

Jordan D. Teuscher proposes the following substitute bill:

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 sales and use tax exemption for sales of motor vehicles in separate transactions.

Highlighted Provisions:

This bill:

- exempts the purchase price of the lower priced motor vehicle when a person buys and sells two motor vehicles in separate transactions;
- provides the method for claiming the sales and use tax exemption;
- 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;
- 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;
- redirects penalties for violation of motor vehicle or vessel tax and fee requirements to the General Fund; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

41-1a-202, as last amended by Laws of Utah 2025, Chapter 294

41-1a-203, as last amended by Laws of Utah 2025, Chapter 279

29 **41-1a-215**, as last amended by Laws of Utah 2025, Chapter 285
30 **41-1a-416**, as last amended by Laws of Utah 2024, Chapter 251
31 **41-1a-1206**, as last amended by Laws of Utah 2025, Chapters 215, 279
32 **41-12a-806**, 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

34 ENACTS:

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

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

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

39 **41-1a-202 . Definitions -- Vehicles exempt from registration -- Registration of**
40 **vehicles after establishing residency.**

41 (1) As used in this section:

42 (a) "Designated agent" means the same as that term is [defined in] determined in
43 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
48 temporary purpose, but with the intention of making a permanent home.

49 (c)(i) "Resident" means any of the following:

50 (A) an individual who:

51 (I) has established a domicile in this state;
52 (II) regardless of domicile, remains in this state for an aggregate period of six
53 months or more during any calendar year;

54 (III) engages in a trade, profession, or occupation in this state or who accepts
55 employment in other than seasonal work in this state and who does not
56 commute into the state;

57 (IV) declares himself to be a resident of this state for the purpose of obtaining a
58 driver license or motor vehicle registration; or

59 (V) declares himself a resident of Utah to obtain privileges not ordinarily
60 extended to nonresidents, including going to school, or placing children in
61 school without paying nonresident tuition or fees; or

62 (B) any individual, partnership, limited liability company, firm, corporation,

63 association, or other entity that:

64 (I) maintains a main office, branch office, or warehouse facility in this state
65 and that bases and operates a motor vehicle in this state; or
66 (II) operates a motor vehicle in intrastate transportation for other than seasonal
67 work.

68 (ii) "Resident" does not include any of the following:

69 (A) a member of the military temporarily stationed in Utah;
70 (B) an out-of-state student, as classified by the institution of higher education,
71 enrolled with the equivalent of seven or more quarter hours, regardless of
72 whether the student engages in a trade, profession, or occupation in this state or
73 accepts employment in this state; and
74 (C) an individual domiciled in another state or a foreign country that:
75 (I) is engaged in public, charitable, educational, or religious services for a
76 government agency or an organization that qualifies for tax-exempt status
77 under Internal Revenue Code Section 501(c)(3);
78 (II) is not compensated for services rendered other than expense
79 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
82 vehicle equipped with an automated driving system as defined in Section
83 41-26-102.1 if the vehicle is physically present in the state for more than 30
84 consecutive days in a calendar year.

85 (2)(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
87 operating under a temporary registration permit issued by the division or a dealer
88 authorized by this chapter, driven or moved upon a highway in conformance with
89 the provisions of this chapter relating to manufacturers, transporters, dealers, lien
90 holders, or interstate vehicles;
91 (ii) vehicle driven or moved upon a highway only for the purpose of crossing the
92 highway from one property to another;
93 (iii) implement of husbandry, whether of a type otherwise subject to registration or
94 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
98 passengers for hire or for the transportation of property if the motor vehicle is
99 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
101 transportation of persons for hire or for the transportation of property if the
102 vehicle or combination of vehicles is registered in another state and is owned and
103 operated by a nonresident of this state and if the vehicle or combination of
104 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
106 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
110 property or person; or
111 (C) a travel trailer, camping trailer, or fifth wheel trailer of 750 pounds or more
112 laden weight;

113 (x) manufactured home or mobile home;

114 (xi) off-highway vehicle currently registered under Section 41-22-3 if the
115 off-highway vehicle is:
116 (A) being towed;
117 (B) operated on a street or highway designated as open to off-highway vehicle
118 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
121 Subsections 41-22-5.5(3) through (5);

122 (xiii) modular and prebuilt homes conforming to the uniform building code and
123 presently regulated by the United States Department of Housing and Urban
124 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),
129 incidental operation on a highway includes operation that is:
130 (i) transportation of raw agricultural materials or other agricultural related operations;

131 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
134 required for any motor vehicle, combination of vehicles, trailer, semitrailer, vintage
135 vehicle, or restored-modified vehicle within 60 days of the owner establishing
136 residency in this state.

137 (b)(i) The commission may contract with a designated agent described in Chapter
138 12a, Part 8, Uninsured Motorist Identification Database Program, to determine the
139 address for which a contract for owner's or operator's security pertaining to a
140 certain vehicle or vessel is tied.

