

HB0231S01 compared with HB0231

~~{Omitted text}~~ shows text that was in HB0231 but was omitted in HB0231S01

inserted text shows text that was not in HB0231 but was inserted into HB0231S01

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1 **Restaurant Tax Repeal Amendments**
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Norman K Thurston
Senate Sponsor:Lincoln Fillmore



2
3 **LONG TITLE**

4 **General Description:**

5 This bill amends county authority to impose taxes under the Tourism, Recreation, Cultural,
6 Convention, and Airport Facilities Tax Act.

7 **Highlighted Provisions:**

8 This bill:

9 ▶ repeals the authority for a county to impose the tax, referred to as the restaurant tax, on
food items and alcoholic beverage items sold at restaurants and customized prepared foods sold at
convenience stores, gas stations, and grocery stores{; } once a county has received an amount of revenue
to secure existing debt obligations; and

12 ▶ ~~{provides authority for a county to impose a tax on taxable transactions, other than
food and food ingredients, at a rate that will generate an equivalent amount of revenue to the
restaurant tax; and}~~

15 ▶ makes technical changes.

14 **Money Appropriated in this Bill:**

15 None

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16 **Other Special Clauses:**

17 None

18 **Utah Code Sections Affected:**

19 AMENDS:

22 ~~{59-12-602, as last amended by Laws of Utah 2025, Chapter 306}~~

20 **59-12-603**, as last amended by Laws of Utah 2025, First Special Session, Chapter 17



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

26 ~~{Section 1. Section 59-12-602 is amended to read: }~~

27 **59-12-602. Definitions.**

As used in this part:

29 (1)

(a) "Airport facility" means an airport of regional significance~~[, and includes:]~~ .

30 (b) "Airport facility" includes:

31 ~~{(a)}~~ (i) an appurtenance to an airport, including a fixed guideway that provides transportation service to
or from the airport;

33 ~~{(b)}~~ (ii) a control tower, including a radar system;

34 ~~{(c)}~~ (iii) a public area of an airport; or

35 ~~{(d)}~~ (iv) a terminal facility.

36 (2) "Airport of regional significance" means the same as that term is defined in Section 59-12-2202.

38 (3) "All-terrain type I vehicle" means the same as that term is defined in Section 41-22-2.

39 (4) "All-terrain type II vehicle" means the same as that term is defined in Section 41-22-2.

40 (5) "All-terrain type III vehicle" means the same as that term is defined in Section 41-22-2.

41 (6) "Convenience store" means a retail establishment described in NAICS Code 445131, Convenience
Retailers, of the 2022 North American Industry Classification System of the federal Executive
Office of the President, Office of Management and Budget.

44 (7) "Convention facility" means any publicly owned or operated convention center, sports arena, or
other facility at which conventions, conferences, and other gatherings are held and whose primary
business or function is to host such conventions, conferences, and other gatherings.

48 (8) "Cultural facility" means any publicly owned or operated museum, theater, art center, music hall, or
other cultural or arts facility.

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- 50 (9)
- (a) "Customized" means prepared or heated by a seller for on-premise or immediate consumption at the request or specification of the purchaser.
- 52 (b) "Customized" does not include a purchaser specifying the quantity.
- 53 (10)
- (a) "Eligible transaction" means amounts paid or charged for a transaction described in Subsection 59-12-103(1).
- 55 (b) "Eligible transaction" includes amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.
- 59 (c) "Eligible transaction" does not include amounts paid or charged for:
- 60 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt under Section 59-12-104; or
- 62 (ii) except as provided in Subsection (10)(b), food and food ingredients.
- 63 (11) "Gas station" means a retail establishment at which the primary purpose or function is the sale of fuel.
- 65 [(11)] (12) "Grocery store" means a retail establishment at which the primary business or function is the sale of food or food ingredients for off-premise, but not immediate, consumption.
- 68 [(12)] (13)
- (a) "Off-highway vehicle" means any snowmobile, all-terrain type I vehicle, all-terrain type II vehicle, all-terrain type III vehicle, or motorcycle.
- 70 (b) "Off-highway vehicle" does not include a vehicle that is a motor vehicle under Section 41-1a-102.
- 72 [(13)] (14) "Motorcycle" means the same as that term is defined in Section 41-22-2.
- 73 [(14)] (15) "Recreation facility" or "tourist facility" means any publicly owned or operated park, campground, marina, dock, golf course, water park, historic park, monument, planetarium, zoo, bicycle trails, and other recreation or tourism-related facility.
- 76 [(15)] (16)
- (a) "Recreational vehicle" means a vehicular unit other than a mobile home, primarily designed as a temporary dwelling for travel, recreational, or vacation use, that is pulled by another vehicle.
- 79 (b) "Recreational vehicle" includes:
- 80 (i) a travel trailer;

