

Chris H. Wilson proposes the following substitute bill:

1 **Online Sales Tax Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Chris H. Wilson**

House Sponsor: Steve Eliason

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2 **LONG TITLE**

3 **General Description:**

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

5 **Highlighted Provisions:**

6 This bill:

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

14 **Money Appropriated in this Bill:**

15 None

16 **Other Special Clauses:**

17 This bill provides a special effective date.

18 **Utah Code Sections Affected:**

19 **AMENDS:**

20 **59-12-102**, as last amended by Laws of Utah 2025, First Special Session, Chapters 9, 12

21 **59-12-103**, as last amended by Laws of Utah 2025, Chapter 285

22 **59-12-104**, as last amended by Laws of Utah 2025, First Special Session, Chapter 17

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

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

26 **59-12-102 . Definitions.**

27 As used in this chapter:

28 (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.

(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.

(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.

63 (4)(a) "Admission or user fees" includes season passes.

64 (b) "Admission or user fees" does not include:

65 (i) annual membership dues to private organizations; or

66 (ii) a lesson, including a lesson that involves as part of the lesson equipment or a

67 facility listed in Subsection 59-12-103(1)(f).

68 (5) "Affiliate" or "affiliated person" means a person that, with respect to another person:

69 (a) has an ownership interest of more than 5%, whether direct or indirect, in that other

70 person; or

71 (b) is related to the other person because a third person, or a group of third persons who

72 are affiliated persons with respect to each other, holds an ownership interest of more

73 than 5%, whether direct or indirect, in the related persons.

74 (6) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on

75 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax

76 Agreement after November 12, 2002.

77 (7) "Agreement combined tax rate" means the sum of the tax rates:

78 (a) listed under Subsection (8); and

79 (b) that are imposed within a local taxing jurisdiction.

80 (8) "Agreement sales and use tax" means a tax imposed under:

81 (a) Subsection 59-12-103(2)(a)(i)(A);

82 (b) Subsection 59-12-103(2)(a)(i)(B);

83 (c) Subsection 59-12-103(2)(b)(i);

84 (d) Subsection 59-12-103(2)(c)(i);

85 (e) Subsection 59-12-103(2)(d);

86 (f) Subsection 59-12-103(2)(e)(i)(A);

87 (g) Section 59-12-204;

88 (h) Section 59-12-401;

89 (i) Section 59-12-402;

90 (j) Section 59-12-402.1;

91 (k) Section 59-12-703;

92 (l) Section 59-12-802;

93 (m) Section 59-12-804;

94 (n) Section 59-12-1102;

95 (o) Section 59-12-1302;

96 (p) Section 59-12-1402;

97 (q) Section 59-12-1802;  
98 (r) Section 59-12-2003;  
99 (s) Section 59-12-2103;  
100 (t) Section 59-12-2213;  
101 (u) Section 59-12-2214;  
102 (v) Section 59-12-2215;  
103 (w) Section 59-12-2216;  
104 (x) Section 59-12-2217;  
105 (y) Section 59-12-2218;  
106 (z) Section 59-12-2219;  
107 (aa) Section 59-12-2220; or  
108 (bb) Section 59-12-2402.

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

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

111 (a) except for:  
112 (i) an airline as defined in Section 59-2-102; or  
113 (ii) an affiliated group, as defined in Section 59-7-101, except that "affiliated group"  
114 includes a corporation that is qualified to do business but is not otherwise doing  
115 business in the state, of an airline; and

116 (b) that has the workers, expertise, and facilities to perform the following, regardless of  
117 whether the business entity performs the following in this state:  
118 (i) check, diagnose, overhaul, and repair:  
119 (A) an onboard system of a fixed wing turbine powered aircraft; and  
120 (B) the parts that comprise an onboard system of a fixed wing turbine powered  
121 aircraft;  
122 (ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered  
123 aircraft engine;  
124 (iii) perform at least the following maintenance on a fixed wing turbine powered  
125 aircraft:  
126 (A) an inspection;  
127 (B) a repair, including a structural repair or modification;  
128 (C) changing landing gear; and  
129 (D) addressing issues related to an aging fixed wing turbine powered aircraft;  
130 (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.

165 (b) "Ancillary service" includes:

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

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

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

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

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

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

185 (18) "Authorized carrier" means:

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

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

- 196 (i) material from a plant or tree; or
- 197 (ii) other organic matter that is available on a renewable basis, including:
  - 198 (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

267 definition of "purchase price."

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

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

- 278 (A) a binding sales document; or
- 279 (B) another supporting sales-related document that is available to a purchaser.

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

- 282 (A) a bill of sale;
- 283 (B) a contract;
- 284 (C) an invoice;
- 285 (D) a lease agreement;
- 286 (E) a periodic notice of rates and services;
- 287 (F) a price list;
- 288 (G) a rate card;
- 289 (H) a receipt; or
- 290 (I) a service agreement.

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

- 293 (A) the seller's purchase price of the tangible personal property or product is 10%  
294 or less of the seller's total purchase price of the bundled transaction; or
- 295 (B) the seller's sales price of the tangible personal property or product is 10% or  
296 less of the seller's total sales price of the bundled transaction.

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

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

301 (B) may not use a combination of the seller's purchase price and the seller's sales  
302 price to determine if the purchase price or sales price of the tangible personal  
303 property or product subject to taxation under this chapter is de minimis.

304 (iii) For purposes of Subsection (20)(b)(vi), a seller shall use the full term of a service  
305 contract to determine if the sales price of tangible personal property or a product is  
306 de minimis.

307 (f) For purposes of Subsection (20)(b)(vii)(B), a seller may not use a combination of the  
308 seller's purchase price and the seller's sales price to determine if tangible personal  
309 property subject to taxation under this chapter is 50% or less of the seller's total  
310 purchase price or sales price of that retail sale.

311 (21) "Car sharing" means the same as that term is defined in Section 13-48a-101.

312 (22) "Car-sharing program" means the same as that term is defined in Section 13-48a-101.