141 (ii) If the information provided by the designated agent under Subsection (3)(b)(i)
142 indicates that the owner of a vehicle or vessel is a resident of this state, the
143 commission may investigate to ensure compliance with this chapter, Chapter 22,
144 Off-highway Vehicles, Title 59, Chapter 12, Sales and Use Tax Act, and Title 73,
145 Chapter 18, State Boating Act.

146 (c) If the commission's investigation described in Subsection (3)(b)(ii) determines that
147 the owner of the vehicle or vessel is not in compliance with this chapter, Chapter 22,
148 Off-highway Vehicles, Title 59, Chapter 12, Sales and Use Tax Act, or Title 73,
149 Chapter 18, State Boating Act, 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~~
152 ~~allow 60 days after the date on which the notice was issued for the owner of the~~
153 ~~vehicle or vessel to comply with the provisions identified in the commission's~~
154 ~~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~~
156 ~~described in Subsection (3)(c), the commission created in Section 41-3-104 may~~ shall
157 ~~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
159 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
162 shown, the commission may waive, reduce, or compromise ~~[any]~~ the penalty
163 imposed under Subsection (3)(c)~~or (3)(d)~~.

164 [(f)(i) ~~The commission shall deposit money from a penalty under Subsections (3)~~

165 (e)(i) and (3)(d)(ii) for failure to properly register or title a vehicle or vessel
166 pursuant to this chapter, Chapter 22, Off-highway Vehicles, or Title 73, Chapter
167 18, State Boating Act, into the Uninsured Motorist Identification Restricted
168 Account created in Section 41-12a-806.]
169 [(ii) The commission shall deposit money from a penalty under this Subsection
170 (3)(d)(i) for failure to pay a sales and use tax under Title 59, Chapter 12, Sales and
171 Use Tax Act, into the General Fund.]

172 (e) The commission shall deposit money from a penalty under this Subsection (3) into
173 the General Fund.

174 (4) A motor vehicle that is registered under Section 41-3-306 is exempt from the
175 registration requirements of this part for the time period that the registration under
176 Section 41-3-306 is valid.
177 (5) A vehicle that has been issued a nonrepairable certificate may not be registered under
178 this chapter.

179 Section 2. Section **41-1a-203** is amended to read:

180 **41-1a-203 . Prerequisites for registration, transfer of ownership, or registration**
181 **renewal.**

182 (1)(a) Except as provided in Subsections (1)(b) and (1)(c), the division shall mail a
183 notification to the owner of a vehicle at least 30 days before the date the vehicle's
184 registration is due to expire.
185 (b)(i) The division shall provide a process for a vehicle owner to choose to receive
186 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
188 email the owner of a vehicle at least 30 days before the date the vehicle's
189 registration is due to expire.
190 (c) If at the time the owner renews the vehicle registration, the previous registration
191 period has been expired at least 270 days, the division is not required to comply with
192 the notification requirement described in Subsection (1)(a) for the next registration
193 period.
194 (d) An individual may elect to receive notification through both electronic means and
195 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;

- (c) pay property taxes, the in lieu fee, or receive a property tax clearance under Section 41-1a-206 or 41-1a-207;
- (d) pay the automobile driver education tax required by Section 41-1a-208;
- (e) pay the applicable registration fee, including a late registration penalty, under Part 12, Fee and Tax Requirements;
- (f) pay the uninsured motorist identification fee under Section 41-1a-1218, if applicable;
- (g) pay the motor carrier fee under Section 41-1a-1219, if applicable;
- (h) pay any applicable local emissions compliance fee under Section 41-1a-1223;
- (i) pay the taxes applicable under Title 59, Chapter 12, Sales and Use Tax Act; and
- (j) for a roadable aircraft, provide proof of registration of the roadable aircraft as an aircraft under Section 72-10-109.

(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.

(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.

(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.

(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:

- (a) Section 72-1-213.1; or
- (b) Section 72-6-118.

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

41-1a-215 . Staggered registration dates -- Exceptions.

(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

233 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
235 or county offices are not open for business, the registration of the vehicle is extended
236 to midnight of the next business day.

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

239 (ii) The year of registration expiration shall be changed to reflect the renewed
240 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;
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
249 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
251 apportioned under Section 41-1a-301 and required to be registered in this state, the
252 State Tax Commission may permit the vehicles to be registered for a registration
253 period commencing on the first day of March, June, September, or December of any
254 year and expiring on the last day of March, June, September, or December in the
255 following year.

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

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

267 (ii) If the registration period for a personal vehicle is adjusted under Subsection
268 (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
270 three months;
271 (B) 50% of the regular registration fees if the adjustment is in excess of three
272 months but not more than six months;
273 (C) 75% of the regular registration fees if the adjustment is in excess of six
274 months but not more than nine months; and
275 (D) 100% of the regular registration fees if the adjustment is in excess of nine
276 months but not more than 12 months.

