

## HB0107S02 compared with HB0107S01

~~Omitted text~~ shows text that was in HB0107S01 but was omitted in HB0107S02  
inserted text shows text that was not in HB0107S01 but was inserted into HB0107S02

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**Vehicle Sales Tax Amendments**  
**2026 GENERAL SESSION**  
**STATE OF UTAH**  
**Chief Sponsor: Jordan D. Teuscher**  
**Senate Sponsor:**

# LONG TITLE

### **General Description:**

This bill enacts {a-} an income tax credit for sales and use tax ~~exemption for sales of~~ paid on certain motor vehicles in separate transactions .

## **Highlighted Provisions:**

This bill:

- {exempts-} creates an income tax credit for a portion of sales and use tax on the purchase price of the lower priced motor vehicle when a person buys and sells two motor vehicles in separate transactions or has an insurance claim on a totaled vehicle paid and purchases a replacement vehicle,

- ▶ provides the method for {claiming} calculating the percentage of sales and use tax {exemption} that is eligible for the income tax credit;

- ▶ **creates a restricted account and provides for the restricted account's funding and distribution;**

- imposes a late registration penalty if a person fails to pay the registration fee before the end of the month following the month in which registration expires;

- makes a new registration effective the same month as the previous registration's starting month;

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16        ▶ eliminates the cure period for a person found in violation of motor vehicle or vessel tax and fee  
requirements before being subject to a penalty;

18        ▶ redirects penalties for violation of motor vehicle or vessel tax and fee requirements to the  
General Fund; and

20        ▶ makes technical and conforming changes.

### 25 **Money Appropriated in this Bill:**

26        None

### 27 **Other Special Clauses:**

28        This bill provides a special effective date.

### 29 **Utah Code Sections Affected:**

30 **AMENDS:**

31        **41-1a-202 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 294

32        **41-1a-203 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 279

33        **41-1a-215 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 285

34        **41-1a-416 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 251

35        **41-1a-1201 (Effective 05/06/26) (Partially Repealed 07/01/29), as last amended by Laws of  
Utah 2025, Chapter 279**

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37        **41-1a-1206 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapters 215, 279

39        **41-12a-806 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 294

33        **{59-12-104, as last amended by Laws of Utah 2025, First Special Session, Chapter 17}**

40 **ENACTS:**

41        **59-1-104 (Effective 05/06/26), Utah Code Annotated 1953**

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42        **59-7-628 (Effective 01/01/27), Utah Code Annotated 1953**

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43        **59-10-1049 (Effective 01/01/27), Utah Code Annotated 1953**

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35        **{59-12-104.12, Utah Code Annotated 1953}**

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

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

47        **41-1a-202. (Effective 05/06/26)Definitions -- Vehicles exempt from registration --**

41        **Registration of vehicles after establishing residency.**

41        (1) As used in this section:

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42 (a) "Designated agent" means the same as that term is [defined in] determined in accordance with  
Section 41-12a-803.

44 (b) "Domicile" means the place:  
45 (i) where an individual has a fixed permanent home and principal establishment;  
46 (ii) to which the individual if absent, intends to return; and  
47 (iii) in which the individual and his family voluntarily reside, not for a special or temporary purpose,  
but with the intention of making a permanent home.

49 (c)  
50 (i) "Resident" means any of the following:  
51 (A) an individual who:  
52 (I) has established a domicile in this state;  
53 (II) regardless of domicile, remains in this state for an aggregate period of six months or more during  
any calendar year;  
54 (III) engages in a trade, profession, or occupation in this state or who accepts employment in other than  
seasonal work in this state and who does not commute into the state;  
55 (IV) declares himself to be a resident of this state for the purpose of obtaining a driver license or motor  
vehicle registration; or  
56 (V) declares himself a resident of Utah to obtain privileges not ordinarily extended to nonresidents,  
including going to school, or placing children in school without paying nonresident tuition or fees;  
or  
57 (B) any individual, partnership, limited liability company, firm, corporation, association, or other  
entity that:  
58 (I) maintains a main office, branch office, or warehouse facility in this state and that bases and operates  
a motor vehicle in this state; or  
59 (II) operates a motor vehicle in intrastate transportation for other than seasonal work.

60 (ii) "Resident" does not include any of the following:  
61 (A) a member of the military temporarily stationed in Utah;  
62 (B) an out-of-state student, as classified by the institution of higher education, enrolled with the  
equivalent of seven or more quarter hours, regardless of whether the student engages in a trade,  
profession, or occupation in this state or accepts employment in this state; and  
63 (C) an individual domiciled in another state or a foreign country that:

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75 (I) is engaged in public, charitable, educational, or religious services for a government agency or an  
organization that qualifies for tax-exempt status under Internal Revenue Code Section 501(c)(3);  
78 (II) is not compensated for services rendered other than expense reimbursements; and  
80 (III) is temporarily in Utah for a period not to exceed 24 months.  
81 (iii) Notwithstanding Subsections (1)(c)(i) and (ii), "resident" includes the owner of a vehicle equipped  
with an automated driving system as defined in Section 41-26-102.1 if the vehicle is physically  
present in the state for more than 30 consecutive days in a calendar year.

85 (2)

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

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

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

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

95 (iv) special mobile equipment;

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

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

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

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

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

108 (A) a commercial vehicle;

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

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- 111 (C) a travel trailer, camping trailer, or fifth wheel trailer of 750 pounds or more laden weight;
- 113 (x) manufactured home or mobile home;
- 114 (xi) off-highway vehicle currently registered under Section 41-22-3 if the off-highway vehicle is:
- 116 (A) being towed;
- 117 (B) operated on a street or highway designated as open to off-highway vehicle use; or
- 119 (C) operated in the manner prescribed in Subsections 41-22-10.3(1) through (3);
- 120 (xii) off-highway implement of husbandry operated in the manner prescribed in Subsections
- 41-22-5.5(3) through (5);
- 122 (xiii) modular and prebuilt homes conforming to the uniform building code and presently regulated by the United States Department of Housing and Urban Development that are not constructed on a permanent chassis;
- 125 (xiv) electric assisted bicycle defined under Section 41-6a-102;
- 126 (xv) motor assisted scooter defined under Section 41-6a-102; or
- 127 (xvi) electric personal assistive mobility device defined under Section 41-6a-102.
- 128 (b) For purposes of an implement of husbandry as described in Subsection (2)(a)(iii), incidental operation on a highway includes operation that is:
- 130 (i) transportation of raw agricultural materials or other agricultural related operations; and
- 132 (ii) limited to 100 miles round trip on a highway.
- 133 (3)
  - (a) Unless otherwise exempted under Subsection (2), registration under this chapter is required for any motor vehicle, combination of vehicles, trailer, semitrailer, vintage vehicle, or restored-modified vehicle within 60 days of the owner establishing residency in this state.
- 137 (b)
  - (i) The commission may contract with a designated agent described in Chapter 12a, Part 8, Uninsured Motorist Identification Database Program, to determine the address for which a contract for owner's or operator's security pertaining to a certain vehicle or vessel is tied.
  - (ii) If the information provided by the designated agent under Subsection (3)(b)(i) indicates that the owner of a vehicle or vessel is a resident of this state, the commission may investigate to ensure compliance with this chapter, Chapter 22, Off-highway Vehicles, Title 59, Chapter 12, Sales and Use Tax Act, and Title 73, Chapter 18, State Boating Act.

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(c) If the commission's investigation described in Subsection (3)(b)(ii) determines that the owner of the vehicle or vessel is not in compliance with this chapter, Chapter 22, Off-highway Vehicles, Title 59, Chapter 12, Sales and Use Tax Act, or Title 73, Chapter 18, State Boating Act, the commission[~~the commission~~]  
150 [~~(i)~~ may impose a penalty on the owner of the vehicle or vessel of \$150; and]  
151 [~~(ii)~~ shall provide notice of noncompliance to the owner of the vehicle or vessel and allow 60 days after the date on which the notice was issued for the owner of the vehicle or vessel to comply with the provisions identified in the commission's investigation described in Subsection (3)(b)(ii).]  
155 [~~(d)~~ If the owner of a vehicle or vessel fails to comply as directed within the time period described in Subsektion (3)(e), the commission created in Section 41-3-104 may] shall impose on the owner of the vehicle or vessel a penalty equal to the greater of:  
158 (i) if the commission finds there was an underpayment of tax under Title 59, Chapter 12, Sales and Use Tax Act, a penalty as provided in Subsection 59-1-401(7); or  
160 (ii) ~~[\$500]~~ \$650.  
161 [~~(e)~~] (d) Upon making a record of the commission's actions, and upon reasonable cause shown, the commission may waive, reduce, or compromise ~~[any]~~ the penalty imposed under Subsection (3)(c)[  
164 or (3)(d)].  
164 [~~(f)~~  
165 (i) ~~The commission shall deposit money from a penalty under Subsections (3)(e)(i) and (3)(d)(ii)~~ for failure to properly register or title a vehicle or vessel pursuant to this chapter, Chapter 22, Off-highway Vehicles, or Title 73, Chapter 18, State Boating Act, into the Uninsured Motorist Identification Restricted Account created in Section 41-12a-806.]  
169 [~~(ii)~~ The commission shall deposit money from a penalty under this Subsection (3)(d)(i) for failure to pay a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act, into the General Fund.]  
172 (e) The commission shall deposit money from a penalty under this Subsection (3) into the {General Fund} Motor Vehicle Sales Tax Restricted Account created in Section 59-1-104.  
174 (4) A motor vehicle that is registered under Section 41-3-306 is exempt from the registration requirements of this part for the time period that the registration under Section 41-3-306 is valid.  
177 (5) A vehicle that has been issued a nonrepairable certificate may not be registered under this chapter.  
187 Section 2. Section **41-1a-203** is amended to read:  
188 **41-1a-203. (Effective 05/06/26)Prerequisites for registration, transfer of ownership, or registration renewal.**

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182 (1) (a) Except as provided in Subsections (1)(b) and (1)(c), the division shall mail a notification to the owner of a vehicle at least 30 days before the date the vehicle's registration is due to expire.

