~~

4275 ~~[(b)]~~ (a) "Fairpark district" means the Utah Fairpark Area Investment and Restoration
4276 District, created in Section 11-70-201.

- 4277 (b) "Fairpark district board" means the board of the fairpark district.
- 4278 (c) "Franchise agreement date" means the same as that term is defined in Section
4279 11-70-101.
- 4280 (d) "Stadium contribution" means the same as that term is defined in Section 11-70-101.
- 4281 (e) "Transition date" means the first day of the calendar quarter that begins at least 90
4282 days after the fairpark district board delivers to the commission the certificate
4283 described in Subsection (2)(a)(ii)(B).
- 4284 (2)(a)(i) Except as provided in Subsections (4) and (5), there is imposed a tax of 2.5%
4285 on all short-term rentals of motor vehicles.
- 4286 (ii)(A) In addition to the tax imposed under Subsection (2)(a)(i) and except as
4287 provided in Subsections (4) and (5), beginning on the transition date there is
4288 imposed a tax of 1.5% on all short-term rentals of motor vehicles.
- 4289 (B) After the franchise agreement date, the fairpark district board shall deliver to
4290 the commission a certificate verifying the execution of a franchise agreement,
4291 as defined in Section 11-70-101, and providing the franchise agreement date.
- 4292 (C) A tax under this Subsection (2)(a)(ii) is imposed only if the franchise
4293 agreement date is on or before June 30, 2032.
- 4294 (b) The tax imposed in this section is in addition to all other state, county, or municipal
4295 fees and taxes imposed on rentals of motor vehicles.
- 4296 (3)(a) Subject to Subsection (3)(b), a tax rate repeal or tax rate change for the tax
4297 imposed under Subsection (2) shall take effect on the first day of a calendar quarter.
- 4298 (b)(i) For a transaction subject to a tax under Subsection (2), a tax rate increase shall
4299 take effect on the first day of the first billing period:
- 4300 (A) that begins after the effective date of the tax rate increase; and
- 4301 (B) if the billing period for the transaction begins before the effective date of a tax
4302 rate increase imposed under Subsection (2).
- 4303 (ii) For a transaction subject to a tax under Subsection (2), the repeal of a tax or a tax
4304 rate decrease shall take effect on the first day of the last billing period:
- 4305 (A) that began before the effective date of the repeal of the tax or the tax rate
4306 decrease; and
- 4307 (B) if the billing period for the transaction begins before the effective date of the
4308 repeal of the tax or the tax rate decrease imposed under Subsection (2).
- 4309 (4) A tax imposed under this section applies at the same rate to car sharing of less than 30
4310 days, except for car sharing for the purpose of temporarily replacing a person's motor

- 4311 vehicle that is being repaired pursuant to a repair or an insurance agreement.
- 4312 (5) A motor vehicle is exempt from the tax imposed under this section if:
- 4313 (a) the motor vehicle [~~is registered for a gross laden weight of 12,001~~] has a gross vehicle
- 4314 weight rating of 14,001 or more pounds;
- 4315 (b) the motor vehicle is rented as a personal household goods moving van; or
- 4316 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
- 4317 replacing a person's motor vehicle that is being repaired [~~pursuant to~~] in accordance
- 4318 with a repair agreement or an insurance agreement.
- 4319 (6)(a)(i) The tax authorized under this section shall be administered, collected,
- 4320 enforced, and interpreted in accordance with:
- 4321 (A) the same procedures used to administer, collect, enforce, and interpret the tax
- 4322 under Part 1, Tax Collection; and
- 4323 (B) Chapter 1, General Taxation Policies.
- 4324 (ii) Notwithstanding Subsection (6)(a)(i), a tax under this part is not subject to
- 4325 Subsections 59-12-103(4) through (10) or Section 59-12-107.1 or 59-12-123.
- 4326 (b) The commission shall retain and deposit an administrative charge in accordance with
- 4327 Section 59-1-306 from the revenue the commission collects from a tax under this part.
- 4328 (c) Except as provided under Subsections (6)(b) and (d):
- 4329 (i) the commission shall deposit daily with the state treasurer all revenue received
- 4330 under this section; and
- 4331 (ii) the state treasurer shall credit monthly all revenue received under this section to
- 4332 the Marda Dillree Corridor Preservation Fund under Section 72-2-117.
- 4333 (d)(i) Subject to Subsection (6)(d)(iii), all revenue received by the commission under
- 4334 Subsection (2)(a)(ii) shall be paid to the fairpark district.
- 4335 (ii) Within 10 days after the fairpark district completes payment of the stadium
- 4336 contribution, the fairpark district board shall deliver to the commission a written
- 4337 statement verifying that the fairpark district has completed payment of the stadium
- 4338 contribution.
- 4339 (iii) Upon receipt of the written statement under Subsection (6)(d)(ii), the
- 4340 commission shall:
- 4341 (A) discontinue collecting revenue under Subsection (2)(a)(ii), beginning the first
- 4342 day of the calendar quarter that is at least 90 days after the commission's
- 4343 receipt of the written statement;
- 4344 (B) discontinue distributing revenue under Subsection (2)(a)(ii) to the fairpark

