

Jennifer Dailey-Provost proposes the following substitute bill:

1 **Transportation Earmark Amendments**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jennifer Dailey-Provost

Senate Sponsor:

2 **LONG TITLE**

3 **General Description:**

4 This bill reduces a sales and use tax earmark that directs revenue into the Transportation
5 Investment Fund of 2005.

7 **Highlighted Provisions:**

8 This bill:

9 ▶ reduces a sales and use tax earmark that directs revenue into the Transportation
10 Investment Fund of 2005 to ensure that the revenue remains in the General Fund.

11 **Money Appropriated in this Bill:**

12 None

13 **Other Special Clauses:**

14 This bill provides a special effective date.

15 **Utah Code Sections Affected:**

16 **AMENDS:**

17 **59-12-103**, as last amended by Laws of Utah 2025, Chapter 285

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

20 Section 1. Section **59-12-103** is amended to read:

21 **59-12-103 . Sales and use tax base -- Rates -- Effective dates -- Use of sales and
22 use tax revenue.**

23 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales
24 price for amounts paid or charged for the following transactions:

25 (a) retail sales of tangible personal property made within the state;

26 (b) amounts paid for:

27 (i) telecommunications service, other than mobile telecommunications service, that
28 originates and terminates within the boundaries of this state;

29 (ii) mobile telecommunications service that originates and terminates within the

30 boundaries of one state only to the extent permitted by the Mobile
31 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
32 (iii) an ancillary service associated with a:
33 (A) telecommunications service described in Subsection (1)(b)(i); or
34 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
35 (c) sales of the following for commercial use:
36 (i) gas;
37 (ii) electricity;
38 (iii) heat;
39 (iv) coal;
40 (v) fuel oil; or
41 (vi) other fuels;
42 (d) sales of the following for residential use:
43 (i) gas;
44 (ii) electricity;
45 (iii) heat;
46 (iv) coal;
47 (v) fuel oil; or
48 (vi) other fuels;
49 (e) sales of prepared food;
50 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
51 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
52 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
53 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling
54 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
55 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
56 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
57 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
58 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
59 activity;
60 (g) amounts paid or charged for services for repairs or renovations of tangible personal
61 property, unless Section 59-12-104 provides for an exemption from sales and use tax
62 for:
63 (i) the tangible personal property; and

- (ii) parts used in the repairs or renovations of the tangible personal property described in Subsection (1)(g)(i), regardless of whether:
 - (A) any parts are actually used in the repairs or renovations of that tangible personal property; or
 - (B) the particular parts used in the repairs or renovations of that tangible personal property are exempt from a tax under this chapter;
- (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted cleaning or washing of tangible personal property;
- (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer court accommodations and services;
- (j) amounts paid or charged for laundry or dry cleaning services;
- (k) amounts paid or charged for leases or rentals of tangible personal property if within this state the tangible personal property is:
 - (i) stored;
 - (ii) used; or
 - (iii) otherwise consumed;
- (l) amounts paid or charged for tangible personal property if within this state the tangible personal property is:
 - (i) stored;
 - (ii) used; or
 - (iii) consumed;
- (m) amounts paid or charged for a sale:
 - (i)(A) of a product transferred electronically; or
 - (B) of a repair or renovation of a product transferred electronically; and
 - (ii) regardless of whether the sale provides:
 - (A) a right of permanent use of the product; or
 - (B) a right to use the product that is less than a permanent use, including a right:
 - (I) for a definite or specified length of time; and
 - (II) that terminates upon the occurrence of a condition; and
- (n) sales of leased tangible personal property from the lessor to the lessee made in the state.

(2)(a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are imposed on a transaction described in Subsection (1) equal to the sum of:

- (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

98 (A) 4.70%;
99 (B) the rate specified in Subsection (6)(a); and
100 (C) the tax rate the state imposes in accordance with Part 20, Supplemental State
101 Sales and Use Tax Act, if the location of the transaction as determined under
102 Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated
103 area of a county in which the state imposes the tax under Part 20, Supplemental
104 State Sales and Use Tax Act; and
105 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
106 transaction under this chapter other than this part.

