

Chris H. Wilson proposes the following substitute bill:

Online Sales Tax Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Chris H. Wilson

House Sponsor: Steve Eliason

LONG TITLE

General Description:

This bill modifies sales and use tax provisions for online transactions.

Highlighted Provisions:

This bill:

- defines terms;
- imposes a sales and use tax for amounts paid or charged for access to digital video or audio works, including subscription-based streaming services;
- clarifies the exemption from sales and use tax for transactions subject to a multi-channel video or audio service tax; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-12-102, as last amended by Laws of Utah 2025, First Special Session, Chapters 9, 12

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

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

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

Section 1. Section **59-12-102** is amended to read:

59-12-102 . Definitions.

As used in this chapter:

- (1) "800 service" means a telecommunications service that:

(a) allows a caller to dial a toll-free number without incurring a charge for the call; and

(b) is typically marketed:

(i) under the name 800 toll-free calling;

(ii) under the name 855 toll-free calling;

(iii) under the name 866 toll-free calling;

(iv) under the name 877 toll-free calling;

(v) under the name 888 toll-free calling; or

(vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the Federal Communications Commission.

(2)(a) "900 service" means an inbound toll telecommunications service that:

(i) a subscriber purchases;

(ii) allows a customer of the subscriber described in Subsection (2)(a)(i) to call in to the subscriber's:

(A) prerecorded announcement; or

(B) live service; and

(iii) is typically marketed:

(A) under the name 900 service; or

(B) under a name similar to Subsection (2)(a)(iii)(A) as designated by the Federal Communications Commission.

(b) "900 service" does not include a charge for:

(i) a collection service a seller of a telecommunications service provides to a subscriber; or

(ii) the following a subscriber sells to the subscriber's customer:

(A) a product; or

(B) a service.

(3)(a) "Adaptive driving equipment" means mobility enhancing equipment:

(i) to be installed in a motor vehicle; and

(ii) regardless of who provides the equipment or parts.

(b) "Adaptive driving equipment" includes:

(i) a wheelchair or scooter lift;

(ii) equipment to secure a wheelchair;

(iii) a swivel seat;

(iv) a hand or foot control; and

(v) a steering aid.

- (4)(a) "Admission or user fees" includes season passes.
- (b) "Admission or user fees" does not include:
- (i) annual membership dues to private organizations; or
 - (ii) a lesson, including a lesson that involves as part of the lesson equipment or a facility listed in Subsection 59-12-103(1)(f).
- (5) "Affiliate" or "affiliated person" means a person that, with respect to another person:
- (a) has an ownership interest of more than 5%, whether direct or indirect, in that other person; or
 - (b) is related to the other person because a third person, or a group of third persons who are affiliated persons with respect to each other, holds an ownership interest of more than 5%, whether direct or indirect, in the related persons.
- (6) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on November 12, 2002, including amendments made to the Streamlined Sales and Use Tax Agreement after November 12, 2002.
- (7) "Agreement combined tax rate" means the sum of the tax rates:
- (a) listed under Subsection (8); and
 - (b) that are imposed within a local taxing jurisdiction.
- (8) "Agreement sales and use tax" means a tax imposed under:
- (a) Subsection 59-12-103(2)(a)(i)(A);
 - (b) Subsection 59-12-103(2)(a)(i)(B);
 - (c) Subsection 59-12-103(2)(b)(i);
 - (d) Subsection 59-12-103(2)(c)(i);
 - (e) Subsection 59-12-103(2)(d);
 - (f) Subsection 59-12-103(2)(e)(i)(A);
 - (g) Section 59-12-204;
 - (h) Section 59-12-401;
 - (i) Section 59-12-402;
 - (j) Section 59-12-402.1;
 - (k) Section 59-12-703;
 - (l) Section 59-12-802;
 - (m) Section 59-12-804;
 - (n) Section 59-12-1102;
 - (o) Section 59-12-1302;
 - (p) Section 59-12-1402;

(q) Section 59-12-1802;

(r) Section 59-12-2003;

(s) Section 59-12-2103;

(t) Section 59-12-2213;

(u) Section 59-12-2214;

(v) Section 59-12-2215;

(w) Section 59-12-2216;

(x) Section 59-12-2217;

(y) Section 59-12-2218;

(z) Section 59-12-2219;

(aa) Section 59-12-2220; or

(bb) Section 59-12-2402.

(9) "Aircraft" means the same as that term is defined in Section 72-10-102.

(10) "Aircraft maintenance, repair, and overhaul provider" means a business entity:

(a) except for:

(i) an airline as defined in Section 59-2-102; or

(ii) an affiliated group, as defined in Section 59-7-101, except that "affiliated group" includes a corporation that is qualified to do business but is not otherwise doing business in the state, of an airline; and

(b) that has the workers, expertise, and facilities to perform the following, regardless of whether the business entity performs the following in this state:

(i) check, diagnose, overhaul, and repair:

(A) an onboard system of a fixed wing turbine powered aircraft; and

(B) the parts that comprise an onboard system of a fixed wing turbine powered aircraft;

(ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered aircraft engine;

(iii) perform at least the following maintenance on a fixed wing turbine powered aircraft:

(A) an inspection;

(B) a repair, including a structural repair or modification;

(C) changing landing gear; and

(D) addressing issues related to an aging fixed wing turbine powered aircraft;

(iv) completely remove the existing paint of a fixed wing turbine powered aircraft

- 131 and completely apply new paint to the fixed wing turbine powered aircraft; and
132 (v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that
133 results in a change in the fixed wing turbine powered aircraft's certification
134 requirements by the authority that certifies the fixed wing turbine powered aircraft.
- 135 (11) "Alcoholic beverage" means a beverage that:
136 (a) is suitable for human consumption; and
137 (b) contains .5% or more alcohol by volume.
- 138 (12) "Alternative energy" means:
139 (a) biomass energy;
140 (b) geothermal energy;
141 (c) hydroelectric energy;
142 (d) solar energy;
143 (e) wind energy; or
144 (f) energy that is derived from:
145 (i) coal-to-liquids;
146 (ii) nuclear fuel;
147 (iii) oil-impregnated diatomaceous earth;
148 (iv) oil sands;
149 (v) oil shale;
150 (vi) petroleum coke; or
151 (vii) waste heat from:
152 (A) an industrial facility; or
153 (B) a power station in which an electric generator is driven through a process in
154 which water is heated, turns into steam, and spins a steam turbine.
- 155 (13)(a) Subject to Subsection (13)(b), "alternative energy electricity production facility"
156 means a facility that:
157 (i) uses alternative energy to produce electricity; and
158 (ii) has a production capacity of two megawatts or greater.
159 (b) A facility is an alternative energy electricity production facility regardless of whether
160 the facility is:
161 (i) connected to an electric grid; or
162 (ii) located on the premises of an electricity consumer.
- 163 (14)(a) "Ancillary service" means a service associated with, or incidental to, the
164 provision of telecommunications service.

(b) "Ancillary service" includes:

- (i) a conference bridging service;
- (ii) a detailed communications billing service;
- (iii) directory assistance;
- (iv) a vertical service; or
- (v) a voice mail service.

(15) "Area agency on aging" means the same as that term is defined in Section 26B-6-101.

(16) "Assisted amusement device" means an amusement device, skill device, or ride device that is started and stopped by an individual:

- (a) who is not the purchaser or renter of the right to use or operate the amusement device, skill device, or ride device; and
- (b) at the direction of the seller of the right to use the amusement device, skill device, or ride device.

(17) "Assisted cleaning or washing of tangible personal property" means cleaning or washing of tangible personal property if the cleaning or washing labor is primarily performed by an individual:

- (a) who is not the purchaser of the cleaning or washing of the tangible personal property; and
- (b) at the direction of the seller of the cleaning or washing of the tangible personal property.

(18) "Authorized carrier" means:

- (a) in the case of vehicles operated over public highways, the holder of credentials indicating that the vehicle is or will be operated [~~pursuant to~~] in accordance with both the International Registration Plan and the International Fuel Tax Agreement;
- (b) in the case of aircraft, the holder of a Federal Aviation Administration operating certificate or air carrier's operating certificate; or
- (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling stock, a person who uses locomotives, freight cars, railroad work equipment, or other rolling stock in more than one state.

(19)(a) "Biomass energy" means any of the following that is used as the primary source of energy to produce fuel or electricity:

- (i) material from a plant or tree; or
- (ii) other organic matter that is available on a renewable basis, including:
 - (A) slash and brush from forests and woodlands;

- 199 (B) animal waste;
200 (C) waste vegetable oil;
201 (D) methane or synthetic gas produced at a landfill, as a byproduct of the
202 treatment of wastewater residuals, or through the conversion of a waste
203 material through a nonincineration, thermal conversion process;
204 (E) aquatic plants; and
205 (F) agricultural products.
- 206 (b) "Biomass energy" does not include:
207 (i) black liquor; or
208 (ii) treated woods.
- 209 (20)(a) "Bundled transaction" means the sale of two or more items of tangible personal
210 property, products, or services if the tangible personal property, products, or services
211 are:
212 (i) distinct and identifiable; and
213 (ii) sold for one nonitemized price.
- 214 (b) "Bundled transaction" does not include:
215 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on
216 the basis of the selection by the purchaser of the items of tangible personal
217 property included in the transaction;
218 (ii) the sale of real property;
219 (iii) the sale of services to real property;
220 (iv) the retail sale of tangible personal property and a service if:
221 (A) the tangible personal property:
222 (I) is essential to the use of the service; and
223 (II) is provided exclusively in connection with the service; and
224 (B) the service is the true object of the transaction;
225 (v) the retail sale of two services if:
226 (A) one service is provided that is essential to the use or receipt of a second
227 service;
228 (B) the first service is provided exclusively in connection with the second service;
229 and
230 (C) the second service is the true object of the transaction;
231 (vi) a transaction that includes tangible personal property or a product subject to
232 taxation under this chapter and tangible personal property or a product that is not

- 233 subject to taxation under this chapter if the:
- 234 (A) seller's purchase price of the tangible personal property or product subject to
- 235 taxation under this chapter is de minimis; or
- 236 (B) seller's sales price of the tangible personal property or product subject to
- 237 taxation under this chapter is de minimis; and
- 238 (vii) the retail sale of tangible personal property that is not subject to taxation under
- 239 this chapter and tangible personal property that is subject to taxation under this
- 240 chapter if:
- 241 (A) that retail sale includes:
- 242 (I) food and food ingredients;
- 243 (II) a drug;
- 244 (III) durable medical equipment;
- 245 (IV) mobility enhancing equipment;
- 246 (V) an over-the-counter drug;
- 247 (VI) a prosthetic device; or
- 248 (VII) a medical supply; and
- 249 (B) subject to Subsection (20)(f):
- 250 (I) the seller's purchase price of the tangible personal property subject to
- 251 taxation under this chapter is 50% or less of the seller's total purchase price
- 252 of that retail sale; or
- 253 (II) the seller's sales price of the tangible personal property subject to taxation
- 254 under this chapter is 50% or less of the seller's total sales price of that retail
- 255 sale.
- 256 (c)(i) For purposes of Subsection (20)(a)(i), tangible personal property, a product, or
- 257 a service that is distinct and identifiable does not include:
- 258 (A) packaging that:
- 259 (I) accompanies the sale of the tangible personal property, product, or service;
- 260 and
- 261 (II) is incidental or immaterial to the sale of the tangible personal property,
- 262 product, or service;
- 263 (B) tangible personal property, a product, or a service provided free of charge with
- 264 the purchase of another item of tangible personal property, a product, or a
- 265 service; or
- 266 (C) an item of tangible personal property, a product, or a service included in the

definition of "purchase price."

(ii) For purposes of Subsection (20)(c)(i)(B), an item of tangible personal property, a product, or a service is provided free of charge with the purchase of another item of tangible personal property, a product, or a service if the sales price of the purchased item of tangible personal property, product, or service does not vary depending on the inclusion of the tangible personal property, product, or service provided free of charge.

(d)(i) For purposes of Subsection (20)(a)(ii), property sold for one nonitemized price does not include a price that is separately identified by tangible personal property, product, or service on the following, regardless of whether the following is in paper format or electronic format:

(A) a binding sales document; or

(B) another supporting sales-related document that is available to a purchaser.

(ii) For purposes of Subsection (20)(d)(i), a binding sales document or another supporting sales-related document that is available to a purchaser includes:

(A) a bill of sale;

(B) a contract;

(C) an invoice;

(D) a lease agreement;

(E) a periodic notice of rates and services;

(F) a price list;

(G) a rate card;

(H) a receipt; or

(I) a service agreement.

(e)(i) For purposes of Subsection (20)(b)(vi), the sales price of tangible personal property or a product subject to taxation under this chapter is de minimis if:

(A) the seller's purchase price of the tangible personal property or product is 10% or less of the seller's total purchase price of the bundled transaction; or

(B) the seller's sales price of the tangible personal property or product is 10% or less of the seller's total sales price of the bundled transaction.

(ii) For purposes of Subsection (20)(b)(vi), a seller:

(A) shall use the seller's purchase price or the seller's sales price to determine if the purchase price or sales price of the tangible personal property or product subject to taxation under this chapter is de minimis; and

- (B) may not use a combination of the seller's purchase price and the seller's sales price to determine if the purchase price or sales price of the tangible personal property or product subject to taxation under this chapter is de minimis.
- (iii) For purposes of Subsection (20)(b)(vi), a seller shall use the full term of a service contract to determine if the sales price of tangible personal property or a product is de minimis.
- (f) For purposes of Subsection (20)(b)(vii)(B), a seller may not use a combination of the seller's purchase price and the seller's sales price to determine if tangible personal property subject to taxation under this chapter is 50% or less of the seller's total purchase price or sales price of that retail sale.
- (21) "Car sharing" means the same as that term is defined in Section 13-48a-101.
- (22) "Car-sharing program" means the same as that term is defined in Section 13-48a-101.
- (23) "Certified automated system" means software certified by the governing board of the agreement that:
- (a) calculates the agreement sales and use tax imposed within a local taxing jurisdiction:
 - (i) on a transaction; and
 - (ii) in the states that are members of the agreement;
 - (b) determines the amount of agreement sales and use tax to remit to a state that is a member of the agreement; and
 - (c) maintains a record of the transaction described in Subsection (23)(a)(i).
- (24) "Certified service provider" means an agent certified:
- (a) by the governing board of the agreement; and
 - (b) to perform a seller's sales and use tax functions for an agreement sales and use tax, as outlined in the contract between the governing board of the agreement and the certified service provider, other than the seller's obligation under Section 59-12-124 to remit a tax on the seller's own purchases.
- (25)(a) Subject to Subsection (25)(b), "clothing" means all human wearing apparel suitable for general use.
- (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules:
- (i) listing the items that constitute "clothing"; and
 - (ii) that are consistent with the list of items that constitute "clothing" under the agreement.
- (26) "Coal-to-liquid" means the process of converting coal into a liquid synthetic fuel.

(27) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other fuels that does not constitute industrial use under Subsection (61) or residential use under Subsection (117).

(28)(a) "Common carrier" means a person engaged in or transacting the business of transporting passengers, freight, merchandise, or other property for hire within this state.

(b)(i) "Common carrier" does not include a person that, at the time the person is traveling to or from that person's place of employment, transports a passenger to or from the passenger's place of employment.

(ii) For purposes of Subsection (28)(b)(i), in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining what constitutes a person's place of employment.

(c) "Common carrier" does not include a person that provides transportation network services, as defined in Section 13-51-102.

(29) "Component part" includes:

(a) poultry, dairy, and other livestock feed, and their components;

(b) baling ties and twine used in the baling of hay and straw;

(c) fuel used for providing temperature control of orchards and commercial greenhouses doing a majority of their business in wholesale sales, and for providing power for off-highway type farm machinery; and

(d) feed, seeds, and seedlings.

(30) "Computer" means an electronic device that accepts information:

(a)(i) in digital form; or

(ii) in a form similar to digital form; and

(b) manipulates that information for a result based on a sequence of instructions.

(31) "Computer software" means a set of coded instructions designed to cause:

(a) a computer to perform a task; or

(b) automatic data processing equipment to perform a task.

(32) "Computer software maintenance contract" means a contract that obligates a seller of computer software to provide a customer with:

(a) future updates or upgrades to computer software;

(b) support services with respect to computer software; or

(c) a combination of Subsections (32)(a) and (b).

(33)(a) "Conference bridging service" means an ancillary service that links two or more

participants of an audio conference call or video conference call.

(b) "Conference bridging service" may include providing a telephone number as part of the ancillary service described in Subsection (33)(a).

(c) "Conference bridging service" does not include a telecommunications service used to reach the ancillary service described in Subsection (33)(a).

(34) "Construction materials" means any tangible personal property that will be converted into real property.

(35) "Delivered electronically" means delivered to a purchaser by means other than tangible storage media.

(36)(a) "Delivery charge" means a charge:

(i) by a seller of:

(A) tangible personal property;

(B) a product transferred electronically; or

(C) a service; and

(ii) for preparation and delivery of the tangible personal property, product transferred electronically, or services described in Subsection (36)(a)(i) to a location designated by the purchaser.

(b) "Delivery charge" includes a charge for the following:

(i) transportation;

(ii) shipping;

(iii) postage;

(iv) handling;

(v) crating; or

(vi) packing.

(37) "Detailed telecommunications billing service" means an ancillary service of separately stating information pertaining to individual calls on a customer's billing statement.