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- 81 (ii) a camping trailer; and
82 (iii) a fifth wheel trailer.
83 (c) "Recreational vehicle" does not include a vehicle that is a motor vehicle under Section 41-1a-102.
85 ~~[(16)]~~ (17)
(a) "Restaurant" means a retail establishment at which the primary business or function is the sale of prepared food for immediate or on-premises consumption.
87 (b) "Restaurant" includes a coffee shop, cafeteria, luncheonette, soda fountain, dinner theater, or fast-food service where food is prepared for immediate consumption.
89 (c) "Restaurant" does not include:
90 (i) a convenience store;
91 (ii) a gas station;
92 (iii) a grocery store; or
93 (iv) a theater that sells food items other than a dinner theater.
94 ~~[(17)]~~ (18) "Snowmobile" means the same as that term is defined in Section 41-22-2.
95 ~~[(18)]~~ (19) "Travel trailer," "camping trailer," or "fifth wheel trailer" means a portable vehicle without motive power, designed as a temporary dwelling for travel, recreational, or vacation use that does not require a special highway movement permit when drawn by a self-propelled motor vehicle.

23 Section 1. Section **59-12-603** is amended to read:

24 **59-12-603. County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance required -- Advisory board -- Administration -- Collection -- Administrative charge -- Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice requirements.**

- 104 (1)
(a) In addition to any other taxes, a county legislative body may impose, as provided in this part, ~~[impose-]~~a tax as follows:
106 (i)
(A) a county legislative body ~~[of any county-]~~may impose a tax of not to exceed 3% on ~~[all]~~short-term rentals of motor vehicles, except for short-term rentals of motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is being repaired ~~[pursuant to]~~ in accordance with a repair or an insurance agreement; and
111 (B) a county legislative body ~~[of any county-]~~imposing a tax under Subsection (1)(a)(i)(A) may, in addition to imposing the tax under Subsection (1)(a)(i)(A), impose a tax of not to exceed 4% on

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[all] short-term rentals of motor vehicles, except for short-term rentals of motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is being repaired [~~pursuant to~~] in accordance with a repair or an insurance agreement;

- 117 (ii) a county legislative body [~~of any county~~] may impose a tax of not to exceed 7% on all short-term rentals of off-highway vehicles and recreational vehicles;
- 119 (iii) ~~{ before October 1, 2026 }~~ subject to Subsection (10), a county legislative body of any county may impose a tax of not to exceed 1% [~~of all~~] on sales of:
- 121 (A) alcoholic beverages, food and food ingredients, or prepared food sold by a restaurant; and
- 123 (B) customized prepared food sold by a convenience store, a gas station, or a grocery store;
- 125 (iv) ~~{ on or after October 1, 2026, a county legislative body may impose a tax, at a rate not to exceed the rate calculated in accordance with Subsection (11), on an eligible transaction;~~
- 128 (v) a county legislative body of a county of the first class, as classified in Section 17-60-104, may impose a tax of not to exceed .5% on charges for the accommodations and services described in Subsection 59-12-103(1)(i); and
- 131 ~~{ (v) }~~ ~~{ (vi) }~~ if a county legislative body [~~of any county~~] imposes a tax under Subsection (1)(a) (i), a tax at the same rate applies to car sharing of less than 30 days, except for car sharing for the purpose of temporarily replacing a person's motor vehicle that is being repaired [~~pursuant to~~] in accordance with a repair or an insurance agreement.
- 136 [~~(b) A tax imposed under Subsection (1)(a) is subject to the reporting provisions of Sections 17-78-704 and 17E-2-406.~~]
- 138 (b) A county legislative body that imposes a tax under this Subsection (1) shall comply with the reporting requirements described in Sections 17-78-704 and 17E-2-406.
- 140 (2)
- (a) Subject to Subsection (2)(c), a county may use revenue from the imposition of a tax under Subsection (1) for:
- 142 (i) financing tourism promotion; and
- 143 (ii) the development, operation, and maintenance of:
- 144 (A) an airport facility;
- 145 (B) a convention facility;
- 146 (C) a cultural facility;
- 147 (D) a recreation facility; or