185 (b) (i) The division shall provide a process for a vehicle owner to choose to receive electronic notification of the pending expiration of a vehicle's registration.

187 (ii) If a vehicle owner chooses electronic notification, the division shall notify by email the owner of a vehicle at least 30 days before the date the vehicle's registration is due to expire.

190 (c) If at the time the owner renews the vehicle registration, the previous registration period has been expired at least 270 days, the division is not required to comply with the notification requirement described in Subsection (1)(a) for the next registration period.

194 (d) An individual may elect to receive notification through both electronic means and the mail.

196 (2) Except as otherwise provided, before registration of a vehicle, an owner shall:

197 (a) obtain an identification number inspection under Section 41-1a-204;

198 (b) obtain a certificate of emissions inspection, if required in the current year, as provided under Section 41-6a-1642;

200 (c) pay property taxes, the in lieu fee, or receive a property tax clearance under Section 41-1a-206 or 41-1a-207;

202 (d) pay the automobile driver education tax required by Section 41-1a-208;

203 (e) pay the applicable registration fee, including a late registration penalty, under Part 12, Fee and Tax Requirements;

205 (f) pay the uninsured motorist identification fee under Section 41-1a-1218, if applicable;

206 (g) pay the motor carrier fee under Section 41-1a-1219, if applicable;

207 (h) pay any applicable local emissions compliance fee under Section 41-1a-1223;

208 (i) pay the taxes applicable under Title 59, Chapter 12, Sales and Use Tax Act; and

209 (j) for a roadable aircraft, provide proof of registration of the roadable aircraft as an aircraft under Section 72-10-109.

211 (3) In addition to the requirements in Subsection (1), an owner of a vehicle that has not been previously registered or that is currently registered under a previous owner's name shall apply for a valid certificate of title in the owner's name before registration.

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(4) The division may not issue a new registration, transfer of ownership, or registration renewal under Section 73-18-7 for a vessel or outboard motor that is subject to this chapter unless a certificate of title has been or is in the process of being issued in the same owner's name.

218 (5) The division may not issue a new registration, transfer of ownership, or registration renewal under Section 41-22-3 for an off-highway vehicle that is subject to this chapter unless a certificate of title has been or is in the process of being issued in the same owner's name.

222 (6) The division may not issue a registration renewal for a motor vehicle if the division has received a hold request for the motor vehicle for which a registration renewal has been requested as described in:

225 (a) Section 72-1-213.1; or

226 (b) Section 72-6-118.

235 Section 3. Section **41-1a-215** is amended to read:

236 **41-1a-215. (Effective 05/06/26)Staggered registration dates -- Exceptions.**

229 (1)

(a) Except as provided under Subsections (2) and (3), every vehicle registration, every registration card, and every registration plate issued under this chapter for the first registration of the vehicle in this state, continues in effect for a period of 12 months beginning with the first day of the calendar month of registration and does not expire until the last day of the same month in the following year.

234 (b) If the last day of the registration period falls on a day in which the appropriate state or county offices are not open for business, the registration of the vehicle is extended to midnight of the next business day.

237 (c)

(i) The new registration shall retain the same expiration month as recorded on the original registration even if the registration has expired.

239 (ii) The year of registration expiration shall be changed to reflect the renewed registration period.

241 (2) The provisions of Subsection (1) do not apply to the following:

242 (a) registration issued to government vehicles under Section 41-1a-221;

243 (b) registration issued to apportioned vehicles under Section 41-1a-301;

244 (c) multiyear registration issued under Section 41-1a-222;

245 (d) lifetime trailer registration issued under Section 41-1a-1206;

246 (e) partial year registration issued under Section 41-1a-1207;

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247 (f) a six-month registration issued under Section 41-1a-215.5; or

248 (g) plates issued to a dealer, dismantler, manufacturer, remanufacturer, and transporter under Chapter 3,  
Part 5, Special Dealer License Plates.

250 (3)

(a) Upon application of the owner or lessee of a fleet of commercial vehicles not apportioned under  
Section 41-1a-301 and required to be registered in this state, the State Tax Commission may permit  
the vehicles to be registered for a registration period commencing on the first day of March, June,  
September, or December of any year and expiring on the last day of March, June, September, or  
December in the following year.

256 (b) Upon application of the owner or lessee of a fleet of commercial vehicles apportioned under Section  
41-1a-301 and required to be registered in this state, the State Tax Commission may permit the  
vehicles to be registered for a registration period commencing on the first day of January, April,  
July, or October of any year and expiring on the last day of March, June, September, or December in  
the following year.

262 (c)

(i) Upon application of the owner or lessee of a fleet of personal vehicles required to be registered in  
this state, the State Tax Commission may permit the vehicles to be registered for a registration  
period commencing on the first day of February, May, August, or November of any year and  
expiring on the last day of February, May, August, or November of the following year.

267 (ii) If the registration period for a personal vehicle is adjusted under Subsection (3)(c)(i), the  
registration fees for the adjustment are:

269 (A) 25% of the regular registration fees if the adjustment is for not more than three months;

271 (B) 50% of the regular registration fees if the adjustment is in excess of three months but not more than  
six months;

273 (C) 75% of the regular registration fees if the adjustment is in excess of six months but not more than  
nine months; and

275 (D) 100% of the regular registration fees if the adjustment is in excess of nine months but not more than  
12 months.

277 (4) When the expiration of a registration plate is extended by affixing a registration decal to it, the  
expiration of the decal governs the expiration date of the plate.

287 Section 4. Section **41-1a-416** is amended to read:

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### 41-1a-416. (Effective 05/06/26)Original issue license plates -- Alternative stickers --

#### Rulemaking.

- (1) The owner of a motor vehicle that is a model year 1973 or older may apply to the division for permission to display an original issue license plate.
- (2) An owner described in Subsection (1) shall:
  - (a) complete an application on a form provided by the division;
  - (b) supply and submit to the division for approval the original issue license plate that the owner intends to display on the motor vehicle; and
  - (c) pay the fees [prescribed in] and any applicable penalty required by Sections 41-1a-1206 and 41-1a-1211.
- (3) Before approving an application described in this section, the division shall determine that the original issue license plate:
  - (a) is of a format and type issued by the state for use on a motor vehicle;
  - (b) has numbers and characters that are unique and do not conflict with existing license plate series in this state;
  - (c) is legible, durable, and otherwise in a condition that serves the purposes of this chapter; and
  - (d) is from the same year of issue as the model year of the motor vehicle on which the original issue license plate is to be displayed.
- (4)
  - (a) Except as provided in this section, the owner of a motor vehicle displaying an original issue license plate approved under this section is not exempt from any requirement described in this chapter.
  - (b) An original issue license plate approved under this section is exempt from:
    - (i) the provisions of Section 41-1a-401 regarding reflectorization; and
    - (ii) Section 41-1a-403.
  - (c) Notwithstanding Subsection (4)(a), if a motor vehicle displaying an original issue license plate is also a vintage vehicle as defined in Section 41-21-1, the motor vehicle qualifies for the same exemptions as a vintage vehicle.
- (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division may make rules for the implementation of this section.

Section 5. Section 41-1a-1201 is amended to read:

**41-1a-1201. Disposition of fees.**

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320 (1) All fees received and collected under this part shall be transmitted daily to the state treasurer.

322 (2) Except as provided in Subsections (3), (5), (6), (7), (8), and (9), Subsection 41-1a-1206(13), and  
Sections 41-1a-1205, 41-1a-1220, 41-1a-1221, 41-1a-1222, 41-1a-1223, and 41-1a-1603, all fees  
collected under this part shall be deposited into the Transportation Fund.

326 (3) Funds generated under Subsections 41-1a-1211(1)(b)(ii), (6)(b)(ii), (7), and (9), and Section  
41-1a-1212 shall be deposited into the License Plate Restricted Account created in Section  
41-1a-122.

329 (4)

(a) Except as provided in Subsections (3) and (4)(b) and Section 41-1a-1205, the expenses of  
the commission in enforcing and administering this part shall be provided for by legislative  
appropriation from the revenues of the Transportation Fund.

333 (b) Three dollars of the registration fees imposed under Subsections 41-1a-1206(2)(a) and (b) for each  
vehicle registered for a six-month registration period under Section 41-1a-215.5 may be used by the  
commission to cover the costs incurred in enforcing and administering this part.

337 (c) Fifty cents of the registration fee imposed under Subsection 41-1a-1206(1)(i) for each vintage  
vehicle that has a model year of 1983 or newer may be used by the commission to cover the costs  
incurred in enforcing and administering this part.

340 (5)

(a) The following portions of the registration fees imposed under Section 41-1a-1206 for each vehicle  
shall be deposited into the Transportation Investment Fund of 2005 created in Section 72-2-124:

343 (i) \$30 of the registration fees imposed under Subsections 41-1a-1206(1)(a), (1)(b), (1)(f), (4), and  
(7);

345 (ii) \$21 of the registration fees imposed under Subsections 41-1a-1206(1)(c)(i) and (1)(c)(ii);

347 (iii) \$2.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(ii);

348 (iv) \$23 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(i);

349 (v) \$24.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(i);

350 (vi) \$1 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(ii); and

351 (vii) \$17 of the registration fee imposed under Subsection 41-1a-1206(1)(j).