313 (23) "Certified automated system" means software certified by the governing board of the  
314 agreement that:

315 (a) calculates the agreement sales and use tax imposed within a local taxing jurisdiction:  
316 (i) on a transaction; and  
317 (ii) in the states that are members of the agreement;  
318 (b) determines the amount of agreement sales and use tax to remit to a state that is a  
319 member of the agreement; and  
320 (c) maintains a record of the transaction described in Subsection (23)(a)(i).

321 (24) "Certified service provider" means an agent certified:

322 (a) by the governing board of the agreement; and  
323 (b) to perform a seller's sales and use tax functions for an agreement sales and use tax, as  
324 outlined in the contract between the governing board of the agreement and the  
325 certified service provider, other than the seller's obligation under Section 59-12-124  
326 to remit a tax on the seller's own purchases.

327 (25)(a) Subject to Subsection (25)(b), "clothing" means all human wearing apparel  
328 suitable for general use.

329 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
330 commission shall make rules:  
331 (i) listing the items that constitute "clothing"; and  
332 (ii) that are consistent with the list of items that constitute "clothing" under the  
333 agreement.

334 (26) "Coal-to-liquid" means the process of converting coal into a liquid synthetic fuel.

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

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

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

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

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

349 (29) "Component part" includes:

350 (a) poultry, dairy, and other livestock feed, and their components;  
351 (b) baling ties and twine used in the baling of hay and straw;  
352 (c) fuel used for providing temperature control of orchards and commercial greenhouses  
353 doing a majority of their business in wholesale sales, and for providing power for  
354 off-highway type farm machinery; and  
355 (d) feed, seeds, and seedlings.

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

357 (a)(i) in digital form; or  
358 (ii) in a form similar to digital form; and  
359 (b) manipulates that information for a result based on a sequence of instructions.

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

361 (a) a computer to perform a task; or  
362 (b) automatic data processing equipment to perform a task.

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

365 (a) future updates or upgrades to computer software;  
366 (b) support services with respect to computer software; or  
367 (c) a combination of Subsections (32)(a) and (b).

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

369 participants of an audio conference call or video conference call.

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

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

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

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

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

379 (i) by a seller of:

380 (A) tangible personal property;

381 (B) a product transferred electronically; or

382 (C) a service; and

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

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

387 (i) transportation;

388 (ii) shipping;

389 (iii) postage;

390 (iv) handling;

391 (v) crating; or

392 (vi) packing.

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

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

396 (a) is intended to supplement the diet;

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

398 (i) a vitamin;

399 (ii) a mineral;

400 (iii) an herb or other botanical;

401 (iv) an amino acid;

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



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

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

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

443 (a) address information; or

444 (b) telephone number information.

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

447 (i) cannot withstand repeated use; and

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

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

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

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

452 (D) a person similar to a person described in Subsections (44)(a)(ii)(A) through  
453 (C).

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

455 (i) a drug;

456 (ii) durable medical equipment;

457 (iii) a hearing aid;

458 (iv) a hearing aid accessory;

459 (v) mobility enhancing equipment; or

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

461 (A) eyeglasses; or

462 (B) contact lenses.

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

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

466 (a) located in the state;

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

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

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

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

475 (i) recognized in:

476 (A) the official United States Pharmacopoeia;  
477 (B) the official Homeopathic Pharmacopoeia of the United States;  
478 (C) the official National Formulary; or  
479 (D) a supplement to a publication listed in Subsections (46)(a)(i)(A) through (C);

480 (ii) intended for use in the:

481 (A) diagnosis of disease;  
482 (B) cure of disease;  
483 (C) mitigation of disease;  
484 (D) treatment of disease; or  
485 (E) prevention of disease; or

486 (iii) intended to affect:

487 (A) the structure of the body; or  
488 (B) any function of the body.

489 (b) "Drug" does not include:

490 (i) food and food ingredients;  
491 (ii) a dietary supplement;  
492 (iii) an alcoholic beverage; or  
493 (iv) a prosthetic device.

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

495 (i) can withstand repeated use;  
496 (ii) is primarily and customarily used to serve a medical purpose;  
497 (iii) generally is not useful to a person in the absence of illness or injury; and  
498 (iv) is not worn in or on the body.

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

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

502 (48) "Electronic" means:

503 (a) relating to technology; and  
504 (b) having:

- (i) electrical capabilities;
- (ii) digital capabilities;
- (iii) magnetic capabilities;
- (iv) wireless capabilities;
- (v) optical capabilities;
- (vi) electromagnetic capabilities; or
- (vii) capabilities similar to Subsections (48)(b)(i) through (vi).

(49) "Electronic financial payment service" means an establishment:

- (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and Clearinghouse Activities, of the 2012 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget; and
- (b) that performs electronic financial payment services.

(50) "Employee" means the same as that term is defined in Section 59-10-401.

(51) "Fixed guideway" means a public transit facility that uses and occupies:

- (a) rail for the use of public transit; or
- (b) a separate right-of-way for the use of public transit.

(52) "Fixed wing turbine powered aircraft" means an aircraft that:

- (a) is powered by turbine engines;
- (b) operates on jet fuel; and
- (c) has wings that are permanently attached to the fuselage of the aircraft.

(53) "Fixed wireless service" means a telecommunications service that provides radio communication between fixed points.

(54)(a) "Food and food ingredients" means substances:

- (i) regardless of whether the substances are in:
  - (A) liquid form;
  - (B) concentrated form;
  - (C) solid form;
  - (D) frozen form;
  - (E) dried form; or
  - (F) dehydrated form; and
- (ii) that are:
  - (A) sold for:
    - (I) ingestion by humans; or

- (II) chewing by humans; and
- (B) consumed for the substance's:
  - (I) taste; or
  - (II) nutritional value.

(b) "Food and food ingredients" includes an item described in Subsection (100)(b)(iii).

(c) "Food and food ingredients" does not include:

- (i) an alcoholic beverage;
- (ii) tobacco; or
- (iii) prepared food.

(55)(a) "Fundraising sales" means sales:

- (i)(A) made by a school; or
  - (B) made by a school student;
- (ii) that are for the purpose of raising funds for the school to purchase equipment, materials, or provide transportation; and
- (iii) that are part of an officially sanctioned school activity.