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

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

280 **41-1a-416 . Original issue license plates -- Alternative stickers -- Rulemaking.**

281 (1) The owner of a motor vehicle that is a model year 1973 or older may apply to the
282 division for permission to display an original issue license plate.
283 (2) An owner described in Subsection (1) shall:
284 (a) complete an application on a form provided by the division;
285 (b) supply and submit to the division for approval the original issue license plate that the
286 owner intends to display on the motor vehicle; and
287 (c) pay the fees [prescribed in] and any applicable penalty required by Sections
288 41-1a-1206 and 41-1a-1211.
289 (3) Before approving an application described in this section, the division shall determine
290 that the original issue license plate:
291 (a) is of a format and type issued by the state for use on a motor vehicle;
292 (b) has numbers and characters that are unique and do not conflict with existing license
293 plate series in this state;
294 (c) is legible, durable, and otherwise in a condition that serves the purposes of this
295 chapter; and
296 (d) is from the same year of issue as the model year of the motor vehicle on which the
297 original issue license plate is to be displayed.
298 (4)(a) Except as provided in this section, the owner of a motor vehicle displaying an
299 original issue license plate approved under this section is not exempt from any
300 requirement described in this chapter.

301 (b) An original issue license plate approved under this section is exempt from:

302 (i) the provisions of Section 41-1a-401 regarding reflectorization; and

303 (ii) Section 41-1a-403.

304 (c) Notwithstanding Subsection (4)(a), if a motor vehicle displaying an original issue

305 license plate is also a vintage vehicle as defined in Section 41-21-1, the motor vehicle

306 qualifies for the same exemptions as a vintage vehicle.

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

308 division may make rules for the implementation of this section.

309 Section 5. Section **41-1a-1206** is amended to read:

310 **41-1a-1206 . Registration fees -- Fees by gross laden weight.**

311 (1) Except as provided in Subsections (2) and (3), at the time application is made for

312 registration or renewal of registration of a vehicle or combination of vehicles under this

313 chapter, a registration fee 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

316 motorcycles;

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

318 or is registered under Section 41-1a-301:

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

320 (ii) \$28.50 for each commercial trailer or commercial semitrailer of 750 pounds or

321 less gross unladen weight;

322 (d)(i) \$53 for each farm truck over 14,000 pounds, but not exceeding 16,000 pounds

323 gross laden weight; plus

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

325 (e)(i) \$69.50 for each motor vehicle or combination of motor vehicles, excluding

326 farm trucks, over 14,000 pounds, but not exceeding 16,000 pounds gross laden

327 weight; plus

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

329 (f)(i) \$69.50 for each park model recreational vehicle over 14,000 pounds, but not

330 exceeding 16,000 pounds gross laden weight; plus

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

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

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

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

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

339 (ii) \$21.75 for each hybrid electric motor vehicle; and
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
342 model year of 1983 or newer, 50 cents; and
343 (j) \$28.50 for each roadable aircraft.

344 (2)(a) At the time application is made for registration or renewal of registration of a
345 vehicle under this chapter for a six-month registration period under Section
346 41-1a-215.5, a registration fee shall be paid to the division as follows:

347 (i) \$34.50 for each motorcycle; and
348 (ii) \$33.50 for each motor vehicle of 14,000 pounds or less gross laden weight,
349 excluding motorcycles.

350 (b) In addition to the fee described in Subsection (2)(a)(ii), for registration or renewal of
351 registration of a vehicle under this chapter for a six-month registration period under
352 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
356 exclusively by a source other than motor fuel, diesel fuel, natural gas, or
357 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)(a) Beginning on January 1, 2024, at the time of registration:

361 (i) in addition to the amounts described in Subsections (1)(a), (1)(b), (1)(c)(i),
362 (1)(c)(ii), (1)(d)(i), (1)(e)(i), (1)(f)(i), (1)(g), (1)(h), (4)(a), and (7), the individual
363 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
365 pay an additional \$5 as part of the registration fee.

366 (b)(i) Beginning on January 1, 2019, the commission shall, on January 1, annually
367 adjust the registration fees described in Subsections (1)(a), (1)(b), (1)(c)(i),
368 (1)(c)(ii), (1)(d)(i), (1)(e)(i), (1)(f)(i), (1)(g), (1)(j), (2)(a), (3)(a), (4)(a), and (7),

369 by taking the registration fee rate for the previous year and adding an amount
370 equal to the greater of:

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

374 (B) 0.

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

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

382 (B) 0.

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

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

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

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

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

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

396 (6)(a) Registration fee categories under this section are based on the gross laden weight
397 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
399 2,000 pounds is a full unit.

400 (7) The owner of a trailer described in Section 41-1a-228 may, as an alternative to
401 registering under Subsection (1)(c), apply for and obtain a special registration and
402 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
404 fee amounts 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
406 unless:

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

408 (b)(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
410 submits to the division a certificate of emissions inspection or a waiver in
411 compliance with Section 41-6a-1642.

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

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

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

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

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

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

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

424 (ii) registration is renewed.