352 (b) The following portions of the registration fees collected for each vehicle registered for a six-month  
registration period under Section 41-1a-215.5 shall be deposited into the Transportation Investment  
Fund of 2005 created in Section 72-2-124:

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355 (i) \$23.25 of each registration fee collected under Subsection 41-1a-1206(2)(a)(i); and  
356 (ii) \$23 of each registration fee collected under Subsection 41-1a-1206(2)(a)(ii).

357 (6)

360 (a) Ninety-four cents of each registration fee imposed under Subsections 41-1a-1206(1)(a) and (b) for each vehicle shall be deposited into the Public Safety Restricted Account created in Section 53-3-106.

364 (b) Seventy-one cents of each registration fee imposed under Subsections 41-1a-1206(2)(a) and (b) for each vehicle registered for a six-month registration period under Section 41-1a-215.5 shall be deposited into the Public Safety Restricted Account created in Section 53-3-106.

367 (7)

371 (a) One dollar of each registration fee imposed under Subsections 41-1a-1206(1)(a) and (b) for each vehicle shall be deposited into the Motor Vehicle Safety Impact Restricted Account created in Section 53-8-214.

374 (b) One dollar of each registration fee imposed under Subsections 41-1a-1206(2)(a) and (b) for each vehicle registered for a six-month registration period under Section 41-1a-215.5 shall be deposited into the Motor Vehicle Safety Impact Restricted Account created in Section 53-8-214.

377 (8) Fifty cents of each registration fee imposed under Subsection 41-1a-1206(1)(a) for each motorcycle shall be deposited into the Brain and Spinal Cord Injury Fund created in Section 26B-1-318.

380 (9)

383 (a) [Beginning on January 1, 2024, subject] Subject to Subsection (9)(b), \$2 of each registration fee imposed under Section 41-1a-1206 shall be deposited into the Rural Transportation Infrastructure Fund created in Section 72-2-133.

384 (b) [Beginning on January 1, 2025, and each January 1 thereafter] On each January 1, the amount described in Subsection (9)(a) shall be annually adjusted by taking the amount deposited the previous year and adding an amount equal to the greater of:

386 (i) an amount calculated by multiplying the amount deposited by the previous year by the actual percentage change during the previous fiscal year in the Consumer Price Index; and

387 (ii) 0.

388 (c) The amounts calculated as described in Subsection (9)(b) shall be rounded up to the nearest 1 cent.

389 (10) For a vehicle registered for a 24-month period as provided in Section 41-1a-215.5, the deposits under this section are double the amounts due for a 12-month registration of the same vehicle.

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389       Section 6. Section **41-1a-1206** is amended to read:

390       **41-1a-1206. (Effective 05/06/26)Registration fees -- Fees by gross laden weight.**

311       (1) Except as provided in Subsections (2) and (3), at the time application is made for registration or  
312       renewal of registration of a vehicle or combination of vehicles under this chapter, a registration fee  
313       shall be paid to the division as follows:

314       (a) \$46.00 for each motorcycle;

315       (b) \$44 for each motor vehicle of 14,000 pounds or less gross laden weight, excluding motorcycles;

316       (c) unless the semitrailer or trailer is exempt from registration under Section 41-1a-202 or is registered  
317       under Section 41-1a-301:

318           (i) \$31 for each trailer or semitrailer over 750 pounds gross unladen weight; or

319           (ii) \$28.50 for each commercial trailer or commercial semitrailer of 750 pounds or less gross unladen  
320           weight;

321       (d)

322           (i) \$53 for each farm truck over 14,000 pounds, but not exceeding 16,000 pounds gross laden weight;  
323           plus

324           (ii) \$9 for each 2,000 pounds over 16,000 pounds gross laden weight;

325       (e)

326           (i) \$69.50 for each motor vehicle or combination of motor vehicles, excluding farm trucks, over 14,000  
327           pounds, but not exceeding 16,000 pounds gross laden weight; plus

328           (ii) \$19 for each 2,000 pounds over 16,000 pounds gross laden weight;

329       (f)

330           (i) \$69.50 for each park model recreational vehicle over 14,000 pounds, but not exceeding 16,000  
331           pounds gross laden weight; plus

332           (ii) \$19 for each 2,000 pounds over 16,000 pounds gross laden weight;

333           (g) \$45 for each vintage vehicle that has a model year of 1983 or newer;

334           (h) in addition to the fee described in Subsection (1)(b):

335           (i) an amount equal to the road usage charge cap described in Section 72-1-213.1 for:

336           (A) each electric motor vehicle; and

337           (B) Each motor vehicle not described in this Subsection (1)(h) that is fueled exclusively by a source  
338           other than motor fuel, diesel fuel, natural gas, or propane;

339           (ii) \$21.75 for each hybrid electric motor vehicle; and

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340 (iii) \$56.50 for each plug-in hybrid electric motor vehicle;

341 (i) in addition to the fee described in Subsection (1)(g), for a vintage vehicle that has a model year of  
1983 or newer, 50 cents; and

343 (j) \$28.50 for each roadable aircraft.

344 (2)

347 (a) At the time application is made for registration or renewal of registration of a vehicle under this  
chapter for a six-month registration period under Section 41-1a-215.5, a registration fee shall be  
paid to the division as follows:

348 (i) \$34.50 for each motorcycle; and

349 (ii) \$33.50 for each motor vehicle of 14,000 pounds or less gross laden weight, excluding  
motorcycles.

350 (b) In addition to the fee described in Subsection (2)(a)(ii), for registration or renewal of registration  
of a vehicle under this chapter for a six-month registration period under Section 41-1a-215.5 a  
registration fee shall be paid to the division as follows:

353 (i) an amount equal to the road usage charge cap described in Section 72-1-213.1 for:

354 (A) each electric motor vehicle; and

355 (B) each motor vehicle not described in this Subsection (2)(b) that is fueled exclusively by a source  
other than motor fuel, diesel fuel, natural gas, or propane;

358 (ii) \$16.50 for each hybrid electric motor vehicle; and

359 (iii) \$43.50 for each plug-in hybrid electric motor vehicle.

360 (3)

361 (a) Beginning on January 1, 2024, at the time of registration:

362 (i) in addition to the amounts described in Subsections (1)(a), (1)(b), (1)(c)(i), (1)(c)(ii), (1)(d)(i),  
(1)(e)(i), (1)(f)(i), (1)(g), (1)(h), (4)(a), and (7), the individual shall also pay an additional \$7 as  
part of the registration fee; and

364 (ii) in addition to the amounts described in Subsection (2)(a), the individual shall also pay an  
additional \$5 as part of the registration fee.

366 (b)

367 (i) Beginning on January 1, 2019, the commission shall, on January 1, annually adjust the registration  
fees described in Subsections (1)(a), (1)(b), (1)(c)(i), (1)(c)(ii), (1)(d)(i), (1)(e)(i), (1)(f)(i), (1)(g),

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(1)(j), (2)(a), (3)(a), (4)(a), and (7), by taking the registration fee rate for the previous year and adding an amount equal to the greater of:

371 (A) an amount calculated by multiplying the registration fee of the previous year by the actual  
percentage change during the previous fiscal year in the Consumer Price Index; and

374 (B) 0.

375 (ii) Beginning on January 1, 2024, the commission shall, on January 1, annually adjust the registration fees described in Subsections (1)(h)(ii) and (iii) and (2)(b)(ii) and (iii) by taking the registration fee rate for the previous year and adding an amount equal to the greater of:

379 (A) an amount calculated by multiplying the registration fee of the previous year by the actual  
percentage change during the previous fiscal year in the Consumer Price Index; and

382 (B) 0.

383 (c) The amounts calculated as described in Subsection (3)(b) shall be rounded up to the nearest 25 cents.

385 (4)

387 (a) The initial registration fee for a vintage vehicle that has a model year of 1982 or older is \$40.

389 (b) A vintage vehicle that has a model year of 1982 or older is exempt from the renewal of registration fees under Subsection (1).

392 (c) A vehicle with a Purple Heart special group license plate issued on or before December 31, 2023, or issued in accordance with Part 16, Sponsored Special Group License Plates, is exempt from the registration fees under Subsection (1).

393 (d) A camper is exempt from the registration fees under Subsection (1).

396 (5) If a motor vehicle is operated in combination with a semitrailer or trailer, each motor vehicle shall register for the total gross laden weight of all units of the combination if the total gross laden weight of the combination exceeds 14,000 pounds.

(6)

(a) Registration fee categories under this section are based on the gross laden weight declared in the licensee's application for registration.

398 (b) Gross laden weight shall be computed in units of 2,000 pounds. A fractional part of 2,000 pounds is a full unit.

400

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(7) The owner of a trailer described in Section 41-1a-228 may, as an alternative to registering under Subsection (1)(c), apply for and obtain a special registration and license plate, as provided in Section 41-1a-228, for a fee of \$130.

403 (8) For a vehicle registered for a 24-month period as provided in Section 41-1a-215.5, the fee amounts  
404 are double the amounts due for a 12-month registration of the same vehicle.

405 (9) Except as provided in Section 41-6a-1642, a truck may not be registered as a farm truck unless:

406 (a) the truck meets the definition of a farm truck under Section 41-1a-102; and

407 (b)

408 (i) the truck has a gross vehicle weight rating of more than 14,000 pounds; or

409 (ii) the truck has a gross vehicle weight rating of 14,000 pounds or less and the owner submits to the  
410 division a certificate of emissions inspection or a waiver in compliance with Section 41-6a-1642.