107 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state
108 tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal
109 to the sum of:
110 (i) a state tax imposed on the transaction at a tax rate of 2%; and
111 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
112 transaction under this chapter other than this part.

113 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed
114 on amounts paid or charged for food and food ingredients equal to the sum of:
115 (i) a state tax imposed on the amounts paid or charged for food and food ingredients
116 at a tax rate of 1.75%; and
117 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
118 amounts paid or charged for food and food ingredients under this chapter other
119 than this part.

120 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid
121 or charged for fuel to a common carrier that is a railroad for use in a locomotive
122 engine at a rate equal to the sum of the rates described in Subsections (2)(a)(i)(A) and
123 (2)(a)(i)(B).

124 (e)(i)(A) The rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B) do not
125 apply to car sharing, a car sharing program, a shared vehicle driver, or a shared
126 vehicle owner, for a car sharing or shared vehicle transaction if a shared
127 vehicle owner certifies to the commission, on a form prescribed by the
128 commission, that the shared vehicle is an individual-owned shared vehicle.
129 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
130 required once during the time that the shared vehicle owner owns the shared
131 vehicle.

132 (C) The commission shall verify that a shared vehicle is an individual-owned
133 shared vehicle by verifying that the applicable Utah taxes imposed under this
134 chapter were paid on the purchase of the shared vehicle.

135 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
136 individual-owned shared vehicle shared through a car-sharing program even if
137 non-certified shared vehicles are also available to be shared through the same
138 car-sharing program.

139 (ii) A tax imposed under Subsection (2)(a)(i)(C) or (2)(a)(ii) applies to car sharing.

140 (iii)(A) A car-sharing program may rely in good faith on a shared vehicle owner's
141 representation that the shared vehicle is an individual-owned shared vehicle
142 certified with the commission as described in Subsection (2)(e)(i).

143 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
144 representation that the shared vehicle is an individual-owned shared vehicle
145 certified with the commission as described in Subsection (2)(e)(i), the
146 car-sharing program is not liable for any tax, penalty, fee, or other sanction
147 imposed on the shared vehicle owner.

148 (iv) If all shared vehicles shared through a car-sharing program are certified as
149 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has
150 no obligation to collect and remit the tax under Subsections (2)(a)(i)(A) and
151 (2)(a)(i)(B) for that tax period.

152 (v) A car-sharing program is not required to list or otherwise identify an
153 individual-owned shared vehicle on a return or an attachment to a return.

154 (vi) A car-sharing program shall:

155 (A) retain tax information for each car-sharing program transaction; and
156 (B) provide the information described in Subsection (2)(e)(vi)(A) to the
157 commission at the commission's request.

158 (f)(i) For a bundled transaction that is attributable to food and food ingredients and
159 tangible personal property other than food and food ingredients, a state tax and a
160 local tax is imposed on the entire bundled transaction equal to the sum of:

161 (A) the tax rates described in Subsection (2)(a)(i); and
162 (B) a local tax imposed on the entire bundled transaction at the sum of the tax
163 rates described in Subsection (2)(a)(ii).

164 (ii) If an optional computer software maintenance contract is a bundled transaction
165 that consists of taxable and nontaxable products that are not separately itemized

166 on an invoice or similar billing document, the purchase of the optional computer
167 software maintenance contract is 40% taxable under this chapter and 60%
168 nontaxable under this chapter.