4345 district, beginning the first day of the calendar quarter that is at least 90 days
 4346 after the commission's receipt of the written statement; and
 4347 (C) notify the Executive Appropriations Committee of the Legislature that the
 4348 commission is discontinuing collecting and distributing revenue under
 4349 Subsection (2)(a)(ii).

4350 Section 25. Section **59-12-1402** is amended to read:

4351 **59-12-1402 (Effective 07/01/26). Opinion question election -- Base -- Rate --**
 4352 **Imposition of tax -- Expenditure of revenue -- Enactment, reauthorization, or repeal of**
 4353 **tax -- Effective date -- Notice requirements -- Requirements for enforcement of**
 4354 **reauthorized tax.**

4355 (1)(a) Subject to the other provisions of this section, a city or town legislative body
 4356 subject to this part may submit an opinion question to the residents of that city or
 4357 town, by majority vote of all members of the legislative body, so that each resident of
 4358 the city or town has an opportunity to express the resident's opinion on the imposition
 4359 of a local sales and use tax of .1% on the transactions described in Subsection
 4360 59-12-103(1) located within the city or town, to:

- 4361 (i) fund cultural facilities, recreational facilities, and zoological facilities and
 4362 botanical organizations, cultural organizations, and zoological organizations in
 4363 that city or town; or
- 4364 (ii) provide funding for a botanical organization, cultural organization, or zoological
 4365 organization to pay for use of a bus or facility rental if that use of the bus or
 4366 facility rental is in furtherance of the botanical organization's, cultural
 4367 organization's, or zoological organization's primary purpose.

4368 (b) The opinion question required by this section shall state:

4369 "Shall (insert the name of the city or town), Utah, be authorized to impose a .1% sales
 4370 and use tax for (list the purposes for which the revenue collected from the sales and use tax
 4371 shall be expended)?"

4372 (c) A city or town legislative body may not impose a tax under this section:

- 4373 (i) if the county in which the city or town is located imposes a tax under Part 7,
 4374 County Option Funding for Botanical, Cultural, Recreational, and Zoological
 4375 Organizations or Facilities;
- 4376 (ii) on the sales and uses described in Section 59-12-104 to the extent the sales and
 4377 uses are exempt from taxation under Section 59-12-104; and
- 4378 (iii) except as provided in Subsection (1)(e), on amounts paid or charged for food and

4379 food ingredients.

4380 (d) For purposes of this Subsection (1), the location of a transaction shall be determined
4381 in accordance with Sections 59-12-211 through 59-12-215.

4382 (e) A city or town legislative body imposing a tax under this section shall impose the tax
4383 on the purchase price or sales price for amounts paid or charged for food and food
4384 ingredients if the food and food ingredients are sold as part of a bundled transaction
4385 attributable to food and food ingredients and tangible personal property other than
4386 food and food ingredients.

4387 (f) Except as provided in Subsection (6), the election shall be held at a regular general
4388 election or a municipal general election, as those terms are defined in Section
4389 20A-1-102, and shall follow the procedures outlined in Title 11, Chapter 14, Local
4390 Government Bonding Act.