(b) For purposes of Subsection (55)(a)(iii), "officially sanctioned school activity" means a school activity:

- (i) that is conducted in accordance with a formal policy adopted by the school or school district governing the authorization and supervision of fundraising activities;
- (ii) that does not directly or indirectly compensate an individual teacher or other educational personnel by direct payment, commissions, or payment in kind; and
- (iii) the net or gross revenue from which is deposited in a dedicated account controlled by the school or school district.

(56) "Geothermal energy" means energy contained in heat that continuously flows outward from the earth that is used as the sole source of energy to produce electricity.

(57) "Governing board of the agreement" means the governing board of the agreement that is:

- (a) authorized to administer the agreement; and
- (b) established in accordance with the agreement.

(58)(a) For purposes of Subsection 59-12-104(41), "governmental entity" means:

- (i) the executive branch of the state, including all departments, institutions, boards, divisions, bureaus, offices, commissions, and committees;
- (ii) the judicial branch of the state, including the courts, the Judicial Council, the

Administrative Office of the Courts, and similar administrative units in the judicial branch;

(iii) the legislative branch of the state, including the House of Representatives, the Senate, the Office of Legislative Services, the Office of Legislative Research and General Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal Analyst;

(iv) the National Guard;

(v) an independent entity as defined in Section 63E-1-102; or

(vi) a political subdivision as defined in Section 17B-1-102.

(b) "Governmental entity" does not include the state systems of public and higher education, including:

(i) a school;

(ii) the State Board of Education;

(iii) the Utah Board of Higher Education; or

(iv) an institution of high

(59) "Hydroelectric energy" means water used as the sole source of energy to produce electricity.

(60) "Individual-owned shared vehicle" means the same as that term is defined in Section 13-48a-101.

(61) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil, or other fuels:

(a) in mining or extraction of minerals;

(b) in agricultural operations to produce an agricultural product up to the time of harvest or placing the agricultural product into a storage facility, including:

(i) commercial greenhouses;

## (ii) irrigation pumps.

### (iii) farm machinery

#### (iv) implements of husbandry

under Title 41, Chapter 1a, Part 2, Registration; and  
(v) other farming activities;

## in manufacturing tangible pe

(i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual.

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;
- (d) by 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 (61)(d)(i) would otherwise be made with nonrecycled materials; or
- (e) in producing a form of energy or steam described in Subsection 54-2-1(3)(a) by a cogeneration facility as defined in Section 54-2-1.
- (a) "Installation charge" means a charge for installing:
  - (i) tangible personal property; or
  - (ii) a product transferred electronically.
- (b) "Installation charge" does not include a charge for:
  - (i) repairs or renovations of:
    - (A) tangible personal property; or
    - (B) a product transferred electronically; or
  - (ii) attaching tangible personal property or a product transferred electronically:
    - (A) to other tangible personal property; and
    - (B) as part of a manufacturing or fabrication process.
- (c) "Institution of higher education" means an institution of higher education listed in Section 53H-1-102.
- (a) "Lease" or "rental" means a transfer of possession or control of tangible personal property or a product transferred electronically for:
  - (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;

675 (b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus  
676 Manufacturing; or

677 (c) NAICS Code 334517, Irradiation Apparatus Manufacturing.

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

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

683 (69) "Local taxing jurisdiction" means a:

684 (a) county that is authorized to impose an agreement sales and use tax;  
685 (b) city that is authorized to impose an agreement sales and use tax; or  
686 (c) town that is authorized to impose an agreement sales and use tax.

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

688 (71) "Manufacturing facility" means:

689 (a) an establishment described in:

690 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of  
691 the federal Executive Office of the President, Office of Management and Budget;  
692 or  
693 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North  
694 American Industry Classification System of the federal Executive Office of the  
695 President, Office of Management and Budget;

696 (b) a scrap recycler if:

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

700 (A) iron;  
701 (B) steel;  
702 (C) nonferrous metal;  
703 (D) paper;  
704 (E) glass;  
705 (F) plastic;  
706 (G) textile; or  
707 (H) rubber; and

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

nonrecycled materials; or

(c) a cogeneration facility as defined in Section 54-2-1 if the cogeneration facility is placed in service on or after May 1, 2006.

(72)(a) "Marketplace" means a physical or electronic place, platform, or forum where tangible personal property, a product transferred electronically, or a service is offered for sale.

(b) "Marketplace" includes a store, a booth, an Internet website, a catalog, or a dedicated sales software application.

(73)(a) "Marketplace facilitator" means a person, including an affiliate of the person, that enters into a contract, an agreement, or otherwise with sellers, for consideration to facilitate the sale of a seller's product through a marketplace that the person owns, operates, or controls and that directly or indirectly:

(i) does any of the following:

(A) lists, makes available, or advertises tangible personal property, a product transferred electronically, or a service for sale by a marketplace seller on a marketplace that the person owns, operates, or controls;

(B) facilitates the sale of a marketplace seller's tangible personal property, product transferred electronically, or service by transmitting or otherwise communicating an offer or acceptance of a retail sale between the marketplace seller and a purchaser using the marketplace;

(C) owns, rents, licenses, makes available, or operates any electronic or physical infrastructure or any property, process, method, copyright, trademark, or patent that connects a marketplace seller to a purchaser for the purpose of making a retail sale of tangible personal property, a product transferred electronically, or a service;

(D) provides a marketplace for making, or otherwise facilitates, a retail sale of tangible personal property, a product transferred electronically, or a service, regardless of ownership or control of the tangible personal property, the product transferred electronically, or the service that is the subject of the retail sale:

(E) provides software development or research and development activities related to any activity described in this Subsection (73)(a)(i), if the software development or research and development activity is directly related to the person's marketplace;

(F) provides or offers fulfillment or storage services for a marketplace seller;

(G) sets prices for the sale of tangible personal property, a product transferred electronically, or a service by a marketplace seller;

(H) provides or offers customer service to a marketplace seller or a marketplace seller's purchaser or accepts or assists with taking orders, returns, or exchanges of tangible personal property, a product transferred electronically, or a service sold by a marketplace seller on the person's marketplace; or

(I) brands or otherwise identifies sales as those of the person; and

(ii) does any of the following:

(A) collects the sales price or purchase price of a retail sale of tangible personal property, a product transferred electronically, or a service;

(B) provides payment processing services for a retail sale of tangible personal property, a product transferred electronically, or a service;

(C) charges, collects, or otherwise receives a selling fee, listing fee, referral fee, closing fee, a fee for inserting or making available tangible personal property, a product transferred electronically, or a service on the person's marketplace, or other consideration for the facilitation of a retail sale of tangible personal property, a product transferred electronically, or a service, regardless of ownership or control of the tangible personal property, the product transferred electronically, or the service that is the subject of the retail sale;

(D) through terms and conditions, an agreement, or another arrangement with a third person, collects payment from a purchase for a retail sale of tangible personal property, a product transferred electronically, or a service and transmits that payment to the marketplace seller, regardless of whether the third person receives compensation or other consideration in exchange for the service; or

(E) provides a virtual currency for a purchaser to use to purchase tangible personal property, a product transferred electronically, or service offered for sale.

(b) "Marketplace facilitator" does not include:

(i) a person that only provides payment processing services; or

(ii) a person described in Subsection (73)(a) to the extent the person is facilitating a sale for a seller that is a restaurant as defined in Section 59-12-602.

(74) "Marketplace seller" means a seller that makes one or more retail sales through a marketplace that a marketplace facilitator owns, operates, or controls, regardless of

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

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

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

781            (i) an adopted child or adopted stepchild; or

782            (ii) a foster child or foster stepchild;

783        (b) grandchild or stepgrandchild;

784        (c) grandparent or stepgrandparent;

785        (d) nephew or stepnephew;

786        (e) niece or stepniece;

787        (f) parent or stepparent;

788        (g) sibling or stepsibling;

789        (h) spouse;

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

791            (j) person similar to a person described in Subsections (75)(a) through (i) as determined  
792            by the commission by rule made in accordance with Title 63G, Chapter 3, Utah  
793            Administrative Rulemaking Act.

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

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

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

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

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

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

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

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

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

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

810            (ii) appropriate for use in a:

- (A) home; or
- (B) motor vehicle; and
- (iii) not generally used by persons with normal mobility.

(b) "Mobility enhancing equipment" includes parts used in the repair or replacement of the equipment described in Subsection (79)(a).

(c) "Mobility enhancing equipment" does not include:

- (i) a motor vehicle;
- (ii) equipment on a motor vehicle if that equipment is normally provided by the motor vehicle manufacturer;
- (iii) durable medical equipment; or
- (iv) a prosthetic device.

(80) "Model 1 seller" means a seller registered under the agreement that has selected a certified service provider as the seller's agent to perform the seller's sales and use tax functions for agreement sales and use taxes, 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.

(81) "Model 2 seller" means a seller registered under the agreement that:

- (a) except as provided in Subsection (81)(b), has selected a certified automated system to perform the seller's sales tax functions for agreement sales and use taxes; and
- (b) retains responsibility for remitting all of the sales tax:
  - (i) collected by the seller; and
  - (ii) to the appropriate local taxing jurisdiction.

(82)(a) Subject to Subsection (82)(b), "model 3 seller" means a seller registered under the agreement that has:

- (i) sales in at least five states that are members of the agreement;
- (ii) total annual sales revenue of at least \$500,000,000;
- (iii) a proprietary system that calculates the amount of tax:
  - (A) for an agreement sales and use tax; and
  - (B) due to each local taxing jurisdiction; and
- (iv) entered into a performance agreement with the governing board of the agreement.

(b) For purposes of Subsection (82)(a), "model 3 seller" includes an affiliated group of sellers using the same proprietary system.

(83) "Model 4 seller" means a seller that is registered under the agreement and is not a model 1 seller, model 2 seller, or model 3 seller.

845 (84) "Modular home" means a modular unit as defined in Section 15A-1-302.

846 (85) "Motor vehicle" means the same as that term is defined in Section 41-1a-102.

847 (86) "Oil sands" means impregnated bituminous sands that:

848 (a) contain a heavy, thick form of petroleum that is released when heated, mixed with  
849 other hydrocarbons, or otherwise treated;

850 (b) yield mixtures of liquid hydrocarbon; and

851 (c) require further processing other than mechanical blending before becoming finished  
852 petroleum products.

853 (87) "Oil shale" means a group of fine black to dark brown shales containing kerogen  
854 material that yields petroleum upon heating and distillation.

855 (88) "Optional computer software maintenance contract" means a computer software  
856 maintenance contract that a customer is not obligated to purchase as a condition to the  
857 retail sale of computer software.

858 (89)(a) "Other fuels" means products that burn independently to produce heat or energy.

859 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible  
860 personal property.

861 (90)(a) "Paging service" means a telecommunications service that provides transmission  
862 of a coded radio signal for the purpose of activating a specific pager.

863 (b) For purposes of Subsection (90)(a), the transmission of a coded radio signal includes  
864 a transmission by message or sound.

865 (91) "Pawn transaction" means the same as that term is defined in Section 13-32a-102.

866 (92) "Pawnbroker" means the same as that term is defined in Section 13-32a-102.

867 (93)(a) "Permanently attached to real property" means that for tangible personal property  
868 attached to real property:

869 (i) the attachment of the tangible personal property to the real property:

870 (A) is essential to the use of the tangible personal property; and

871 (B) suggests that the tangible personal property will remain attached to the real  
872 property in the same place over the useful life of the tangible personal  
873 property; or

874 (ii) if the tangible personal property is detached from the real property, the  
875 detachment would:

876 (A) cause substantial damage to the tangible personal property; or

877 (B) require substantial alteration or repair of the real property to which the  
878 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

- (ii) made available in printed or electronic format.
- (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "photocopy."

8)(a) "Purchase price" and "sales price" mean the total amount of consideration:

- (i) valued in money; and
- (ii) for which tangible personal property, a product transferred electronically, or services are:

- (A) sold;
- (B) leased; or
- (C) rented.