169 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled
170 transaction described in Subsection (2)(f)(i) or (ii):

171 (A) if the sales price of the bundled transaction is attributable to tangible personal
172 property, a product, or a service that is subject to taxation under this chapter
173 and tangible personal property, a product, or service that is not subject to
174 taxation under this chapter, the entire bundled transaction is subject to taxation
175 under this chapter unless:

176 (I) the seller is able to identify by reasonable and verifiable standards the
177 tangible personal property, product, or service that is not subject to taxation
178 under this chapter from the books and records the seller keeps in the seller's
179 regular course of business; or

180 (II) state or federal law provides otherwise; or

181 (B) if the sales price of a bundled transaction is attributable to two or more items
182 of tangible personal property, products, or services that are subject to taxation
183 under this chapter at different rates, the entire bundled transaction is subject to
184 taxation under this chapter at the higher tax rate unless:

185 (I) the seller is able to identify by reasonable and verifiable standards the
186 tangible personal property, product, or service that is subject to taxation
187 under this chapter at the lower tax rate from the books and records the seller
188 keeps in the seller's regular course of business; or

189 (II) state or federal law provides otherwise.

190 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
191 seller's regular course of business includes books and records the seller keeps in
192 the regular course of business for nontax purposes.

193 (g)(i) Except as otherwise provided in this chapter and subject to Subsections
194 (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible
195 personal property, a product, or a service that is subject to taxation under this
196 chapter, and the sale, lease, or rental of tangible personal property, other property,
197 a product, or a service that is not subject to taxation under this chapter, the entire
198 transaction is subject to taxation under this chapter unless the seller, at the time of
199 the transaction:

200 (A) separately states the portion of the transaction that is not subject to taxation
201 under this chapter on an invoice, bill of sale, or similar document provided to
202 the purchaser; or
203 (B) is able to identify by reasonable and verifiable standards, from the books and
204 records the seller keeps in the seller's regular course of business, the portion of
205 the transaction that is not subject to taxation under this chapter.

206 (ii) A purchaser and a seller may correct the taxability of a transaction if:
207 (A) after the transaction occurs, the purchaser and the seller discover that the
208 portion of the transaction that is not subject to taxation under this chapter was
209 not separately stated on an invoice, bill of sale, or similar document provided
210 to the purchaser because of an error or ignorance of the law; and
211 (B) the seller is able to identify by reasonable and verifiable standards, from the
212 books and records the seller keeps in the seller's regular course of business, the
213 portion of the transaction that is not subject to taxation under this chapter.
214 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller
215 keeps in the seller's regular course of business includes books and records the
216 seller keeps in the regular course of business for nontax purposes.

217 (h)(i) If the sales price of a transaction is attributable to two or more items of tangible
218 personal property, products, or services that are subject to taxation under this
219 chapter at different rates, the entire purchase is subject to taxation under this
220 chapter at the higher tax rate unless the seller, at the time of the transaction:
221 (A) separately states the items subject to taxation under this chapter at each of the
222 different rates on an invoice, bill of sale, or similar document provided to the
223 purchaser; or
224 (B) is able to identify by reasonable and verifiable standards the tangible personal
225 property, product, or service that is subject to taxation under this chapter at the
226 lower tax rate from the books and records the seller keeps in the seller's regular
227 course of business.
228 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
229 seller's regular course of business includes books and records the seller keeps in
230 the regular course of business for nontax purposes.
231 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate
232 imposed under the following shall take effect on the first day of a calendar quarter:
233 (i) Subsection (2)(a)(i)(A);

- (ii) Subsection (2)(a)(i)(B);
- (iii) Subsection (2)(b)(i);
- (iv) Subsection (2)(c)(i); or
- (v) Subsection (2)(f)(i)(A).

(j)(i) A tax rate increase takes effect on the first day of the first billing period that begins on or after the effective date of the tax rate increase if the billing period for the transaction begins before the effective date of a tax rate increase imposed under:

- (A) Subsection (2)(a)(i)(A);
- (B) Subsection (2)(a)(i)(B);
- (C) Subsection (2)(b)(i);
- (D) Subsection (2)(c)(i); or
- (E) Subsection (2)(f)(i)(A).

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

- (A) Subsection (2)(a)(i)(A);
- (B) Subsection (2)(a)(i)(B);
- (C) Subsection (2)(b)(i);
- (D) Subsection (2)(c)(i); or
- (E) Subsection (2)(f)(i)(A).

(k)(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax rate takes effect:

- (A) on the first day of a calendar quarter; and
- (B) beginning 60 days after the effective date of change.