4391 (2) If the city or town legislative body determines that a majority of the city's or town's
4392 registered voters voting on the imposition of the tax have voted in favor of the
4393 imposition of the tax as prescribed in Subsection (1), the city or town legislative body
4394 may impose the tax by a majority vote of all members of the legislative body.

4395 (3) Subject to Section 59-12-1403, revenue collected from a tax imposed under Subsection
4396 (2) shall be expended:

4397 (a) to finance cultural facilities, recreational facilities, and zoological facilities within the
4398 city or town or within the geographic area of entities that are parties to an interlocal
4399 agreement, to which the city or town is a party, providing for cultural facilities,
4400 recreational facilities, or zoological facilities;

4401 (b) to finance ongoing operating expenses of:

4402 (i) recreational facilities described in Subsection (3)(a) within the city or town or
4403 within the geographic area of entities that are parties to an interlocal agreement, to
4404 which the city or town is a party, providing for recreational facilities; or

4405 (ii) botanical organizations, cultural organizations, and zoological organizations
4406 within the city or town or within the geographic area of entities that are parties to
4407 an interlocal agreement, to which the city or town is a party, providing for the
4408 support of botanical organizations, cultural organizations, or zoological
4409 organizations; and

4410 (c) as stated in the opinion question described in Subsection (1).

4411 (4)(a) Except as provided in Subsections (4)(b) and (c), a tax authorized under this part
4412 shall be:

- 4413 (i) administered, collected, enforced, and interpreted in accordance with:
- 4414 (A) the same procedures used to administer, collect, enforce, and interpret the tax
- 4415 under:
- 4416 (I) Part 1, Tax Collection; or
- 4417 (II) Part 2, Local Sales and Use Tax Act; and
- 4418 (B) Chapter 1, General Taxation Policies; and
- 4419 (ii)(A) levied for a period of eight years; and
- 4420 (B) may be reauthorized at the end of the eight-year period in accordance with this
- 4421 section.
- 4422 (b)(i) If a tax under this part is imposed for the first time on or after July 1, 2011, the
- 4423 tax shall be levied for a period of 10 years.
- 4424 (ii) If a tax under this part is reauthorized in accordance with Subsection (4)(a) on or
- 4425 after July 1, 2011, the tax shall be reauthorized for a 10-year period.
- 4426 (c) A tax under this section is not subject to Subsections 59-12-205(2) and (4) through
- 4427 (6).
- 4428 (5)(a) For purposes of this Subsection (5):
- 4429 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2,
- 4430 Part 8, Annexation.
- 4431 (ii) "Annexing area" means an area that is annexed into a city or town.
- 4432 (b)(i) Except as provided in Subsection (5)(c) or (d), and subject to Subsection (7), if,
- 4433 on or after July 1, 2004, a city or town enacts, reauthorizes, or repeals a tax under
- 4434 this part, the enactment, reauthorization, or repeal shall take effect:
- 4435 (A) on the first day of a calendar quarter; and
- 4436 (B) after a 90-day period beginning on the date the commission receives notice
- 4437 meeting the requirements of Subsection (5)(b)(ii) from the city or town.
- 4438 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:
- 4439 (A) that the city or town will enact, reauthorize, or repeal a tax under this part;
- 4440 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);
- 4441 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and
- 4442 (D) if the city or town enacts or reauthorizes the tax described in Subsection
- 4443 (5)(b)(ii)(A), the rate of the tax.
- 4444 (c)(i) If the billing period for a transaction begins before the effective date of the
- 4445 enactment or reauthorization of the tax under this section, the enactment or
- 4446 reauthorization of the tax takes effect on the first day of the first billing period that