411 (10) A violation of Subsection (9) is an infraction that shall be punished by a fine of not less than \$200.

412 (11) A motor vehicle registered as a street-legal all-terrain vehicle is:

413 (a) subject to the registration and other fees described in Section 41-22-9; and

414 (b) not required to pay an additional registration fee under this section.

415 (12) Trucks used exclusively to pump cement, bore wells, or perform crane services with a crane lift  
416 capacity of five or more tons, are exempt from 50% of the amount of the fees required for those  
417 vehicles under this section.

418 (13)

419 (a) In addition to the registration fee this section requires, a late registration penalty shall be paid  
420 for each month that begins 30 or more days after the last day of the month in which a previous  
421 registration expires until the earlier of:

422 (i) eleven months of late registration penalties accrue; or

423 (ii) registration is renewed.

424 (b) The late registration penalty per month is equal to the amount listed as the suggested fine for a  
425 violation of Section 41-1a-1303 on the uniform fine schedule published by the Judicial Council in  
426 accordance with Section 76-3-301.5.

427 (c) A penalty is not due for a vehicle that was exempt from registration during the time period since the  
428 registration was due.

429 (d) The commission shall deposit the late registration penalty into the Motor Vehicle Sales Tax  
430 Restricted Account created in Section 59-1-104.

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512       Section 7. Section **41-12a-806** is amended to read:

513       **41-12a-806. (Effective 05/06/26)Restricted account -- Creation -- Funding -- Interest --**

514       **Purposes.**

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

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

518       [(a) ~~money received by the state under Subsektion 41-1a-202(3);~~]  
519       [(b)] (a) money received by the state under Section 41-1a-1218, the uninsured motorist identification  
520           fee;

521       [(e)] (b) money received by the state under Section 41-1a-1220, the registration reinstatement fee; and  
522       [(d)] (c) appropriations made to the account by the Legislature.

523       (3)

524           (a) The account shall earn interest.

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

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

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

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

530           (c) the State Tax Commission to:

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

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

535           (d) the department to reimburse a person for the costs of towing and storing the person's vehicle if:

536           (i) the person's vehicle was impounded in accordance with Subsection 41-1a-1101(4);

537           (ii) the impounded vehicle had owner's or operator's security in effect for the vehicle at the time of the  
538           impoundment;

539           (iii) the database indicated that owner's or operator's security was not in effect for the impounded  
540           vehicle; and

541           (iv) the department determines that the person's vehicle was wrongfully impounded.

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(5) The Legislature may appropriate not more than \$2,000,000 annually from the account to the Peace Officer Standards and Training Division, created under Section 53-6-103, for use in law enforcement training, including training on the use of the Uninsured Motorist Identification Database Program created under Part 8, Uninsured Motorist Identification Database Program.

465 (6)

(a) By following the procedures in Title 63G, Chapter 4, Administrative Procedures Act, the department shall hold a hearing to determine whether a person's vehicle was wrongfully impounded under Subsection 41-1a-1101(4).

468 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division shall make rules establishing procedures for a person to apply for a reimbursement under Subsection (4)(d).

471 (c) A person is not eligible for a reimbursement under Subsection (4)(d) unless the person applies for the reimbursement within six months from the date that the motor vehicle was impounded.

557 Section 8. Section 8 is enacted to read:

### **59-1-104. Motor Vehicle Sales Tax Restricted Account.**

558 (1) As used in this section, "account" means the Motor Vehicle Sales Tax Restricted Account created in Subsection (2).

561 (2) There is created within the General Fund a restricted account known as the "Motor Vehicle Sales Tax Restricted Account."

563 (3) The account shall be funded by the revenue deposited into the account in accordance with Subsection (5).

565 (4)

566 (a) The account shall earn interest.

566 (b) The interest described in Subsection (4)(a) shall be deposited into the General Fund.

567 (5) The commission shall deposit the penalties described in Subsections 41-1a-202(3) and 41-1a-1206(13) into the account.

569 (6) After notification from the commission, the Division of Finance shall transfer the amount the commission projects in accordance with Subsections 59-7-628(5) and 59-10-1049(5) into the General Fund.

572 Section 9. Section 9 is enacted to read:

### **59-7-628. Nonrefundable tax credit for sales tax paid on replacement vehicle.**

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575 (1) As used in this section:

576 (a) "Qualifying motor vehicle" means a motor vehicle that a person purchases:

577 (i) in a separate transaction:

578 (A) from the sale of another motor vehicle that is titled in Utah; and

579 (B) within 30 days before or after the date of the sale of the motor vehicle described in Subsection (1)  
(a)(i)(A); or

581 (ii) within 30 days after an insurance company paid on a claim for a totaled motor vehicle.

583 (b) "Replacement vehicle" means a qualifying motor vehicle:

584 (i) titled in the state; and

585 (ii) for which the titleholder matches the titleholder of the motor vehicle described in:

586 (A) Subsection (1)(a)(i)(A) immediately before the sale; or

587 (B) Subsection (1)(a)(ii) at the time of the insurance claim.

588 (2) A taxpayer may claim a nonrefundable tax credit against liability due under this part if the taxpayer:

590 (a) purchases a replacement vehicle; and

591 (b) does not receive the sales and use tax exemption described in Subsection 59-12-104(17).

593 (3) The amount of the tax credit is equal to the product of:

594 (a) the percentage the commission calculates in accordance with Subsection (4); and

595 (b) the lesser of:

596 (i)

600 (A) for a replacement vehicle that is a qualifying vehicle described in Subsection (1)(a)(i), the amount  
calculated by multiplying the sales price listed on the title for the qualifying motor vehicle described  
in Subsection (1)(a)(i)(A) by the sales and use tax rate that applies to the replacement vehicle; or

603 (B) the amount calculated by multiplying the amount the insurance company paid on the claim for a  
motor vehicle by the sales and use tax rate that applies to the replacement vehicle; or

604 (ii) the actual sales and use tax paid for the replacement vehicle.

(4)

603 (a) On October 1 of each year, the commission shall determine the percentage, for the current taxable  
year, of the tax credit described in this section by dividing the total amount of penalties deposited  
into the Motor Vehicle Sales Tax Restricted Account during the past 12 months by the amount of  
sales and use taxes paid under Chapter 12, Sales and Use Tax Act, on motor vehicles during the past  
12 months.

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609 (b) If the calculation described in Subsection (4)(a) results in a percentage that is higher than 100%, the  
rate is 100%.

611 (5) The commission shall project the amount of reduced income tax revenue resulting from the credit  
described in this section and Section 59-10-1049 for the next taxable year and notify the Division of  
Finance of the amount.

614 (6) A taxpayer may carry forward, to the next three taxable years, the amount of the taxpayer's tax  
credit described in Subsection (2) that exceeds the taxpayer's income tax liability for the taxable  
year.

617 Section 10. Section **10** is enacted to read:

618 **59-10-1049. Nonrefundable tax credit for sales tax paid on replacement vehicle.**

620 (1) As used in this section:

621 (a) "Qualifying motor vehicle" means a motor vehicle that a person purchases:

622 (i) in a separate transaction:

623 (A) from the sale of another motor vehicle that is titled in Utah; and

624 (B) within 30 days before or after the date of the sale of the motor vehicle described in Subsection (1)  
(a)(i)(A); or

626 (ii) within 30 days after an insurance company paid on a claim for a totaled motor vehicle.

628 (b) "Replacement vehicle" means a qualifying motor vehicle:

629 (i) titled in the state; and

630 (ii) for which the titleholder matches the titleholder of the motor vehicle described in:

631 (A) Subsection (1)(a)(i)(A) immediately before the sale; or

632 (B) Subsection (1)(a)(ii) at the time of the insurance claim.

633 (2) A claimant, estate, or trust may claim a nonrefundable tax credit against liability due under this part  
if the claimant, estate, or trust:

635 (a) purchases a replacement vehicle; and

636 (b) does not receive the sales and use tax exemption described in Subsection 59-12-104(17).

638 (3) The amount of the tax credit is equal to the product of:

639 (a) the percentage the commission calculates in accordance with Subsection (4); and

640 (b) the lesser of:

641 (i)

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(A) for a replacement vehicle that is a qualifying vehicle described in Subsection (1)(a)(i), the amount calculated by multiplying the sales price listed on the title for the motor vehicle described in Subsection (1)(a)(i)(A) by the sales and use tax rate that applies to the replacement vehicle; or

(B) the amount calculated by multiplying the amount the insurance company paid on the claim for a motor vehicle by the sales and use tax rate that applies to the replacement vehicle; or

(ii) the actual sales and use tax paid for the replacement vehicle.

(4)

(a) On October 1 of each year, the commission shall determine the percentage, for the current taxable year, of the tax credit described in this section by dividing the total amount of penalties deposited into the Motor Vehicle Sales Tax Restricted Account during the past 12 months by the amount of sales and use taxes paid under Chapter 12, Sales and Use Tax Act, on motor vehicles during the past 12 months.

(b) If the calculation described in Subsection (4)(a) results in a percentage that is higher than 100%, the rate is 100%.

(5) The commission shall project the amount of reduced income tax revenue resulting from the credit described in this section and Section 59-7-628 for the next taxable year and notify the Division of Finance of the amount.

(6) A claimant, estate, or trust may carry forward, to the next three taxable years, the amount of the claimant's, estate's, or trust's tax credit described in Subsection (2) that exceeds the claimant's, estate's, or trust's income tax liability for the taxable year.