(38) "Dietary supplement" means a product, other than tobacco, that:

(a) is intended to supplement the diet;

(b) contains one or more of the following dietary ingredients:

(i) a vitamin;

(ii) a mineral;

(iii) an herb or other botanical;

(iv) an amino acid;

(v) a dietary substance for use by humans to supplement the diet by increasing the

- 403 total dietary intake; or
- 404 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient
- 405 described in Subsections (38)(b)(i) through (v);
- 406 (c)(i) except as provided in Subsection (38)(c)(ii), is intended for ingestion in:
- 407 (A) tablet form;
- 408 (B) capsule form;
- 409 (C) powder form;
- 410 (D) softgel form;
- 411 (E) gelcap form; or
- 412 (F) liquid form; or
- 413 (ii) if the product is not intended for ingestion in a form described in Subsections
- 414 (38)(c)(i)(A) through (F), is not represented:
- 415 (A) as conventional food; and
- 416 (B) for use as a sole item of:
- 417 (I) a meal; or
- 418 (II) the diet; and
- 419 (d) is required to be labeled as a dietary supplement:
- 420 (i) identifiable by the "Supplemental Facts" box found on the label; and
- 421 (ii) as required by 21 C.F.R. Sec. 101.36.
- 422 (39)(a) "Digital audio work" means a work that results from the fixation of a series of
- 423 musical, spoken, or other sounds.
- 424 (b) "Digital audio work" includes a ringtone.
- 425 (40) "Digital audio-visual work" means a series of related images which, when shown in
- 426 succession, imparts an impression of motion, together with accompanying sounds, if any.
- 427 (41) "Digital book" means a work that is generally recognized in the ordinary and usual
- 428 sense as a book.
- 429 (42)(a) "Direct mail" means printed material delivered or distributed by United States
- 430 mail or other delivery service:
- 431 (i) to:
- 432 (A) a mass audience; or
- 433 (B) addressees on a mailing list provided:
- 434 (I) by a purchaser of the mailing list; or
- 435 (II) at the discretion of the purchaser of the mailing list; and
- 436 (ii) if the cost of the printed material is not billed directly to the recipients.

(b) "Direct mail" includes tangible personal property supplied directly or indirectly by a purchaser to a seller of direct mail for inclusion in a package containing the printed material.

(c) "Direct mail" does not include multiple items of printed material delivered to a single address.

(43) "Directory assistance" means an ancillary service of providing:

(a) address information; or

(b) telephone number information.

(44)(a) "Disposable home medical equipment or supplies" means medical equipment or supplies that:

(i) cannot withstand repeated use; and

(ii) are purchased by, for, or on behalf of a person other than:

(A) a health care facility as defined in Section 26B-2-201;

(B) a health care provider as defined in Section 78B-3-403;

(C) an office of a health care provider described in Subsection (44)(a)(ii)(B); or

(D) a person similar to a person described in Subsections (44)(a)(ii)(A) through

(C).

(b) "Disposable home medical equipment or supplies" does not include:

(i) a drug;

(ii) durable medical equipment;

(iii) a hearing aid;

(iv) a hearing aid accessory;

(v) mobility enhancing equipment; or

(vi) tangible personal property used to correct impaired vision, including:

(A) eyeglasses; or

(B) contact lenses.

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define what constitutes medical equipment or supplies.

(45) "Drilling equipment manufacturer" means a facility:

(a) located in the state;

(b) with respect to which 51% or more of the manufacturing activities of the facility consist of manufacturing component parts of drilling equipment;

(c) that uses pressure of 800,000 or more pounds per square inch as part of the manufacturing process; and

(d) that uses a temperature of 2,000 or more degrees Fahrenheit as part of the manufacturing process.

(46)(a) "Drug" means a compound, substance, or preparation, or a component of a compound, substance, or preparation that is:

(i) recognized in:

(A) the official United States Pharmacopoeia;

(B) the official Homeopathic Pharmacopoeia of the United States;

(C) the official National Formulary; or

(D) a supplement to a publication listed in Subsections (46)(a)(i)(A) through (C);

(ii) intended for use in the:

(A) diagnosis of disease;

(B) cure of disease;

(C) mitigation of disease;

(D) treatment of disease; or

(E) prevention of disease; or

(iii) intended to affect:

(A) the structure of the body; or

(B) any function of the body.

(b) "Drug" does not include:

(i) food and food ingredients;

(ii) a dietary supplement;

(iii) an alcoholic beverage; or

(iv) a prosthetic device.

(47)(a) "Durable medical equipment" means equipment that:

(i) can withstand repeated use;

(ii) is primarily and customarily used to serve a medical purpose;

(iii) generally is not useful to a person in the absence of illness or injury; and

(iv) is not worn in or on the body.

(b) "Durable medical equipment" includes parts used in the repair or replacement of the equipment described in Subsection (47)(a).

(c) "Durable medical equipment" does not include mobility enhancing equipment.

(48) "Electronic" means:

(a) relating to technology; and

(b) having:

- 505 (i) electrical capabilities;
506 (ii) digital capabilities;
507 (iii) magnetic capabilities;
508 (iv) wireless capabilities;
509 (v) optical capabilities;
510 (vi) electromagnetic capabilities; or
511 (vii) capabilities similar to Subsections (48)(b)(i) through (vi).
- 512 (49) "Electronic financial payment service" means an establishment:
513 (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and
514 Clearinghouse Activities, of the 2012 North American Industry Classification System
515 of the federal Executive Office of the President, Office of Management and Budget;
516 and
517 (b) that performs electronic financial payment services.
- 518 (50) "Employee" means the same as that term is defined in Section 59-10-401.
- 519 (51) "Fixed guideway" means a public transit facility that uses and occupies:
520 (a) rail for the use of public transit; or
521 (b) a separate right-of-way for the use of public transit.
- 522 (52) "Fixed wing turbine powered aircraft" means an aircraft that:
523 (a) is powered by turbine engines;
524 (b) operates on jet fuel; and
525 (c) has wings that are permanently attached to the fuselage of the aircraft.
- 526 (53) "Fixed wireless service" means a telecommunications service that provides radio
527 communication between fixed points.
- 528 (54)(a) "Food and food ingredients" means substances:
529 (i) regardless of whether the substances are in:
530 (A) liquid form;
531 (B) concentrated form;
532 (C) solid form;
533 (D) frozen form;
534 (E) dried form; or
535 (F) dehydrated form; and
536 (ii) that are:
537 (A) sold for:
538 (I) ingestion by humans; or

- 539 (II) chewing by humans; and
540 (B) consumed for the substance's:
541 (I) taste; or
542 (II) nutritional value.
- 543 (b) "Food and food ingredients" includes an item described in Subsection (100)(b)(iii).
544 (c) "Food and food ingredients" does not include:
545 (i) an alcoholic beverage;
546 (ii) tobacco; or
547 (iii) prepared food.
- 548 (55)(a) "Fundraising sales" means sales:
549 (i)(A) made by a school; or
550 (B) made by a school student;
551 (ii) that are for the purpose of raising funds for the school to purchase equipment,
552 materials, or provide transportation; and
553 (iii) that are part of an officially sanctioned school activity.
- 554 (b) For purposes of Subsection (55)(a)(iii), "officially sanctioned school activity" means
555 a school activity:
556 (i) that is conducted in accordance with a formal policy adopted by the school or
557 school district governing the authorization and supervision of fundraising
558 activities;
559 (ii) that does not directly or indirectly compensate an individual teacher or other
560 educational personnel by direct payment, commissions, or payment in kind; and
561 (iii) the net or gross revenue from which is deposited in a dedicated account
562 controlled by the school or school district.
- 563 (56) "Geothermal energy" means energy contained in heat that continuously flows outward
564 from the earth that is used as the sole source of energy to produce electricity.
- 565 (57) "Governing board of the agreement" means the governing board of the agreement that
566 is:
567 (a) authorized to administer the agreement; and
568 (b) established in accordance with the agreement.
- 569 (58)(a) For purposes of Subsection 59-12-104(41), "governmental entity" means:
570 (i) the executive branch of the state, including all departments, institutions, boards,
571 divisions, bureaus, offices, commissions, and committees;
572 (ii) the judicial branch of the state, including the courts, the Judicial Council, the

- 573 Administrative Office of the Courts, and similar administrative units in the
574 judicial branch;
- 575 (iii) the legislative branch of the state, including the House of Representatives, the
576 Senate, the Office of Legislative Services, the Office of Legislative Research and
577 General Counsel, the Office of the Legislative Auditor General, and the Office of
578 the Legislative Fiscal Analyst;
- 579 (iv) the National Guard;
- 580 (v) an independent entity as defined in Section 63E-1-102; or
- 581 (vi) a political subdivision as defined in Section 17B-1-102.
- 582 (b) "Governmental entity" does not include the state systems of public and higher
583 education, including:
- 584 (i) a school;
- 585 (ii) the State Board of Education;
- 586 (iii) the Utah Board of Higher Education; or
- 587 (iv) an institution of higher education listed in Section 53H-1-102.
- 588 (59) "Hydroelectric energy" means water used as the sole source of energy to produce
589 electricity.
- 590 (60) "Individual-owned shared vehicle" means the same as that term is defined in Section
591 13-48a-101.
- 592 (61) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil, or other
593 fuels:
- 594 (a) in mining or extraction of minerals;
- 595 (b) in agricultural operations to produce an agricultural product up to the time of harvest
596 or placing the agricultural product into a storage facility, including:
- 597 (i) commercial greenhouses;
- 598 (ii) irrigation pumps;
- 599 (iii) farm machinery;
- 600 (iv) implements of husbandry as defined in Section 41-1a-102 that are not registered
601 under Title 41, Chapter 1a, Part 2, Registration; and
- 602 (v) other farming activities;
- 603 (c) in manufacturing tangible personal property at an establishment described in:
- 604 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
605 the federal Executive Office of the President, Office of Management and Budget;
606 or

- 607 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
608 American Industry Classification System of the federal Executive Office of the
609 President, Office of Management and Budget;
- 610 (d) by a scrap recycler if:
- 611 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to
612 process one or more of the following items into prepared grades of processed
613 materials for use in new products:
- 614 (A) iron;
615 (B) steel;
616 (C) nonferrous metal;
617 (D) paper;
618 (E) glass;
619 (F) plastic;
620 (G) textile; or
621 (H) rubber; and
- 622 (ii) the new products under Subsection (61)(d)(i) would otherwise be made with
623 nonrecycled materials; or
- 624 (e) in producing a form of energy or steam described in Subsection 54-2-1(3)(a) by a
625 cogeneration facility as defined in Section 54-2-1.
- 626 (62)(a) "Installation charge" means a charge for installing:
- 627 (i) tangible personal property; or
628 (ii) a product transferred electronically.
- 629 (b) "Installation charge" does not include a charge for:
- 630 (i) repairs or renovations of:
- 631 (A) tangible personal property; or
632 (B) a product transferred electronically; or
- 633 (ii) attaching tangible personal property or a product transferred electronically:
- 634 (A) to other tangible personal property; and
635 (B) as part of a manufacturing or fabrication process.
- 636 (63) "Institution of higher education" means an institution of higher education listed in
637 Section 53H-1-102.
- 638 (64)(a) "Lease" or "rental" means a transfer of possession or control of tangible personal
639 property or a product transferred electronically for:
- 640 (i)(A) a fixed term; or

- 641 (B) an indeterminate term; and
642 (ii) consideration.
- 643 (b) "Lease" or "rental" includes:
- 644 (i) an agreement covering a motor vehicle and trailer if the amount of consideration
645 may be increased or decreased by reference to the amount realized upon sale or
646 disposition of the property as defined in Section 7701(h)(1), Internal Revenue
647 Code; and
648 (ii) car sharing.
- 649 (c) "Lease" or "rental" does not include:
- 650 (i) a transfer of possession or control of property under a security agreement or
651 deferred payment plan that requires the transfer of title upon completion of the
652 required payments;
- 653 (ii) a transfer of possession or control of property under an agreement that requires
654 the transfer of title:
- 655 (A) upon completion of required payments; and
656 (B) if the payment of an option price does not exceed the greater of:
- 657 (I) \$100; or
658 (II) 1% of the total required payments; or
- 659 (iii) providing tangible personal property along with an operator for a fixed period of
660 time or an indeterminate period of time if the operator is necessary for equipment
661 to perform as designed.
- 662 (d) For purposes of Subsection (64)(c)(iii), an operator is necessary for equipment to
663 perform as designed if the operator's duties exceed the:
- 664 (i) set-up of tangible personal property;
665 (ii) maintenance of tangible personal property; or
666 (iii) inspection of tangible personal property.
- 667 (65) "Lesson" means a fixed period of time for the duration of which a trained instructor:
- 668 (a) is present with a student in person or by video; and
669 (b) actively instructs the student, including by providing observation or feedback.
- 670 (66) "Life science establishment" means an establishment in this state that is classified
671 under the following NAICS codes of the 2007 North American Industry Classification
672 System of the federal Executive Office of the President, Office of Management and
673 Budget:
- 674 (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;

(b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus

Manufacturing; or

(c) NAICS Code 334517, Irradiation Apparatus Manufacturing.

(67) "Life science research and development facility" means a facility owned, leased, or rented by a life science establishment if research and development is performed in 51% or more of the total area of the facility.

(68) "Load and leave" means delivery to a purchaser by use of a tangible storage media if the tangible storage media is not physically transferred to the purchaser.

(69) "Local taxing jurisdiction" means a:

(a) county that is authorized to impose an agreement sales and use tax;

(b) city that is authorized to impose an agreement sales and use tax; or

(c) town that is authorized to impose an agreement sales and use tax.

(70) "Manufactured home" means the same as that term is defined in Section 15A-1-302.

(71) "Manufacturing facility" means:

(a) an establishment described in:

(i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of the President, Office of Management and Budget; or

(ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;

(b) a scrap recycler if:

(i) from a fixed location, the scrap recycler utilizes machinery or equipment to process one or more of the following items into prepared grades of processed materials for use in new products:

(A) iron;

(B) steel;

(C) nonferrous metal;

(D) paper;

(E) glass;

(F) plastic;

(G) textile; or

(H) rubber; and

(ii) the new products under Subsection (71)(b)(i) would otherwise be made with

- 709 nonrecycled materials; or
- 710 (c) a cogeneration facility as defined in Section 54-2-1 if the cogeneration facility is
- 711 placed in service on or after May 1, 2006.
- 712 (72)(a) "Marketplace" means a physical or electronic place, platform, or forum where
- 713 tangible personal property, a product transferred electronically, or a service is offered
- 714 for sale.
- 715 (b) "Marketplace" includes a store, a booth, an Internet website, a catalog, or a dedicated
- 716 sales software application.
- 717 (73)(a) "Marketplace facilitator" means a person, including an affiliate of the person,
- 718 that enters into a contract, an agreement, or otherwise with sellers, for consideration,
- 719 to facilitate the sale of a seller's product through a marketplace that the person owns,
- 720 operates, or controls and that directly or indirectly:
- 721 (i) does any of the following:
- 722 (A) lists, makes available, or advertises tangible personal property, a product
- 723 transferred electronically, or a service for sale by a marketplace seller on a
- 724 marketplace that the person owns, operates, or controls;
- 725 (B) facilitates the sale of a marketplace seller's tangible personal property, product
- 726 transferred electronically, or service by transmitting or otherwise
- 727 communicating an offer or acceptance of a retail sale between the marketplace
- 728 seller and a purchaser using the marketplace;
- 729 (C) owns, rents, licenses, makes available, or operates any electronic or physical
- 730 infrastructure or any property, process, method, copyright, trademark, or patent
- 731 that connects a marketplace seller to a purchaser for the purpose of making a
- 732 retail sale of tangible personal property, a product transferred electronically, or
- 733 a service;
- 734 (D) provides a marketplace for making, or otherwise facilitates, a retail sale of
- 735 tangible personal property, a product transferred electronically, or a service,
- 736 regardless of ownership or control of the tangible personal property, the
- 737 product transferred electronically, or the service that is the subject of the retail
- 738 sale;
- 739 (E) provides software development or research and development activities related
- 740 to any activity described in this Subsection (73)(a)(i), if the software
- 741 development or research and development activity is directly related to the
- 742 person's marketplace;

- 743 (F) provides or offers fulfillment or storage services for a marketplace seller;
744 (G) sets prices for the sale of tangible personal property, a product transferred
745 electronically, or a service by a marketplace seller;
746 (H) provides or offers customer service to a marketplace seller or a marketplace
747 seller's purchaser or accepts or assists with taking orders, returns, or exchanges
748 of tangible personal property, a product transferred electronically, or a service
749 sold by a marketplace seller on the person's marketplace; or
750 (I) brands or otherwise identifies sales as those of the person; and
751 (ii) does any of the following:
752 (A) collects the sales price or purchase price of a retail sale of tangible personal
753 property, a product transferred electronically, or a service;
754 (B) provides payment processing services for a retail sale of tangible personal
755 property, a product transferred electronically, or a service;
756 (C) charges, collects, or otherwise receives a selling fee, listing fee, referral fee,
757 closing fee, a fee for inserting or making available tangible personal property, a
758 product transferred electronically, or a service on the person's marketplace, or
759 other consideration for the facilitation of a retail sale of tangible personal
760 property, a product transferred electronically, or a service, regardless of
761 ownership or control of the tangible personal property, the product transferred
762 electronically, or the service that is the subject of the retail sale;
763 (D) through terms and conditions, an agreement, or another arrangement with a
764 third person, collects payment from a purchase for a retail sale of tangible
765 personal property, a product transferred electronically, or a service and
766 transmits that payment to the marketplace seller, regardless of whether the
767 third person receives compensation or other consideration in exchange for the
768 service; or
769 (E) provides a virtual currency for a purchaser to use to purchase tangible personal
770 property, a product transferred electronically, or service offered for sale.
771 (b) "Marketplace facilitator" does not include:
772 (i) a person that only provides payment processing services; or
773 (ii) a person described in Subsection (73)(a) to the extent the person is facilitating a
774 sale for a seller that is a restaurant as defined in Section 59-12-602.
775 (74) "Marketplace seller" means a seller that makes one or more retail sales through a
776 marketplace that a marketplace facilitator owns, operates, or controls, regardless of

whether the seller is required to be registered to collect and remit the tax under this part.

(75) "Member of the immediate family of the producer" means a person who is related to a producer described in Subsection 59-12-104(20)(a) as a:

(a) child or stepchild, regardless of whether the child or stepchild is:

(i) an adopted child or adopted stepchild; or

(ii) a foster child or foster stepchild;

(b) grandchild or stepgrandchild;

(c) grandparent or stepgrandparent;

(d) nephew or stepnephew;

(e) niece or stepniece;

(f) parent or stepparent;

(g) sibling or stepsibling;

(h) spouse;

(i) person who is the spouse of a person described in Subsections (75)(a) through (g); or

(j) person similar to a person described in Subsections (75)(a) through (i) as determined

by the commission by rule made in accordance with Title 63G, Chapter 3, Utah

Administrative Rulemaking Act.

(76) "Mobile home" means the same as that term is defined in Section 15A-1-302.

(77) "Mobile telecommunications service" means the same as that term is defined in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

(78)(a) "Mobile wireless service" means a telecommunications service, regardless of the technology used, if:

(i) the origination point of the conveyance, routing, or transmission is not fixed;

(ii) the termination point of the conveyance, routing, or transmission is not fixed; or

(iii) the origination point described in Subsection (78)(a)(i) and the termination point described in Subsection (78)(a)(ii) are not fixed.