- 4447 begins on or after the effective date of the enactment or reauthorization of the tax.
- 4448 (ii) The repeal of a tax applies to a billing period if the billing statement for the
- 4449 billing period is produced on or after the effective date of the repeal of the tax
- 4450 imposed under this section.
- 4451 (d)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of
- 4452 sales and use tax rates published in the catalogue, an enactment, reauthorization,
- 4453 or repeal of a tax described in Subsection (5)(b)(i) takes effect:
- 4454 (A) on the first day of a calendar quarter; and
- 4455 (B) beginning 60 days after the effective date of the enactment, reauthorization, or
- 4456 repeal under Subsection (5)(b)(i).
- 4457 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 4458 the commission may by rule define the term "catalogue sale."
- 4459 (e)(i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
- 4460 on or after July 1, 2004, the annexation will result in the enactment or repeal of a
- 4461 tax under this part for an annexing area, the enactment or repeal shall take effect:
- 4462 (A) on the first day of a calendar quarter; and
- 4463 (B) after a 90-day period beginning on the date the commission receives notice
- 4464 meeting the requirements of Subsection (5)(e)(ii) from the city or town that
- 4465 annexes the annexing area.
- 4466 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:
- 4467 (A) that the annexation described in Subsection (5)(e)(i) will result in an
- 4468 enactment or repeal a tax under this part for the annexing area;
- 4469 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);
- 4470 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and
- 4471 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).
- 4472 (f)(i) If the billing period for a transaction begins before the effective date of the
- 4473 enactment of the tax under this section, the enactment of the tax takes effect on the
- 4474 first day of the first billing period that begins on or after the effective date of the
- 4475 enactment of the tax.
- 4476 (ii) The repeal of a tax applies to a billing period if the billing statement for the
- 4477 billing period is produced on or after the effective date of the repeal of the tax
- 4478 imposed under this section.
- 4479 (g)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of
- 4480 sales and use tax rates published in the catalogue, an enactment or repeal of a tax

- 4481 described in Subsection (5)(e)(i) takes effect:
- 4482 (A) on the first day of a calendar quarter; and
- 4483 (B) beginning 60 days after the effective date of the enactment or repeal under
- 4484 Subsection (5)(e)(i).
- 4485 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 4486 the commission may by rule define the term "catalogue sale."
- 4487 (6)(a) Before a city or town legislative body submits an opinion question to the residents
- 4488 of the city or town under Subsection (1), the city or town legislative body shall:
- 4489 (i) submit to the county legislative body in which the city or town is located a written
- 4490 notice of the intent to submit the opinion question to the residents of the city or
- 4491 town; and
- 4492 (ii) receive from the county legislative body:
- 4493 (A) a written resolution passed by the county legislative body stating that the
- 4494 county legislative body is not seeking to impose a tax under Part 7, County
- 4495 Option Funding for Botanical, Cultural, Recreational, and Zoological
- 4496 Organizations or Facilities; or
- 4497 (B) a written statement that in accordance with Subsection (6)(b) the results of a
- 4498 county opinion question submitted to the residents of the county under Part 7,
- 4499 County Option Funding for Botanical, Cultural, Recreational, and Zoological
- 4500 Organizations or Facilities, permit the city or town legislative body to submit
- 4501 the opinion question to the residents of the city or town in accordance with this
- 4502 part.
- 4503 (b)(i) Within 60 days after the day the county legislative body receives from a city or
- 4504 town legislative body described in Subsection (6)(a) the notice of the intent to
- 4505 submit an opinion question to the residents of the city or town, the county
- 4506 legislative body shall provide the city or town legislative body:
- 4507 (A) the written resolution described in Subsection (6)(a)(ii)(A); or
- 4508 (B) written notice that the county legislative body will submit an opinion question
- 4509 to the residents of the county under Part 7, County Option Funding for
- 4510 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities,
- 4511 for the county to impose a tax under that part.
- 4512 (ii) If the county legislative body provides the city or town legislative body the
- 4513 written notice that the county legislative body will submit an opinion question as
- 4514 provided in Subsection (6)(b)(i)(B), the county legislative body shall submit the

4515 opinion question by no later than, from the date the county legislative body sends
4516 the written notice, the later of:

- 4517 (A) a 12-month period;
4518 (B) the next regular primary election; or
4519 (C) the next regular general election.