(b) "Purchase price" and "sales price" include:

- (i) the seller's cost of the tangible personal property, a product transferred electronically, or services sold;
- (ii) expenses of the seller, including:

- (A) the cost of materials used;
- (B) a labor cost;
- (C) a service cost;
- (D) interest;
- (E) a loss;
- (F) the cost of transportation to the seller; or
- (G) a tax imposed on the seller;

- (iii) a charge by the seller for any service necessary to complete the sale; or
- (iv) consideration a seller receives from a person other than the purchaser if:

- (A)(I) the seller actually receives consideration from a person other than the purchaser; and
- (II) the consideration described in Subsection (108)(b)(iv)(A)(I) is directly related to a price reduction or discount on the sale;
- (B) the seller has an obligation to pass the price reduction or discount through to the purchaser;
- (C) the amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale to the purchaser; and
- (D)(I)(Aa) the purchaser presents a certificate, coupon, or other documentation to the seller to claim a price reduction or discount; and
- (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

1219 other tangible personal property or detaching tangible personal property or a  
1220 product transferred electronically from other tangible personal property if:  
1221 (A) the other tangible personal property to which the tangible personal property or  
1222 product transferred electronically is attached or from which the tangible  
1223 personal property or product transferred electronically is detached is not  
1224 permanently attached to real property; and  
1225 (B) the attachment of tangible personal property or a product transferred  
1226 electronically to other tangible personal property or detachment of tangible  
1227 personal property or a product transferred electronically from other tangible  
1228 personal property is made in conjunction with a repair or replacement of  
1229 tangible personal property or a product transferred electronically.

1230 (b) "Repairs or renovations of tangible personal property" does not include:  
1231 (i) attaching prewritten computer software to other tangible personal property if the  
1232 other tangible personal property to which the prewritten computer software is  
1233 attached is not permanently attached to real property; or  
1234 (ii) detaching prewritten computer software from other tangible personal property if  
1235 the other tangible personal property from which the prewritten computer software  
1236 is detached is not permanently attached to real property.

1237 (115) "Research and development" means the process of inquiry or experimentation aimed  
1238 at the discovery of facts, devices, technologies, or applications and the process of  
1239 preparing those devices, technologies, or applications for marketing.

1240 (116)(a) "Residential telecommunications services" means a telecommunications service  
1241 or an ancillary service that is provided to an individual for personal use:

1242 (i) at a residential address; or  
1243 (ii) at an institution, including a nursing home or a school, if the telecommunications  
1244 service or ancillary service is provided to and paid for by the individual residing at  
1245 the institution rather than the institution.

1246 (b) For purposes of Subsection (116)(a)(i), a residential address includes an:  
1247 (i) apartment; or  
1248 (ii) other individual dwelling unit.

1249 (117) "Residential use" means the use in or around a home, apartment building, sleeping  
1250 quarters, and similar facilities or accommodations.

1251 (118) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose other than:  
1252 (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):

- (A) clothing;
- (B) clothing accessories or equipment;
- (C) protective equipment; or
- (D) sports or recreational equipment; or

(iii) amounts paid to or amounts charged by a school for admission to a school-related event or school-related activity if the amounts paid or charged are passed through to a person:

- (A) other than a:
  - (I) school;
  - (II) nonprofit organization authorized by a school board or a governing body of a private school to organize and direct a competitive secondary school activity; or
  - (III) nonprofit association authorized by a school board or a governing body of a private school to organize and direct a competitive secondary school activity; and
- (B) that is required to collect sales and use taxes under this chapter.

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the term "passed through."

(125) For purposes of this section and Section 59-12-104, "school" means:

- (a) an elementary school or a secondary school that:
  - (i) is a:
    - (A) public school; or
    - (B) private school; and
  - (ii) provides instruction for one or more grades kindergarten through 12; or
- (b) a public school district.

(126)(a) "Seller" means a person that makes a sale, lease, or rental of:

- (i) tangible personal property;
- (ii) a product transferred electronically; or
- (iii) a service.

(b) "Seller" includes a marketplace facilitator.

(127) "Seller-hosted prewritten computer software" means prewritten computer software that is accessed through the internet or a seller-hosted server, regardless of whether:

- (a) the access is permanent; or
- (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)(e)(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:

- (A) equipment; or
- (B) wiring;
- (vi) Internet access service;
- (vii) a paging service;
- (viii) a product transferred electronically, including:
  - (A) music;
  - (B) reading material;
  - (C) a ring tone;
  - (D) software; or
  - (E) video;
- (ix) a radio and television audio and video programming service:
  - (A) regardless of the medium; and
  - (B) including:
    - (I) furnishing conveyance, routing, or transmission of a television audio and video programming service by a programming service provider;
    - (II) cable service as defined in 47 U.S.C. Sec. 522(6); or
    - (III) audio and video programming services delivered by a commercial mobile radio service provider as defined in 47 C.F.R. Sec. 20.3;
- (x) a value-added nonvoice data service; or
- (xi) tangible personal property.

(145)(a) "Telecommunications service provider" means a person that:

- (i) owns, controls, operates, or manages a telecommunications service; and
- (ii) engages in an activity described in Subsection [(144)(a)(i)] (145)(a)(i) for the shared use with or resale to any person of the telecommunications service.

A person described in Subsection [(144)(a)] (145)(a) is a telecommunications service provider whether [or not] the Public Service Commission of Utah regulates:

- (i) that person; or
- (ii) the telecommunications service that the person owns, controls, operates, or manages.

(146)(a) "Telecommunications switching or routing equipment, machinery, or software" means an item listed in Subsection [(145)(b)] (146)(b) if that item is purchased or leased primarily for switching or routing:

- (i) an ancillary service;
- (ii) data communications;

- (iii) voice communications; or
- (iv) telecommunications service.

(b) The following apply to Subsection [(145)(a)] (146)(a):

- (i) a bridge;
- (ii) a computer;
- (iii) a cross connect;
- (iv) a modem;
- (v) a multiplexer;
- (vi) plug in circuitry;
- (vii) a router;
- (viii) software;
- (ix) a switch; or
- (x) equipment, machinery, or software that functions similarly to an item listed in Subsections [(145)(b)(i)] (146)(b)(i) through (ix) as determined by the commission by rule made in accordance with Subsection [(145)(e)] (146)(c).