(ii) Subsection (2)(k)(i) applies to the tax rates described in the following:

- (A) Subsection (2)(a)(i)(A);
- (B) Subsection (2)(a)(i)(B);
- (C) Subsection (2)(b)(i);
- (D) Subsection (2)(c)(i); or
- (E) Subsection (2)(f)(i)(A).

(iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

the commission may by rule define the term "catalogue sale."

(l)(i) For a location described in Subsection (2)(l)(ii), the commission shall determine the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

(ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil, or other fuel is furnished through a single meter for two or more of the following uses:

- (A) a commercial use;
- (B) an industrial use; c
- (C) a residential use.

(3)(a) The commission shall deposit the following state taxes into the General Fund:

- (i) the tax imposed by Subsection (2)(a)(i)(A);
- (ii) the tax imposed by Subsection (2)(b)(i);
- (iii) the tax imposed by Subsection (2)(c)(i);
- (iv) the tax imposed by Subsection (2)(d); and
- (v) the tax imposed by Subsection (2)(f)(i)(A).

(b) The commission shall distribute the following local taxes to a county, city, or town as provided in this chapter:

- (i) the tax imposed by Subsection (2)(a)(ii);
- (ii) the tax imposed by Subsection (2)(b)(ii);
- (iii) the tax imposed by Subsection (2)(c)(ii); and
- (iv) the tax imposed by Subsection (2)(f)(i)(B).

(4)(a) Notwithstanding Subsection (3)(a), for each fiscal year the commission shall make the deposits described in Subsections (4)(b) through (4)(h) from the revenue from the taxes imposed by:

- (i) Subsection (2)(a)(i)(A);
- (ii) Subsection (2)(b)(i);
- (iii) Subsection (2)(c)(i); and
- (iv) Subsection (2)(f)(i)(A).

(b) The commission shall deposit 15% of the difference between 1.4543% of the revenue described in Subsection (4)(a) and the deposits made under Subsection (5)(b), into the Water Right Protection Account created in Section 72-2-1-6.

(c) The commission shall deposit 85% of the difference between 14543% of the revenue

302 described in Subsection (4)(a) and the deposits made under Subsection (5)(b), into
303 the Water Resources Conservation and Development Fund created in Section
304 73-10-24 for use by the Division of Water Resources for:

305 (i) preconstruction costs:

306 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,
307 Chapter 26, Bear River Development Act; and

308 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
309 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

310 (ii) the cost of employing a civil engineer to oversee any project authorized by Title
311 73, Chapter 26, Bear River Development Act;

312 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline
313 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development
314 Act; and

315 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
316 Subsection (5)(b)(iv)(B) after funding the uses specified in Subsections (4)(c)(i)
317 through (iii).

318 (d) The commission shall deposit 1.4543% of the revenue described in Subsection (4)(a)
319 into the Water Infrastructure Restricted Account created in Section 73-10g-103.

320 (e)(i) Subject to Subsection (4)(e)(ii), the commission shall deposit ~~26.24%~~ 19.24%
321 of the revenue described in Subsection (4)(a) into the Transportation Investment
322 Fund of 2005 created in Section 72-2-124.

323 (ii) The commission shall annually reduce the deposit described in Subsection
324 (4)(e)(i) by the sum of:

325 (A) \$1,813,400;

326 (B) the earmark described in Subsection (5)(c); and

327 (C) an amount equal to 35% of the revenue generated in the current fiscal year by
328 the portion of the tax imposed on motor and special fuel that is sold, used, or
329 received in the state that exceeds 29.4 cents per gallon.

330 (iii) The amount described in Subsection (4)(e)(ii)(C) shall be annually deposited into
331 the Transit Transportation Investment Fund created in Section 72-2-124.

332 (f) The commission shall deposit .44% of the revenue described in Subsection (4)(a) into
333 the Cottonwood Canyons Transportation Investment Fund created in Section
334 72-2-124.

335 (g) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into

336 the Commuter Rail Subaccount created in Section 72-2-124.