4520 (iii) Within 30 days of the date of the canvass of the election at which the opinion
4521 question under Subsection (6)(b)(ii) is voted on, the county legislative body shall
4522 provide the city or town legislative body described in Subsection (6)(a) written
4523 results of the opinion question submitted by the county legislative body under Part
4524 7, County Option Funding for Botanical, Cultural, Recreational, and Zoological
4525 Organizations or Facilities, indicating that:

- 4526 (A)(I) the city or town legislative body may not impose a tax under this part
4527 because a majority of the county's registered voters voted in favor of the
4528 county imposing the tax and the county legislative body by a majority vote
4529 approved the imposition of the tax; or
4530 (II) for at least 12 months from the date the written results are submitted to the
4531 city or town legislative body, the city or town legislative body may not
4532 submit to the county legislative body a written notice of the intent to submit
4533 an opinion question under this part because a majority of the county's
4534 registered voters voted against the county imposing the tax and the majority
4535 of the registered voters who are residents of the city or town described in
4536 Subsection (6)(a) voted against the imposition of the county tax; or
4537 (B) the city or town legislative body may submit the opinion question to the
4538 residents of the city or town in accordance with this part because although a
4539 majority of the county's registered voters voted against the county imposing the
4540 tax, the majority of the registered voters who are residents of the city or town
4541 voted for the imposition of the county tax.

4542 (c) Notwithstanding Subsection (6)(b), at any time a county legislative body may
4543 provide a city or town legislative body described in Subsection (6)(a) a written
4544 resolution passed by the county legislative body stating that the county legislative
4545 body is not seeking to impose a tax under Part 7, County Option Funding for
4546 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, which
4547 permits the city or town legislative body to submit under Subsection (1) an opinion
4548 question to the city's or town's residents.

4549 (7)(a) If a city or town reauthorizes a tax under this part in accordance with Subsection
 4550 (4), the city or town shall provide to the commission notice of the reauthorization that
 4551 meets the requirements of Subsection (5)(b)(ii) at least 90 days before the first day of
 4552 the calendar quarter in which the reauthorization first takes effect.

4553 (b) The commission may not enforce a tax under this part due for reauthorization unless
 4554 the commission receives timely notice of the reauthorization as provided in
 4555 Subsection (7)(a).

4556 Section 26. Section **59-12-2403** is amended to read:

4557 **59-12-2403 (Effective 07/01/26). Enactment, reauthorization, repeal, or change**
 4558 **in the rate of an emergency services tax -- Annexation -- Notice -- Requirements for**
 4559 **enforcement of reauthorized tax.**

4560 (1)(a) Except as provided in Subsection (2), and subject to Subsection (6), if a qualifying
 4561 political subdivision enacts, reauthorizes, or repeals an emergency services tax or
 4562 changes the rate of an emergency services tax, the enactment, reauthorization, repeal,
 4563 or change shall take effect:

4564 (i) on the first day of a calendar quarter; and

4565 (ii) after a 90-day period beginning on the date the commission receives notice that
 4566 meets the requirements of Subsection (1)(b) from the qualifying political
 4567 subdivision.

4568 (b) The notice described in Subsection (1)(a)(ii) shall state:

4569 (i) that the qualifying political subdivision will enact, reauthorize, repeal, or change
 4570 the rate of an emergency services tax;

4571 (ii) the statutory authority for the emergency services tax;

4572 (iii) the effective date of the enactment, reauthorization, repeal, or change in the rate
 4573 of the emergency services tax; and

4574 (iv) if the [~~county~~] qualifying political subdivision enacts, reauthorizes, or changes the
 4575 rate of the emergency services tax[~~;~~] , the rate of the emergency services tax.