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define what constitutes equipment, machinery, or software that functions similarly to an item listed in Subsections [(145)(b)(i)] (146)(b)(i) through (ix).

46)] (147)(a) "Telecommunications transmission equipment, machinery, or software" means an item listed in Subsection (146)(b) (147)(b) if that item is purchased or leased primarily for sending, receiving, or transporting:

- (i) an ancillary service;
- (ii) data communications;
- (iii) voice communications; or
- (iv) telecommunications service.

(b) The following apply to Subsection [(146)(a)] (147)(a):

- (i) an amplifier;
- (ii) a cable;
- (iii) a closure;
- (iv) a conduit;
- (v) a controller;
- (vi) a duplexer;
- (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]

1797 (n) sales of leased tangible personal property from the lessor to the lessee made in the  
1798 state[.] ;

1799 (o) amounts paid or charged for access to digital audio-visual works, digital audio  
1800 works, digital books, or gaming services, including the streaming of or subscription  
1801 for access to digital audio-visual works, digital audio works, digital books, or gaming  
1802 services regardless of:

1803 (i) the delivery method; or

1804 (ii) whether the amount paid or charged for access provides a right to:

1805 (A) single-use access to the digital audio-visual works, digital audio works, digital  
1806 books, or gaming services; or

1807 (B) access to the digital audio-visual works, digital audio works, digital books, or  
1808 gaming services through a subscription, including a right that terminates upon  
1809 the occurrence of a condition; and

1810 (p) amounts paid or charged for the storage, use, or other consumption of:

1811 (i) prewritten computer software delivered electronically or by load and leave; or

1812 (ii) seller-hosted prewritten computer software.

1813 (2)(a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are  
1814 imposed on a transaction described in Subsection (1) equal to the sum of:

1815 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

1816 (A) 4.70%;

1817 (B) the rate specified in Subsection (6)(a); and

1818 (C) the tax rate the state imposes in accordance with Part 20, Supplemental State  
1819 Sales and Use Tax Act, if the location of the transaction as determined under  
1820 Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated  
1821 area of a county in which the state imposes the tax under Part 20, Supplemental  
1822 State Sales and Use Tax Act; and

1823 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
1824 transaction under this chapter other than this part.

1825 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state  
1826 tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal  
1827 to the sum of:

1828 (i) a state tax imposed on the transaction at a tax rate of 2%; and

1829 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
1830 transaction under this chapter other than this part.

1831 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed  
1832 on amounts paid or charged for food and food ingredients equal to the sum of:  
1833 (i) a state tax imposed on the amounts paid or charged for food and food ingredients  
1834 at a tax rate of 1.75%; and  
1835 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
1836 amounts paid or charged for food and food ingredients under this chapter other  
1837 than this part.

1838 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid  
1839 or charged for fuel to a common carrier that is a railroad for use in a locomotive  
1840 engine at a rate equal to the sum of the rates described in Subsections (2)(a)(i)(A) and  
1841 (2)(a)(i)(B).

1842 (e)(i)(A) The rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B) do not  
1843 apply to car sharing, a car sharing program, a shared vehicle driver, or a shared  
1844 vehicle owner, for a car sharing or shared vehicle transaction if a shared  
1845 vehicle owner certifies to the commission, on a form prescribed by the  
1846 commission, that the shared vehicle is an individual-owned shared vehicle.  
1847 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is  
1848 required once during the time that the shared vehicle owner owns the shared  
1849 vehicle.  
1850 (C) The commission shall verify that a shared vehicle is an individual-owned  
1851 shared vehicle by verifying that the applicable Utah taxes imposed under this  
1852 chapter were paid on the purchase of the shared vehicle.  
1853 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified  
1854 individual-owned shared vehicle shared through a car-sharing program even if  
1855 non-certified shared vehicles are also available to be shared through the same  
1856 car-sharing program.  
1857 (ii) A tax imposed under Subsection (2)(a)(i)(C) or (2)(a)(ii) applies to car sharing.  
1858 (iii)(A) A car-sharing program may rely in good faith on a shared vehicle owner's  
1859 representation that the shared vehicle is an individual-owned shared vehicle  
1860 certified with the commission as described in Subsection (2)(e)(i).  
1861 (B) If a car-sharing program relies in good faith on a shared vehicle owner's  
1862 representation that the shared vehicle is an individual-owned shared vehicle  
1863 certified with the commission as described in Subsection (2)(e)(i), the  
1864 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

2069 Subsection (5)(b)(i)(A) shall lapse into the Water Resources Conservation and  
2070 Development Fund created in Section 73-10-24.

2071 (ii) The commission shall deposit \$150,000 to the Division of Water Resources for  
2072 cloud-seeding projects authorized by Title 73, Chapter 15, Modification of  
2073 Weather.

2074 (iii) The commission shall deposit \$525,000 into the Division of Conservation  
2075 created in Section 4-46-401 to implement water related programs.

2076 (iv) The commission shall deposit \$7,175,000 into the Water Resources Conservation  
2077 and Development Fund created in Section 73-10-24 for use by the Division of  
2078 Water Resources:  
2079 (A) for the uses allowed of the Water Resources Conservation and Development  
2080 Fund under Section 73-10-24;  
2081 (B) to conduct hydrologic and geotechnical investigations by the Division of  
2082 Water Resources in a cooperative effort with other state, federal, or local  
2083 entities, for the purpose of quantifying surface and ground water resources and  
2084 describing the hydrologic systems of an area in sufficient detail so as to enable  
2085 local and state resource managers to plan for and accommodate growth in  
2086 water use without jeopardizing the resource;  
2087 (C) to fund state required dam safety improvements; and  
2088 (D) to protect the state's interest in interstate water compact allocations, including  
2089 the hiring of technical and legal staff.

2090 (v) The commission shall deposit \$3,587,500 into the Utah Wastewater Loan  
2091 Program Subaccount created in Section 73-10c-5 for use by the Water Quality  
2092 Board to fund wastewater projects.

2093 (vi) The commission shall deposit \$3,587,500 into the Drinking Water Loan Program  
2094 Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water  
2095 to:  
2096 (A) provide for the installation and repair of collection, treatment, storage, and  
2097 distribution facilities for any public water system, as defined in Section  
2098 19-4-102;  
2099 (B) develop underground sources of water, including springs and wells; and  
2100 (C) develop surface water sources.