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- 148 (E) a tourist facility.
- 149 (b)
- (i) In addition to the uses described in Subsection (2)(a) and subject to Subsection (2)(b)(ii), a county of the fourth, fifth, or sixth class, as classified in Section 17-60-104, or a county with a population density of fewer than 15 people per square mile may expend the revenue from the imposition of a tax under Subsections (1)(a)(i) and (ii) on the following activities to mitigate the impacts of tourism:
- 155 (A) solid waste disposal;
- 156 (B) search and rescue activities;
- 157 (C) law enforcement activities;
- 158 (D) emergency medical services; or
- 159 (E) fire protection services.
- 160 (ii) A county may only expend the revenue as outlined in Subsection (2)(b)(i) if the county's tourism tax advisory board created under Subsection 17-31-8(1)(a) has prioritized the use of revenue to mitigate the impacts of tourism.
- 163 (c) A county of the first class, as classified in Section 17-60-104, shall expend at least \$450,000 each year of the revenue from the imposition of a tax authorized by Subsection ~~{(1)(a)(iv)}~~ ~~{(1)(a)(v)}~~ within the county to fund a marketing and ticketing system designed to:
- 167 (i) promote tourism in ski areas within the county by persons that do not reside within the state; and
- 169 (ii) combine the sale of:
- 170 (A) ski lift tickets; and
- 171 (B) accommodations and services described in Subsection 59-12-103(1)(i).
- 172 (3) A tax imposed under this part may be pledged as security for bonds, notes, or other evidences evidence of indebtedness incurred by a county, city, or town under Title 11, Chapter 14, Local Government Bonding Act, or a community reinvestment agency under Title 17C, Chapter 1, Part 5, Agency Bonds, to finance:
- 176 (a) an airport facility;
- 177 (b) a convention facility;
- 178 (c) a cultural facility;
- 179 (d) a recreation facility; or
- 180 (e) a tourist facility.
- 181 (4)

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- (a) To impose a tax under Subsection (1), the county legislative body shall adopt an ordinance imposing the tax.
- 183 (b) The ordinance under Subsection (4)(a) shall include provisions substantially the same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on those items and sales described in Subsection (1).
- 186 (c) The name of the county as the taxing agency shall be substituted for that of the state where necessary, and an additional license is not required if one has been or is issued under Section 59-12-106.
- 189 (5) To maintain in effect a tax ordinance adopted under this part, each county legislative body shall adopt, within 30 days of any amendment of any applicable provisions of Part 1, Tax Collection, [~~adopt~~] amendments to the county's tax ordinance to conform with the applicable amendments to Part 1, Tax Collection.
- 193 (6)
- (a) Regardless of whether a county of the first class, as classified in Section 17-60-104, creates a tourism tax advisory board in accordance with Section 17-78-706, the county legislative body [~~of the county of the first class~~] shall create a tax advisory board in accordance with this Subsection (6).
- 197 (b) The tax advisory board shall be composed of nine members appointed as follows:
- 198 (i) four members shall be residents of a county of the first class, as classified in Section 17-60-104, appointed by the county legislative body [~~of the county of the first class~~]; and
- 201 (ii) subject to Subsections (6)(c) and (d), five members shall be mayors of cities or towns within the county of the first class, as classified in Section 17-60-104, appointed by an organization representing all mayors of cities and towns within the county of the first class, as classified in Section 17-60-104.
- 205 (c) Five members of the tax advisory board constitute a quorum.
- 206 (d) The county legislative body of the county of the first class, as classified in Section 17-60-104, shall determine:
- 208 (i) terms of the members of the tax advisory board;
- 209 (ii) procedures and requirements for removing a member of the tax advisory board;
- 210 (iii) voting requirements, except that action of the tax advisory board shall be by at least a majority vote of a quorum of the tax advisory board;
- 212 (iv) chairs or other officers of the tax advisory board;