(b) "Mobile wireless service" includes a telecommunications service that is provided by a commercial mobile radio service provider.

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define "commercial mobile radio service provider."

(79)(a) "Mobility enhancing equipment" means equipment that is:

(i) primarily and customarily used to provide or increase the ability to move from one place to another;

(ii) appropriate for use in a:

- 811 (A) home; or
- 812 (B) motor vehicle; and
- 813 (iii) not generally used by persons with normal mobility.
- 814 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of
- 815 the equipment described in Subsection (79)(a).
- 816 (c) "Mobility enhancing equipment" does not include:
- 817 (i) a motor vehicle;
- 818 (ii) equipment on a motor vehicle if that equipment is normally provided by the
- 819 motor vehicle manufacturer;
- 820 (iii) durable medical equipment; or
- 821 (iv) a prosthetic device.
- 822 (80) "Model 1 seller" means a seller registered under the agreement that has selected a
- 823 certified service provider as the seller's agent to perform the seller's sales and use tax
- 824 functions for agreement sales and use taxes, as outlined in the contract between the
- 825 governing board of the agreement and the certified service provider, other than the
- 826 seller's obligation under Section 59-12-124 to remit a tax on the seller's own purchases.
- 827 (81) "Model 2 seller" means a seller registered under the agreement that:
- 828 (a) except as provided in Subsection (81)(b), has selected a certified automated system
- 829 to perform the seller's sales tax functions for agreement sales and use taxes; and
- 830 (b) retains responsibility for remitting all of the sales tax:
- 831 (i) collected by the seller; and
- 832 (ii) to the appropriate local taxing jurisdiction.
- 833 (82)(a) Subject to Subsection (82)(b), "model 3 seller" means a seller registered under
- 834 the agreement that has:
- 835 (i) sales in at least five states that are members of the agreement;
- 836 (ii) total annual sales revenue of at least \$500,000,000;
- 837 (iii) a proprietary system that calculates the amount of tax:
- 838 (A) for an agreement sales and use tax; and
- 839 (B) due to each local taxing jurisdiction; and
- 840 (iv) entered into a performance agreement with the governing board of the agreement.
- 841 (b) For purposes of Subsection (82)(a), "model 3 seller" includes an affiliated group of
- 842 sellers using the same proprietary system.
- 843 (83) "Model 4 seller" means a seller that is registered under the agreement and is not a
- 844 model 1 seller, model 2 seller, or model 3 seller.

- (84) "Modular home" means a modular unit as defined in Section 15A-1-302.
- (85) "Motor vehicle" means the same as that term is defined in Section 41-1a-102.
- (86) "Oil sands" means impregnated bituminous sands that:
- (a) contain a heavy, thick form of petroleum that is released when heated, mixed with other hydrocarbons, or otherwise treated;
 - (b) yield mixtures of liquid hydrocarbon; and
 - (c) require further processing other than mechanical blending before becoming finished petroleum products.
- (87) "Oil shale" means a group of fine black to dark brown shales containing kerogen material that yields petroleum upon heating and distillation.
- (88) "Optional computer software maintenance contract" means a computer software maintenance contract that a customer is not obligated to purchase as a condition to the retail sale of computer software.
- (89)(a) "Other fuels" means products that burn independently to produce heat or energy.
- (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible personal property.
- (90)(a) "Paging service" means a telecommunications service that provides transmission of a coded radio signal for the purpose of activating a specific pager.
- (b) For purposes of Subsection (90)(a), the transmission of a coded radio signal includes a transmission by message or sound.
- (91) "Pawn transaction" means the same as that term is defined in Section 13-32a-102.
- (92) "Pawnbroker" means the same as that term is defined in Section 13-32a-102.
- (93)(a) "Permanently attached to real property" means that for tangible personal property attached to real property:
- (i) the attachment of the tangible personal property to the real property:
 - (A) is essential to the use of the tangible personal property; and
 - (B) suggests that the tangible personal property will remain attached to the real property in the same place over the useful life of the tangible personal property; or
 - (ii) if the tangible personal property is detached from the real property, the detachment would:
 - (A) cause substantial damage to the tangible personal property; or
 - (B) require substantial alteration or repair of the real property to which the tangible personal property is attached.

- 879 (b) "Permanently attached to real property" includes:
- 880 (i) the attachment of an accessory to the tangible personal property if the accessory is:
- 881 (A) essential to the operation of the tangible personal property; and
- 882 (B) attached only to facilitate the operation of the tangible personal property;
- 883 (ii) a temporary detachment of tangible personal property from real property for a
- 884 repair or renovation if the repair or renovation is performed where the tangible
- 885 personal property and real property are located; or
- 886 (iii) property attached to oil, gas, or water pipelines, except for the property listed in
- 887 Subsection (93)(c)(iii) or (iv).
- 888 (c) "Permanently attached to real property" does not include:
- 889 (i) the attachment of portable or movable tangible personal property to real property
- 890 if that portable or movable tangible personal property is attached to real property
- 891 only for:
- 892 (A) convenience;
- 893 (B) stability; or
- 894 (C) for an obvious temporary purpose;
- 895 (ii) the detachment of tangible personal property from real property except for the
- 896 detachment described in Subsection (93)(b)(ii);
- 897 (iii) an attachment of the following tangible personal property to real property if the
- 898 attachment to real property is only through a line that supplies water, electricity,
- 899 gas, telecommunications, cable, or supplies a similar item as determined by the
- 900 commission by rule made in accordance with Title 63G, Chapter 3, Utah
- 901 Administrative Rulemaking Act:
- 902 (A) a computer;
- 903 (B) a telephone;
- 904 (C) a television; or
- 905 (D) tangible personal property similar to Subsections (93)(c)(iii)(A) through (C)
- 906 as determined by the commission by rule made in accordance with Title 63G,
- 907 Chapter 3, Utah Administrative Rulemaking Act; or
- 908 (iv) an item listed in Subsection (139)(c).
- 909 (94) "Person" includes any individual, firm, partnership, joint venture, association,
- 910 corporation, estate, trust, business trust, receiver, syndicate, this state, any county, city,
- 911 municipality, district, or other local governmental entity of the state, or any group or
- 912 combination acting as a unit.

913 (95) "Place of primary use":

914 (a) for telecommunications service other than mobile telecommunications service,
915 means the street address representative of where the customer's use of the
916 telecommunications service primarily occurs, which shall be:

917 (i) the residential street address of the customer; or

918 (ii) the primary business street address of the customer; or

919 (b) for mobile telecommunications service, means the same as that term is defined in the
920 Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

921 (96)(a) "Postpaid calling service" means a telecommunications service a person obtains
922 by making a payment on a call-by-call basis:

923 (i) through the use of a:

924 (A) bank card;

925 (B) credit card;

926 (C) debit card; or

927 (D) travel card; or

928 (ii) by a charge made to a telephone number that is not associated with the origination
929 or termination of the telecommunications service.

930 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling
931 service, that would be a prepaid wireless calling service if the service were
932 exclusively a telecommunications service.

933 (97) "Postproduction" means an activity related to the finishing or duplication of a medium
934 described in Subsection 59-12-104(54)(a).

935 (98) "Prepaid calling service" means a telecommunications service:

936 (a) that allows a purchaser access to telecommunications service that is exclusively
937 telecommunications service;

938 (b) that:

939 (i) is paid for in advance; and

940 (ii) enables the origination of a call using an:

941 (A) access number; or

942 (B) authorization code;

943 (c) that is dialed:

944 (i) manually; or

945 (ii) electronically; and

946 (d) sold in predetermined units or dollars that decline:

- 947 (i) by a known amount; and
948 (ii) with use.
- 949 (99) "Prepaid wireless calling service" means a telecommunications service:
950 (a) that provides the right to utilize:
951 (i) mobile wireless service; and
952 (ii) other service that is not a telecommunications service, including:
953 (A) the download of a product transferred electronically;
954 (B) a content service; or
955 (C) an ancillary service;
956 (b) that:
957 (i) is paid for in advance; and
958 (ii) enables the origination of a call using an:
959 (A) access number; or
960 (B) authorization code;
961 (c) that is dialed:
962 (i) manually; or
963 (ii) electronically; and
964 (d) sold in predetermined units or dollars that decline:
965 (i) by a known amount; and
966 (ii) with use.
- 967 (100)(a) "Prepared food" means:
968 (i) food:
969 (A) sold in a heated state; or
970 (B) heated by a seller;
971 (ii) two or more food ingredients mixed or combined by the seller for sale as a single
972 item; or
973 (iii) except as provided in Subsection (100)(c), food sold with an eating utensil
974 provided by the seller, including a:
975 (A) plate;
976 (B) knife;
977 (C) fork;
978 (D) spoon;
979 (E) glass;
980 (F) cup;

- 981 (G) napkin; or
982 (H) straw.
- 983 (b) "Prepared food" does not include:
984 (i) food that a seller only:
985 (A) cuts;
986 (B) repackages; or
987 (C) pasteurizes;
988 (ii)(A) the following:
989 (I) raw egg;
990 (II) raw fish;
991 (III) raw meat;
992 (IV) raw poultry; or
993 (V) a food containing an item described in Subsections (100)(b)(ii)(A)(I)
994 through (IV); and
995 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of
996 the Food and Drug Administration's Food Code that a consumer cook the items
997 described in Subsection (100)(b)(ii)(A) to prevent food borne illness; or
998 (iii) the following if sold without eating utensils provided by the seller:
999 (A) food and food ingredients sold by a seller if the seller's proper primary
1000 classification under the 2002 North American Industry Classification System
1001 of the federal Executive Office of the President, Office of Management and
1002 Budget, is manufacturing in Sector 311, Food Manufacturing, except for
1003 Subsector 3118, Bakeries and Tortilla Manufacturing;
1004 (B) food and food ingredients sold in an unheated state:
1005 (I) by weight or volume; and
1006 (II) as a single item; or
1007 (C) a bakery item, including:
1008 (I) a bagel;
1009 (II) a bar;
1010 (III) a biscuit;
1011 (IV) bread;
1012 (V) a bun;
1013 (VI) a cake;
1014 (VII) a cookie;

- 1015 (VIII) a croissant;
- 1016 (IX) a danish;
- 1017 (X) a donut;
- 1018 (XI) a muffin;
- 1019 (XII) a pastry;
- 1020 (XIII) a pie;
- 1021 (XIV) a roll;
- 1022 (XV) a tart;
- 1023 (XVI) a torte; or
- 1024 (XVII) a tortilla.

1025 (c) An eating utensil provided by the seller does not include the following used to
1026 transport the food:

- 1027 (i) a container; or
- 1028 (ii) packaging.

1029 (101) "Prescription" means an order, formula, or recipe that is issued:

- 1030 (a)(i) orally;
- 1031 (ii) in writing;
- 1032 (iii) electronically; or
- 1033 (iv) by any other manner of transmission; and

1034 (b) by a licensed practitioner authorized by the laws of a state.

1035 (102)(a) "Prewritten computer software" means computer software that is not designed
1036 and developed:

- 1037 (i) by the author or other creator of the computer software; and
- 1038 (ii) to the specifications of a specific purchaser.

1039 (b) "Prewritten computer software" includes:

- 1040 (i) a prewritten upgrade to computer software if the prewritten upgrade to the
1041 computer software is not designed and developed:
 - 1042 (A) by the author or other creator of the computer software; and
 - 1043 (B) to the specifications of a specific purchaser;
- 1044 (ii) computer software designed and developed by the author or other creator of the
1045 computer software to the specifications of a specific purchaser if the computer
1046 software is sold to a person other than the purchaser; or
- 1047 (iii) except as provided in Subsection (102)(c), prewritten computer software or a
1048 prewritten portion of prewritten computer software:

- 1049 (A) that is modified or enhanced to any degree; and
- 1050 (B) if the modification or enhancement described in Subsection (102)(b)(iii)(A) is
- 1051 designed and developed to the specifications of a specific purchaser.
- 1052 (c) "Prewritten computer software" does not include a modification or enhancement
- 1053 described in Subsection (102)(b)(iii) if the charges for the modification or
- 1054 enhancement are:
- 1055 (i) reasonable; and
- 1056 (ii) subject to Subsections 59-12-103(2)(f)(ii) and (2)(g)(i), separately stated on the
- 1057 invoice or other statement of price provided to the purchaser at the time of sale or
- 1058 later, as demonstrated by:
- 1059 (A) the books and records the seller keeps at the time of the transaction in the
- 1060 regular course of business, including books and records the seller keeps at the
- 1061 time of the transaction in the regular course of business for nontax purposes;
- 1062 (B) a preponderance of the facts and circumstances at the time of the transaction;
- 1063 and
- 1064 (C) the understanding of all of the parties to the transaction.
- 1065 (103)(a) "Private communications service" means a telecommunications service:
- 1066 (i) that entitles a customer to exclusive or priority use of one or more
- 1067 communications channels between or among termination points; and
- 1068 (ii) regardless of the manner in which the one or more communications channels are
- 1069 connected.
- 1070 (b) "Private communications service" includes the following provided in connection
- 1071 with the use of one or more communications channels:
- 1072 (i) an extension line;
- 1073 (ii) a station;
- 1074 (iii) switching capacity; or
- 1075 (iv) another associated service that is provided in connection with the use of one or
- 1076 more communications channels as defined in Section 59-12-215.
- 1077 (104)(a) "Product transferred electronically" means a product transferred electronically
- 1078 that would be subject to a tax under this chapter if that product was transferred in a
- 1079 manner other than electronically.
- 1080 (b) "Product transferred electronically" does not include:
- 1081 (i) an ancillary service;
- 1082 (ii) computer software; or

- 1083 (iii) a telecommunications service.
- 1084 (105)(a) "Prosthetic device" means a device that is worn on or in the body to:
- 1085 (i) artificially replace a missing portion of the body;
- 1086 (ii) prevent or correct a physical deformity or physical malfunction; or
- 1087 (iii) support a weak or deformed portion of the body.
- 1088 (b) "Prosthetic device" includes:
- 1089 (i) parts used in the repairs or renovation of a prosthetic device;
- 1090 (ii) replacement parts for a prosthetic device;
- 1091 (iii) a dental prosthesis; or
- 1092 (iv) a hearing aid.
- 1093 (c) "Prosthetic device" does not include:
- 1094 (i) corrective eyeglasses; or
- 1095 (ii) contact lenses.
- 1096 (106)(a) "Protective equipment" means an item:
- 1097 (i) for human wear; and
- 1098 (ii) that is:
- 1099 (A) designed as protection:
- 1100 (I) to the wearer against injury or disease; or
- 1101 (II) against damage or injury of other persons or property; and
- 1102 (B) not suitable for general use.
- 1103 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1104 commission shall make rules:
- 1105 (i) listing the items that constitute "protective equipment"; and
- 1106 (ii) that are consistent with the list of items that constitute "protective equipment"
- 1107 under the agreement.
- 1108 (107)(a) For purposes of Subsection 59-12-104(41), "publication" means any written or
- 1109 printed matter, other than a photocopy:
- 1110 (i) regardless of:
- 1111 (A) characteristics;
- 1112 (B) copyright;
- 1113 (C) form;
- 1114 (D) format;
- 1115 (E) method of reproduction; or
- 1116 (F) source; and

- 1117 (ii) made available in printed or electronic format.
- 1118 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1119 commission may by rule define the term "photocopy."
- 1120 (108)(a) "Purchase price" and "sales price" mean the total amount of consideration:
- 1121 (i) valued in money; and
- 1122 (ii) for which tangible personal property, a product transferred electronically, or
- 1123 services are:
- 1124 (A) sold;
- 1125 (B) leased; or
- 1126 (C) rented.
- 1127 (b) "Purchase price" and "sales price" include:
- 1128 (i) the seller's cost of the tangible personal property, a product transferred
- 1129 electronically, or services sold;
- 1130 (ii) expenses of the seller, including:
- 1131 (A) the cost of materials used;
- 1132 (B) a labor cost;
- 1133 (C) a service cost;
- 1134 (D) interest;
- 1135 (E) a loss;
- 1136 (F) the cost of transportation to the seller; or
- 1137 (G) a tax imposed on the seller;
- 1138 (iii) a charge by the seller for any service necessary to complete the sale; or
- 1139 (iv) consideration a seller receives from a person other than the purchaser if:
- 1140 (A)(I) the seller actually receives consideration from a person other than the
- 1141 purchaser; and
- 1142 (II) the consideration described in Subsection (108)(b)(iv)(A)(I) is directly
- 1143 related to a price reduction or discount on the sale;
- 1144 (B) the seller has an obligation to pass the price reduction or discount through to
- 1145 the purchaser;
- 1146 (C) the amount of the consideration attributable to the sale is fixed and
- 1147 determinable by the seller at the time of the sale to the purchaser; and
- 1148 (D)(I)(Aa) the purchaser presents a certificate, coupon, or other
- 1149 documentation to the seller to claim a price reduction or discount; and
- 1150 (Bb) a person other than the seller authorizes, distributes, or grants the

- 1151 certificate, coupon, or other documentation with the understanding that
1152 the person other than the seller will reimburse any seller to whom the
1153 certificate, coupon, or other documentation is presented;
- 1154 (II) the purchaser identifies that purchaser to the seller as a member of a group
1155 or organization allowed a price reduction or discount, except that a
1156 preferred customer card that is available to any patron of a seller does not
1157 constitute membership in a group or organization allowed a price reduction
1158 or discount; or
- 1159 (III) the price reduction or discount is identified as a third party price reduction
1160 or discount on the:
- 1161 (Aa) invoice the purchaser receives; or
1162 (Bb) certificate, coupon, or other documentation the purchaser presents.
- 1163 (c) "Purchase price" and "sales price" do not include:
- 1164 (i) a discount:
- 1165 (A) in a form including:
- 1166 (I) cash;
1167 (II) term; or
1168 (III) coupon;
- 1169 (B) that is allowed by a seller;
1170 (C) taken by a purchaser on a sale; and
1171 (D) that is not reimbursed by a third party; or
- 1172 (ii) subject to Subsections 59-12-103(2)(f)(ii) and (2)(g)(i), the following if
1173 separately stated on an invoice, bill of sale, or similar document provided to the
1174 purchaser at the time of sale or later, as demonstrated by the books and records the
1175 seller keeps at the time of the transaction in the regular course of business,
1176 including books and records the seller keeps at the time of the transaction in the
1177 regular course of business for nontax purposes, by a preponderance of the facts
1178 and circumstances at the time of the transaction, and by the understanding of all of
1179 the parties to the transaction:
- 1180 (A) the following from credit extended on the sale of tangible personal property or
1181 services:
- 1182 (I) a carrying charge;
1183 (II) a financing charge; or
1184 (III) an interest charge;