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

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

430 Section 6. Section **41-12a-806** is amended to read:

431 **41-12a-806 . Restricted account -- Creation -- Funding -- Interest -- Purposes.**

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

434 (2) The account consists of money generated from the following revenue sources:
435 [(a) ~~money received by the state under Subsection 41-1a-202(3);~~]
436 [(b)] (a) money received by the state under Section 41-1a-1218, the uninsured motorist

437 identification fee;

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

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

441 (3)(a) The account shall earn interest.

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

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

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

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

447 (c) the State Tax Commission to:

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

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

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

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

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

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

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

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

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

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

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

474 Section 7. Section **59-12-104** is amended to read:

475 **59-12-104 . Exemptions.**

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

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

479 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political
480 subdivisions; however, this exemption does not apply to sales of:
481 (a) construction materials except:
482 (i) construction materials purchased by or on behalf of institutions of the public
483 education system as defined in Utah Constitution, Article X, Section 2, provided
484 the construction materials are clearly identified and segregated and installed or
485 converted to real property which is owned by institutions of the public education
486 system; and
487 (ii) construction materials purchased by the state, its institutions, or its political
488 subdivisions which are installed or converted to real property by employees of the
489 state, its institutions, or its political subdivisions; or
490 (b) tangible personal property in connection with the construction, operation,
491 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or
492 facilities providing additional project capacity, as defined in Section 11-13-103;
493 (3)(a) sales of an item described in Subsection (3)(b) from a vending machine if:
494 (i) the proceeds of each sale do not exceed \$1; and
495 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
496 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)(a) sales of the following to a commercial airline carrier for in-flight consumption:
501 (i) alcoholic beverages;
502 (ii) food and food ingredients; or
503 (iii) prepared food;
504 (b) sales of tangible personal property or a product transferred electronically:

- (i) to a passenger;
- (ii) by a commercial airline carrier; and
- (iii) during a flight for in-flight consumption or in-flight use by the passenger; or

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

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

(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;

(7)(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;

(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

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

- (i) governing the circumstances under which sales are at the same business location; and
- (ii) establishing the procedures and requirements for a seller to separately account for sales of assisted cleaning or washing of tangible personal property;

(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;

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

- (a) the sale is not from the vehicle's lessor to the vehicle's lessee;
- (b) the vehicle is not registered in this state; and
- (c)(i) the vehicle is not used in this state; or
- (ii) the vehicle is used in this state:
 - (A) if the vehicle is not used to conduct business, for a time period that does not

- (ii) prepared food; or
- (iii) alcoholic beverages;

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

- (i) regardless of the number of transactions involving the sale of that tangible personal property or product transferred electronically by that person; and
- (ii) not regularly engaged in the business of selling that type of tangible personal property or product transferred electronically;

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

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

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

- (i) a person is regularly engaged in the business of selling a type of tangible personal property or product transferred electronically;
- (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
- (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
608 operating repair or replacement parts, or materials, except for office equipment or office
609 supplies, by:
610 (a) a manufacturing facility that:
611 (i) is located in the state; and
612 (ii) uses or consumes the machinery, equipment, normal operating repair or
613 replacement parts, or materials:
614 (A) in the manufacturing process to manufacture an item sold as tangible personal
615 property, as the commission may define that phrase in accordance with Title
616 63G, Chapter 3, Utah Administrative Rulemaking Act; or
617 (B) for a scrap recycler, to process an item sold as tangible personal property, as
618 the commission may define that phrase in accordance with Title 63G, Chapter 3,
619 Utah Administrative Rulemaking Act;
620 (b) an establishment, as the commission defines that term in accordance with Title 63G,
621 Chapter 3, Utah Administrative Rulemaking Act, that:
622 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
623 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for
624 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except
625 Fuels) Mining, of the 2002 North American Industry Classification System of the
626 federal Executive Office of the President, Office of Management and Budget;
627 (ii) is located in the state; and
628 (iii) uses or consumes the machinery, equipment, normal operating repair or
629 replacement parts, or materials in:
630 (A) the production process to produce an item sold as tangible personal property,
631 as the commission may define that phrase in accordance with Title 63G,
632 Chapter 3, Utah Administrative Rulemaking Act;
633 (B) research and development, as the commission may define that phrase in
634 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
635 (C) transporting, storing, or managing tailings, overburden, or similar waste
636 materials produced from mining;
637 (D) developing or maintaining a road, tunnel, excavation, or similar feature used
638 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,

641 Chapter 3, Utah Administrative Rulemaking Act, that:

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

645 (ii) is located in the state; and

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

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

649 (i) tooling;

650 (ii) special tooling;

651 (iii) support equipment;

652 (iv) special test equipment; or

653 (v) parts used in the repairs or renovations of tooling or equipment described in
654 Subsections (15)(a)(i) through [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
657 performance of any aerospace or electronics industry contract with the United
658 States government or any subcontract under that contract; and

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

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

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

665 (16) sales of newspapers or newspaper subscriptions;