337 (h) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into
338 the Outdoor Adventure Infrastructure Restricted Account created in Section 51-9-902
339 as follows:

340 (i) into the Outdoor Adventure Infrastructure Restricted Account created in Section
341 51-9-902, an amount equal to the amount that was deposited into the Outdoor
342 Adventure Infrastructure Restricted Account in fiscal year 2025; and
343 (ii) for any amount exceeding the amount described in Subsection (4)(h)(i), 50% into
344 the Outdoor Adventure Infrastructure Restricted Account and 50% to the Utah
345 Fairpark Area Investment and Restoration District created in Section 11-70-201.

346 (5)(a) Notwithstanding Subsection (3)(a), each fiscal year the commission shall make
347 the deposits described in this Subsection (5).

348 (b)(i)(A) The commission shall deposit \$500,000 to the Department of Natural
349 Resources to be used for watershed rehabilitation or restoration.

350 (B) At the end of each fiscal year, 100% of any unexpended amount described in
351 Subsection (5)(b)(i)(A) shall lapse into the Water Resources Conservation and
352 Development Fund created in Section 73-10-24.

353 (ii) The commission shall deposit \$150,000 to the Division of Water Resources for
354 cloud-seeding projects authorized by Title 73, Chapter 15, Modification of
355 Weather.

356 (iii) The commission shall deposit \$525,000 into the Division of Conservation
357 created in Section 4-46-401 to implement water related programs.

358 (iv) The commission shall deposit \$7,175,000 into the Water Resources Conservation
359 and Development Fund created in Section 73-10-24 for use by the Division of
360 Water Resources:

361 (A) for the uses allowed of the Water Resources Conservation and Development
362 Fund under Section 73-10-24;

363 (B) to conduct hydrologic and geotechnical investigations by the Division of
364 Water Resources in a cooperative effort with other state, federal, or local
365 entities, for the purpose of quantifying surface and ground water resources and
366 describing the hydrologic systems of an area in sufficient detail so as to enable
367 local and state resource managers to plan for and accommodate growth in
368 water use without jeopardizing the resource;

369 (C) to fund state required dam safety improvements; and

370 (D) to protect the state's interest in interstate water compact allocations, including
371 the hiring of technical and legal staff.

372 (v) The commission shall deposit \$3,587,500 into the Utah Wastewater Loan
373 Program Subaccount created in Section 73-10c-5 for use by the Water Quality
374 Board to fund wastewater projects.

375 (vi) The commission shall deposit \$3,587,500 into the Drinking Water Loan Program
376 Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water
377 to:

378 (A) provide for the installation and repair of collection, treatment, storage, and
379 distribution facilities for any public water system, as defined in Section
380 19-4-102;

381 (B) develop underground sources of water, including springs and wells; and

382 (C) develop surface water sources.

383 (vii) The commission shall deposit \$2,450,000 to the Division of Wildlife Resources
384 to:

385 (A) implement the measures described in Subsections 23A-3-214(3)(a) through
386 (d) to protect sensitive plant and animal species; or

387 (B) award grants, up to the amount authorized by the Legislature in an
388 appropriations act, to political subdivisions of the state to implement the
389 measures described in Subsections 23A-3-214(3)(a) through (d) to protect
390 sensitive plant and animal species.

391 (viii) Funds transferred to the Division of Wildlife Resources under Subsection
392 (5)(b)(vii)(A) may not be used to assist the United States Fish and Wildlife
393 Service or any other person to list or attempt to have listed a species as threatened
394 or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531, et
395 seq.

396 (ix) At the end of each fiscal year, any unexpended amounts described in Subsections
397 (5)(b)(vii)(A) and (B) shall lapse:

398 (A) 50% into the Water Resources Conservation and Development Fund created
399 in Section 73-10-24;

400 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section
401 73-10c-5; and

402 (C) 25% into the Drinking Water Loan Program Subaccount created in Section
403 73-10c-5.

404 (x) The commission shall allocate \$175,000 to the Division of Water Rights to cover
405 the costs incurred in hiring legal and technical staff for the adjudication of water
406 rights.