~~{Section 7. Section 59-12-104 is amended to read: }~~

### 59-12-104. Exemptions.

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

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

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

(a) construction materials except:

(i) construction materials purchased by or on behalf of institutions of the public education system as defined in Utah Constitution, Article X, Section 2, provided the construction materials are clearly

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identified and segregated and installed or converted to real property which is owned by institutions of the public education system; and

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

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

493 (3)

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

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

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

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

498 (i) food and food ingredients; or

499 (ii) prepared food;

500 (4)

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

502 (i) alcoholic beverages;

503 (ii) food and food ingredients; or

504 (iii) prepared food;

505 (b) sales of tangible personal property or a product transferred electronically:

506 (i) to a passenger;

507 (ii) by a commercial airline carrier; and

508 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or

509 (c) services related to Subsection (4)(a) or (b);

510 (5) sales of parts and equipment for installation in an aircraft operated by a common carrier in interstate or foreign commerce;

511 (6) sales of commercials, motion picture films, prerecorded audio program tapes or records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture exhibitor, distributor, or commercial television or radio broadcaster;

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514 (7)

514 (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of cleaning or washing of tangible personal property if the cleaning or washing of the tangible personal property is not assisted cleaning or washing of tangible personal property;

518 (b) if a seller that sells at the same business location assisted cleaning or washing of tangible personal property and cleaning or washing of tangible personal property that is not assisted cleaning or washing of tangible personal property, the exemption described in Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning or washing of the tangible personal property; and

523 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules:

525 (i) governing the circumstances under which sales are at the same business location; and

527 (ii) establishing the procedures and requirements for a seller to separately account for sales of assisted cleaning or washing of tangible personal property;

529 (8) sales made to or by religious or charitable institutions in the conduct of their regular religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are fulfilled;

532 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this state if:

534 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;

535 (b) the vehicle is not registered in this state; and

536 (c)

537 (i) the vehicle is not used in this state; or

537 (ii) the vehicle is used in this state:

538 (A) if the vehicle is not used to conduct business, for a time period that does not exceed the longer of:

540 (I) 30 days in any calendar year; or

541 (II) the time period necessary to transport the vehicle to the borders of this state; or

543 (B) if the vehicle is used to conduct business, for the time period necessary to transport the vehicle to the borders of this state;

545 (10)

546 (a) amounts paid for an item described in Subsection (10)(b) if:

547 (i) the item is intended for human use; and

547 (ii)

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(A) a prescription was issued for the item; or

548 (B) the item was purchased by a hospital or other medical facility; and

549 (b)

550 (i) Subsection (10)(a) applies to:

551 (A) a drug;

552 (B) a syringe; or

553 (C) a stoma supply; and

554 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission  
555 may by rule define the terms:

556 (A) "syringe"; or

557 (B) "stoma supply";

558 (11) purchases or leases exempt under Section 19-12-201;

559 (12)

560 (a) sales of an item described in Subsection (12)(c) served by:

561 (i) the following if the item described in Subsection (12)(c) is not available to the general public:

562 (A) a church; or

563 (B) a charitable institution; or

564 (ii) an institution of higher education if:

565 (A) the item described in Subsection (12)(c) is not available to the general public; or

566 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan offered by the  
567 institution of higher education;

568 (b) sales of an item described in Subsection (12)(c) provided for a patient by:

569 (i) a medical facility; or

570 (ii) a nursing facility; and

571 (c) Subsections (12)(a) and [~~(b)~~] (12)(b) apply to:

572 (i) food and food ingredients;

573 (ii) prepared food; or

574 (iii) alcoholic beverages;

575 (13)

576 (a) except as provided in Subsection (13)(b), the sale of tangible personal property or a product  
577 transferred electronically by a person:

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577 (i) regardless of the number of transactions involving the sale of that tangible personal property or  
product transferred electronically by that person; and

579 (ii) not regularly engaged in the business of selling that type of tangible personal property or  
product transferred electronically;

581 (b) this Subsection (13) does not apply if:

582 (i) the sale is one of a series of sales of a character to indicate that the person is regularly engaged in the  
business of selling that type of tangible personal property or product transferred electronically;

585 (ii) the person holds that person out as regularly engaged in the business of selling that type of tangible  
personal property or product transferred electronically;

587 (iii) the person sells an item of tangible personal property or product transferred electronically that the  
person purchased as a sale that is exempt under Subsection (25); or

590 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of this state in  
which case the tax is based upon:

592 (A) the bill of sale, lease agreement, or other written evidence of value of the vehicle or vessel being  
sold; or

594 (B) in the absence of a bill of sale, lease agreement, or other written evidence of value, the fair market  
value of the vehicle or vessel being sold at the time of the sale as determined by the commission;  
and

597 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission  
shall make rules establishing the circumstances under which:

599 (i) a person is regularly engaged in the business of selling a type of tangible personal property or  
product transferred electronically;

601 (ii) a sale of tangible personal property or a product transferred electronically is one of a series of sales  
of a character to indicate that a person is regularly engaged in the business of selling that type of  
tangible personal property or product transferred electronically; or

605 (iii) a person holds that person out as regularly engaged in the business of selling a type of tangible  
personal property or product transferred electronically;

607 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair  
or replacement parts, or materials, except for office equipment or office supplies, by:

610 (a) a manufacturing facility that:

611 (i) is located in the state; and

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612 (ii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or  
614 materials:  
614 (A) in the manufacturing process to manufacture an item sold as tangible personal property, as the  
614 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative  
614 Rulemaking Act; or  
617 (B) for a scrap recycler, to process an item sold as tangible personal property, as the commission may  
617 define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;  
620 (b) an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah  
620 Administrative Rulemaking Act, that:  
622 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS Code 213113,  
622 Support Activities for Coal Mining, 213114, Support Activities for Metal Mining, or 213115,  
622 Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the 2002 North American  
622 Industry Classification System of the federal Executive Office of the President, Office of  
622 Management and Budget;  
627 (ii) is located in the state; and  
628 (iii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or  
628 materials in:  
630 (A) the production process to produce an item sold as tangible personal property, as the commission  
630 may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
630 Act;  
633 (B) research and development, as the commission may define that phrase in accordance with Title 63G,  
633 Chapter 3, Utah Administrative Rulemaking Act;  
635 (C) transporting, storing, or managing tailings, overburden, or similar waste materials produced from  
635 mining;  
637 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in mining; or  
639 (E) preventing, controlling, or reducing dust or other pollutants from mining; or  
640 (c) an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah  
640 Administrative Rulemaking Act, that:  
642 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North American Industry  
642 Classification System of the federal Executive Office of the President, Office of Management and  
642 Budget;

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645 (ii) is located in the state; and

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

648 (15)

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

650 (i) tooling;

651 (ii) special tooling;

652 (iii) support equipment;

653 (iv) special test equipment; or

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

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

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

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

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

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

660 (16) sales of newspapers or newspaper subscriptions;

661 (17)

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

663 (i) the bill of sale or other written evidence of value of the vehicle being sold and the vehicle being  
traded in; or

664 (ii) in the absence of a bill of sale or other written evidence of value, the then existing fair  
market value of the vehicle being sold and the vehicle being traded in, as determined by the  
commission; and

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675 (b) Subsection (17)(a) does not apply to the following items of tangible personal property or products transferred electronically traded in as full or part payment of the purchase price:

678 (i) money;

679 (ii) electricity;

680 (iii) water;

681 (iv) gas; or

682 (v) steam;

683 (18)

687 (a)

688 (i) except as provided in Subsection (18)(b), sales of tangible personal property or a product transferred electronically used or consumed primarily and directly in farming operations, regardless of whether the tangible personal property or product transferred electronically:

689 (A) becomes part of real estate; or

690 (B) is installed by a farmer, contractor, or subcontractor; or

691 (ii) sales of parts used in the repairs or renovations of tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically is exempt under Subsection (18)(a)(i); and

692 (b) amounts paid or charged for the following are subject to the taxes imposed by this chapter:

693 (i)

694 (A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or supplies if used in a manner that is incidental to farming; and

695 (B) tangible personal property that is considered to be used in a manner that is incidental to farming includes:

696 (I) hand tools; or

697 (II) maintenance and janitorial equipment and supplies;

698 (ii)

699 (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically is used in an activity other than farming; and

700 (B) tangible personal property or a product transferred electronically that is considered to be used in an activity other than farming includes:

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705 (I) office equipment and supplies; or

706 (II) equipment and supplies used in:

707 (Aa) the sale or distribution of farm products;

708 (Bb) research; or

709 (Cc) transportation; or

710 (iii) a vehicle required to be registered by the laws of this state during the period ending two years after  
the date of the vehicle's purchase;

712 (19) sales of hay;

713 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden, farm, or  
other agricultural produce if the seasonal crops are, seedling plants are, or garden, farm, or other  
agricultural produce is sold by:

716 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other agricultural produce;

718 (b) an employee of the producer described in Subsection (20)(a); or

719 (c) a member of the immediate family of the producer described in Subsection (20)(a);

720 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under the Food  
Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

722 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags, nonreturnable shipping  
cases, and nonreturnable casings to a manufacturer, processor, wholesaler, or retailer for use in  
packaging tangible personal property to be sold by that manufacturer, processor, wholesaler, or  
retailer;

726 (23) a product stored in the state for resale;

727 (24)

728 (a) purchases of a product if:

729 (i) the product is:

730 (A) purchased outside of this state;

731 (B) brought into this state:

732 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and

733 (II) by a nonresident person who is not living or working in this state at the time of the purchase;

734 (C) used for the personal use or enjoyment of the nonresident person described in Subsection (24)(a)(i)  
(B)(II) while that nonresident person is within the state; and