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- 213 (v) ~~[how meetings are to be called]~~ the procedures for calling meetings and the frequency of meetings;
and
- 215 (vi) the compensation, if any, of members of the tax advisory board.
- 216 (e) The tax advisory board under this Subsection (6) shall advise the county legislative body of the
county of the first class, as classified in Section 17-60-104, on the expenditure of revenue collected
within the county ~~[-of the first class]~~ from the taxes described in Subsection ~~[(1)(a)]~~ (1).
- 220 (7)
- (a)
- [~~(i)~~] Except as provided in Subsection ~~[(7)(a)(ii)]~~ (7)(b), a tax authorized under this part shall be
administered, collected, enforced, and interpreted in accordance with:
- 223 [~~(A)~~] (i) the same procedures used to administer, collect, enforce, and interpret the tax under:
- 225 [~~(H)]~~ (A) Part 1, Tax Collection; or
- 226 [~~(H)]~~ (B) Part 2, Local Sales and Use Tax Act; and
- 227 [~~(B)]~~ (ii) Chapter 1, General Taxation Policies.
- 228 [~~(i)~~] (b) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections
59-12-205(2) and (4) through (6).
- 230 [~~(b)~~ Except as provided in Subsection ~~(7)(c):]~~
- 231 [~~(i)~~ for a tax under this part other than the tax under Subsection ~~(1)(a)(i)(B)~~, the commission shall
distribute the revenue to the county imposing the tax; and]
- 233 [~~(ii)~~ for a tax under Subsection ~~(1)(a)(i)(B)~~, the commission shall distribute the revenue according to the
distribution formula provided in Subsection ~~(8):]~~
- 235 (c) The commission shall retain and deposit an administrative charge in accordance with Section
59-1-306 from the revenue the commission ~~[collects]~~ receives from a tax under this part.
- 238 (8)
- (a) The commission shall distribute the revenue for a tax imposed in accordance with Subsection (1),
other than in accordance with Subsection (1)(a)(i)(B), to the county imposing the tax.
- 241 (b) The commission shall distribute the revenue generated by the tax ~~[under]~~ imposed in accordance
with Subsection (1)(a)(i)(B) to each county ~~[collecting a tax under]~~ imposing a tax in accordance
with Subsection (1)(a)(i)(B) according to the following formula:
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- (i) the commission shall distribute 70% of the revenue based on the percentages generated by dividing the revenue collected by each county under Subsection (1)(a)(i)(B) by the total revenue collected by all counties under Subsection (1)(a)(i)(B); and
- 249 (ii) the commission shall distribute 30% of the revenue based on the percentages generated by dividing the population of each county collecting a tax under Subsection (1)(a)(i)(B) by the total population of all counties collecting a tax under Subsection (1)(a)(i)(B).
- 253 ~~[(b)]~~ (c) Population for purposes of ~~[this]~~ Subsection ~~[(8)]~~ ~~{(8)(e)}~~ (8)(b) shall be based on, to the extent not otherwise required by federal law:
- 255 (i) the estimate of the Utah Population Committee created in Section 63C-20-103; or
- 256 (ii) if the Utah Population Committee estimate is not available, the most recent census or census estimate of the United States Bureau of the Census.
- 258 (9)
- (a) For purposes of this Subsection (9):
- 259 (i) "Annexation" means an annexation to a county under Title 17, Chapter 61, Part 3, County Annexation.
- 261 (ii) "Annexing area" means an area that is annexed into a county.
- 262 (b)
- (i) Except as provided in Subsection (9)(c), if a county enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:
- 265 (A) on the first day of a calendar quarter; and
- 266 (B) after a 90-day period beginning on the day on which the commission receives notice meeting the requirements of Subsection (9)(b)(ii) from the county.
- 268 (ii) The notice described in Subsection (9)(b)(i)(B) shall state:
- 269 (A) that the county will enact or repeal a tax or change the rate of a tax under this part;
- 271 (B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);
- 272 (C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and
- 273 (D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(b)(ii)(A), the rate of the tax.
- 275 (c)
- (i) If the billing period for a transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of the tax or the tax rate increase

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shall take effect on the first day of the first billing period that begins after the effective date of the enactment of the tax or the tax rate increase.