407 (xi) At the end of each fiscal year, any unexpended amounts described in Subsection
408 (5)(b)(x) shall lapse:
409 (A) 50% into the Water Resources Conservation and Development Fund created
410 in Section 73-10-24;
411 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section
412 73-10c-5; and
413 (C) 25% into the Drinking Water Loan Program Subaccount created in Section
414 73-10c-5.

415 (c) The commission shall deposit \$45,000,000 into the Active Transportation Investment
416 Fund created in Section 72-2-124.

417 (d) The commission shall deposit \$533,750 into the Qualified Emergency Food
418 Agencies Fund created by and expended in accordance with Section 35A-8-1009.

419 (e) The commission shall deposit \$200,000 into the General Fund as a dedicated credit
420 for the sole use of the Search and Rescue Financial Assistance Program created by
421 and to be expended in accordance with Title 53, Chapter 2a, Part 11, Search and
422 Rescue Act.

423 (6)(a) The rate specified in this Subsection (6) is 0.15%.

424 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning
425 on or after July 1, 2019, annually transfer the amount of revenue collected from the
426 rate described in Subsection (6)(a) on the transactions that are subject to the sales and
427 use tax under Subsection (2)(a)(i)(B) into the Medicaid ACA Fund created in Section
428 26B-1-315.

429 (7)(a) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11),
430 (12), and (13), and as described in Section 63N-3-610, beginning the first day of a
431 calendar quarter one year after the sales and use tax boundary for a housing and
432 transit reinvestment zone is established under Title 63N, Chapter 3, Part 6, Housing
433 and Transit Reinvestment Zone Act, the commission, at least annually, shall transfer
434 an amount equal to 15% of the sales and use tax increment from the sales and use tax
435 imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within
436 an established sales and use tax boundary, as defined in Section 63N-3-602, into the
437 Transit Transportation Investment Fund created in Section 72-2-124.

438 (b) Beginning no sooner than January 1, 2026, notwithstanding Subsection (3)(a), and
439 except as provided in Subsections (11), (12), and (13), and as described in Section
440 63N-3-610.1, beginning the first day of a calendar quarter after the year set in the
441 proposal and after the sales and use tax boundary for a convention center
442 reinvestment zone is established in a capital city under Title 63N, Chapter 3, Part 6,
443 Housing and Transit Reinvestment Zone Act, the commission, at least annually, shall
444 transfer an amount equal to 50% of the sales and use tax increment as defined in
445 Section 63N-3-602 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a
446 4.7% rate, on transactions occurring within an established sales and use tax boundary,
447 as defined in Section 63N-3-602, to a convention center public infrastructure district
448 created in accordance with Section 17D-4-202.1 and specified in the convention
449 center reinvestment zone proposal submitted pursuant to Title 63N, Chapter 3, Part 6,
450 Housing and Transit Reinvestment Zone Act.

451 (8) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12), and
452 (13), beginning October 1, 2024 the commission shall transfer to the Utah Fairpark Area
453 Investment and Restoration District, created in Section 11-70-201, the revenue from the
454 sales and use tax imposed by Subsection (2)(a)(i)(A), on transactions occurring within
455 the district sales tax area, as defined in Section 11-70-101.

456 (9)(a) As used in this Subsection (9):

457 (i) "Additional land" means point of the mountain state land described in Subsection
458 11-59-102(6)(b) that the point of the mountain authority acquires after the point of
459 the mountain authority provides the commission a map under Subsection (9)(c).

460 (ii) "Point of the mountain authority" means the Point of the Mountain State Land
461 Authority, created in Section 11-59-201.

462 (iii) "Point of the mountain state land" means the same as that term is defined in
463 Section 11-59-102.

464 (b) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12),
465 and (13), the commission shall distribute to the point of the mountain authority 50%
466 of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A), on
467 transactions occurring on the point of the mountain state land.