737 (D) not used in conducting business in this state; and

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- (ii) for:
  - (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of the product for a purpose for which the product is designed occurs outside of this state;
  - (B) a boat, the boat is registered outside of this state; or
  - (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered outside of this state;
- (b) the exemption provided for in Subsection (24)(a) does not apply to:
  - (i) a lease or rental of a product; or
  - (ii) a sale of a vehicle exempt under Subsection (33); and
- (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of Subsection (24)(a), the commission may by rule define what constitutes the following:
  - (i) conducting business in this state if that phrase has the same meaning in this Subsection (24) as in Subsection (63);
  - (ii) the first use of a product if that phrase has the same meaning in this Subsection (24) as in Subsection (63); or
  - (iii) a purpose for which a product is designed if that phrase has the same meaning in this Subsection (24) as in Subsection (63);
- (25) a product purchased for resale in the regular course of business, either in the product's original form or as an ingredient or component part of a manufactured or compounded product;
- (26) a product upon which a sales or use tax was paid to some other state, or one of another state's subdivisions, except that the state shall be paid any difference between the tax paid and the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax Act;
- (27) any sale of a service described in Subsections 59-12-103(1)(b), ~~[(e), and (d)]~~ (1)(c), and (1)(d) to a person for use in compounding a service taxable under the subsections;
- (28) purchases made in accordance with the special supplemental nutrition program for women, infants, and children established in 42 U.S.C. Sec. 1786;
- (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of the President, Office of Management and Budget;

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773 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State Boating Act, a  
boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:

776 (a) not registered in this state; and

777 (b)

778 (i) not used in this state; or

779 (ii) used in this state:

781 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a time period that  
does not exceed the longer of:

782 (I) 30 days in any calendar year; or

783 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to the borders of this  
state; or

784 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time period necessary  
to transport the boat, boat trailer, or outboard motor to the borders of this state;

787 (31) sales of aircraft manufactured in Utah;

788 (32) amounts paid for the purchase of telecommunications service for purposes of providing  
telecommunications service;

790 (33) sales, leases, or uses of the following:

791 (a) a vehicle by an authorized carrier; or

792 (b) tangible personal property that is installed on a vehicle:

793 (i) sold or leased to or used by an authorized carrier; and

794 (ii) before the vehicle is placed in service for the first time;

795 (34)

796 (a) 45% of the sales price of any new manufactured home; and

797 (b) 100% of the sales price of any used manufactured home;

798 (35) sales relating to schools and fundraising sales;

799 (36) sales or rentals of durable medical equipment if:

800 (a) a person presents a prescription for the durable medical equipment; and

801 (b) the durable medical equipment is used for home use only;

802 (37)

803 (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in Section 72-11-102;  
and

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803 (b) the commission shall by rule determine the method for calculating sales exempt under Subsection  
804 (37)(a) that are not separately metered and accounted for in utility billings;

806 (38) sales to a ski resort of:  
807 (a) snowmaking equipment;  
808 (b) ski slope grooming equipment;  
809 (c) passenger ropeways as defined in Section 72-11-102; or  
810 (d) parts used in the repairs or renovations of equipment or passenger ropeways described in  
811 Subsections (38)(a) through [ (e) ] (38)(c);  
812 (39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel oil, or other  
813 fuels for industrial use;

814 (40)  
815 (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for amusement,  
816 entertainment, or recreation an unassisted amusement device as defined in Section 59-12-102;  
817 (b) if a seller that sells or rents at the same business location the right to use or operate for amusement,  
818 entertainment, or recreation one or more unassisted amusement devices and one or more assisted  
819 amusement devices, the exemption described in Subsection (40)(a) applies if the seller separately  
820 accounts for the sales or rentals of the right to use or operate for amusement, entertainment, or  
821 recreation for the assisted amusement devices; and  
822 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah  
823 Administrative Rulemaking Act, the commission may make rules:  
824 (i) governing the circumstances under which sales are at the same business location; and  
825 (ii) establishing the procedures and requirements for a seller to separately account for the sales or  
826 rentals of the right to use or operate for amusement, entertainment, or recreation for assisted  
827 amusement devices;

828 (41)  
829 (a) sales of photocopies by:  
830 (i) a governmental entity; or  
831 (ii) an entity within the state system of public education, including:  
832 (A) a school; or  
833 (B) the State Board of Education; or  
834 (b) sales of publications by a governmental entity;

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836 (42) amounts paid for admission to an athletic event at an institution of higher education that is subject  
837 to the provisions of Title IX of the Education Amendments of 1972, 20 U.S.C. Sec. 1681 et seq.;

839 (43)  
840 (a) sales made to or by:  
841 (i) an area agency on aging; or  
842 (ii) a senior citizen center owned by a county, city, or town; or  
843 (b) sales made by a senior citizen center that contracts with an area agency on aging;  
844 (44) sales or leases of semiconductor fabricating, processing, research, or development materials  
845 regardless of whether the semiconductor fabricating, processing, research, or development  
846 materials:  
847 (a) actually come into contact with a semiconductor; or  
848 (b) ultimately become incorporated into real property;  
849 (45) an amount paid by or charged to a purchaser for accommodations and services described in  
850 Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section 59-12-104.2;  
851 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in accordance  
852 with Section 41-3-306 for the event period specified on the temporary sports event registration  
853 certificate;  
854 (47)  
855 (a) sales or uses of electricity, if the sales or uses are made under a retail tariff adopted by the Public  
856 Service Commission only for purchase of electricity produced from a new alternative energy source  
857 built after January 1, 2016, as designated in the tariff by the Public Service Commission; and  
858 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies only to the  
859 portion of the tariff rate a customer pays under the tariff described in Subsection (47)(a) that exceeds  
860 the tariff rate under the tariff described in Subsection (47)(a) that the customer would have paid  
861 absent the tariff;  
862 (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for the mobility  
863 enhancing equipment;  
864 (49) sales of water in a:  
865 (a) pipe;  
866 (b) conduit;  
867 (c) ditch; or

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868 (d) reservoir;

869 (50) sales of currency or coins that constitute legal tender of a state, the United States, or a foreign  
nation;

871 (51)

872 (a) sales of an item described in Subsection (51)(b) if the item:

873 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and

874 (ii) has a gold, silver, or platinum content of 50% or more; and

875 (b) Subsection (51)(a) applies to a gold, silver, or platinum:

876 (i) ingot;

877 (ii) bar;

878 (iii) medallion; or

879 (iv) decorative coin;

880 (52) amounts paid on a sale-leaseback transaction;

881 (53) sales of a prosthetic device:

882 (a) for use on or in a human; and

883 (b)

884 (i) for which a prescription is required; or

885 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

886 (54)

887 (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of machinery or equipment by  
888 an establishment described in Subsection (54)(c) if the machinery or equipment is primarily used in  
889 the production or postproduction of the following media for commercial distribution:

890 (i) a motion picture;

891 (ii) a television program;

892 (iii) a movie made for television;

893 (iv) a music video;

894 (v) a commercial;

895 (vi) a documentary; or

896 (vii) a medium similar to Subsections (54)(a)(i) through [({vi})] (54)(a)(vi) as determined by the  
897 commission by administrative rule made in accordance with Subsection (54)(d);

898

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(b) purchases, leases, or rentals of machinery or equipment by an establishment described in Subsection (54)(c) that is used for the production or postproduction of the following are subject to the taxes imposed by this chapter:

901 (i) a live musical performance;

902 (ii) a live news program; or

903 (iii) a live sporting event;

904 (c) the following establishments listed in the 1997 North American Industry Classification System  
of the federal Executive Office of the President, Office of Management and Budget, apply to  
Subsections (54)(a) and [(b)] (54)(b):

907 (i) NAICS Code 512110; or

908 (ii) NAICS Code 51219; and

909 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission  
may by rule:

911 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through [(vi)] (54)(a)(vi); or

913 (ii) define:

914 (A) "commercial distribution";

915 (B) "live musical performance";

916 (C) "live news program"; or

917 (D) "live sporting event";

918 (55)

919 (a) leases of seven or more years or purchases made on or after July 1, 2004, but on or before June 30,  
2027, of tangible personal property that:

920 (i) is leased or purchased for or by a facility that:

921 (A) is an alternative energy electricity production facility;

922 (B) is located in the state; and

923 (C)

924 (I) becomes operational on or after July 1, 2004; or

925 (II) has its the facility's generation capacity increased by one or more megawatts on or after July 1,  
2004, as a result of the use of the tangible personal property;

927 (ii) has an economic life of five or more years; and

928

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(iii) is used to make the facility or the increase in capacity of the facility described in Subsection (55)(a)(i) operational up to the point of interconnection with an existing transmission grid including:

- 931 (A) a wind turbine;
- 932 (B) generating equipment;
- 933 (C) a control and monitoring system;
- 934 (D) a power line;
- 935 (E) substation equipment;
- 936 (F) lighting;
- 937 (G) fencing;
- 938 (H) pipes; or
- 939 (I) other equipment used for locating a power line or pole; and

940 (b) this Subsection (55) does not apply to:

- 941 (i) tangible personal property used in construction of:
  - 942 (A) a new alternative energy electricity production facility; or
  - 943 (B) the increase in the capacity of an alternative energy electricity production facility;
- 945 (ii) contracted services required for construction and routine maintenance activities; and
- 947 (iii) unless the tangible personal property is used or acquired for an increase in capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or acquired after:
  - 950 (A) the alternative energy electricity production facility described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
  - 952 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(iii);

954 (56)