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

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

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

675 (b) Subsection (17)(a) does not apply to the following items of tangible personal
676 property or products transferred electronically traded in as full or part payment of the
677 purchase price:
678 (i) money;
679 (ii) electricity;
680 (iii) water;
681 (iv) gas; or
682 (v) steam;

683 (18)(a)(i) except as provided in Subsection (18)(b), sales of tangible personal
684 property or a product transferred electronically used or consumed primarily and
685 directly in farming operations, regardless of whether the tangible personal
686 property or product transferred electronically:
687 (A) becomes part of real estate; or
688 (B) is installed by a farmer, contractor, or subcontractor; or
689 (ii) sales of parts used in the repairs or renovations of tangible personal property or a
690 product transferred electronically if the tangible personal property or product
691 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
693 chapter:
694 (i)(A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or
695 supplies if used in a manner that is incidental to farming; and
696 (B) tangible personal property that is considered to be used in a manner that is
697 incidental to farming includes:
698 (I) hand tools; or
699 (II) maintenance and janitorial equipment and supplies;
700 (ii)(A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product
701 transferred electronically if the tangible personal property or product
702 transferred electronically is used in an activity other than farming; and
703 (B) tangible personal property or a product transferred electronically that is
704 considered to be used in an activity other than farming includes:
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

711 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,

714 farm, or other agricultural produce if the seasonal crops are, seedling plants are, or

715 garden, farm, or other agricultural produce is sold by:

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

717 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

721 the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

722 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,

723 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,

724 wholesaler, or retailer for use in packaging tangible personal property to be sold by that

725 manufacturer, processor, wholesaler, or retailer;

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

727 (24)(a) purchases of a product if:

728 (i) the product is:

729 (A) purchased outside of this state;

730 (B) brought into this state:

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

732 (II) by a nonresident person who is not living or working in this state at the

733 time of the purchase;

734 (C) used for the personal use or enjoyment of the nonresident person described in

735 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state;

736 and

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

738 (ii) for:

739 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use

740 of the product for a purpose for which the product is designed occurs outside of

741 this state;

742 (B) a boat, the boat is registered outside of this state; or

743 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
744 registered outside of this state;

745 (b) the exemption provided for in Subsection (24)(a) does not apply to:
746 (i) a lease or rental of a product; or
747 (ii) a sale of a vehicle exempt under Subsection (33); and

748 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
749 purposes of Subsection (24)(a), the commission may by rule define what constitutes
750 the following:
751 (i) conducting business in this state if that phrase has the same meaning in this
752 Subsection (24) as in Subsection (63);
753 (ii) the first use of a product if that phrase has the same meaning in this Subsection
754 (24) as in Subsection (63); or
755 (iii) a purpose for which a product is designed if that phrase has the same meaning in
756 this Subsection (24) as in Subsection (63);

757 (25) a product purchased for resale in the regular course of business, either in the product's
758 original form or as an ingredient or component part of a manufactured or compounded
759 product;

760 (26) a product upon which a sales or use tax was paid to some other state, or one of another
761 state's subdivisions, except that the state shall be paid any difference between the tax
762 paid and the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no
763 adjustment is allowed if the tax paid was greater than the tax imposed by this part and
764 Part 2, Local Sales and Use Tax Act;

765 (27) any sale of a service described in Subsections 59-12-103(1)(b), ~~(e), and (d)~~ (1)(c), and
766 (1)(d) to a person for use in compounding a service taxable under the subsections;

767 (28) purchases made in accordance with the special supplemental nutrition program for
768 women, infants, and children established in 42 U.S.C. Sec. 1786;

769 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement
770 parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of
771 the 1987 Standard Industrial Classification Manual of the federal Executive Office of the
772 President, Office of Management and Budget;

773 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
774 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard
775 motor is:
776 (a) not registered in this state; and

777 (b)(i) not used in this state; or

778 (ii) used in this state:

779 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for

780 a time period that does not exceed the longer of:

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

782 (II) the time period necessary to transport the boat, boat trailer, or outboard

783 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

785 time period necessary to transport the boat, boat trailer, or outboard motor to

786 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

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

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

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

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

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

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

801 (37)(a) sales to a ski resort of electricity to operate a passenger ropeway as defined in

802 Section 72-11-102; and

803 (b) the commission shall by rule determine the method for calculating sales exempt

804 under Subsection (37)(a) that are not separately metered and accounted for in utility

805 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 Subsections (38)(a) through [(e)] (38)(c);

(39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;

(40)(a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for amusement, entertainment, or recreation an unassisted amusement device as defined in Section 59-12-102;

(b) if a seller that sells or rents at the same business location the right to use or operate for amusement, entertainment, or recreation one or more unassisted amusement devices and one or more assisted amusement devices, the exemption described in Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for the assisted amusement devices; and

(c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules:

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

(ii) establishing the procedures and requirements for a seller to separately account for the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for assisted amusement devices;