- 1185 (B) a delivery charge;
- 1186 (C) an installation charge;
- 1187 (D) a manufacturer rebate on a motor vehicle; or
- 1188 (E) a tax or fee legally imposed directly on the consumer.
- 1189 (109) "Purchaser" means a person to whom:
- 1190 (a) a sale of tangible personal property is made;
- 1191 (b) a product is transferred electronically; or
- 1192 (c) a service is furnished.
- 1193 (110) "Qualifying data center" means a data center facility that:
- 1194 (a) houses a group of networked server computers in one physical location in order to
- 1195 disseminate, manage, and store data and information;
- 1196 (b) is located in the state;
- 1197 (c) is a new operation constructed on or after July 1, 2016;
- 1198 (d) consists of one or more buildings that total 150,000 or more square feet;
- 1199 (e) is owned or leased by:
- 1200 (i) the operator of the data center facility; or
- 1201 (ii) a person under common ownership, as defined in Section 59-7-101, of the
- 1202 operator of the data center facility; and
- 1203 (f) is located on one or more parcels of land that are owned or leased by:
- 1204 (i) the operator of the data center facility; or
- 1205 (ii) a person under common ownership, as defined in Section 59-7-101, of the
- 1206 operator of the data center facility.
- 1207 (111) "Qualifying energy storage manufacturing facility" means a facility that
- 1208 manufactures, in the state, equipment or devices that store and discharge energy for the
- 1209 purpose of providing electrical power.
- 1210 (112) "Regularly rented" means:
- 1211 (a) rented to a guest for value three or more times during a calendar year; or
- 1212 (b) advertised or held out to the public as a place that is regularly rented to guests for
- 1213 value.
- 1214 (113) "Rental" means the same as that term is defined in Subsection (64).
- 1215 (114)(a) "Repairs or renovations of tangible personal property" means:
- 1216 (i) a repair or renovation of tangible personal property that is not permanently
- 1217 attached to real property; or
- 1218 (ii) attaching tangible personal property or a product transferred electronically to

other tangible personal property or detaching tangible personal property or a product transferred electronically from other tangible personal property if:

(A) the other tangible personal property to which the tangible personal property or product transferred electronically is attached or from which the tangible personal property or product transferred electronically is detached is not permanently attached to real property; and

(B) the attachment of tangible personal property or a product transferred electronically to other tangible personal property or detachment of tangible personal property or a product transferred electronically from other tangible personal property is made in conjunction with a repair or replacement of tangible personal property or a product transferred electronically.

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

(i) attaching prewritten computer software to other tangible personal property if the other tangible personal property to which the prewritten computer software is attached is not permanently attached to real property; or

(ii) detaching prewritten computer software from other tangible personal property if the other tangible personal property from which the prewritten computer software is detached is not permanently attached to real property.

(115) "Research and development" means the process of inquiry or experimentation aimed at the discovery of facts, devices, technologies, or applications and the process of preparing those devices, technologies, or applications for marketing.

(116)(a) "Residential telecommunications services" means a telecommunications service or an ancillary service that is provided to an individual for personal use:

(i) at a residential address; or

(ii) at an institution, including a nursing home or a school, if the telecommunications service or ancillary service is provided to and paid for by the individual residing at the institution rather than the institution.

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

(i) apartment; or

(ii) other individual dwelling unit.

(117) "Residential use" means the use in or around a home, apartment building, sleeping quarters, and similar facilities or accommodations.

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

(a) resale;

- 1253 (b) sublease; or
1254 (c) subrent.
- 1255 (119)(a) "Retailer" means any person, unless prohibited by the Constitution of the
1256 United States or federal law, that is engaged in a regularly organized business in
1257 tangible personal property or any other taxable transaction under Subsection
1258 59-12-103(1), and who is selling to the user or consumer and not for resale.
- 1259 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly
1260 engaged in the business of selling to users or consumers within the state.
- 1261 (120)(a) "Sale" means any transfer of title, exchange, or barter, conditional or otherwise,
1262 in any manner, of tangible personal property or any other taxable transaction under
1263 Subsection 59-12-103(1), for consideration.
- 1264 (b) "Sale" includes:
- 1265 (i) installment and credit sales;
1266 (ii) any closed transaction constituting a sale;
1267 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this
1268 chapter;
1269 (iv) any transaction if the possession of property is transferred but the seller retains
1270 the title as security for the payment of the price; and
1271 (v) any transaction under which right to possession, operation, or use of any article of
1272 tangible personal property is granted under a lease or contract and the transfer of
1273 possession would be taxable if an outright sale were made.
- 1274 (121) "Sale at retail" means the same as that term is defined in Subsection (118).
- 1275 (122) "Sale-leaseback transaction" means a transaction by which title to tangible personal
1276 property or a product transferred electronically that is subject to a tax under this chapter
1277 is transferred:
- 1278 (a) by a purchaser-lessee;
1279 (b) to a lessor;
1280 (c) for consideration; and
1281 (d) if:
- 1282 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial
1283 purchase of the tangible personal property or product transferred electronically;
1284 (ii) the sale of the tangible personal property or product transferred electronically to
1285 the lessor is intended as a form of financing:
1286 (A) for the tangible personal property or product transferred electronically; and

- 1287 (B) to the purchaser-lessee; and
- 1288 (iii) in accordance with generally accepted accounting principles, the
- 1289 purchaser-lessee is required to:
- 1290 (A) capitalize the tangible personal property or product transferred electronically
- 1291 for financial reporting purposes; and
- 1292 (B) account for the lease payments as payments made under a financing
- 1293 arrangement.
- 1294 (123) "Sales price" means the same as that term is defined in Subsection (108).
- 1295 (124)(a) "Sales relating to schools" means the following sales by, amounts paid to, or
- 1296 amounts charged by a school:
- 1297 (i) sales that are directly related to the school's educational functions or activities
- 1298 including:
- 1299 (A) the sale of:
- 1300 (I) textbooks;
- 1301 (II) textbook fees;
- 1302 (III) laboratory fees;
- 1303 (IV) laboratory supplies; or
- 1304 (V) safety equipment;
- 1305 (B) the sale of a uniform, protective equipment, or sports or recreational
- 1306 equipment that:
- 1307 (I) a student is specifically required to wear as a condition of participation in a
- 1308 school-related event or school-related activity; and
- 1309 (II) is not readily adaptable to general or continued usage to the extent that it
- 1310 takes the place of ordinary clothing;
- 1311 (C) sales of the following if the net or gross revenue generated by the sales is
- 1312 deposited into a school district fund or school fund dedicated to school meals:
- 1313 (I) food and food ingredients; or
- 1314 (II) prepared food; or
- 1315 (D) transportation charges for official school activities; or
- 1316 (ii) amounts paid to or amounts charged by a school for admission to a school-related
- 1317 event or school-related activity.
- 1318 (b) "Sales relating to schools" does not include:
- 1319 (i) bookstore sales of items that are not educational materials or supplies;
- 1320 (ii) except as provided in Subsection (124)(a)(i)(B):

- 1321 (A) clothing;
- 1322 (B) clothing accessories or equipment;
- 1323 (C) protective equipment; or
- 1324 (D) sports or recreational equipment; or
- 1325 (iii) amounts paid to or amounts charged by a school for admission to a
- 1326 school-related event or school-related activity if the amounts paid or charged are
- 1327 passed through to a person:
- 1328 (A) other than a:
- 1329 (I) school;
- 1330 (II) nonprofit organization authorized by a school board or a governing body of
- 1331 a private school to organize and direct a competitive secondary school
- 1332 activity; or
- 1333 (III) nonprofit association authorized by a school board or a governing body of
- 1334 a private school to organize and direct a competitive secondary school
- 1335 activity; and
- 1336 (B) that is required to collect sales and use taxes under this chapter.
- 1337 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1338 commission may make rules defining the term "passed through."
- 1339 (125) For purposes of this section and Section 59-12-104, "school" means:
- 1340 (a) an elementary school or a secondary school that:
- 1341 (i) is a:
- 1342 (A) public school; or
- 1343 (B) private school; and
- 1344 (ii) provides instruction for one or more grades kindergarten through 12; or
- 1345 (b) a public school district.
- 1346 (126)(a) "Seller" means a person that makes a sale, lease, or rental of:
- 1347 (i) tangible personal property;
- 1348 (ii) a product transferred electronically; or
- 1349 (iii) a service.
- 1350 (b) "Seller" includes a marketplace facilitator.
- 1351 (127) "Seller-hosted prewritten computer software" means prewritten computer software
- 1352 that is accessed through the internet or a seller-hosted server, regardless of whether:
- 1353 (a) the access is permanent; or
- 1354 (b) any downloading occurs.

- 1355 ~~[(127)]~~ (128)(a) "Semiconductor fabricating, processing, research, or development
1356 materials" means tangible personal property or a product transferred electronically if
1357 the tangible personal property or product transferred electronically is:
- 1358 (i) used primarily in the process of:
- 1359 (A)(I) manufacturing a semiconductor;
- 1360 (II) fabricating a semiconductor; or
- 1361 (III) research or development of a:
- 1362 (Aa) semiconductor; or
- 1363 (Bb) semiconductor manufacturing process; or
- 1364 (B) maintaining an environment suitable for a semiconductor; or
- 1365 (ii) consumed primarily in the process of:
- 1366 (A)(I) manufacturing a semiconductor;
- 1367 (II) fabricating a semiconductor; or
- 1368 (III) research or development of a:
- 1369 (Aa) semiconductor; or
- 1370 (Bb) semiconductor manufacturing process; or
- 1371 (B) maintaining an environment suitable for a semiconductor.
- 1372 (b) "Semiconductor fabricating, processing, research, or development materials"
1373 includes:
- 1374 (i) parts used in the repairs or renovations of tangible personal property or a product
1375 transferred electronically described in Subsection (127)(a); or
- 1376 (ii) a chemical, catalyst, or other material used to:
- 1377 (A) produce or induce in a semiconductor a:
- 1378 (I) chemical change; or
- 1379 (II) physical change;
- 1380 (B) remove impurities from a semiconductor; or
- 1381 (C) improve the marketable condition of a semiconductor.
- 1382 ~~[(128)]~~ (129) "Senior citizen center" means a facility having the primary purpose of
1383 providing services to the aged as defined in Section 26B-6-101.
- 1384 ~~[(129)]~~ (130) "Shared vehicle" means the same as that term is defined in Section 13-48a-101.
- 1385 ~~[(130)]~~ (131) "Shared vehicle driver" means the same as that term is defined in Section
1386 13-48a-101.
- 1387 ~~[(131)]~~ (132) "Shared vehicle owner" means the same as that term is defined in Section
1388 13-48a-101.

- 1389 ~~[(132)]~~ (133)(a) Subject to Subsections ~~[(132)(b)]~~ (133)(b) and (c), "short-term lodging
1390 consumable" means tangible personal property that:
- 1391 (i) a business that provides accommodations and services described in Subsection
1392 59-12-103(1)(i) purchases as part of a transaction to provide the accommodations
1393 and services to a purchaser;
- 1394 (ii) is intended to be consumed by the purchaser; and
- 1395 (iii) is:
- 1396 (A) included in the purchase price of the accommodations and services; and
1397 (B) not separately stated on an invoice, bill of sale, or other similar document
1398 provided to the purchaser.
- 1399 (b) "Short-term lodging consumable" includes:
- 1400 (i) a beverage;
- 1401 (ii) a brush or comb;
- 1402 (iii) a cosmetic;
- 1403 (iv) a hair care product;
- 1404 (v) lotion;
- 1405 (vi) a magazine;
- 1406 (vii) makeup;
- 1407 (viii) a meal;
- 1408 (ix) mouthwash;
- 1409 (x) nail polish remover;
- 1410 (xi) a newspaper;
- 1411 (xii) a notepad;
- 1412 (xiii) a pen;
- 1413 (xiv) a pencil;
- 1414 (xv) a razor;
- 1415 (xvi) saline solution;
- 1416 (xvii) a sewing kit;
- 1417 (xviii) shaving cream;
- 1418 (xix) a shoe shine kit;
- 1419 (xx) a shower cap;
- 1420 (xxi) a snack item;
- 1421 (xxii) soap;
- 1422 (xxiii) toilet paper;

- 1423 (xxiv) a toothbrush;
- 1424 (xxv) toothpaste; or
- 1425 (xxvi) an item similar to Subsections ~~[(132)(b)(i)]~~ (133)(b)(i) through (xxv) as the
- 1426 commission may provide by rule made in accordance with Title 63G, Chapter 3,
- 1427 Utah Administrative Rulemaking Act.
- 1428 (c) "Short-term lodging consumable" does not include:
- 1429 (i) tangible personal property that is cleaned or washed to allow the tangible personal
- 1430 property to be reused; or
- 1431 (ii) a product transferred electronically.
- 1432 ~~[(133)]~~ (134)(a) "Short-term rental" means a lease or rental for less than 30 consecutive
- 1433 days.
- 1434 (b) "Short-term rental" does not include car sharing.
- 1435 ~~[(134)]~~ (135) "Simplified electronic return" means the electronic return:
- 1436 (a) described in Section 318(C) of the agreement; and
- 1437 (b) approved by the governing board of the agreement.
- 1438 ~~[(135)]~~ (136) "Solar energy" means the sun used as the sole source of energy for producing
- 1439 electricity.
- 1440 ~~[(136)]~~ (137)(a) "Sports or recreational equipment" means an item:
- 1441 (i) designed for human use; and
- 1442 (ii) that is:
- 1443 (A) worn in conjunction with:
- 1444 (I) an athletic activity; or
- 1445 (II) a recreational activity; and
- 1446 (B) not suitable for general use.
- 1447 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1448 commission shall make rules:
- 1449 (i) listing the items that constitute "sports or recreational equipment"; and
- 1450 (ii) that are consistent with the list of items that constitute "sports or recreational
- 1451 equipment" under the agreement.
- 1452 ~~[(137)]~~ (138) "State" means the state of Utah, its departments, and agencies.
- 1453 ~~[(138)]~~ (139) "Storage" means any keeping or retention of tangible personal property or any
- 1454 other taxable transaction under Subsection 59-12-103(1), in this state for any purpose
- 1455 except sale in the regular course of business.
- 1456 ~~[(139)]~~ (140)(a) "Tangible personal property" means personal property that:

- 1457 (i) may be:
- 1458 (A) seen;
- 1459 (B) weighed;
- 1460 (C) measured;
- 1461 (D) felt; or
- 1462 (E) touched; or
- 1463 (ii) is in any manner perceptible to the senses.
- 1464 (b) "Tangible personal property" includes:
- 1465 (i) electricity;
- 1466 (ii) water;
- 1467 (iii) gas;
- 1468 (iv) steam; or
- 1469 (v) prewritten computer software, regardless of the manner in which the prewritten
- 1470 computer software is transferred.
- 1471 (c) "Tangible personal property" includes the following regardless of whether the item is
- 1472 attached to real property:
- 1473 (i) a dishwasher;
- 1474 (ii) a dryer;
- 1475 (iii) a freezer;
- 1476 (iv) a microwave;
- 1477 (v) a refrigerator;
- 1478 (vi) a stove;
- 1479 (vii) a washer; or
- 1480 (viii) an item similar to Subsections [~~(139)(c)(i)~~] (140)(c)(i) through (vii) as
- 1481 determined by the commission by rule made in accordance with Title 63G,
- 1482 Chapter 3, Utah Administrative Rulemaking Act.
- 1483 (d) "Tangible personal property" does not include a product that is transferred
- 1484 electronically.
- 1485 (e) "Tangible personal property" does not include the following if attached to real
- 1486 property, regardless of whether the attachment to real property is only through a line
- 1487 that supplies water, electricity, gas, telephone, cable, or supplies a similar item as
- 1488 determined by the commission by rule made in accordance with Title 63G, Chapter 3,
- 1489 Utah Administrative Rulemaking Act:
- 1490 (i) a hot water heater;

1491 (ii) a water filtration system; or

1492 (iii) a water softener system.

1493 ~~[(140)]~~ (141)(a) "Telecommunications enabling or facilitating equipment, machinery, or
1494 software" means an item listed in Subsection ~~[(140)(b)]~~ (141)(b) if that item is
1495 purchased or leased primarily to enable or facilitate one or more of the following to
1496 function:

1497 (i) telecommunications switching or routing equipment, machinery, or software; or

1498 (ii) telecommunications transmission equipment, machinery, or software.

1499 (b) The following apply to Subsection ~~[(140)(a)]~~ (141)(a):

1500 (i) a pole;

1501 (ii) software;

1502 (iii) a supplementary power supply;

1503 (iv) temperature or environmental equipment or machinery;

1504 (v) test equipment;

1505 (vi) a tower; or

1506 (vii) equipment, machinery, or software that functions similarly to an item listed in
1507 Subsections ~~[(140)(b)(i)]~~ (141)(b)(i) through (vi) as determined by the commission
1508 by rule made in accordance with Subsection ~~[(140)(e)]~~ (141)(c).

1509 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1510 commission may by rule define what constitutes equipment, machinery, or software
1511 that functions similarly to an item listed in Subsections ~~[(140)(b)(i)]~~ (141)(b)(i)
1512 through (vi).

1513 ~~[(141)]~~ (142) "Telecommunications equipment, machinery, or software required for 911
1514 service" means equipment, machinery, or software that is required to comply with 47
1515 C.F.R. Sec. 20.18.

1516 ~~[(142)]~~ (143) "Telecommunications maintenance or repair equipment, machinery, or
1517 software" means equipment, machinery, or software purchased or leased primarily to
1518 maintain or repair one or more of the following, regardless of whether the equipment,
1519 machinery, or software is purchased or leased as a spare part or as an upgrade or
1520 modification to one or more of the following:

1521 (a) telecommunications enabling or facilitating equipment, machinery, or software;

1522 (b) telecommunications switching or routing equipment, machinery, or software; or

1523 (c) telecommunications transmission equipment, machinery, or software.