- 956 (a) leases of seven or more years or purchases made on or after July 1, 2004, but on or before June 30, 2027, of tangible personal property that:
  - 956 (i) is leased or purchased for or by a facility that:
    - 957 (A) is a waste energy production facility;
    - 958 (B) is located in the state; and
    - 959 (C)
- 959 (I) becomes operational on or after July 1, 2004; or

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960 (II) has [its] the facility's generation capacity increased by one or more megawatts on or after July 1, 2004, as a result of the use of the tangible personal property;

963 (ii) has an economic life of five or more years; and

964 (iii) is used to make the facility or the increase in capacity of the facility described in Subsection (56)(a)(i) operational up to the point of interconnection with an existing transmission grid including:

967 (A) generating equipment;

968 (B) a control and monitoring system;

969 (C) a power line;

970 (D) substation equipment;

971 (E) lighting;

972 (F) fencing;

973 (G) pipes; or

974 (H) other equipment used for locating a power line or pole; and

975 (b) this Subsection (56) does not apply to:

976 (i) tangible personal property used in construction of:

977 (A) a new waste energy facility; or

978 (B) the increase in the capacity of a waste energy facility;

979 (ii) contracted services required for construction and routine maintenance activities; and

981 (iii) unless the tangible personal property is used or acquired for an increase in capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:

984 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as described in Subsection (56)(a)(iii); or

986 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described in Subsection (56)(a)(iii);

988 (57)

990 (a) leases of five or more years or purchases made on or after July 1, 2004, but on or before June 30, 2027, of tangible personal property that:

991 (i) is leased or purchased for or by a facility that:

992 (A) is located in the state;

992 (B) produces fuel from alternative energy, including:

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993 (I) methanol; or

994 (II) ethanol; and

995 (C)

996 (I) becomes operational on or after July 1, 2004; or

999 (II) has [its] the facility's capacity to produce fuel increase by 25% or more on or after July 1, 2004, as a  
1000 result of the installation of the tangible personal property;

999 (ii) has an economic life of five or more years; and

1000 (iii) is installed on the facility described in Subsection (57)(a)(i);

1001 (b) this Subsection (57) does not apply to:

1002 (i) tangible personal property used in construction of:

1003 (A) a new facility described in Subsection (57)(a)(i); or

1004 (B) the increase in capacity of the facility described in Subsection (57)(a)(i);

1005 (ii) contracted services required for construction and routine maintenance activities; and

1007 (iii) unless the tangible personal property is used or acquired for an increase in capacity described in  
Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:

1010 (A) the facility described in Subsection (57)(a)(i) is operational; or

1011 (B) the increased capacity described in Subsection (57)(a)(i) is operational;

1012 (58)

1017 (a) subject to Subsection (58)(b), sales of tangible personal property or a product transferred  
electronically to a person within this state if that tangible personal property or product transferred  
electronically is subsequently shipped outside the state and incorporated pursuant to contract into  
and becomes a part of real property located outside of this state; and

1022 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other state or political  
entity to which the tangible personal property is shipped imposes a sales, use, gross receipts, or  
other similar transaction excise tax on the transaction against which the other state or political entity  
allows a credit for sales and use taxes imposed by this chapter;

1023 (59) purchases:

1024 (a) of one or more of the following items in printed or electronic format:

1025 (i) a list containing information that includes one or more:

1026 (A) names; or

1026 (B) addresses; or

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1027 (ii) a database containing information that includes one or more:  
1028 (A) names; or  
1029 (B) addresses; and  
1030 (b) used to send direct mail;  
1031 (60) redemptions or repurchases of a product by a person if that product was:  
1032 (a) delivered to a pawnbroker as part of a pawn transaction; and  
1033 (b) redeemed or repurchased within the time period established in a written agreement between the  
1034 person and the pawnbroker for redeeming or repurchasing the product;  
1035 (61)  
1036 (a) purchases or leases of an item described in Subsection (61)(b) if the item:  
1037 (i) is purchased or leased by, or on behalf of, a telecommunications service provider; and  
1038 (ii) has a useful economic life of one or more years; and  
1039 (b) the following apply to Subsection (61)(a):  
1040 (i) telecommunications enabling or facilitating equipment, machinery, or software;  
1041 (ii) telecommunications equipment, machinery, or software required for 911 service;  
1042 (iii) telecommunications maintenance or repair equipment, machinery, or software;  
1043 (iv) telecommunications switching or routing equipment, machinery, or software; or  
1044 (v) telecommunications transmission equipment, machinery, or software;  
1045 (62)  
1046 (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible personal property  
1047 or a product transferred electronically that are used in the research and development of alternative  
1048 energy technology; and  
1049 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission  
1050 may, for purposes of Subsection (62)(a), make rules defining what constitutes purchases of  
1051 tangible personal property or a product transferred electronically that are used in the research and  
1052 development of alternative energy technology;  
1053 (63)  
1054 (a) purchases of tangible personal property or a product transferred electronically if:  
1055 (i) the tangible personal property or product transferred electronically is:  
1056 (A) purchased outside of this state;  
1057 (B) brought into this state at any time after the purchase described in Subsection (63)(a)(i)(A); and

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1058 (C) used in conducting business in this state; and

1059 (ii) for:

1060 (A) tangible personal property or a product transferred electronically other than the tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property for a purpose for which the property is designed occurs outside of this state; or

1064 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered outside of this state and not required to be registered in this state under Section 41-1a-202 or 73-18-9 based on residency;

1067 (b) the exemption provided for in Subsection (63)(a) does not apply to:

1068 (i) a lease or rental of tangible personal property or a product transferred electronically; or

1070 (ii) a sale of a vehicle exempt under Subsection (33); and

1071 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of Subsection (63)(a), the commission may by rule define what constitutes the following:

1074 (i) conducting business in this state if that phrase has the same meaning in this Subsection (63) as in Subsection (24);

1076 (ii) the first use of tangible personal property or a product transferred electronically if that phrase has the same meaning in this Subsection (63) as in Subsection (24); or

1078 (iii) a purpose for which tangible personal property or a product transferred electronically is designed if that phrase has the same meaning in this Subsection (63) as in Subsection (24);

1081 (64) sales of disposable home medical equipment or supplies if:

1082 (a) a person presents a prescription for the disposable home medical equipment or supplies;

1084 (b) the disposable home medical equipment or supplies are used exclusively by the person to whom the prescription described in Subsection (64)(a) is issued; and

1086 (c) the disposable home medical equipment and supplies are listed as eligible for payment under:

1088 (i) Title XVIII, federal Social Security Act; or

1089 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

1090 (65) sales:

1091 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District Act; or

1093 (b) of tangible personal property to a subcontractor of a public transit district, if the tangible personal property is:

1095 (i) clearly identified; and

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1096 (ii) installed or converted to real property owned by the public transit district;

1097 (66) sales of construction materials:

1098 (a) purchased on or after July 1, 2010;

1099 (b) purchased by, on behalf of, or for the benefit of an international airport:

1100 (i) located within a county of the first class; and

1101 (ii) that has a United States customs office on [its] the international airport's premises; and

1103 (c) if the construction materials are:

1104 (i) clearly identified;

1105 (ii) segregated; and

1106 (iii) installed or converted to real property:

1107 (A) owned or operated by the international airport described in Subsection (66)(b); and

1109 (B) located at the international airport described in Subsection (66)(b);

1110 (67) sales of construction materials:

1111 (a) purchased on or after July 1, 2008;

1112 (b) purchased by, on behalf of, or for the benefit of a new airport:

1113 (i) located within a county of the second or third class, as classified in Section 17-60-104; and

1115 (ii) that is owned or operated by a city in which an airline as defined in Section 59-2-102 is  
headquartered; and

1117 (c) if the construction materials are:

1118 (i) clearly identified;

1119 (ii) segregated; and

1120 (iii) installed or converted to real property:

1121 (A) owned or operated by the new airport described in Subsection (67)(b);

1122 (B) located at the new airport described in Subsection (67)(b); and

1123 (C) as part of the construction of the new airport described in Subsection (67)(b);

1124 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common carrier that is  
a railroad for use in a locomotive engine;

1126 (69) purchases and sales described in Section 63H-4-111;

1127 (70)

(a) sales of tangible personal property to an aircraft maintenance, repair, and overhaul provider for use  
in the maintenance, repair, overhaul, or refurbishment in this state of a fixed wing turbine powered

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aircraft if that fixed wing turbine powered aircraft's registration lists a state or country other than this state as the location of registry of the fixed wing turbine powered aircraft; or

1132 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration lists a state or country other than this state as the location of registry of the fixed wing turbine powered aircraft;

1137 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:

1138 (a) to a person admitted to an institution of higher education; and

1139 (b) by a seller, other than a bookstore owned by an institution of higher education, if 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a textbook for a higher education course;

1142 (72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced level of municipal services;

1145 (73) amounts paid or charged for construction materials used in the construction of a new or expanding life science research and development facility in the state, if the construction materials are:

1148 (a) clearly identified;

1149 (b) segregated; and

1150 (c) installed or converted to real property;

1151 (74) amounts paid or charged for:

1152 (a) a purchase or lease of machinery and equipment that:

1153 (i) are used in performing qualified research:

1154 (A) as defined in Section 41(d), Internal Revenue Code; and

1155 (B) in the state; and

1156 (ii) have an economic life of three or more years; and

1157 (b) normal operating repair or replacement parts:

1158 (i) for the machinery and equipment described in Subsection (74)(a); and

1159 (ii) that have an economic life of three or more years;

1160 (75) a sale or lease of tangible personal property used in the preparation of prepared food if:

1161 (a) for a sale:

1162 (i) the ownership of the seller and the ownership of the purchaser are identical; and