(41)(a) sales of photocopies by:

(i) a governmental entity; or

(ii) an entity within the state system of public education, including:

(A) a school; or

(B) the State Board of Education; or

(b) sales of publications by a governmental entity;

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

(43)(a) sales made to or by:

(i) an area agency on aging; or

(ii) a senior citizen center owned by a county, city, or town; or

(b) sales made by a senior citizen center that contracts with an area agency on aging;

(44) sales or leases of semiconductor fabricating, processing, research, or development materials regardless of whether the semiconductor fabricating, processing, research, or

845 development materials:

846 (a) actually come into contact with a semiconductor; or

847 (b) ultimately become incorporated into real property;

848 (45) an amount paid by or charged to a purchaser for accommodations and services
849 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under
850 Section 59-12-104.2;

851 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in
852 accordance with Section 41-3-306 for the event period specified on the temporary sports
853 event registration certificate;

854 (47)(a) sales or uses of electricity, if the sales or uses are made under a retail tariff
855 adopted by the Public Service Commission only for purchase of electricity produced
856 from a new alternative energy source built after January 1, 2016, as designated in the
857 tariff by the Public Service Commission; and

858 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
859 only to the portion of the tariff rate a customer pays under the tariff described in
860 Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection
861 (47)(a) that the customer would have paid absent the tariff;

862 (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for
863 the mobility enhancing equipment;

864 (49) sales of water in a:

865 (a) pipe;

866 (b) conduit;

867 (c) ditch; or

868 (d) reservoir;

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

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

872 (i) does not constitute legal tender of a state, the United States, or a foreign nation;
873 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)(i) for which a prescription is required; or

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

885 (54)(a) except as provided in Subsection (54)(b), purchases, leases, or rentals of

886 machinery or equipment by an establishment described in Subsection (54)(c) if the

887 machinery or equipment is primarily used in the production or postproduction of the

888 following media for commercial distribution:

889 (i) a motion picture;

890 (ii) a television program;

891 (iii) a movie made for television;

892 (iv) a music video;

893 (v) a commercial;

894 (vi) a documentary; or

895 (vii) a medium similar to Subsections (54)(a)(i) through [(vi)] (54)(a)(vi) as

896 determined by the commission by administrative rule made in accordance with

897 Subsection (54)(d);

898 (b) purchases, leases, or rentals of machinery or equipment by an establishment

899 described in Subsection (54)(c) that is used for the production or postproduction of

900 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

905 Classification System of the federal Executive Office of the President, Office of

906 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

910 commission may by rule:

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

912 (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)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on
919 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)(I) becomes operational on or after July 1, 2004; or
- 924 (II) has [its] the facility's generation capacity increased by one or more
925 megawatts on or after July 1, 2004, as a result of the use of the tangible
926 personal property;

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

928 (iii) is used to make the facility or the increase in capacity of the facility described in
929 Subsection (55)(a)(i) operational up to the point of interconnection with an
930 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
944 facility;
- 945 (ii) contracted services required for construction and routine maintenance activities;
946 and

- (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:
 - (A) the alternative energy electricity production facility described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
 - (B) the increased capacity described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(iii);

(56)(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:

- (i) is leased or purchased for or by a facility that:
 - (A) is a waste energy production facility;
 - (B) is located in the state; and
 - (C)(I) becomes operational on or after July 1, 2004; or
 - (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;
- (ii) has an economic life of five or more years; and
- (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:
 - (A) generating equipment;
 - (B) a control and monitoring system;
 - (C) a power line;
 - (D) substation equipment;
 - (E) lighting;
 - (F) fencing;
 - (G) pipes; or
 - (H) other equipment used for locating a power line or pole; and

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

- (i) tangible personal property used in construction of:
 - (A) a new waste energy facility; or
 - (B) the increase in the capacity of a waste energy facility;
- (ii) contracted services required for construction and routine maintenance activities; and

- (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:
 - (A) the waste energy facility described in Subsection (56)(a)(i) is operational as described in Subsection (56)(a)(iii); or
 - (B) the increased capacity described in Subsection (56)(a)(i) is operational as described in Subsection (56)(a)(iii);
- (57)(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:
 - (i) is leased or purchased for or by a facility that:
 - (A) is located in the state;
 - (B) produces fuel from alternative energy, including:
 - (I) methanol; or
 - (II) ethanol; and
 - (C)(I) becomes operational on or after July 1, 2004; or
 - (II) has [its] the facility's capacity to produce fuel increase by 25% or more on or after July 1, 2004, as a result of the installation of the tangible personal property;
 - (ii) has an economic life of five or more years; and
 - (iii) is installed on the facility described in Subsection (57)(a)(i);
- (b) this Subsection (57) does not apply to:
 - (i) tangible personal property used in construction of:
 - (A) a new facility described in Subsection (57)(a)(i); or
 - (B) the increase in capacity of the facility described in Subsection (57)(a)(i);
 - (ii) contracted services required for construction and routine maintenance activities; and
 - (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:
 - (A) the facility described in Subsection (57)(a)(i) is operational; or
 - (B) the increased capacity described in Subsection (57)(a)(i) is operational;