4576 [~~(A) the rate of the emergency services tax; and~~]

4577 [~~(B) the cities, towns, and unincorporated areas within which the emergency~~
 4578 ~~services tax is imposed.]~~

4579 (2)(a) If the billing period for a transaction begins before the effective date of the
 4580 enactment or reauthorization of an emergency services tax or the increase in the rate
 4581 of an emergency services tax, the enactment or reauthorization of the tax or the tax
 4582 rate increase shall take effect on the first day of the first billing period that begins

- 4583 after the effective date of the enactment or reauthorization of the tax or the tax rate
4584 increase.
- 4585 (b) If the billing period for a transaction begins before the effective date of the repeal of
4586 an emergency services tax or the decrease in the rate of an emergency services tax,
4587 the repeal of the tax or the tax rate decrease shall take effect on the first day of the
4588 last billing period that began before the effective date of the repeal of the tax or the
4589 tax rate decrease.
- 4590 (c) If a tax due under this part on a catalogue sale is computed on the basis of sales and
4591 use tax rates published in the catalogue, an enactment, reauthorization, repeal, or
4592 change in the rate of a tax described in Subsection (1)(a) shall take effect:
4593 (i) on the first day of a calendar quarter; and
4594 (ii) beginning 60 days after the effective date of the enactment, reauthorization,
4595 repeal, or change in the rate of the tax under Subsection (1)(a).
- 4596 (3)(a) Except as provided in Subsection (4), if an annexation will result in the enactment,
4597 repeal, or change in the rate of an emergency services tax for an annexing area, the
4598 enactment, repeal, or change shall take effect:
4599 (i) on the first day of a calendar quarter; and
4600 (ii) after a 90-day period beginning on the date the commission receives notice
4601 meeting the requirements of Subsection (3)(b) from the political subdivision that
4602 annexes the annexing area.
- 4603 (b) The notice described in Subsection (3)(a)(ii) shall state:
4604 (i) that the annexation described in Subsection (3)(a) will result in the enactment,
4605 repeal, or change in the rate of an emergency services tax for the annexing area;
4606 (ii) the statutory authority for the emergency services tax;
4607 (iii) the effective date of the enactment, repeal, or change in the rate of the emergency
4608 services tax; and
4609 (iv) if the annexation results in the enactment or change in the rate of an emergency
4610 services tax for the annexing area, the rate of the emergency services tax.
- 4611 (4)(a) If the billing period for a transaction begins before the effective date of the
4612 enactment of an emergency services tax or the increase in the rate of an emergency
4613 services tax, the enactment of the tax or the tax rate increase shall take effect on the
4614 first day of the first billing period that begins after the effective date of the enactment
4615 of the tax or the tax rate increase.
- 4616 (b) If the billing period for a transaction begins before the effective date of the repeal of

4617 an emergency services tax or the decrease in the rate of an emergency services tax,
 4618 the repeal of the tax or the tax rate decrease shall take effect on the first day of the
 4619 last billing period that began before the effective date of the repeal of the tax or the
 4620 tax rate decrease.

4621 (c) If a tax due under this part on a catalogue sale is computed on the basis of sales and
 4622 use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
 4623 a tax described in Subsection (3)(a) shall take effect:

4624 (i) on the first day of a calendar quarter; and

4625 (ii) beginning 60 days after the effective date of the enactment, repeal, or change in
 4626 the rate of the tax under Subsection (3)(a).

4627 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and for
 4628 purposes of Subsections (2)(c) and (4)(c), the commission may by rule define the term
 4629 "catalogue sale."

4630 (6)(a) If a qualifying political subdivision reauthorizes a tax under this part in
 4631 accordance with Subsection 59-12-2402(5)(c), the qualifying political subdivision
 4632 shall provide to the commission notice of the reauthorization that meets the
 4633 requirements of Subsection (1)(b) at least 90 days before the first day of the calendar
 4634 quarter in which the reauthorization first takes effect.

4635 (b) The commission may not enforce a tax under this part due for reauthorization unless
 4636 the commission receives timely notice of the reauthorization as provided in
 4637 Subsection (6)(a).