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1163 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that tangible personal  
1164 property prior to making the sale; or

1165 (b) for a lease:

1166 (i) the ownership of the lessor and the ownership of the lessee are identical; and

1167 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible personal  
1168 property prior to making the lease;

1169 (76)

1170 (a) purchases of machinery or equipment if:

1171 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement, Gambling,  
1172 and Recreation Industries, of the 2012 North American Industry Classification System of the  
1173 federal Executive Office of the President, Office of Management and Budget;

1174 (ii) the machinery or equipment:

1175 (A) has an economic life of three or more years; and

1176 (B) is used by one or more persons who pay admission or user fees described in Subsection  
1177 59-12-103(1)(f) to the purchaser of the machinery and equipment; and

1178 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:

1179 (A) amounts paid or charged as admission or user fees described in Subsection 59-12-103(1)(f); and

1180 (B) subject to taxation under this chapter; and

1181 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission  
1182 may make rules for verifying that 51% of a purchaser's sales revenue for the previous calendar  
1183 quarter is:

1184 (i) amounts paid or charged as admission or user fees described in Subsection 59-12-103(1)(f); and

1185 (ii) subject to taxation under this chapter;

1186 (77) purchases of a short-term lodging consumable by a business that provides accommodations and  
1187 services described in Subsection 59-12-103(1)(i);

1188 (78) amounts paid or charged to access a database:

1189 (a) if the primary purpose for accessing the database is to view or retrieve information from the  
1190 database; and

1191 (b) not including amounts paid or charged for a:

1192 (i) digital audio work;

1193 (ii) digital audio-visual work; or

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1197 (iii) digital book;

1198 (79) amounts paid or charged for a purchase or lease made by an electronic financial payment service,  
of:

1200 (a) machinery and equipment that:

1201 (i) are used in the operation of the electronic financial payment service; and

1202 (ii) have an economic life of three or more years; and

1203 (b) normal operating repair or replacement parts that:

1204 (i) are used in the operation of the electronic financial payment service; and

1205 (ii) have an economic life of three or more years;

1206 (80) sales of a fuel cell as defined in Section 54-15-102;

1207 (81) amounts paid or charged for a purchase or lease of tangible personal property or a product  
transferred electronically if the tangible personal property or product transferred electronically:

1210 (a) is stored, used, or consumed in the state; and

1211 (b) is temporarily brought into the state from another state:

1212 (i) during a disaster period as defined in Section 53-2a-1202;

1213 (ii) by an out-of-state business as defined in Section 53-2a-1202;

1214 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and

1215 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;

1216 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined in Section  
39A-7-102, made pursuant to Title 39A, Chapter 7, Morale, Welfare, and Recreation Program;

1219 (83) amounts paid or charged for a purchase or lease of molten magnesium;

1220 (84) amounts paid or charged for a purchase or lease made by a qualifying data center or an occupant of  
a qualifying data center of machinery, equipment, or normal operating repair or replacement parts, if  
the machinery, equipment, or normal operating repair or replacement parts:

1224 (a) are used in:

1225 (i) the operation of the qualifying data center; or

1226 (ii) the occupant's operations in the qualifying data center; and

1227 (b) have an economic life of one or more years;

1228 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle that includes  
cleaning or washing of the interior of the vehicle;

1230

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(86) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used or consumed:

1233 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined in Section  
79-6-701 located in the state;

1235 (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts, chemicals,  
reagents, solutions, or supplies are used or consumed in:

1237 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is added to gasoline  
or diesel fuel;

1239 (ii) research and development;

1240 (iii) transporting, storing, or managing raw materials, work in process, finished products, and waste  
materials produced from refining gasoline or diesel fuel, or adding blendstock to gasoline or diesel  
fuel;

1243 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in refining; or

1245 (v) preventing, controlling, or reducing pollutants from refining; and

1246 (c) if the person holds a valid refiner tax exemption certification as defined in Section 79-6-701;

1248 (87) amounts paid to or charged by a proprietor for accommodations and services, as defined in Section  
63H-1-205, if the proprietor is subject to the MIDA accommodations tax imposed under Section  
63H-1-205;

1251 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating  
repair or replacement parts, or materials, except for office equipment or office supplies, by an  
establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah  
Administrative Rulemaking Act, that:

1255 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North American Industry  
Classification System of the federal Executive Office of the President, Office of Management and  
Budget;

1258 (b) is located in this state; and

1259 (c) uses the machinery, equipment, normal operating repair or replacement parts, or materials in the  
operation of the establishment;

1261 (89) amounts paid or charged for an item exempt under Section 59-12-104.10;

1262 (90) sales of a note, leaf, foil, or film, if the item:

1263 (a) is used as currency;

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1264 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and

1265 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any transparent  
polymer holder, coating, or encasement;

1267 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or surfing facility, if  
a trained instructor:

1269 (a) is present with the participant, in person or by video, for the duration of the activity; and

1271 (b) actively instructs the participant, including providing observation or feedback;

1272 (92) amounts paid or charged in connection with the construction, operation, maintenance, repair, or  
replacement of facilities owned by or constructed for:

1274 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or

1275 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;

1276 (93) amounts paid by the service provider for tangible personal property, other than machinery,  
equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels, that:

1279 (a) is consumed in the performance of a service that is subject to tax under Subsection 59-12-103(1)(b),  
[(f), (g), (h), (i), or (j)] (1)(f), (1)(g), (1)(h), (1)(i), or (1)(j);

1281 (b) has to be consumed for the service provider to provide the service described in Subsection (93)(a);  
and

1283 (c) will be consumed in the performance of the service described in Subsection (93)(a), to one or more  
customers, to the point that the tangible personal property disappears or cannot be used for any other  
purpose;

1286 (94) sales of rail rolling stock manufactured in Utah;

1287 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or construction  
materials between establishments, as the commission defines that term in accordance with Title  
63G, Chapter 3, Utah Administrative Rulemaking Act, if:

1290 (a) the establishments are related directly or indirectly through 100% common ownership or control;  
and

1292 (b) each establishment is described in one of the following subsectors of the 2022 North American  
Industry Classification System of the federal Executive Office of the President, Office of  
Management and Budget:

1295 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or

1296 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing;

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1297 (96) sales of construction materials used for the construction of a qualified stadium, as defined in  
Section 11-70-101;

1299 (97) amounts paid or charged for sales of a cannabinoid product as that term is defined in Section  
4-41-102;

1301 (98) amounts paid or charged by an operator of a qualifying energy storage manufacturing facility for:

1303 (a) a purchase of tangible personal property if the tangible personal property is incorporated  
into equipment or a device that stores and discharges energy at the qualifying energy storage  
manufacturing facility; and

1306 (b) a purchase or lease of machinery, equipment, or normal operating repair or replacement parts if the  
machinery, equipment, or normal operating repair or replacement parts are used exclusively in the  
operation of the qualifying energy storage manufacturing facility;

1310 (99) amounts paid or charged for sales of adaptive driving equipment if the adaptive driving equipment  
is not yet installed in a motor vehicle;

1312 (100) amounts paid or charged for sales of adaptive driving equipment if the adaptive driving  
equipment is installed in a motor vehicle by a previous owner and the requirements of Section  
59-12-104.11 are met;[~~and~~]

1315 (101) sales of construction materials used for the construction, remodeling, or refurbishing of a major  
sporting event venue, as defined in Section 63N-3-1701, within an approved major sporting event  
venue zone~~[.]~~ ;~~and~~

1318 (102) as provided in Section 59-12-104.12, an amount equal to the sales price of the lower priced motor  
vehicle when a person purchases a motor vehicle in one transaction and sells a motor vehicle in a  
separate transaction that occurs within 30 days before or after the purchase transaction.

1322 Section 8. Section 8 is enacted to read:

### **59-12-104.12. Exemption for vehicles sold and purchased in separate transactions.**

1325 (1) As used in this section, "replacement vehicle" means a motor vehicle:

1326 (a) purchased in a separate transaction:

1327 (i) from the sale of another motor vehicle that is titled in Utah; and

1328 (ii) within 30 days before or after the date of the sale of the motor vehicle described in Subsection (1)(a)  
(i);

1330 (b) titled in the state; and

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(c) for which the titleholder matches the titleholder of the motor vehicle described in Subsection (1)(a)

(i) immediately before the sale.

(2)

(a) A person may claim the exemption described in Subsection 59-12-104(102) if the person:

(i) purchases a replacement vehicle;

(ii) does not receive the exemption described in Subsection 59-12-104(17); and

(iii) applies for a sales and use tax refund from the commission within one year after the later of the day on which the person:

(A) purchased the replacement vehicle; or

(B) sold the motor vehicle described in Subsection (1)(a)(i).

(b) The amount of the sales and use tax refund is equal to the lesser of:

(i) the amount calculated by multiplying the sales price listed on the title for the motor vehicle described in Subsection (1)(a)(i) by the tax rate that applies to the replacement vehicle; or

(ii) the actual sales and use tax paid for the replacement vehicle.

(c) Only one exemption authorized in Subsection 59-12-104(102) and described in this section may be claimed per motor vehicle described in Subsection (1)(a)(i).

(3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules governing the information required to claim a sales and use tax refund under this section.

### 662 Section 11. Effective date.

#### Effective Date.

{This } Except as provided in Subsection (2), this bill takes effect {on July 1, } May 6, 2026.

(2) The actions affecting the following sections take effect for a future taxable year beginning on or after January 1, 2027:

(a) Section 59-7-628 (Effective 01/01/27); and

(b) Section 59-10-1049 (Effective 01/01/27).

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