1015 state and incorporated pursuant to contract into and becomes a part of real property
1016 located outside of this state; and
1017 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
1018 state or political entity to which the tangible personal property is shipped imposes a
1019 sales, use, gross receipts, or other similar transaction excise tax on the transaction
1020 against which the other state or political entity allows a credit for sales and use taxes
1021 imposed by this chapter;

1022 (59) purchases:

1023 (a) of one or more of the following items in printed or electronic format:

1024 (i) a list containing information that includes one or more:

1025 (A) names; or

1026 (B) addresses; or

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
1034 between the person and the pawnbroker for redeeming or repurchasing the product;

1035 (61)(a) purchases or leases of an item described in Subsection (61)(b) if the item:

1036 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
1037 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)(a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible

1046 personal property or a product transferred electronically that are used in the research
1047 and development of alternative energy technology; and

1048 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

1049 commission may, for purposes of Subsection (62)(a), make rules defining what
1050 constitutes purchases of tangible personal property or a product transferred
1051 electronically that are used in the research and development of alternative energy
1052 technology;

1053 (63)(a) purchases of tangible personal property or a product transferred electronically if:

1054 (i) the tangible personal property or product transferred electronically is:

1055 (A) purchased outside of this state;

1056 (B) brought into this state at any time after the purchase described in Subsection
1057 (63)(a)(i)(A); and

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
1061 the tangible personal property described in Subsection (63)(a)(ii)(B), the first
1062 use of the property for a purpose for which the property is designed occurs
1063 outside of this state; or

1064 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
1065 registered outside of this state and not required to be registered in this state
1066 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
1069 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
1072 purposes of Subsection (63)(a), the commission may by rule define what constitutes
1073 the following:

1074 (i) conducting business in this state if that phrase has the same meaning in this
1075 Subsection (63) as in Subsection (24);

1076 (ii) the first use of tangible personal property or a product transferred electronically if
1077 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
1079 electronically is designed if that phrase has the same meaning in this Subsection
1080 (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

1083 supplies;

1084 (b) the disposable home medical equipment or supplies are used exclusively by the
1085 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
1087 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
1092 Act; or
1093 (b) of tangible personal property to a subcontractor of a public transit district, if the
1094 tangible personal property is:
1095 (i) clearly identified; and
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;
1102 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);
1108 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
1114 17-60-104; and
1115 (ii) that is owned or operated by a city in which an airline as defined in Section
1116 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

1125 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

1128 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in

1129 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered

1130 aircraft's registration lists a state or country other than this state as the location of

1131 registry of the fixed wing turbine powered aircraft; or

1132 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul

1133 provider in connection with the maintenance, repair, overhaul, or refurbishment in

1134 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered

1135 aircraft's registration lists a state or country other than this state as the location of

1136 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

1140 51% or more of that seller's sales revenue for the previous calendar quarter are sales

1141 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)

1143 on a purchaser from a business for which the municipality provides an enhanced level of

1144 municipal services;

1145 (73) amounts paid or charged for construction materials used in the construction of a new or

1146 expanding life science research and development facility in the state, if the construction

1147 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

1163 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
1164 tangible personal 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
1168 tangible personal property prior to making the lease;

1169 (76)(a) purchases of machinery or equipment if:

1170 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
1171 Gambling, and Recreation Industries, of the 2012 North American Industry
1172 Classification System of the federal Executive Office of the President, Office of
1173 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
1177 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment;
1178 and

1179 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:

1180 (A) amounts paid or charged as admission or user fees described in Subsection
1181 59-12-103(1)(f); and

1182 (B) subject to taxation under this chapter; and

1183 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1184 commission may make rules for verifying that 51% of a purchaser's sales revenue for

1185 the previous calendar quarter is:

1186 (i) amounts paid or charged as admission or user fees described in Subsection

1187 59-12-103(1)(f); and

1188 (ii) subject to taxation under this chapter;

1189 (77) purchases of a short-term lodging consumable by a business that provides
1190 accommodations and services described in Subsection 59-12-103(1)(i);

1191 (78) amounts paid or charged to access a database:

1192 (a) if the primary purpose for accessing the database is to view or retrieve information
1193 from the database; and

1194 (b) not including amounts paid or charged for a:

1195 (i) digital audio work;

1196 (ii) digital audio-visual work; or

1197 (iii) digital book;