1524 ~~[(143)]~~ (144)(a) "Telecommunications service" means the electronic conveyance,

- 1525 routing, or transmission of audio, data, video, voice, or any other information or
1526 signal to a point, or among or between points.
- 1527 (b) "Telecommunications service" includes:
- 1528 (i) an electronic conveyance, routing, or transmission with respect to which a
1529 computer processing application is used to act:
- 1530 (A) on the code, form, or protocol of the content;
- 1531 (B) for the purpose of electronic conveyance, routing, or transmission; and
- 1532 (C) regardless of whether the service:
- 1533 (I) is referred to as voice over Internet protocol service; or
- 1534 (II) is classified by the Federal Communications Commission as enhanced or
1535 value added;
- 1536 (ii) an 800 service;
- 1537 (iii) a 900 service;
- 1538 (iv) a fixed wireless service;
- 1539 (v) a mobile wireless service;
- 1540 (vi) a postpaid calling service;
- 1541 (vii) a prepaid calling service;
- 1542 (viii) a prepaid wireless calling service; or
- 1543 (ix) a private communications service.
- 1544 (c) "Telecommunications service" does not include:
- 1545 (i) advertising, including directory advertising;
- 1546 (ii) an ancillary service;
- 1547 (iii) a billing and collection service provided to a third party;
- 1548 (iv) a data processing and information service if:
- 1549 (A) the data processing and information service allows data to be:
- 1550 (I)(Aa) acquired;
- 1551 (Bb) generated;
- 1552 (Cc) processed;
- 1553 (Dd) retrieved; or
- 1554 (Ee) stored; and
- 1555 (II) delivered by an electronic transmission to a purchaser; and
- 1556 (B) the purchaser's primary purpose for the underlying transaction is the processed
1557 data or information;
- 1558 (v) installation or maintenance of the following on a customer's premises:

- 1559 (A) equipment; or
- 1560 (B) wiring;
- 1561 (vi) Internet access service;
- 1562 (vii) a paging service;
- 1563 (viii) a product transferred electronically, including:
 - 1564 (A) music;
 - 1565 (B) reading material;
 - 1566 (C) a ring tone;
 - 1567 (D) software; or
 - 1568 (E) video;
- 1569 (ix) a radio and television audio and video programming service:
 - 1570 (A) regardless of the medium; and
 - 1571 (B) including:
 - 1572 (I) furnishing conveyance, routing, or transmission of a television audio and
 - 1573 video programming service by a programming service provider;
 - 1574 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or
 - 1575 (III) audio and video programming services delivered by a commercial mobile
 - 1576 radio service provider as defined in 47 C.F.R. Sec. 20.3;
 - 1577 (x) a value-added nonvoice data service; or
 - 1578 (xi) tangible personal property.
- 1579 ~~[(144)]~~ (145)(a) "Telecommunications service provider" means a person that:
 - 1580 (i) owns, controls, operates, or manages a telecommunications service; and
 - 1581 (ii) engages in an activity described in Subsection ~~[(144)(a)(i)]~~ (145)(a)(i) for the
 - 1582 shared use with or resale to any person of the telecommunications service.
- 1583 (b) A person described in Subsection ~~[(144)(a)]~~ (145)(a) is a telecommunications service
- 1584 provider whether ~~[or not]~~ the Public Service Commission of Utah regulates:
 - 1585 (i) that person; or
 - 1586 (ii) the telecommunications service that the person owns, controls, operates, or
 - 1587 manages.
- 1588 ~~[(145)]~~ (146)(a) "Telecommunications switching or routing equipment, machinery, or
- 1589 software" means an item listed in Subsection ~~[(145)(b)]~~ (146)(b) if that item is
- 1590 purchased or leased primarily for switching or routing:
 - 1591 (i) an ancillary service;
 - 1592 (ii) data communications;

- 1593 (iii) voice communications; or
1594 (iv) telecommunications service.
- 1595 (b) The following apply to Subsection [~~(145)(a)~~] (146)(a):
1596 (i) a bridge;
1597 (ii) a computer;
1598 (iii) a cross connect;
1599 (iv) a modem;
1600 (v) a multiplexer;
1601 (vi) plug in circuitry;
1602 (vii) a router;
1603 (viii) software;
1604 (ix) a switch; or
1605 (x) equipment, machinery, or software that functions similarly to an item listed in
1606 Subsections [~~(145)(b)(i)~~] (146)(b)(i) through (ix) as determined by the commission
1607 by rule made in accordance with Subsection [~~(145)(c)~~] (146)(c).
- 1608 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1609 commission may by rule define what constitutes equipment, machinery, or software
1610 that functions similarly to an item listed in Subsections [~~(145)(b)(i)~~] (146)(b)(i)
1611 through (ix).
- 1612 [~~(146)~~] (147)(a) "Telecommunications transmission equipment, machinery, or software"
1613 means an item listed in Subsection [~~(146)(b)~~] (147)(b) if that item is purchased or
1614 leased primarily for sending, receiving, or transporting:
1615 (i) an ancillary service;
1616 (ii) data communications;
1617 (iii) voice communications; or
1618 (iv) telecommunications service.
- 1619 (b) The following apply to Subsection [~~(146)(a)~~] (147)(a):
1620 (i) an amplifier;
1621 (ii) a cable;
1622 (iii) a closure;
1623 (iv) a conduit;
1624 (v) a controller;
1625 (vi) a duplexer;
1626 (vii) a filter;

- 1627 (viii) an input device;
- 1628 (ix) an input/output device;
- 1629 (x) an insulator;
- 1630 (xi) microwave machinery or equipment;
- 1631 (xii) an oscillator;
- 1632 (xiii) an output device;
- 1633 (xiv) a pedestal;
- 1634 (xv) a power converter;
- 1635 (xvi) a power supply;
- 1636 (xvii) a radio channel;
- 1637 (xviii) a radio receiver;
- 1638 (xix) a radio transmitter;
- 1639 (xx) a repeater;
- 1640 (xxi) software;
- 1641 (xxii) a terminal;
- 1642 (xxiii) a timing unit;
- 1643 (xxiv) a transformer;
- 1644 (xxv) a wire; or
- 1645 (xxvi) equipment, machinery, or software that functions similarly to an item listed in
- 1646 Subsections ~~[(146)(b)(i)]~~ (147)(b)(i) through (xxv) as the commission determines
- 1647 by rule made in accordance with Subsection ~~[(146)(e)]~~ (147)(c).
- 1648 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1649 commission may by rule define what constitutes equipment, machinery, or software
- 1650 that functions similarly to an item listed in Subsections ~~[(146)(b)(i)]~~ (147)(b)(i)
- 1651 through (xxv).
- 1652 ~~[(147)]~~ (148)(a) "Textbook for a higher education course" means a textbook or other
- 1653 printed material that is required for a course:
- 1654 (i) offered by an institution of higher education; and
- 1655 (ii) that the purchaser of the textbook or other printed material attends or will attend.
- 1656 (b) "Textbook for a higher education course" includes a textbook in electronic format.
- 1657 ~~[(148)]~~ (149) "Tobacco" means:
- 1658 (a) a cigarette;
- 1659 (b) a cigar;
- 1660 (c) chewing tobacco;

- 1661 (d) pipe tobacco; or
- 1662 (e) any other item that contains tobacco.
- 1663 ~~[(149)]~~ (150) "Unassisted amusement device" means an amusement device, skill device, or
- 1664 ride device that is started and stopped by the purchaser or renter of the right to use or
- 1665 operate the amusement device, skill device, or ride device.
- 1666 ~~[(150)]~~ (151)(a) "Use" means the exercise of any right or power over tangible personal
- 1667 property, a product transferred electronically, or a service under Subsection
- 1668 59-12-103(1), incident to the ownership or the leasing of that tangible personal
- 1669 property, product transferred electronically, or service.
- 1670 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal
- 1671 property, a product transferred electronically, or a service in the regular course of
- 1672 business and held for resale.
- 1673 ~~[(151)]~~ (152) "Value-added nonvoice data service" means a service:
- 1674 (a) that otherwise meets the definition of a telecommunications service except that a
- 1675 computer processing application is used to act primarily for a purpose other than
- 1676 conveyance, routing, or transmission; and
- 1677 (b) with respect to which a computer processing application is used to act on data or
- 1678 information:
- 1679 (i) code;
- 1680 (ii) content;
- 1681 (iii) form; or
- 1682 (iv) protocol.
- 1683 ~~[(152)]~~ (153)(a) Subject to Subsection ~~[(152)(b)]~~ (153)(b), "vehicle" means the following
- 1684 that are required to be titled, registered, or titled and registered:
- 1685 (i) an aircraft as defined in Section 72-10-102;
- 1686 (ii) a vehicle as defined in Section 41-1a-102;
- 1687 (iii) an off-highway vehicle as defined in Section 41-22-2; or
- 1688 (iv) a vessel as defined in Section 41-1a-102.
- 1689 (b) For purposes of Subsection 59-12-104(33) only, "vehicle" includes:
- 1690 (i) a vehicle described in Subsection ~~[(152)(a)]~~ (153)(a); or
- 1691 (ii)(A) a locomotive;
- 1692 (B) a freight car;
- 1693 (C) railroad work equipment; or
- 1694 (D) other railroad rolling stock.

1695 ~~[(153)]~~ (154) "Vehicle dealer" means a person engaged in the business of buying, selling, or
1696 exchanging a vehicle as defined in Subsection ~~[(152)]~~ (153).

1697 ~~[(154)]~~ (155)(a) "Vertical service" means an ancillary service that:

1698 (i) is offered in connection with one or more telecommunications services; and

1699 (ii) offers an advanced calling feature that allows a customer to:

1700 (A) identify a caller; and

1701 (B) manage multiple calls and call connections.

1702 (b) "Vertical service" includes an ancillary service that allows a customer to manage a
1703 conference bridging service.

1704 ~~[(155)]~~ (156)(a) "Voice mail service" means an ancillary service that enables a customer
1705 to receive, send, or store a recorded message.

1706 (b) "Voice mail service" does not include a vertical service that a customer is required to
1707 have in order to utilize a voice mail service.

1708 ~~[(156)]~~ (157)(a) "Waste energy facility" means a facility that generates electricity:

1709 (i) using as the primary source of energy waste materials that would be placed in a
1710 landfill or refuse pit if it were not used to generate electricity, including:

1711 (A) tires;

1712 (B) waste coal;

1713 (C) oil shale; or

1714 (D) municipal solid waste; and

1715 (ii) in amounts greater than actually required for the operation of the facility.

1716 (b) "Waste energy facility" does not include a facility that incinerates:

1717 (i) hospital waste as defined in 40 C.F.R. 60.51c; or

1718 (ii) medical/infectious waste as defined in 40 C.F.R. 60.51c.

1719 ~~[(157)]~~ (158) "Watercraft" means a vessel as defined in Section 73-18-2.

1720 ~~[(158)]~~ (159) "Wind energy" means wind used as the sole source of energy to produce
1721 electricity.

1722 ~~[(159)]~~ (160) "ZIP Code" means a Zoning Improvement Plan Code assigned to a geographic
1723 location by the United States Postal Service.

1724 Section 2. Section **59-12-103** is amended to read:

1725 **59-12-103 . Sales and use tax base -- Rates -- Effective dates -- Use of sales and**
1726 **use tax revenue.**

1727 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales
1728 price for amounts paid or charged for the following transactions:

- 1729 (a) retail sales of tangible personal property made within the state;
- 1730 (b) amounts paid for:
- 1731 (i) telecommunications service, other than mobile telecommunications service, that
- 1732 originates and terminates within the boundaries of this state;
- 1733 (ii) mobile telecommunications service that originates and terminates within the
- 1734 boundaries of one state only to the extent permitted by the Mobile
- 1735 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
- 1736 (iii) an ancillary service associated with a:
- 1737 (A) telecommunications service described in Subsection (1)(b)(i); or
- 1738 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 1739 (c) sales of the following for commercial use:
- 1740 (i) gas;
- 1741 (ii) electricity;
- 1742 (iii) heat;
- 1743 (iv) coal;
- 1744 (v) fuel oil; or
- 1745 (vi) other fuels;
- 1746 (d) sales of the following for residential use:
- 1747 (i) gas;
- 1748 (ii) electricity;
- 1749 (iii) heat;
- 1750 (iv) coal;
- 1751 (v) fuel oil; or
- 1752 (vi) other fuels;
- 1753 (e) sales of prepared food;
- 1754 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 1755 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
- 1756 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
- 1757 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling
- 1758 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
- 1759 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
- 1760 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
- 1761 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
- 1762 any other amusement, entertainment, recreation, exhibition, cultural, or athletic

- 1763 activity;
- 1764 (g) amounts paid or charged for services for repairs or renovations of tangible personal
1765 property, unless Section 59-12-104 provides for an exemption from sales and use tax
1766 for:
- 1767 (i) the tangible personal property; and
- 1768 (ii) parts used in the repairs or renovations of the tangible personal property described
1769 in Subsection (1)(g)(i), regardless of whether:
- 1770 (A) any parts are actually used in the repairs or renovations of that tangible
1771 personal property; or
- 1772 (B) the particular parts used in the repairs or renovations of that tangible personal
1773 property are exempt from a tax under this chapter;
- 1774 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted
1775 cleaning or washing of tangible personal property;
- 1776 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer
1777 court accommodations and services;
- 1778 (j) amounts paid or charged for laundry or dry cleaning services;
- 1779 (k) amounts paid or charged for leases or rentals of tangible personal property if within
1780 this state the tangible personal property is:
- 1781 (i) stored;
- 1782 (ii) used; or
- 1783 (iii) otherwise consumed;
- 1784 (l) amounts paid or charged for tangible personal property if within this state the tangible
1785 personal property is:
- 1786 (i) stored;
- 1787 (ii) used; or
- 1788 (iii) consumed;
- 1789 (m) amounts paid or charged for a sale:
- 1790 (i)(A) of a product transferred electronically; or
- 1791 (B) of a repair or renovation of a product transferred electronically; and
- 1792 (ii) regardless of whether the sale provides:
- 1793 (A) a right of permanent use of the product; or
- 1794 (B) a right to use the product that is less than a permanent use, including a right:
- 1795 (I) for a definite or specified length of time; and
- 1796 (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[-] ;
- (o) amounts paid or charged for access to digital audio-visual works, digital audio works, digital books, or gaming services, including the streaming of or subscription for access to digital audio-visual works, digital audio works, digital books, or gaming services regardless of:
- (i) the delivery method; or
- (ii) whether the amount paid or charged for access provides a right to:
- (A) single-use access to the digital audio-visual works, digital audio works, digital books, or gaming services; or
- (B) access to the digital audio-visual works, digital audio works, digital books, or gaming services through a subscription, including a right that terminates upon the occurrence of a condition; and
- (p) amounts paid or charged for the storage, use, or other consumption of:
- (i) prewritten computer software delivered electronically or by load and leave; or
- (ii) seller-hosted prewritten computer software.
- (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:
- (A) 4.70%;
- (B) the rate specified in Subsection (6)(a); and
- (C) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.
- (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to the sum of:
- (i) a state tax imposed on the transaction at a tax rate of 2%; and
- (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

- (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed on amounts paid or charged for food and food ingredients equal to the sum of:
- (i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of 1.75%; and
 - (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or charged for food and food ingredients under this chapter other than this part.
- (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at a rate equal to the sum of the rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B).
- (e)(i)(A) The rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B) do not apply to car sharing, a car sharing program, a shared vehicle driver, or a shared vehicle owner, for a car sharing or shared vehicle transaction if a shared vehicle owner certifies to the commission, on a form prescribed by the commission, that the shared vehicle is an individual-owned shared vehicle.
- (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is required once during the time that the shared vehicle owner owns the shared vehicle.
 - (C) The commission shall verify that a shared vehicle is an individual-owned shared vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the purchase of the shared vehicle.
 - (D) The exception under Subsection (2)(e)(i)(A) applies to a certified individual-owned shared vehicle shared through a car-sharing program even if non-certified shared vehicles are also available to be shared through the same car-sharing program.
- (ii) A tax imposed under Subsection (2)(a)(i)(C) or (2)(a)(ii) applies to car sharing.
- (iii)(A) A car-sharing program may rely in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i).
- (B) If a car-sharing program relies in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any tax, penalty, fee, or other sanction

1865 imposed on the shared vehicle owner.

1866 (iv) If all shared vehicles shared through a car-sharing program are certified as
1867 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has
1868 no obligation to collect and remit the tax under Subsections (2)(a)(i)(A) and
1869 (2)(a)(i)(B) for that tax period.

1870 (v) A car-sharing program is not required to list or otherwise identify an
1871 individual-owned shared vehicle on a return or an attachment to a return.

1872 (vi) A car-sharing program shall:

1873 (A) retain tax information for each car-sharing program transaction; and

1874 (B) provide the information described in Subsection (2)(e)(vi)(A) to the
1875 commission at the commission's request.

1876 (f)(i) For a bundled transaction that is attributable to food and food ingredients and
1877 tangible personal property other than food and food ingredients, a state tax and a
1878 local tax is imposed on the entire bundled transaction equal to the sum of:

1879 (A) the tax rates described in Subsection (2)(a)(i); and

1880 (B) a local tax imposed on the entire bundled transaction at the sum of the tax
1881 rates described in Subsection (2)(a)(ii).

1882 (ii) If an optional computer software maintenance contract is a bundled transaction
1883 that consists of taxable and nontaxable products that are not separately itemized
1884 on an invoice or similar billing document, the purchase of the optional computer
1885 software maintenance contract is 40% taxable under this chapter and 60%
1886 nontaxable under this chapter.