2101 (vii) The commission shall deposit \$2,450,000 to the Division of Wildlife Resources  
2102 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

2171 Investment and Restoration District, created in Section 11-70-201, the revenue from the  
2172 sales and use tax imposed by Subsection (2)(a)(i)(A), on transactions occurring within  
2173 the district sales tax area, as defined in Section 11-70-101.

2174 (9)(a) As used in this Subsection (9):

2175 (i) "Additional land" means point of the mountain state land described in Subsection  
2176 11-59-102(6)(b) that the point of the mountain authority acquires after the point of  
2177 the mountain authority provides the commission a map under Subsection (9)(c).

2178 (ii) "Point of the mountain authority" means the Point of the Mountain State Land  
2179 Authority, created in Section 11-59-201.

2180 (iii) "Point of the mountain state land" means the same as that term is defined in  
2181 Section 11-59-102.

2182 (b) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12),  
2183 and (13), the commission shall distribute to the point of the mountain authority 50%  
2184 of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A), on  
2185 transactions occurring on the point of the mountain state land.

2186 (c) The distribution under Subsection (9)(b) shall begin the next calendar quarter that  
2187 begins at least 90 days after the point of the mountain authority provides the  
2188 commission a map that:

2189 (i) accurately describes the point of the mountain state land; and  
2190 (ii) the point of the mountain authority certifies as accurate.

2191 (d) A distribution under Subsection (9)(b) with respect to additional land shall begin the  
2192 next calendar quarter that begins at least 90 days after the point of the mountain  
2193 authority provides the commission a map of point of the mountain state land that:

2194 (i) accurately describes the point of the mountain state land, including the additional  
2195 land; and

2196 (ii) the point of the mountain authority certifies as accurate.

2197 (e)(i) Upon the payment in full of bonds secured by the sales and use tax revenue  
2198 distributed to the point of the mountain authority under Subsection (9)(b), the  
2199 point of the mountain authority shall immediately notify the commission in  
2200 writing that the bonds are paid in full.

2201 (ii) The commission shall discontinue distributions of sales and use tax revenue under  
2202 Subsection (9)(b) at the beginning of the calendar quarter that begins at least 90  
2203 days after the date that the commission receives the written notice under  
2204 Subsection (9)(e)(i).

2205 (10) Notwithstanding Subsection (3)(a), the amount of state sales tax revenues described in  
2206 Section 63N-2-503.5 is deposited into the Convention Incentive Fund created in Section  
2207 63N-2-503.5.

2208 (11)(a) As used in this Subsection (11):

2209 (i) "Applicable percentage" means:

2210 (A) for a housing and transit reinvestment zone created under Title 63N, Chapter  
2211 3, Part 6, Housing and Transit Reinvestment Zone Act, 15% of the revenue  
2212 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate  
2213 for sales occurring within the qualified development zone described in  
2214 Subsection (11)(a)(ii)(A);

2215 (B) for the Utah Fairpark Area Investment and Restoration District created in  
2216 Section 11-70-201, the revenue from the sales and use tax imposed by  
2217 Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified  
2218 development zone described in Subsection (11)(a)(ii)(B); and

2219 (C) for the Point of the Mountain State Land Authority created in Section  
2220 11-59-201, 50% of the revenue from sales and use tax imposed by Subsection  
2221 (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development  
2222 zone described in Subsection (11)(a)(ii)(C).

2223 (ii) "Qualified development zone" means:

2224 (A) the sales and use tax boundary of a housing and transit reinvestment zone  
2225 created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment  
2226 Act;

2227 (B) the district sales tax boundary as defined in Section 11-70-101 for the Utah  
2228 Fairpark Area Investment and Restoration District, created in Section  
2229 11-70-201; or

2230 (C) the sales and use tax boundary of point of the mountain state land, as defined  
2231 in Section 11-59-102, under the Point of the Mountain State Land Authority  
2232 created in Section 11-59-201.

2233 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form  
2234 TC-62M, Schedule J or a substantially similar form as designated by the  
2235 commission.

2236 (b) Revenue generated from the applicable percentage by a Schedule J sale within a  
2237 qualified development zone shall be deposited into the General Fund.

2238 (12)(a) As used in Subsections (12) and (13):

2239 (i) "Applicable percentage" means, for a convention center reinvestment zone created  
2240 in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit  
2241 Reinvestment Zone Act, an amount equal to 50% of the sales and use tax  
2242 increment, as that term is defined in Section 63N-3-602, from the sales and use tax  
2243 imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the  
2244 qualified development zone described in Subsection (12)(a)(ii).

2245 (ii) "Qualified development zone" means the sales and use tax boundary of a  
2246 convention center reinvestment zone created in a capital city under Title 63N,  
2247 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

2248 (iii) "Qualifying construction materials" means construction materials that are:  
2249 (A) delivered to a delivery outlet within a qualified development zone; and  
2250 (B) intended to be permanently attached to real property within the qualified  
2251 development zone.

2252 (b) For a sale of qualifying construction materials, the commission shall distribute the  
2253 product calculated in Subsection (12)(c) to a qualified development zone if the seller  
2254 of the construction materials:

2255 (i) establishes a delivery outlet with the commission within the qualified development  
2256 zone;  
2257 (ii) reports the sales of the construction materials to the delivery outlet described in  
2258 Subsection (12)(b)(i); and  
2259 (iii) does not report the sales of the construction materials on a simplified electronic  
2260 return.

2261 (c) For the purposes of Subsection (12)(b), the product is equal to:

2262 (i) the sales price or purchase price of the qualifying construction materials; and  
2263 (ii) the applicable percentage.

2264 (13)(a) As used in this Subsection (13), "Schedule J sale" means a sale reported on State  
2265 Tax Commission Form TC-62M, Schedule J, or a substantially similar form as  
2266 designated by the commission.

2267 (b) Revenue generated from the applicable percentage by a Schedule J sale within a  
2268 qualified development zone shall be distributed into the General Fund.