1198 (79) amounts paid or charged for a purchase or lease made by an electronic financial
1199 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
1208 product transferred electronically if the tangible personal property or product transferred
1209 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
1217 Section 39A-7-102, made pursuant to Title 39A, Chapter 7, Morale, Welfare, and
1218 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
1221 occupant of a qualifying data center of machinery, equipment, or normal operating
1222 repair or replacement parts, if the machinery, equipment, or normal operating repair or
1223 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
1229 that includes cleaning or washing of the interior of the vehicle;
- 1230 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
1231 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or
1232 supplies used or consumed:
 - 1233 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
1234 in Section 79-6-701 located in the state;
 - 1235 (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts,
1236 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
1238 added to gasoline or diesel fuel;
 - 1239 (ii) research and development;
 - 1240 (iii) transporting, storing, or managing raw materials, work in process, finished
1241 products, and waste materials produced from refining gasoline or diesel fuel, or
1242 adding blendstock to gasoline or diesel fuel;
 - 1243 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
1244 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
1247 79-6-701;
- 1248 (87) amounts paid to or charged by a proprietor for accommodations and services, as
1249 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations
1250 tax imposed under Section 63H-1-205;
- 1251 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal
1252 operating repair or replacement parts, or materials, except for office equipment or office

1253 supplies, by an establishment, as the commission defines that term in accordance with
1254 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

1255 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North
1256 American Industry Classification System of the federal Executive Office of the
1257 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
1260 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;
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
1266 transparent polymer holder, coating, or encasement;

1267 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or
1268 surfing facility, if a trained instructor:

1269 (a) is present with the participant, in person or by video, for the duration of the activity;
1270 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,
1273 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
1277 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels,
1278 that:

1279 (a) is consumed in the performance of a service that is subject to tax under Subsection
1280 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
1282 Subsection (93)(a); and

1283 (c) will be consumed in the performance of the service described in Subsection (93)(a),
1284 to one or more customers, to the point that the tangible personal property disappears
1285 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
1288 construction materials between establishments, as the commission defines that term in
1289 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:
1290 (a) the establishments are related directly or indirectly through 100% common
1291 ownership or control; and
1292 (b) each establishment is described in one of the following subsectors of the 2022 North
1293 American Industry Classification System of the federal Executive Office of the
1294 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;

1297 (96) sales of construction materials used for the construction of a qualified stadium, as
1298 defined in Section 11-70-101;

1299 (97) amounts paid or charged for sales of a cannabinoid product as that term is defined in
1300 Section 4-41-102;

1301 (98) amounts paid or charged by an operator of a qualifying energy storage manufacturing
1302 facility for:
1303 (a) a purchase of tangible personal property if the tangible personal property is
1304 incorporated into equipment or a device that stores and discharges energy at the
1305 qualifying energy storage manufacturing facility; and
1306 (b) a purchase or lease of machinery, equipment, or normal operating repair or
1307 replacement parts if the machinery, equipment, or normal operating repair or
1308 replacement parts are used exclusively in the operation of the qualifying energy
1309 storage manufacturing facility;

1310 (99) amounts paid or charged for sales of adaptive driving equipment if the adaptive driving
1311 equipment is not yet installed in a motor vehicle;

1312 (100) amounts paid or charged for sales of adaptive driving equipment if the adaptive
1313 driving equipment is installed in a motor vehicle by a previous owner and the
1314 requirements of Section 59-12-104.11 are met;[~~and~~]

1315 (101) sales of construction materials used for the construction, remodeling, or refurbishing
1316 of a major sporting event venue, as defined in Section 63N-3-1701, within an approved
1317 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
1319 priced motor vehicle when a person purchases a motor vehicle in one transaction and
1320 sells a motor vehicle in a separate transaction that occurs within 30 days before or after

1321 the purchase transaction.

1322 Section 8. Section **59-12-104.12** is enacted to read:

1323 **59-12-104.12 . Exemption for vehicles sold and purchased in separate**
1324 **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
1329 in Subsection (1)(a)(i);

1330 (b) titled in the state; and

1331 (c) for which the titleholder matches the titleholder of the motor vehicle described in
1332 Subsection (1)(a)(i) immediately before the sale.

1333 (2)(a) A person may claim the exemption described in Subsection 59-12-104(102) if the
1334 person:

1335 (i) purchases a replacement vehicle;

1336 (ii) does not receive the exemption described in Subsection 59-12-104(17); and

1337 (iii) applies for a sales and use tax refund from the commission within one year after
1338 the later of the day on which the person:

1339 (A) purchased the replacement vehicle; or

1340 (B) sold the motor vehicle described in Subsection (1)(a)(i).

1341 (b) The amount of the sales and use tax refund is equal to the lesser of:

1342 (i) the amount calculated by multiplying the sales price listed on the title for the
1343 motor vehicle described in Subsection (1)(a)(i) by the tax rate that applies to the
1344 replacement vehicle; or

1345 (ii) the actual sales and use tax paid for the replacement vehicle.

1346 (c) Only one exemption authorized in Subsection 59-12-104(102) and described in this
1347 section may be claimed per motor vehicle described in Subsection (1)(a)(i).

1348 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1349 commission may make rules governing the information required to claim a sales and use
1350 tax refund under this section.

1351 Section 9. **Effective Date.**

1352 This bill takes effect on July 1, 2026.