468 (c) The distribution under Subsection (9)(b) shall begin the next calendar quarter that
469 begins at least 90 days after the point of the mountain authority provides the
470 commission a map that:

471 (i) accurately describes the point of the mountain state land; and

- (ii) the point of the mountain authority certifies as accurate.
- (d) A distribution under Subsection (9)(b) with respect to additional land shall begin the next calendar quarter that begins at least 90 days after the point of the mountain authority provides the commission a map of point of the mountain state land that:
 - (i) accurately describes the point of the mountain state land, including the additional land; and
 - (ii) the point of the mountain authority certifies as accurate.
- (e)(i) Upon the payment in full of bonds secured by the sales and use tax revenue distributed to the point of the mountain authority under Subsection (9)(b), the point of the mountain authority shall immediately notify the commission in writing that the bonds are paid in full.
- (ii) The commission shall discontinue distributions of sales and use tax revenue under Subsection (9)(b) at the beginning of the calendar quarter that begins at least 90 days after the date that the commission receives the written notice under Subsection (9)(e)(i).
-) Notwithstanding Subsection (3)(a), the amount of state sales tax revenues described in Section 63N-2-503.5 is deposited into the Convention Incentive Fund created in Section 63N-2-503.5.
-) (a) As used in this Subsection (11):
 - (i) "Applicable percentage" means:
 - (A) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, 15% of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone described in Subsection (11)(a)(ii)(A);
 - (B) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone described in Subsection (11)(a)(ii)(B); and
 - (C) for the Point of the Mountain State Land Authority created in Section 11-59-201, 50% of the revenue from sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone described in Subsection (11)(a)(ii)(C).
 - (ii) "Qualified development zone" means:

506 (A) the sales and use tax boundary of a housing and transit reinvestment zone
507 created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment
508 Act;

509 (B) the district sales tax boundary as defined in Section 11-70-101 for the Utah
510 Fairpark Area Investment and Restoration District, created in Section
511 11-70-201; or

512 (C) the sales and use tax boundary of point of the mountain state land, as defined
513 in Section 11-59-102, under the Point of the Mountain State Land Authority
514 created in Section 11-59-201.

515 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form
516 TC-62M, Schedule J or a substantially similar form as designated by the
517 commission.

518 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
519 qualified development zone shall be deposited into the General Fund.

520 (12)(a) As used in Subsections (12) and (13):

521 (i) "Applicable percentage" means, for a convention center reinvestment zone created
522 in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit
523 Reinvestment Zone Act, an amount equal to 50% of the sales and use tax
524 increment, as that term is defined in Section 63N-3-602, from the sales and use tax
525 imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the
526 qualified development zone described in Subsection (12)(a)(ii).

527 (ii) "Qualified development zone" means the sales and use tax boundary of a
528 convention center reinvestment zone created in a capital city under Title 63N,
529 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

530 (iii) "Qualifying construction materials" means construction materials that are:
531 (A) delivered to a delivery outlet within a qualified development zone; and
532 (B) intended to be permanently attached to real property within the qualified
533 development zone.

534 (b) For a sale of qualifying construction materials, the commission shall distribute the
535 product calculated in Subsection (12)(c) to a qualified development zone if the seller
536 of the construction materials:

537 (i) establishes a delivery outlet with the commission within the qualified development
538 zone;
539 (ii) reports the sales of the construction materials to the delivery outlet described in

540 Subsection (12)(b)(i); and

541 (iii) does not report the sales of the construction materials on a simplified electronic

542 return.

543 (c) For the purposes of Subsection (12)(b), the product is equal to:

544 (i) the sales price or purchase price of the qualifying construction materials; and

545 (ii) the applicable percentage.

546 (13)(a) As used in this Subsection (13), "Schedule J sale" means a sale reported on State

547 Tax Commission Form TC-62M, Schedule J, or a substantially similar form as

548 designated by the commission.

549 (b) Revenue generated from the applicable percentage by a Schedule J sale within a

550 qualified development zone shall be distributed into the General Fund.

551 **Section 2. Effective Date.**

552 This bill takes effect on July 1, 2026.

This bill takes effect on July 1, 2026.