2269 Section 3. Section **59-12-104** is amended to read:

2270 **59-12-104 . Exemptions.**

2271 Exemptions from the taxes imposed by this chapter are as follows:

2272 (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,

2307 and prerecorded video tapes by a producer, distributor, or studio to a motion picture  
2308 exhibitor, distributor, or commercial television or radio broadcaster;

2309 (7)(a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of  
2310 cleaning or washing of tangible personal property if the cleaning or washing of the  
2311 tangible personal property is not assisted cleaning or washing of tangible personal  
2312 property;

2313 (b) if a seller that sells at the same business location assisted cleaning or washing of  
2314 tangible personal property and cleaning or washing of tangible personal property that  
2315 is not assisted cleaning or washing of tangible personal property, the exemption  
2316 described in Subsection (7)(a) applies if the seller separately accounts for the sales of  
2317 the assisted cleaning or washing of the tangible personal property; and

2318 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah  
2319 Administrative Rulemaking Act, the commission may make rules:

2320 (i) governing the circumstances under which sales are at the same business location;  
2321 and

2322 (ii) establishing the procedures and requirements for a seller to separately account for  
2323 sales of assisted cleaning or washing of tangible personal property;

2324 (8) sales made to or by religious or charitable institutions in the conduct of their regular  
2325 religious or charitable functions and activities, if the requirements of Section 59-12-104.1  
2326 are fulfilled;

2327 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this  
2328 state if:

2329 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;

2330 (b) the vehicle is not registered in this state; and

2331 (c)(i) the vehicle is not used in this state; or

2332 (ii) the vehicle is used in this state:

2333 (A) if the vehicle is not used to conduct business, for a time period that does not  
2334 exceed the longer of:

2335 (I) 30 days in any calendar year; or

2336 (II) the time period necessary to transport the vehicle to the borders of this  
2337 state; or

2338 (B) if the vehicle is used to conduct business, for the time period necessary to  
2339 transport the vehicle to the borders of this state;

2340 (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:

- (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other agricultural produce;
- (b) an employee of the producer described in Subsection (20)(a); or
- (c) a member of the immediate family of the producer described in Subsection (20)(a);

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

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

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

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

- (i) the product is:
  - (A) purchased outside of this state;
  - (B) brought into this state:
    - (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
    - (II) by a nonresident person who is not living or working in this state at the time of the purchase;
  - (C) used for the personal use or enjoyment of the nonresident person described in Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and
  - (D) not used in conducting business in this state; and
- (ii) for:
  - (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of the product for a purpose for which the product is designed occurs outside of this state;
  - (B) a boat, the boat is registered outside of this state; or
  - (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered outside of this state;

- (b) the exemption provided for in Subsection (24)(a) does not apply to:
- (i) a lease or rental of a product; or
- (ii) a sale of a vehicle exempt under Subsection (33); and
- (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of Subsection (24)(a), the commission may by rule define what constitutes

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

2681 machinery or equipment by an establishment described in Subsection (54)(c) if the  
2682 machinery or equipment is primarily used in the production or postproduction of the  
2683 following media for commercial distribution:

2684 (i) a motion picture;  
2685 (ii) a television program;  
2686 (iii) a movie made for television;  
2687 (iv) a music video;  
2688 (v) a commercial;  
2689 (vi) a documentary; or  
2690 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the  
2691 commission by administrative rule made in accordance with Subsection (54)(d);  
2692 (b) purchases, leases, or rentals of machinery or equipment by an establishment  
2693 described in Subsection (54)(c) that is used for the production or postproduction of  
2694 the following are subject to the taxes imposed by this chapter:  
2695 (i) a live musical performance;  
2696 (ii) a live news program; or  
2697 (iii) a live sporting event;  
2698 (c) the following establishments listed in the 1997 North American Industry  
2699 Classification System of the federal Executive Office of the President, Office of  
2700 Management and Budget, apply to Subsections (54)(a) and (b):  
2701 (i) NAICS Code 512110; or  
2702 (ii) NAICS Code 51219; and  
2703 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2704 commission may by rule:  
2705 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);  
2706 or  
2707 (ii) define:  
2708 (A) "commercial distribution";  
2709 (B) "live musical performance";  
2710 (C) "live news program"; or  
2711 (D) "live sporting event";  
2712 (55)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on  
2713 or before June 30, 2027, of tangible personal property that:  
2714 (i) is leased or purchased for or by a facility that:

(A) is an alternative energy electricity production facility;

(B) is located in the state; and

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

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

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

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

(A) a wind turbine;

(B) generating equipment;

(C) a control and monitoring system;

(D) a power line;

(E) substation equipment;

(F) lighting;

(G) fencing;

(H) pipes; or

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

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

(i) tangible personal property used in construction of:

(A) a new alternative energy electricity production facility; or

(B) the increase in the capacity of an alternative energy electricity production facility;

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

(iii) unless the tangible personal property is used or acquired for an increase in capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or acquired after:

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

(B) the increased capacity described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(iii);

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

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

- (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that tangible personal property [prior to] before making the sale; or
- (b) for a lease:
  - (i) the ownership of the lessor and the ownership of the lessee are identical; and
  - (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible personal property [prior to] before making the lease;
- (a) purchases of machinery or equipment if:
  - (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement, Gambling, and Recreation Industries, of the 2012 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;
  - (ii) the machinery or equipment:
    - (A) has an economic life of three or more years; and
    - (B) is used by one or more persons who pay admission or user fees described in Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and
  - (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
    - (A) amounts paid or charged as admission or user fees described in Subsection 59-12-103(1)(f); and
    - (B) subject to taxation under this chapter; and
- (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules for verifying that 51% of a purchaser's sales revenue for the previous calendar quarter is:
  - (i) amounts paid or charged as admission or user fees described in Subsection 59-12-103(1)(f); and
  - (ii) subject to taxation under this chapter;
- ) purchases of a short-term lodging consumable by a business that provides accommodations and services described in Subsection 59-12-103(1)(i);
- ) amounts paid or charged to access a database:
  - (a) if the primary purpose for accessing the database is to view or retrieve information from the database; and
  - (b) not including amounts paid or charged for a:
    - (i) digital audio work;
    - (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.