280 (ii) If the billing period for a transaction begins before the effective date of the repeal of the tax or the
tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax rate decrease shall
take effect on the first day of the last billing period that began before the effective date of the repeal
of the tax or the tax rate decrease.

285 (d)

(i) Except as provided in Subsection (9)(e), if the annexation will result in the enactment, repeal, or
change in the rate of a tax under this part for an annexing area, the enactment, repeal, or change
shall take effect:

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

289 (B) after a 90-day period beginning on the day on which the commission receives notice meeting
the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

292 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:

293 (A) that the annexation described in Subsection (9)(d)(i) will result in an enactment, repeal, or change
in the rate of a tax under this part for the annexing area;

296 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

297 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

298 (D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(d)(ii)(A), the
rate of the tax.

300 (e)

(i) If the billing period for a transaction begins before the effective date of the enactment of the tax or
the tax rate increase imposed under Subsection (1), the enactment of the tax or the tax rate increase
shall take effect on the first day of the first billing period that begins after the effective date of the
enactment of the tax or the tax rate increase.

305 (ii) If the billing period for a transaction begins before the effective date of the repeal of the tax or the
tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax rate decrease shall
take effect on the first day of the last billing period that began before the effective date of the repeal
of the tax or the tax rate decrease.

310 (10)

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- 233 (a) A county may ~~{not}~~ impose the tax described in Subsection (1)(a)(iii) on or after October 1,
2026~~{-}~~, until the date described in Subsection (10)(d) only if the county:
- (i) has pledged the revenue from the tax described in Subsection (1)(a)(iii) as security for bonds,
notes, or other evidence of indebtedness as authorized by this section before January 1, 2026;
and
- 312 (b)~~{(ii)}~~ ~~{Notwithstanding Subsection (9)(b), a county does not need to provide notice of}~~ provides the
~~{repeal of}~~ commission with the ~~{tax}~~ information described in Subsection ~~{(1)(a)(iii)}~~ (10)(b)
before October 1, 2026.
- 314 ~~{(11)}~~ }
- ~~{(a) {Subject to Subsection (11)(b), a county may impose the tax described in Subsection (1)(a)(iv) at a
rate equal to or less than the rate the commission estimates to generate the same amount of revenue
distributed to the county from the tax described in Subsection (1)(a)(iii) between January 1, 2025,
and December 31, 2025.}}~~
- 328 (b) A county shall submit to the commission evidence of:
- 318 (b)~~{(i)}~~
- ~~{(i)} {For a county} the total amount of the ~~{first or second class}~~ bond, ~~{as classified in Section
17-60-104, the commission shall round the estimated rate to the nearest second decimal place.}~~
note, or other indebtedness; and~~
- 320 (ii) ~~{For a county of the third through sixth class, as classified in Section 17-60-104,}~~ the county's
pledge of the ~~{commission shall round}~~ revenue from the ~~{estimated rate up to}~~ tax described in
Subsection (1)(a)(iii) to secure the ~~{second decimal place}~~ debt described in Subsection (10)(b)(i).
- 242 (c) The commission shall calculate an amount by:
- 243 (i) dividing the amount of revenue a county collected from the tax described in Subsection (1)(a)
(iii) during calendar year 2025 by the total amount of revenue the county collected from all taxes
described in this section during calendar year 2025; and
- 247 (ii) multiplying the amount calculated in accordance with Subsection (10)(c) by the total amount of debt
the county submitted in accordance with Subsection (10)(b)(i).
- 249 (d) A county may not impose the tax described in Subsection (1)(a)(iii):
- 250 (i) once the amount of revenue a county collects from the tax described in Subsection (1)(a)(iii) on or
after October 1, 2026, equals the amount calculated in accordance with Subsection (10)(c); and
- 253

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(ii) beginning on the first day of the calendar quarter that is at least 90 days after the day described in Subsection (10)(d)(i).

255

(e)

(i) Notwithstanding Subsection (9)(b), a county does not need to provide notice of the repeal of the tax described in Subsection (1)(a)(iii).

257

(ii) The commission shall stop collection of the tax described in Subsection (1)(a)(iii) after the requirements of Subsection (10)(d) are met as if the commission had received notice from the county to repeal the tax.

260

Section 2. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

2-20-26 9:46 AM