1887 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled
1888 transaction described in Subsection (2)(f)(i) or (ii):

1889 (A) if the sales price of the bundled transaction is attributable to tangible personal
1890 property, a product, or a service that is subject to taxation under this chapter
1891 and tangible personal property, a product, or service that is not subject to
1892 taxation under this chapter, the entire bundled transaction is subject to taxation
1893 under this chapter unless:

1894 (I) the seller is able to identify by reasonable and verifiable standards the
1895 tangible personal property, product, or service that is not subject to taxation
1896 under this chapter from the books and records the seller keeps in the seller's
1897 regular course of business; or

1898 (II) state or federal law provides otherwise; or

- 1899 (B) if the sales price of a bundled transaction is attributable to two or more items
1900 of tangible personal property, products, or services that are subject to taxation
1901 under this chapter at different rates, the entire bundled transaction is subject to
1902 taxation under this chapter at the higher tax rate unless:
- 1903 (I) the seller is able to identify by reasonable and verifiable standards the
1904 tangible personal property, product, or service that is subject to taxation
1905 under this chapter at the lower tax rate from the books and records the seller
1906 keeps in the seller's regular course of business; or
- 1907 (II) state or federal law provides otherwise.
- 1908 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
1909 seller's regular course of business includes books and records the seller keeps in
1910 the regular course of business for nontax purposes.
- 1911 (g)(i) Except as otherwise provided in this chapter and subject to Subsections
1912 (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible
1913 personal property, a product, or a service that is subject to taxation under this
1914 chapter, and the sale, lease, or rental of tangible personal property, other property,
1915 a product, or a service that is not subject to taxation under this chapter, the entire
1916 transaction is subject to taxation under this chapter unless the seller, at the time of
1917 the transaction:
- 1918 (A) separately states the portion of the transaction that is not subject to taxation
1919 under this chapter on an invoice, bill of sale, or similar document provided to
1920 the purchaser; or
- 1921 (B) is able to identify by reasonable and verifiable standards, from the books and
1922 records the seller keeps in the seller's regular course of business, the portion of
1923 the transaction that is not subject to taxation under this chapter.
- 1924 (ii) A purchaser and a seller may correct the taxability of a transaction if:
- 1925 (A) after the transaction occurs, the purchaser and the seller discover that the
1926 portion of the transaction that is not subject to taxation under this chapter was
1927 not separately stated on an invoice, bill of sale, or similar document provided
1928 to the purchaser because of an error or ignorance of the law; and
- 1929 (B) the seller is able to identify by reasonable and verifiable standards, from the
1930 books and records the seller keeps in the seller's regular course of business, the
1931 portion of the transaction that is not subject to taxation under this chapter.
- 1932 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller

- 1933 keeps in the seller's regular course of business includes books and records the
1934 seller keeps in the regular course of business for nontax purposes.
- 1935 (h)(i) If the sales price of a transaction is attributable to two or more items of tangible
1936 personal property, products, or services that are subject to taxation under this
1937 chapter at different rates, the entire purchase is subject to taxation under this
1938 chapter at the higher tax rate unless the seller, at the time of the transaction:
- 1939 (A) separately states the items subject to taxation under this chapter at each of the
1940 different rates on an invoice, bill of sale, or similar document provided to the
1941 purchaser; or
- 1942 (B) is able to identify by reasonable and verifiable standards the tangible personal
1943 property, product, or service that is subject to taxation under this chapter at the
1944 lower tax rate from the books and records the seller keeps in the seller's regular
1945 course of business.
- 1946 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
1947 seller's regular course of business includes books and records the seller keeps in
1948 the regular course of business for nontax purposes.
- 1949 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate
1950 imposed under the following shall take effect on the first day of a calendar quarter:
- 1951 (i) Subsection (2)(a)(i)(A);
- 1952 (ii) Subsection (2)(a)(i)(B);
- 1953 (iii) Subsection (2)(b)(i);
- 1954 (iv) Subsection (2)(c)(i); or
- 1955 (v) Subsection (2)(f)(i)(A).
- 1956 (j)(i) A tax rate increase takes effect on the first day of the first billing period that
1957 begins on or after the effective date of the tax rate increase if the billing period for
1958 the transaction begins before the effective date of a tax rate increase imposed
1959 under:
- 1960 (A) Subsection (2)(a)(i)(A);
- 1961 (B) Subsection (2)(a)(i)(B);
- 1962 (C) Subsection (2)(b)(i);
- 1963 (D) Subsection (2)(c)(i); or
- 1964 (E) Subsection (2)(f)(i)(A).
- 1965 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
1966 statement for the billing period is rendered on or after the effective date of the

- 1967 repeal of the tax or the tax rate decrease imposed under:
- 1968 (A) Subsection (2)(a)(i)(A);
- 1969 (B) Subsection (2)(a)(i)(B);
- 1970 (C) Subsection (2)(b)(i);
- 1971 (D) Subsection (2)(c)(i); or
- 1972 (E) Subsection (2)(f)(i)(A).
- 1973 (k)(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
- 1974 is computed on the basis of sales and use tax rates published in the catalogue, a
- 1975 tax rate repeal or change in a tax rate takes effect:
- 1976 (A) on the first day of a calendar quarter; and
- 1977 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate
- 1978 change.
- 1979 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 1980 (A) Subsection (2)(a)(i)(A);
- 1981 (B) Subsection (2)(a)(i)(B);
- 1982 (C) Subsection (2)(b)(i);
- 1983 (D) Subsection (2)(c)(i); or
- 1984 (E) Subsection (2)(f)(i)(A).
- 1985 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 1986 the commission may by rule define the term "catalogue sale."
- 1987 (l)(i) For a location described in Subsection (2)(l)(ii), the commission shall determine
- 1988 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel
- 1989 based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other
- 1990 fuel at the location.
- 1991 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
- 1992 or other fuel is furnished through a single meter for two or more of the following
- 1993 uses:
- 1994 (A) a commercial use;
- 1995 (B) an industrial use; or
- 1996 (C) a residential use.
- 1997 (3)(a) The commission shall deposit the following state taxes into the General Fund:
- 1998 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 1999 (ii) the tax imposed by Subsection (2)(b)(i);
- 2000 (iii) the tax imposed by Subsection (2)(c)(i);

- 2001 (iv) the tax imposed by Subsection (2)(d); and
- 2002 (v) the tax imposed by Subsection (2)(f)(i)(A).
- 2003 (b) The commission shall distribute the following local taxes to a county, city, or town
- 2004 as provided in this chapter:
- 2005 (i) the tax imposed by Subsection (2)(a)(ii);
- 2006 (ii) the tax imposed by Subsection (2)(b)(ii);
- 2007 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 2008 (iv) the tax imposed by Subsection (2)(f)(i)(B).
- 2009 (4)(a) Notwithstanding Subsection (3)(a), for each fiscal year the commission shall make
- 2010 the deposits described in Subsections (4)(b) through (4)(h) from the revenue from the
- 2011 taxes imposed by:
- 2012 (i) Subsection (2)(a)(i)(A);
- 2013 (ii) Subsection (2)(b)(i);
- 2014 (iii) Subsection (2)(c)(i); and
- 2015 (iv) Subsection (2)(f)(i)(A).
- 2016 (b) The commission shall deposit 15% of the difference between 1.4543% of the
- 2017 revenue described in Subsection (4)(a) and the deposits made under Subsection (5)(b),
- 2018 into the Water Rights Restricted Account created in Section 73-2-1.6.
- 2019 (c) The commission shall deposit 85% of the difference between 1.4543% of the revenue
- 2020 described in Subsection (4)(a) and the deposits made under Subsection (5)(b), into
- 2021 the Water Resources Conservation and Development Fund created in Section
- 2022 73-10-24 for use by the Division of Water Resources for:
- 2023 (i) preconstruction costs:
- 2024 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,
- 2025 Chapter 26, Bear River Development Act; and
- 2026 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
- 2027 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- 2028 (ii) the cost of employing a civil engineer to oversee any project authorized by Title
- 2029 73, Chapter 26, Bear River Development Act;
- 2030 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline
- 2031 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development
- 2032 Act; and
- 2033 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
- 2034 Subsection (5)(b)(iv)(B) after funding the uses specified in Subsections (4)(c)(i)

- 2035 through (iii).
- 2036 (d) The commission shall deposit 1.4543% of the revenue described in Subsection (4)(a)
- 2037 into the Water Infrastructure Restricted Account created in Section 73-10g-103.
- 2038 (e)(i) Subject to Subsection (4)(e)(ii), the commission shall deposit 26.24% of the
- 2039 revenue described in Subsection (4)(a) into the Transportation Investment Fund of
- 2040 2005 created in Section 72-2-124.
- 2041 (ii) The commission shall annually reduce the deposit described in Subsection
- 2042 (4)(e)(i) by the sum of:
- 2043 (A) \$1,813,400;
- 2044 (B) the earmark described in Subsection (5)(c); and
- 2045 (C) an amount equal to 35% of the revenue generated in the current fiscal year by
- 2046 the portion of the tax imposed on motor and special fuel that is sold, used, or
- 2047 received in the state that exceeds 29.4 cents per gallon.
- 2048 (iii) The amount described in Subsection (4)(e)(ii)(C) shall be annually deposited into
- 2049 the Transit Transportation Investment Fund created in Section 72-2-124.
- 2050 (f) The commission shall deposit .44% of the revenue described in Subsection (4)(a) into
- 2051 the Cottonwood Canyons Transportation Investment Fund created in Section
- 2052 72-2-124.
- 2053 (g) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into
- 2054 the Commuter Rail Subaccount created in Section 72-2-124.
- 2055 (h) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into
- 2056 the Outdoor Adventure Infrastructure Restricted Account created in Section 51-9-902
- 2057 as follows:
- 2058 (i) into the Outdoor Adventure Infrastructure Restricted Account created in Section
- 2059 51-9-902, an amount equal to the amount that was deposited into the Outdoor
- 2060 Adventure Infrastructure Restricted Account in fiscal year 2025; and
- 2061 (ii) for any amount exceeding the amount described in Subsection (4)(h)(i), 50% into
- 2062 the Outdoor Adventure Infrastructure Restricted Account and 50% to the Utah
- 2063 Fairpark Area Investment and Restoration District created in Section 11-70-201.
- 2064 (5)(a) Notwithstanding Subsection (3)(a), each fiscal year the commission shall make
- 2065 the deposits described in this Subsection (5).
- 2066 (b)(i)(A) The commission shall deposit \$500,000 to the Department of Natural
- 2067 Resources to be used for watershed rehabilitation or restoration.
- 2068 (B) At the end of each fiscal year, 100% of any unexpended amount described in

Subsection (5)(b)(i)(A) shall lapse into the Water Resources Conservation and Development Fund created in Section 73-10-24.

- (ii) The commission shall deposit \$150,000 to the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.
- (iii) The commission shall deposit \$525,000 into the Division of Conservation created in Section 4-46-401 to implement water related programs.
- (iv) The commission shall deposit \$7,175,000 into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources:
 - (A) for the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24;
 - (B) to conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;
 - (C) to fund state required dam safety improvements; and
 - (D) to protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.
- (v) The commission shall deposit \$3,587,500 into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.
- (vi) The commission shall deposit \$3,587,500 into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:
 - (A) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;
 - (B) develop underground sources of water, including springs and wells; and
 - (C) develop surface water sources.
- (vii) The commission shall deposit \$2,450,000 to the Division of Wildlife Resources to:

- 2103 (A) implement the measures described in Subsections 23A-3-214(3)(a) through
2104 (d) to protect sensitive plant and animal species; or
- 2105 (B) award grants, up to the amount authorized by the Legislature in an
2106 appropriations act, to political subdivisions of the state to implement the
2107 measures described in Subsections 23A-3-214(3)(a) through (d) to protect
2108 sensitive plant and animal species.
- 2109 (viii) Funds transferred to the Division of Wildlife Resources under Subsection
2110 (5)(b)(vii)(A) may not be used to assist the United States Fish and Wildlife
2111 Service or any other person to list or attempt to have listed a species as threatened
2112 or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531, et
2113 seq.
- 2114 (ix) At the end of each fiscal year, any unexpended amounts described in Subsections
2115 (5)(b)(vii)(A) and (B) shall lapse:
- 2116 (A) 50% into the Water Resources Conservation and Development Fund created
2117 in Section 73-10-24;
- 2118 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section
2119 73-10c-5; and
- 2120 (C) 25% into the Drinking Water Loan Program Subaccount created in Section
2121 73-10c-5.
- 2122 (x) The commission shall allocate \$175,000 to the Division of Water Rights to cover
2123 the costs incurred in hiring legal and technical staff for the adjudication of water
2124 rights.
- 2125 (xi) At the end of each fiscal year, any unexpended amounts described in Subsection
2126 (5)(b)(x) shall lapse:
- 2127 (A) 50% into the Water Resources Conservation and Development Fund created
2128 in Section 73-10-24;
- 2129 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section
2130 73-10c-5; and
- 2131 (C) 25% into the Drinking Water Loan Program Subaccount created in Section
2132 73-10c-5.
- 2133 (c) The commission shall deposit \$45,000,000 into the Active Transportation Investment
2134 Fund created in Section 72-2-124.
- 2135 (d) The commission shall deposit \$533,750 into the Qualified Emergency Food
2136 Agencies Fund created by and expended in accordance with Section 35A-8-1009.

- 2137 (e) The commission shall deposit \$200,000 into the General Fund as a dedicated credit
2138 for the sole use of the Search and Rescue Financial Assistance Program created by
2139 and to be expended in accordance with Title 53, Chapter 2a, Part 11, Search and
2140 Rescue Act.
- 2141 (6)(a) The rate specified in this Subsection (6) is 0.15%.
- 2142 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning
2143 on or after July 1, 2019, annually transfer the amount of revenue collected from the
2144 rate described in Subsection (6)(a) on the transactions that are subject to the sales and
2145 use tax under Subsection (2)(a)(i)(B) into the Medicaid ACA Fund created in Section
2146 26B-1-315.
- 2147 (7)(a) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11),
2148 (12), and (13), and as described in Section 63N-3-610, beginning the first day of a
2149 calendar quarter one year after the sales and use tax boundary for a housing and
2150 transit reinvestment zone is established under Title 63N, Chapter 3, Part 6, Housing
2151 and Transit Reinvestment Zone Act, the commission, at least annually, shall transfer
2152 an amount equal to 15% of the sales and use tax increment from the sales and use tax
2153 imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within
2154 an established sales and use tax boundary, as defined in Section 63N-3-602, into the
2155 Transit Transportation Investment Fund created in Section 72-2-124.
- 2156 (b) Beginning no sooner than January 1, 2026, notwithstanding Subsection (3)(a), and
2157 except as provided in Subsections (11), (12), and (13), and as described in Section
2158 63N-3-610.1, beginning the first day of a calendar quarter after the year set in the
2159 proposal and after the sales and use tax boundary for a convention center
2160 reinvestment zone is established in a capital city under Title 63N, Chapter 3, Part 6,
2161 Housing and Transit Reinvestment Zone Act, the commission, at least annually, shall
2162 transfer an amount equal to 50% of the sales and use tax increment as defined in
2163 Section 63N-3-602 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a
2164 4.7% rate, on transactions occurring within an established sales and use tax boundary,
2165 as defined in Section 63N-3-602, to a convention center public infrastructure district
2166 created in accordance with Section 17D-4-202.1 and specified in the convention
2167 center reinvestment zone proposal submitted [~~pursuant to~~] in accordance with Title
2168 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- 2169 (8) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12), and
2170 (13), beginning October 1, 2024 the commission shall transfer to 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), on transactions occurring within the district sales tax area, as defined in Section 11-70-101.

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

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

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

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

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

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

(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).

(10) 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.

(11)(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:

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

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

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

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

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

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

- (i) "Applicable percentage" means, for a convention center reinvestment zone created in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to 50% of the sales and use tax increment, as that term is defined in Section 63N-3-602, 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 (12)(a)(ii).
- (ii) "Qualified development zone" means the sales and use tax boundary of a convention center reinvestment zone created in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- (iii) "Qualifying construction materials" means construction materials that are:
- (A) delivered to a delivery outlet within a qualified development zone; and
 - (B) intended to be permanently attached to real property within the qualified development zone.
- (b) For a sale of qualifying construction materials, the commission shall distribute the product calculated in Subsection (12)(c) to a qualified development zone if the seller of the construction materials:
- (i) establishes a delivery outlet with the commission within the qualified development zone;
 - (ii) reports the sales of the construction materials to the delivery outlet described in Subsection (12)(b)(i); and
 - (iii) does not report the sales of the construction materials on a simplified electronic return.
- (c) For the purposes of Subsection (12)(b), the product is equal to:
- (i) the sales price or purchase price of the qualifying construction materials; and
 - (ii) the applicable percentage.
- (13)(a) As used in this Subsection (13), "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J, or a substantially similar form as designated by the commission.
- (b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone shall be distributed into the General Fund.
- Section 3. Section **59-12-104** is amended to read:
- 59-12-104 . Exemptions.**
- Exemptions from the taxes imposed by this chapter are as follows:
- (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax

2273 under Chapter 13, Motor and Special Fuel Tax Act;

2274 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political
2275 subdivisions; however, this exemption does not apply to sales of:

2276 (a) construction materials except:

2277 (i) construction materials purchased by or on behalf of institutions of the public
2278 education system as defined in Utah Constitution, Article X, Section 2, provided
2279 the construction materials are clearly identified and segregated and installed or
2280 converted to real property which is owned by institutions of the public education
2281 system; and

2282 (ii) construction materials purchased by the state, its institutions, or its political
2283 subdivisions which are installed or converted to real property by employees of the
2284 state, its institutions, or its political subdivisions; or

2285 (b) tangible personal property in connection with the construction, operation,
2286 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or
2287 facilities providing additional project capacity, as defined in Section 11-13-103;

2288 (3)(a) sales of an item described in Subsection (3)(b) from a vending machine if:

2289 (i) the proceeds of each sale do not exceed \$1; and

2290 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
2291 the cost of the item described in Subsection (3)(b) as goods consumed; and

2292 (b) Subsection (3)(a) applies to:

2293 (i) food and food ingredients; or

2294 (ii) prepared food;

2295 (4)(a) sales of the following to a commercial airline carrier for in-flight consumption:

2296 (i) alcoholic beverages;

2297 (ii) food and food ingredients; or

2298 (iii) prepared food;

2299 (b) sales of tangible personal property or a product transferred electronically:

2300 (i) to a passenger;

2301 (ii) by a commercial airline carrier; and

2302 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or

2303 (c) services related to Subsection (4)(a) or (b);

2304 (5) sales of parts and equipment for installation in an aircraft operated by a common carrier
2305 in interstate or foreign commerce;

2306 (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 exceed the longer of:

(I) 30 days in any calendar year; or

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

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

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

- 2341 (i) the item is intended for human use; and
2342 (ii)(A) a prescription was issued for the item; or
2343 (B) the item was purchased by a hospital or other medical facility; and
2344 (b)(i) Subsection (10)(a) applies to:
2345 (A) a drug;
2346 (B) a syringe; or
2347 (C) a stoma supply; and
2348 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
2349 the commission may by rule define the terms:
2350 (A) "syringe"; or
2351 (B) "stoma supply";
2352 (11) purchases or leases exempt under Section 19-12-201;
2353 (12)(a) sales of an item described in Subsection (12)(c) served by:
2354 (i) the following if the item described in Subsection (12)(c) is not available to the
2355 general public:
2356 (A) a church; or
2357 (B) a charitable institution; or
2358 (ii) an institution of higher education if:
2359 (A) the item described in Subsection (12)(c) is not available to the general public;
2360 or
2361 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal
2362 plan offered by the institution of higher education;
2363 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
2364 (i) a medical facility; or
2365 (ii) a nursing facility; and
2366 (c) Subsections (12)(a) and (b) apply to:
2367 (i) food and food ingredients;
2368 (ii) prepared food; or
2369 (iii) alcoholic beverages;
2370 (13)(a) except as provided in Subsection (13)(b), the sale of tangible personal property
2371 or a product transferred electronically by a person:
2372 (i) regardless of the number of transactions involving the sale of that tangible
2373 personal property or product transferred electronically by that person; and
2374 (ii) not regularly engaged in the business of selling that type of tangible personal

- 2375 property or product transferred electronically;
- 2376 (b) this Subsection (13) does not apply if:
- 2377 (i) the sale is one of a series of sales of a character to indicate that the person is
- 2378 regularly engaged in the business of selling that type of tangible personal property
- 2379 or product transferred electronically;
- 2380 (ii) the person holds that person out as regularly engaged in the business of selling
- 2381 that type of tangible personal property or product transferred electronically;
- 2382 (iii) the person sells an item of tangible personal property or product transferred
- 2383 electronically that the person purchased as a sale that is exempt under Subsection
- 2384 (25); or
- 2385 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws
- 2386 of this state in which case the tax is based upon:
- 2387 (A) the bill of sale, lease agreement, or other written evidence of value of the
- 2388 vehicle or vessel being sold; or
- 2389 (B) in the absence of a bill of sale, lease agreement, or other written evidence of
- 2390 value, the fair market value of the vehicle or vessel being sold at the time of the
- 2391 sale as determined by the commission; and
- 2392 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2393 commission shall make rules establishing the circumstances under which:
- 2394 (i) a person is regularly engaged in the business of selling a type of tangible personal
- 2395 property or product transferred electronically;
- 2396 (ii) a sale of tangible personal property or a product transferred electronically is one
- 2397 of a series of sales of a character to indicate that a person is regularly engaged in
- 2398 the business of selling that type of tangible personal property or product
- 2399 transferred electronically; or
- 2400 (iii) a person holds that person out as regularly engaged in the business of selling a
- 2401 type of tangible personal property or product transferred electronically;
- 2402 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal
- 2403 operating repair or replacement parts, or materials, except for office equipment or office
- 2404 supplies, by:
- 2405 (a) a manufacturing facility that:
- 2406 (i) is located in the state; and
- 2407 (ii) uses or consumes the machinery, equipment, normal operating repair or
- 2408 replacement parts, or materials:

- 2409 (A) in the manufacturing process to manufacture an item sold as tangible personal
2410 property, as the commission may define that phrase in accordance with Title
2411 63G, Chapter 3, Utah Administrative Rulemaking Act; or
- 2412 (B) for a scrap recycler, to process an item sold as tangible personal property, as
2413 the commission may define that phrase in accordance with Title 63G, Chapter 3,
2414 Utah Administrative Rulemaking Act;
- 2415 (b) an establishment, as the commission defines that term in accordance with Title 63G,
2416 Chapter 3, Utah Administrative Rulemaking Act, that:
- 2417 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
2418 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for
2419 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except
2420 Fuels) Mining, of the 2002 North American Industry Classification System of the
2421 federal Executive Office of the President, Office of Management and Budget;
- 2422 (ii) is located in the state; and
- 2423 (iii) uses or consumes the machinery, equipment, normal operating repair or
2424 replacement parts, or materials in:
- 2425 (A) the production process to produce an item sold as tangible personal property,
2426 as the commission may define that phrase in accordance with Title 63G,
2427 Chapter 3, Utah Administrative Rulemaking Act;
- 2428 (B) research and development, as the commission may define that phrase in
2429 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 2430 (C) transporting, storing, or managing tailings, overburden, or similar waste
2431 materials produced from mining;
- 2432 (D) developing or maintaining a road, tunnel, excavation, or similar feature used
2433 in mining; or
- 2434 (E) preventing, controlling, or reducing dust or other pollutants from mining; or
- 2435 (c) an establishment, as the commission defines that term in accordance with Title 63G,
2436 Chapter 3, Utah Administrative Rulemaking Act, that:
- 2437 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
2438 American Industry Classification System of the federal Executive Office of the
2439 President, Office of Management and Budget;
- 2440 (ii) is located in the state; and
- 2441 (iii) uses or consumes the machinery, equipment, normal operating repair or
2442 replacement parts, or materials in the operation of the web search portal;

- 2443 (15)(a) sales of the following if the requirements of Subsection (15)(b) are met:
- 2444 (i) tooling;
- 2445 (ii) special tooling;
- 2446 (iii) support equipment;
- 2447 (iv) special test equipment; or
- 2448 (v) parts used in the repairs or renovations of tooling or equipment described in
- 2449 Subsections (15)(a)(i) through (iv); and
- 2450 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
- 2451 (i) the tooling, equipment, or parts are used or consumed exclusively in the
- 2452 performance of any aerospace or electronics industry contract with the United
- 2453 States government or any subcontract under that contract; and
- 2454 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
- 2455 title to the tooling, equipment, or parts is vested in the United States government
- 2456 as evidenced by:
- 2457 (A) a government identification tag placed on the tooling, equipment, or parts; or
- 2458 (B) listing on a government-approved property record if placing a government
- 2459 identification tag on the tooling, equipment, or parts is impractical;
- 2460 (16) sales of newspapers or newspaper subscriptions;
- 2461 (17)(a) except as provided in Subsection (17)(b), tangible personal property or a product
- 2462 transferred electronically traded in as full or part payment of the purchase price,
- 2463 except that for purposes of calculating sales or use tax upon vehicles not sold by a
- 2464 vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:
- 2465 (i) the bill of sale or other written evidence of value of the vehicle being sold and the
- 2466 vehicle being traded in; or
- 2467 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
- 2468 fair market value of the vehicle being sold and the vehicle being traded in, as
- 2469 determined by the commission; and
- 2470 (b) Subsection (17)(a) does not apply to the following items of tangible personal
- 2471 property or products transferred electronically traded in as full or part payment of the
- 2472 purchase price:
- 2473 (i) money;
- 2474 (ii) electricity;
- 2475 (iii) water;
- 2476 (iv) gas; or

2477 (v) steam;

2478 (18)(a)(i) except as provided in Subsection (18)(b), sales of tangible personal

2479 property or a product transferred electronically used or consumed primarily and

2480 directly in farming operations, regardless of whether the tangible personal

2481 property or product transferred electronically:

2482 (A) becomes part of real estate; or

2483 (B) is installed by a farmer, contractor, or subcontractor; or

2484 (ii) sales of parts used in the repairs or renovations of tangible personal property or a

2485 product transferred electronically if the tangible personal property or product

2486 transferred electronically is exempt under Subsection (18)(a)(i); and

2487 (b) amounts paid or charged for the following are subject to the taxes imposed by this

2488 chapter:

2489 (i)(A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or

2490 supplies if used in a manner that is incidental to farming; and

2491 (B) tangible personal property that is considered to be used in a manner that is

2492 incidental to farming includes:

2493 (I) hand tools; or

2494 (II) maintenance and janitorial equipment and supplies;

2495 (ii)(A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product

2496 transferred electronically if the tangible personal property or product

2497 transferred electronically is used in an activity other than farming; and

2498 (B) tangible personal property or a product transferred electronically that is

2499 considered to be used in an activity other than farming includes:

2500 (I) office equipment and supplies; or

2501 (II) equipment and supplies used in:

2502 (Aa) the sale or distribution of farm products;

2503 (Bb) research; or

2504 (Cc) transportation; or

2505 (iii) a vehicle required to be registered by the laws of this state during the period

2506 ending two years after the date of the vehicle's purchase;

2507 (19) sales of hay;

2508 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden,

2509 farm, or other agricultural produce if the seasonal crops are, seedling plants are, or

2510 garden, farm, or other agricultural produce is sold by:

- 2511 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
2512 agricultural produce;
- 2513 (b) an employee of the producer described in Subsection (20)(a); or
- 2514 (c) a member of the immediate family of the producer described in Subsection (20)(a);
- 2515 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under
2516 the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
- 2517 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
2518 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
2519 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
2520 manufacturer, processor, wholesaler, or retailer;
- 2521 (23) a product stored in the state for resale;
- 2522 (24)(a) purchases of a product if:
- 2523 (i) the product is:
- 2524 (A) purchased outside of this state;
- 2525 (B) brought into this state:
- 2526 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
- 2527 (II) by a nonresident person who is not living or working in this state at the
2528 time of the purchase;
- 2529 (C) used for the personal use or enjoyment of the nonresident person described in
2530 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state;
2531 and
- 2532 (D) not used in conducting business in this state; and
- 2533 (ii) for:
- 2534 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use
2535 of the product for a purpose for which the product is designed occurs outside of
2536 this state;
- 2537 (B) a boat, the boat is registered outside of this state; or
- 2538 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
2539 registered outside of this state;
- 2540 (b) the exemption provided for in Subsection (24)(a) does not apply to:
- 2541 (i) a lease or rental of a product; or
- 2542 (ii) a sale of a vehicle exempt under Subsection (33); and
- 2543 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
2544 purposes of Subsection (24)(a), the commission may by rule define what constitutes

- 2545 the following:
- 2546 (i) conducting business in this state if that phrase has the same meaning in this
- 2547 Subsection (24) as in Subsection (63);
- 2548 (ii) the first use of a product if that phrase has the same meaning in this Subsection
- 2549 (24) as in Subsection (63); or
- 2550 (iii) a purpose for which a product is designed if that phrase has the same meaning in
- 2551 this Subsection (24) as in Subsection (63);
- 2552 (25) a product purchased for resale in the regular course of business, either in the product's
- 2553 original form or as an ingredient or component part of a manufactured or compounded
- 2554 product;
- 2555 (26) a product upon which a sales or use tax was paid to some other state, or one of another
- 2556 state's subdivisions, except that the state shall be paid any difference between the tax
- 2557 paid and the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no
- 2558 adjustment is allowed if the tax paid was greater than the tax imposed by this part and
- 2559 Part 2, Local Sales and Use Tax Act;
- 2560 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person
- 2561 for use in compounding a service taxable under the subsections;
- 2562 (28) purchases made in accordance with the special supplemental nutrition program for
- 2563 women, infants, and children established in 42 U.S.C. Sec. 1786;
- 2564 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement
- 2565 parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of
- 2566 the 1987 Standard Industrial Classification Manual of the federal Executive Office of the
- 2567 President, Office of Management and Budget;
- 2568 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
- 2569 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard
- 2570 motor is:
- 2571 (a) not registered in this state; and
- 2572 (b)(i) not used in this state; or
- 2573 (ii) used in this state:
- 2574 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for
- 2575 a time period that does not exceed the longer of:
- 2576 (I) 30 days in any calendar year; or
- 2577 (II) the time period necessary to transport the boat, boat trailer, or outboard
- 2578 motor to the borders of this state; or

- 2579 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the
2580 time period necessary to transport the boat, boat trailer, or outboard motor to
2581 the borders of this state;
- 2582 (31) sales of aircraft manufactured in Utah;
- 2583 (32) amounts paid for the purchase of telecommunications service for purposes of
2584 providing telecommunications service;
- 2585 (33) sales, leases, or uses of the following:
- 2586 (a) a vehicle by an authorized carrier; or
- 2587 (b) tangible personal property that is installed on a vehicle:
- 2588 (i) sold or leased to or used by an authorized carrier; and
- 2589 (ii) before the vehicle is placed in service for the first time;
- 2590 (34)(a) 45% of the sales price of any new manufactured home; and
- 2591 (b) 100% of the sales price of any used manufactured home;
- 2592 (35) sales relating to schools and fundraising sales;
- 2593 (36) sales or rentals of durable medical equipment if:
- 2594 (a) a person presents a prescription for the durable medical equipment; and
- 2595 (b) the durable medical equipment is used for home use only;
- 2596 (37)(a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
2597 Section 72-11-102; and
- 2598 (b) the commission shall by rule determine the method for calculating sales exempt
2599 under Subsection (37)(a) that are not separately metered and accounted for in utility
2600 billings;
- 2601 (38) sales to a ski resort of:
- 2602 (a) snowmaking equipment;
- 2603 (b) ski slope grooming equipment;
- 2604 (c) passenger ropeways as defined in Section 72-11-102; or
- 2605 (d) parts used in the repairs or renovations of equipment or passenger ropeways
2606 described in Subsections (38)(a) through (c);
- 2607 (39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel
2608 oil, or other fuels for industrial use;
- 2609 (40)(a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
2610 amusement, entertainment, or recreation an unassisted amusement device as defined
2611 in Section 59-12-102;
- 2612 (b) if a seller that sells or rents at the same business location the right to use or operate

- 2613 for amusement, entertainment, or recreation one or more unassisted amusement
2614 devices and one or more assisted amusement devices, the exemption described in
2615 Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of
2616 the right to use or operate for amusement, entertainment, or recreation for the assisted
2617 amusement devices; and
- 2618 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah
2619 Administrative Rulemaking Act, the commission may make rules:
- 2620 (i) governing the circumstances under which sales are at the same business location;
2621 and
- 2622 (ii) establishing the procedures and requirements for a seller to separately account for
2623 the sales or rentals of the right to use or operate for amusement, entertainment, or
2624 recreation for assisted amusement devices;
- 2625 (41)(a) sales of photocopies by:
- 2626 (i) a governmental entity; or
- 2627 (ii) an entity within the state system of public education, including:
- 2628 (A) a school; or
- 2629 (B) the State Board of Education; or
- 2630 (b) sales of publications by a governmental entity;
- 2631 (42) amounts paid for admission to an athletic event at an institution of higher education
2632 that is subject to the provisions of Title IX of the Education Amendments of 1972, 20
2633 U.S.C. Sec. 1681 et seq.;
- 2634 (43)(a) sales made to or by:
- 2635 (i) an area agency on aging; or
- 2636 (ii) a senior citizen center owned by a county, city, or town; or
- 2637 (b) sales made by a senior citizen center that contracts with an area agency on aging;
- 2638 (44) sales or leases of semiconductor fabricating, processing, research, or development
2639 materials regardless of whether the semiconductor fabricating, processing, research, or
2640 development materials:
- 2641 (a) actually come into contact with a semiconductor; or
- 2642 (b) ultimately become incorporated into real property;
- 2643 (45) an amount paid by or charged to a purchaser for accommodations and services
2644 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under
2645 Section 59-12-104.2;
- 2646 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in

2647 accordance with Section 41-3-306 for the event period specified on the temporary sports
2648 event registration certificate;

2649 (47)(a) sales or uses of electricity, if the sales or uses are made under a retail tariff
2650 adopted by the Public Service Commission only for purchase of electricity produced
2651 from a new alternative energy source built after January 1, 2016, as designated in the
2652 tariff by the Public Service Commission; and

2653 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
2654 only to the portion of the tariff rate a customer pays under the tariff described in
2655 Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection
2656 (47)(a) that the customer would have paid absent the tariff;

2657 (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for
2658 the mobility enhancing equipment;

2659 (49) sales of water in a:

2660 (a) pipe;

2661 (b) conduit;

2662 (c) ditch; or

2663 (d) reservoir;

2664 (50) sales of currency or coins that constitute legal tender of a state, the United States, or a
2665 foreign nation;

2666 (51)(a) sales of an item described in Subsection (51)(b) if the item:

2667 (i) does not constitute legal tender of a state, the United States, or a foreign nation;

2668 and

2669 (ii) has a gold, silver, or platinum content of 50% or more; and

2670 (b) Subsection (51)(a) applies to a gold, silver, or platinum:

2671 (i) ingot;

2672 (ii) bar;

2673 (iii) medallion; or

2674 (iv) decorative coin;

2675 (52) amounts paid on a sale-leaseback transaction;

2676 (53) sales of a prosthetic device:

2677 (a) for use on or in a human; and

2678 (b)(i) for which a prescription is required; or

2679 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

2680 (54)(a) except as provided in Subsection (54)(b), purchases, leases, or rentals of

machinery or equipment by an establishment described in Subsection (54)(c) if the machinery or equipment is primarily used in the production or postproduction of the following media for commercial distribution:

- (i) a motion picture;
- (ii) a television program;
- (iii) a movie made for television;
- (iv) a music video;
- (v) a commercial;
- (vi) a documentary; or
- (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the commission by administrative rule made in accordance with Subsection (54)(d);

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

- (i) a live musical performance;
- (ii) a live news program; or
- (iii) a live sporting event;

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

- (i) NAICS Code 512110; or
- (ii) NAICS Code 51219; and

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

- (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi); or
- (ii) define:
 - (A) "commercial distribution";
 - (B) "live musical performance";
 - (C) "live news program"; or
 - (D) "live sporting event";

(55)(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:

- 2715 (A) is an alternative energy electricity production facility;
2716 (B) is located in the state; and
2717 (C)(I) becomes operational on or after July 1, 2004; or
2718 (II) has its generation capacity increased by one or more megawatts on or after
2719 July 1, 2004, as a result of the use of the tangible personal property;
2720 (ii) has an economic life of five or more years; and
2721 (iii) is used to make the facility or the increase in capacity of the facility described in
2722 Subsection (55)(a)(i) operational up to the point of interconnection with an
2723 existing transmission grid including:
2724 (A) a wind turbine;
2725 (B) generating equipment;
2726 (C) a control and monitoring system;
2727 (D) a power line;
2728 (E) substation equipment;
2729 (F) lighting;
2730 (G) fencing;
2731 (H) pipes; or
2732 (I) other equipment used for locating a power line or pole; and
2733 (b) this Subsection (55) does not apply to:
2734 (i) tangible personal property used in construction of:
2735 (A) a new alternative energy electricity production facility; or
2736 (B) the increase in the capacity of an alternative energy electricity production
2737 facility;
2738 (ii) contracted services required for construction and routine maintenance activities;
2739 and
2740 (iii) unless the tangible personal property is used or acquired for an increase in
2741 capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal
2742 property used or acquired after:
2743 (A) the alternative energy electricity production facility described in Subsection
2744 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
2745 (B) the increased capacity described in Subsection (55)(a)(i) is operational as
2746 described in Subsection (55)(a)(iii);
2747 (56)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on
2748 or before June 30, 2027, of tangible personal property that:

- 2749 (i) is leased or purchased for or by a facility that:
- 2750 (A) is a waste energy production facility;
- 2751 (B) is located in the state; and
- 2752 (C)(I) becomes operational on or after July 1, 2004; or
- 2753 (II) has its generation capacity increased by one or more megawatts on or after
- 2754 July 1, 2004, as a result of the use of the tangible personal property;
- 2755 (ii) has an economic life of five or more years; and
- 2756 (iii) is used to make the facility or the increase in capacity of the facility described in
- 2757 Subsection (56)(a)(i) operational up to the point of interconnection with an
- 2758 existing transmission grid including:
- 2759 (A) generating equipment;
- 2760 (B) a control and monitoring system;
- 2761 (C) a power line;
- 2762 (D) substation equipment;
- 2763 (E) lighting;
- 2764 (F) fencing;
- 2765 (G) pipes; or
- 2766 (H) other equipment used for locating a power line or pole; and
- 2767 (b) this Subsection (56) does not apply to:
- 2768 (i) tangible personal property used in construction of:
- 2769 (A) a new waste energy facility; or
- 2770 (B) the increase in the capacity of a waste energy facility;
- 2771 (ii) contracted services required for construction and routine maintenance activities;
- 2772 and
- 2773 (iii) unless the tangible personal property is used or acquired for an increase in
- 2774 capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used
- 2775 or acquired after:
- 2776 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as
- 2777 described in Subsection (56)(a)(iii); or
- 2778 (B) the increased capacity described in Subsection (56)(a)(i) is operational as
- 2779 described in Subsection (56)(a)(iii);
- 2780 (57)(a) leases of five or more years or purchases made on or after July 1, 2004, but on or
- 2781 before June 30, 2027, of tangible personal property that:
- 2782 (i) is leased or purchased for or by a facility that:

- 2783 (A) is located in the state;
- 2784 (B) produces fuel from alternative energy, including:
- 2785 (I) methanol; or
- 2786 (II) ethanol; and
- 2787 (C)(I) becomes operational on or after July 1, 2004; or
- 2788 (II) has its capacity to produce fuel increase by 25% or more on or after July 1,
- 2789 2004, as a result of the installation of the tangible personal property;
- 2790 (ii) has an economic life of five or more years; and
- 2791 (iii) is installed on the facility described in Subsection (57)(a)(i);
- 2792 (b) this Subsection (57) does not apply to:
- 2793 (i) tangible personal property used in construction of:
- 2794 (A) a new facility described in Subsection (57)(a)(i); or
- 2795 (B) the increase in capacity of the facility described in Subsection (57)(a)(i);
- 2796 (ii) contracted services required for construction and routine maintenance activities;
- 2797 and
- 2798 (iii) unless the tangible personal property is used or acquired for an increase in
- 2799 capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used
- 2800 or acquired after:
- 2801 (A) the facility described in Subsection (57)(a)(i) is operational; or
- 2802 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
- 2803 (58)(a) subject to Subsection (58)(b), sales of tangible personal property or a product
- 2804 transferred electronically to a person within this state if that tangible personal
- 2805 property or product transferred electronically is subsequently shipped outside the
- 2806 state and incorporated pursuant to contract into and becomes a part of real property
- 2807 located outside of this state; and
- 2808 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
- 2809 state or political entity to which the tangible personal property is shipped imposes a
- 2810 sales, use, gross receipts, or other similar transaction excise tax on the transaction
- 2811 against which the other state or political entity allows a credit for sales and use taxes
- 2812 imposed by this chapter;
- 2813 (59) purchases:
- 2814 (a) of one or more of the following items in printed or electronic format:
- 2815 (i) a list containing information that includes one or more:
- 2816 (A) names; or

- 2817 (B) addresses; or
- 2818 (ii) a database containing information that includes one or more:
- 2819 (A) names; or
- 2820 (B) addresses; and
- 2821 (b) used to send direct mail;
- 2822 (60) redemptions or repurchases of a product by a person if that product was:
- 2823 (a) delivered to a pawnbroker as part of a pawn transaction; and
- 2824 (b) redeemed or repurchased within the time period established in a written agreement
- 2825 between the person and the pawnbroker for redeeming or repurchasing the product;
- 2826 (61)(a) purchases or leases of an item described in Subsection (61)(b) if the item:
- 2827 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
- 2828 and
- 2829 (ii) has a useful economic life of one or more years; and
- 2830 (b) the following apply to Subsection (61)(a):
- 2831 (i) telecommunications enabling or facilitating equipment, machinery, or software;
- 2832 (ii) telecommunications equipment, machinery, or software required for 911 service;
- 2833 (iii) telecommunications maintenance or repair equipment, machinery, or software;
- 2834 (iv) telecommunications switching or routing equipment, machinery, or software; or
- 2835 (v) telecommunications transmission equipment, machinery, or software;
- 2836 (62)(a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
- 2837 personal property or a product transferred electronically that are used in the research
- 2838 and development of alternative energy technology; and
- 2839 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2840 commission may, for purposes of Subsection (62)(a), make rules defining what
- 2841 constitutes purchases of tangible personal property or a product transferred
- 2842 electronically that are used in the research and development of alternative energy
- 2843 technology;
- 2844 (63)(a) purchases of tangible personal property or a product transferred electronically if:
- 2845 (i) the tangible personal property or product transferred electronically is:
- 2846 (A) purchased outside of this state;
- 2847 (B) brought into this state at any time after the purchase described in Subsection
- 2848 (63)(a)(i)(A); and
- 2849 (C) used in conducting business in this state; and
- 2850 (ii) for:

- 2851 (A) tangible personal property or a product transferred electronically other than
2852 the tangible personal property described in Subsection (63)(a)(ii)(B), the first
2853 use of the property for a purpose for which the property is designed occurs
2854 outside of this state; or
- 2855 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
2856 registered outside of this state and not required to be registered in this state
2857 under Section 41-1a-202 or 73-18-9 based on residency;
- 2858 (b) the exemption provided for in Subsection (63)(a) does not apply to:
- 2859 (i) a lease or rental of tangible personal property or a product transferred
2860 electronically; or
- 2861 (ii) a sale of a vehicle exempt under Subsection (33); and
- 2862 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
2863 purposes of Subsection (63)(a), the commission may by rule define what constitutes
2864 the following:
- 2865 (i) conducting business in this state if that phrase has the same meaning in this
2866 Subsection (63) as in Subsection (24);
- 2867 (ii) the first use of tangible personal property or a product transferred electronically if
2868 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or
- 2869 (iii) a purpose for which tangible personal property or a product transferred
2870 electronically is designed if that phrase has the same meaning in this Subsection
2871 (63) as in Subsection (24);
- 2872 (64) sales of disposable home medical equipment or supplies if:
- 2873 (a) a person presents a prescription for the disposable home medical equipment or
2874 supplies;
- 2875 (b) the disposable home medical equipment or supplies are used exclusively by the
2876 person to whom the prescription described in Subsection (64)(a) is issued; and
- 2877 (c) the disposable home medical equipment and supplies are listed as eligible for
2878 payment under:
- 2879 (i) Title XVIII, federal Social Security Act; or
- 2880 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;
- 2881 (65) sales:
- 2882 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District
2883 Act; or
- 2884 (b) of tangible personal property to a subcontractor of a public transit district, if the

2885 tangible personal property is:

2886 (i) clearly identified; and

2887 (ii) installed or converted to real property owned by the public transit district;

2888 (66) sales of construction materials:

2889 (a) purchased on or after July 1, 2010;

2890 (b) purchased by, on behalf of, or for the benefit of an international airport:

2891 (i) located within a county of the first class; and

2892 (ii) that has a United States customs office on its premises; and

2893 (c) if the construction materials are:

2894 (i) clearly identified;

2895 (ii) segregated; and

2896 (iii) installed or converted to real property:

2897 (A) owned or operated by the international airport described in Subsection (66)(b);

2898 and

2899 (B) located at the international airport described in Subsection (66)(b);

2900 (67) sales of construction materials:

2901 (a) purchased on or after July 1, 2008;

2902 (b) purchased by, on behalf of, or for the benefit of a new airport:

2903 (i) located within a county of the second or third class, as classified in Section

2904 17-60-104; and

2905 (ii) that is owned or operated by a city in which an airline as defined in Section

2906 59-2-102 is headquartered; and

2907 (c) if the construction materials are:

2908 (i) clearly identified;

2909 (ii) segregated; and

2910 (iii) installed or converted to real property:

2911 (A) owned or operated by the new airport described in Subsection (67)(b);

2912 (B) located at the new airport described in Subsection (67)(b); and

2913 (C) as part of the construction of the new airport described in Subsection (67)(b);

2914 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common

2915 carrier that is a railroad for use in a locomotive engine;

2916 (69) purchases and sales described in Section 63H-4-111;

2917 (70)(a) sales of tangible personal property to an aircraft maintenance, repair, and

2918 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in

2919 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
2920 aircraft's registration lists a state or country other than this state as the location of
2921 registry of the fixed wing turbine powered aircraft; or

2922 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
2923 provider in connection with the maintenance, repair, overhaul, or refurbishment in
2924 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
2925 aircraft's registration lists a state or country other than this state as the location of
2926 registry of the fixed wing turbine powered aircraft;

2927 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:

2928 (a) to a person admitted to an institution of higher education; and

2929 (b) by a seller, other than a bookstore owned by an institution of higher education, if
2930 51% or more of that seller's sales revenue for the previous calendar quarter are sales
2931 of a textbook for a higher education course;

2932 (72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5)
2933 on a purchaser from a business for which the municipality provides an enhanced level of
2934 municipal services;

2935 (73) amounts paid or charged for construction materials used in the construction of a new or
2936 expanding life science research and development facility in the state, if the construction
2937 materials are:

2938 (a) clearly identified;

2939 (b) segregated; and

2940 (c) installed or converted to real property;

2941 (74) amounts paid or charged for:

2942 (a) a purchase or lease of machinery and equipment that:

2943 (i) are used in performing qualified research:

2944 (A) as defined in Section 41(d), Internal Revenue Code; and

2945 (B) in the state; and

2946 (ii) have an economic life of three or more years; and

2947 (b) normal operating repair or replacement parts:

2948 (i) for the machinery and equipment described in Subsection (74)(a); and

2949 (ii) that have an economic life of three or more years;

2950 (75) a sale or lease of tangible personal property used in the preparation of prepared food if:

2951 (a) for a sale:

2952 (i) the ownership of the seller and the ownership of the purchaser are identical; and

- 2953 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
2954 tangible personal property [~~prior to~~] before making the sale; or
2955 (b) for a lease:
2956 (i) the ownership of the lessor and the ownership of the lessee are identical; and
2957 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that
2958 tangible personal property [~~prior to~~] before making the lease;
2959 (76)(a) purchases of machinery or equipment if:
2960 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
2961 Gambling, and Recreation Industries, of the 2012 North American Industry
2962 Classification System of the federal Executive Office of the President, Office of
2963 Management and Budget;
2964 (ii) the machinery or equipment:
2965 (A) has an economic life of three or more years; and
2966 (B) is used by one or more persons who pay admission or user fees described in
2967 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment;
2968 and
2969 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
2970 (A) amounts paid or charged as admission or user fees described in Subsection
2971 59-12-103(1)(f); and
2972 (B) subject to taxation under this chapter; and
2973 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2974 commission may make rules for verifying that 51% of a purchaser's sales revenue for
2975 the previous calendar quarter is:
2976 (i) amounts paid or charged as admission or user fees described in Subsection
2977 59-12-103(1)(f); and
2978 (ii) subject to taxation under this chapter;
2979 (77) purchases of a short-term lodging consumable by a business that provides
2980 accommodations and services described in Subsection 59-12-103(1)(i);
2981 (78) amounts paid or charged to access a database:
2982 (a) if the primary purpose for accessing the database is to view or retrieve information
2983 from the database; and
2984 (b) not including amounts paid or charged for a:
2985 (i) digital audio work;
2986 (ii) digital audio-visual work; or

- 2987 (iii) digital book;
- 2988 (79) amounts paid or charged for a purchase or lease made by an electronic financial
- 2989 payment service, of:
- 2990 (a) machinery and equipment that:
- 2991 (i) are used in the operation of the electronic financial payment service; and
- 2992 (ii) have an economic life of three or more years; and
- 2993 (b) normal operating repair or replacement parts that:
- 2994 (i) are used in the operation of the electronic financial payment service; and
- 2995 (ii) have an economic life of three or more years;
- 2996 (80) sales of a fuel cell as defined in Section 54-15-102;
- 2997 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
- 2998 product transferred electronically if the tangible personal property or product transferred
- 2999 electronically:
- 3000 (a) is stored, used, or consumed in the state; and
- 3001 (b) is temporarily brought into the state from another state:
- 3002 (i) during a disaster period as defined in Section 53-2a-1202;
- 3003 (ii) by an out-of-state business as defined in Section 53-2a-1202;
- 3004 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
- 3005 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
- 3006 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined in
- 3007 Section 39A-7-102, made [~~pursuant to~~] in accordance with Title 39A, Chapter 7, Morale,
- 3008 Welfare, and Recreation Program;
- 3009 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 3010 (84) amounts paid or charged for a purchase or lease made by a qualifying data center or an
- 3011 occupant of a qualifying data center of machinery, equipment, or normal operating
- 3012 repair or replacement parts, if the machinery, equipment, or normal operating repair or
- 3013 replacement parts:
- 3014 (a) are used in:
- 3015 (i) the operation of the qualifying data center; or
- 3016 (ii) the occupant's operations in the qualifying data center; and
- 3017 (b) have an economic life of one or more years;
- 3018 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle
- 3019 that includes cleaning or washing of the interior of the vehicle;
- 3020 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal

- 3021 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or
3022 supplies used or consumed:
- 3023 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
3024 in Section 79-6-701 located in the state;
- 3025 (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts,
3026 chemicals, reagents, solutions, or supplies are used or consumed in:
- 3027 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
3028 added to gasoline or diesel fuel;
- 3029 (ii) research and development;
- 3030 (iii) transporting, storing, or managing raw materials, work in process, finished
3031 products, and waste materials produced from refining gasoline or diesel fuel, or
3032 adding blendstock to gasoline or diesel fuel;
- 3033 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
3034 refining; or
- 3035 (v) preventing, controlling, or reducing pollutants from refining; and
- 3036 (c) if the person holds a valid refiner tax exemption certification as defined in Section
3037 79-6-701;
- 3038 (87) amounts paid to or charged by a proprietor for accommodations and services, as
3039 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations
3040 tax imposed under Section 63H-1-205;
- 3041 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal
3042 operating repair or replacement parts, or materials, except for office equipment or office
3043 supplies, by an establishment, as the commission defines that term in accordance with
3044 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 3045 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North
3046 American Industry Classification System of the federal Executive Office of the
3047 President, Office of Management and Budget;
- 3048 (b) is located in this state; and
- 3049 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
3050 materials in the operation of the establishment;
- 3051 (89) amounts paid or charged for an item exempt under Section 59-12-104.10;
- 3052 (90) sales of a note, leaf, foil, or film, if the item:
- 3053 (a) is used as currency;
- 3054 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and

3055 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any
3056 transparent polymer holder, coating, or encasement;

3057 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or
3058 surfing facility, if a trained instructor:

3059 (a) is present with the participant, in person or by video, for the duration of the activity;
3060 and

3061 (b) actively instructs the participant, including providing observation or feedback;

3062 (92) amounts paid or charged in connection with the construction, operation, maintenance,
3063 repair, or replacement of facilities owned by or constructed for:

3064 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or
3065 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;

3066 (93) amounts paid by the service provider for tangible personal property, other than
3067 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels,
3068 that:

3069 (a) is consumed in the performance of a service that is subject to tax under Subsection
3070 59-12-103(1)(b), (f), (g), (h), (i), or (j);

3071 (b) has to be consumed for the service provider to provide the service described in
3072 Subsection (93)(a); and

3073 (c) will be consumed in the performance of the service described in Subsection (93)(a),
3074 to one or more customers, to the point that the tangible personal property disappears
3075 or cannot be used for any other purpose;

3076 (94) sales of rail rolling stock manufactured in Utah;

3077 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or
3078 construction materials between establishments, as the commission defines that term in
3079 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:

3080 (a) the establishments are related directly or indirectly through 100% common
3081 ownership or control; and

3082 (b) each establishment is described in one of the following subsectors of the 2022 North
3083 American Industry Classification System of the federal Executive Office of the
3084 President, Office of Management and Budget:

3085 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or
3086 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing;

3087 (96) sales of construction materials used for the construction of a qualified stadium, as
3088 defined in Section 11-70-101;

- 3089 (97) amounts paid or charged for sales of a cannabinoid product as that term is defined in
3090 Section 4-41-102;
- 3091 (98) amounts paid or charged by an operator of a qualifying energy storage manufacturing
3092 facility for:
- 3093 (a) a purchase of tangible personal property if the tangible personal property is
3094 incorporated into equipment or a device that stores and discharges energy at the
3095 qualifying energy storage manufacturing facility; and
- 3096 (b) a purchase or lease of machinery, equipment, or normal operating repair or
3097 replacement parts if the machinery, equipment, or normal operating repair or
3098 replacement parts are used exclusively in the operation of the qualifying energy
3099 storage manufacturing facility;
- 3100 (99) amounts paid or charged for sales of adaptive driving equipment if the adaptive driving
3101 equipment is not yet installed in a motor vehicle;
- 3102 (100) amounts paid or charged for sales of adaptive driving equipment if the adaptive
3103 driving equipment is installed in a motor vehicle by a previous owner and the
3104 requirements of Section 59-12-104.11 are met; ~~and~~
- 3105 (101) sales of construction materials used for the construction, remodeling, or refurbishing
3106 of a major sporting event venue, as defined in Section 63N-3-1701, within an approved
3107 major sporting event venue zone[-] ; and
- 3108 (102) amounts paid or charged for a transaction subject to a tax under Chapter 26,
3109 Multi-Channel Video or Audio Service Tax Act.
- 3110 Section 4. **Effective Date.**
- 3111 This bill takes effect on July 1, 2026.