4638 Section 27. **Repealer.**

4639 This bill repeals:

4640 Section **59-7-606, Tax credit -- Items using cleaner burning fuels.**

4641 Section **59-11-101, Short title.**

4642 Section **59-11-102, Definitions.**

4643 Section **59-11-103, Tax on transfer of taxable estate of residents -- Amount -- Credit --**
 4644 **Property of a resident defined.**

4645 Section **59-11-104, Tax on transfer of taxable estate of nonresidents -- Amount --**
 4646 **Property of a nonresident defined -- Exemptions.**

4647 Section **59-11-105, Tax returns -- Date to be filed -- Extensions -- Maximum time**
 4648 **allowed.**

4649 Section **59-11-106, Payment date -- Extensions.**

4650 Section **59-11-107, Delinquencies -- Interest -- Penalty.**

4651 Section **59-11-109, Deposit of money collected -- Refund of overpayments -- Limitation.**

4652 Section **59-11-110, Tax as lien -- Instruments issued upon payment -- Certificate of**
4653 **transfer.**

4654 Section **59-11-111, Personal representative -- Payment of tax -- Sale of property --**
4655 **Liability.**

4656 Section **59-11-112, Personal representative -- Final account -- Approval by commission.**

4657 Section **59-11-113, Administration by commission -- Taxpayer notification of change on**
4658 **federal estate tax return -- Assessment of deficiency -- Appeal.**

4659 Section **59-11-114, Confidentiality of information.**

4660 Section **59-11-115, Effective date of chapter.**

4661 Section 28. **Effective Date.**

4662 (1) Except as provided in Subsection (2), this bill takes effect May 6, 2026.

4663 (2) The actions affecting the following sections take effect on July 1, 2026:

4664 (a) Section 59-12-102 (Effective 07/01/26);

4665 (b) Section 59-12-203 (Effective 07/01/26);

4666 (c) Section 59-12-603 (Effective 07/01/26);

4667 (d) Section 59-12-703 (Effective 07/01/26);

4668 (e) Section 59-12-806 (Effective 07/01/26);

4669 (f) Section 59-12-1201 (Effective 07/01/26);

4670 (g) Section 59-12-1402 (Effective 07/01/26); and

4671 (h) Section 59-12-2403 (Effective 07/01/26).

4672 Section 29. **Retrospective operation.**

4673 The following sections have retrospective operation for a taxable year beginning on or
4674 after January 1, 2026:

4675 (1) Section 59-1-401 (Effective 05/06/26) (Applies beginning 01/01/26);

4676 (2) Section 59-2-303.3 (Effective 05/06/26) (Applies beginning 01/01/26);

4677 (3) Section 59-6-103 (Effective 05/06/26) (Applies beginning 01/01/26);

4678 (4) Section 59-7-606 (Effective 05/06/26) (Applies beginning 01/01/26);

4679 (5) Section 59-10-1018 (Effective 05/06/26) (Applies beginning 01/01/26);

4680 (6) Section 59-10-1403.2 (Effective 05/06/26) (Applies beginning 01/01/26);

4681 (7) Section 59-11-101 (Effective 05/06/26) (Applies beginning 01/01/26);

4682 (8) Section 59-11-102 (Effective 05/06/26) (Applies beginning 01/01/26);

4683 (9) Section 59-11-103 (Effective 05/06/26) (Applies beginning 01/01/26);

4684 (10) Section 59-11-104 (Effective 05/06/26) (Applies beginning 01/01/26);

- 4685 (11) Section 59-11-105 (Effective 05/06/26) (Applies beginning 01/01/26);
4686 (12) Section 59-11-106 (Effective 05/06/26) (Applies beginning 01/01/26);
4687 (13) Section 59-11-107 (Effective 05/06/26) (Applies beginning 01/01/26);
4688 (14) Section 59-11-109 (Effective 05/06/26) (Applies beginning 01/01/26);
4689 (15) Section 59-11-110 (Effective 05/06/26) (Applies beginning 01/01/26);
4690 (16) Section 59-11-111 (Effective 05/06/26) (Applies beginning 01/01/26);
4691 (17) Section 59-11-112 (Effective 05/06/26) (Applies beginning 01/01/26);
4692 (18) Section 59-11-113 (Effective 05/06/26) (Applies beginning 01/01/26);
4693 (19) Section 59-11-114 (Effective 05/06/26) (Applies beginning 01/01/26); and
4694 (20) Section 59-11-115 (Effective 05/06/26) (Applies beginning 01/01/26).