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**Local Food Amendments**  
**2026 GENERAL SESSION**  
**STATE OF UTAH**  
**Chief Sponsor: Kirk A. Cullimore**  
**House Sponsor:**

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**LONG TITLE**

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**General Description:**

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This bill addresses provisions related to locally-produced foods.

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**Highlighted Provisions:**

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This bill:

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- ▶ defines and modifies terms;
- ▶ provides that raw milk and a raw milk product are a homemade food product under Title 4, Chapter 5a, Home Consumption and Homemade Food Act;
- ▶ removes a signage requirement for a direct-to-sale farmers market;
- ▶ clarifies when a producer or producer's designated representative may sell a homemade food product at a direct-to-sale location;
- ▶ provides that a producer retains ownership of a homemade food product distributed, sold, delivered, held, stored, or offered for sale by a designated representative unless otherwise agreed upon by the producer and designated representative;
- ▶ exempts a homemade food product sold at a direct-to-sale farmers market or direct-to-sale location from state sales tax;
- ▶ repeals provisions related to the regulation of raw milk by the Department of Agriculture and Food; and
- ▶ makes technical and conforming changes.

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**Money Appropriated in this Bill:**

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None

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**Other Special Clauses:**

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None

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**Utah Code Sections Affected:**

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**AMENDS:**

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**4-3-102**, as last amended by Laws of Utah 2023, Chapter 528

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**4-3-301**, as last amended by Laws of Utah 2023, Chapter 528

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**4-5a-102**, as last amended by Laws of Utah 2023, Chapter 362

S.B. 217

31       **4-5a-103**, as last amended by Laws of Utah 2025, Chapter 79  
32       **4-5a-104**, as last amended by Laws of Utah 2023, Chapter 362  
33       **4-5a-105**, as enacted by Laws of Utah 2018, Chapter 377  
34       **59-12-104**, as last amended by Laws of Utah 2025, First Special Session, Chapter 17

35       REPEALS:

36       **4-3-503**, as last amended by Laws of Utah 2025, Chapter 58  
37       **4-5a-101**, as enacted by Laws of Utah 2018, Chapter 377

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

40       Section 1. Section **4-3-102** is amended to read:

41       **4-3-102 . Definitions.**

42       As used in this chapter:

43       (1) "Adulterated" means any dairy product that:

44           (a) contains any poisonous or deleterious substance that may render it injurious to health;

45           (b) has been produced, prepared, packaged, or held:

46              (i) under unsanitary conditions;

47              (ii) where it may have become contaminated; or

48              (iii) where it may have become diseased or injurious to health;

49           (c) contains any food additive that is unsafe within the meaning of 21 U.S.C. Sec. 348;

50           (d) contains:

51              (i) any filthy, putrid, or decomposed substance;

52              (ii) fresh fluid milk with a lactic acid level at or above .0018; or

53              (iii) cream with a lactic acid level at or above .008 or that is otherwise unfit for

54                human food;

55           (e) is the product of:

56              (i) a diseased animal;

57              (ii) an animal that died otherwise than by slaughter; or

58              (iii) an animal fed upon uncooked offal;

59           (f) has intentionally been subjected to radiation, unless the use of the radiation is in

60                conformity with a rule or exemption promulgated by the department; or

61           (g)(i) has any valuable constituent omitted or abstracted;

62              (ii) has any substance substituted in whole or in part;

63              (iii) has damage or inferiority concealed in any manner; or

64              (iv) has any substance added, mixed, or packed with the product to:

65 (A) increase its bulk or weight;

66 (B) reduce its quality or strength; or

67 (C) make it appear better or of greater value.

68 (2) "Certificate" means a document allowing a person to market milk.

69 (3) "Cow-share program" means a program in which a person acquires an undivided  
70 interest in a milk producing hoofed mammal through an agreement with a producer that  
71 includes:

72 (a) a bill of sale for an interest in the mammal;

73 (b) a boarding arrangement under which the person boards the mammal with the  
74 producer for the care and milking of the mammal and the boarding arrangement and  
75 bill of sale documents remain with the program operator;

76 (c) an arrangement under which the person receives raw milk for personal use not to be  
77 sold or distributed in a retail environment or for profit; and

78 (d) no more than two cows, 10 goats, and 10 sheep per farm in the program.

79 (4) "Dairy product" means any product derived from raw or pasteurized milk.

80 (5) "Distributor" means any person who distributes a dairy product.

81 (6)(a) "Filled milk" means any milk, cream, or skimmed milk, whether condensed,  
82 evaporated, concentrated, powdered, dried, or desiccated, that has fat or oil other than  
83 milk fat added, blended, or compounded with it so that the resultant product is an  
84 imitation or semblance of milk, cream, or skimmed milk.

85 (b) "Filled milk" does not include any distinctive proprietary food compound:

86 (i) that is prepared and designated for feeding infants and young children, which is  
87 customarily used upon the order of a licensed physician;

88 (ii) whose product name and label does not contain the word "milk"; and

89 (iii) whose label conforms with the food labeling requirements.

90 (7) "Frozen dairy products" mean dairy products normally served to the consumer in a  
91 frozen or semifrozen state.

92 (8) "Grade A milk," "grade A milk products," and "milk" have the same meaning that is  
93 accorded the terms in the federal standards for grade A milk and grade A milk products  
94 unless modified by rules of the department.

95 (9) "Manufacturer" means any person who processes milk in a way that changes the milk's  
96 character.

97 (10) "Manufacturing milk" means milk used in the production of non-grade A dairy  
98 products.

99 (11) "Misbranded" means:

- 100 (a) any dairy product whose label is false or misleading in any particular, or whose label  
101 or package fails to conform to any federal regulation adopted by the department that  
102 pertains to packaging and labeling;
- 103 (b) any dairy product in final packaged form manufactured in this state that does not  
104 bear:
  - 105 (i) the manufacturer's, packer's, or distributor's name, address, and plant number, if  
106 applicable;
  - 107 (ii) a clear statement of the product's common or usual name, quantity, and  
108 ingredients, if applicable; and
  - 109 (iii) any other information required by rule of the department;
- 110 (c) any butter in consumer package form that is not at least B grade, or that does not  
111 meet the grade claimed on the package, measured by U.S.D.A. butter grade standards;
- 112 (d) any imitation butter made in whole or in part from material other than wholesome  
113 milk or cream, except clearly labeled "margarine";
- 114 (e) renovated butter unless the words "renovated butter," in letters not less than 1/2-inch  
115 in height appear on each package, roll, square, or container of such butter; or
- 116 (f) any dairy product in final packaged form that makes nutritional claims or adds or  
117 adjusts nutrients that are not so labeled.

118 (12) "Pasteurization" means any process that renders dairy products practically free of  
119 disease organisms and is accepted by federal standards.

120 (13) "Permit" means a document allowing a person or plant, as designated in the permit, to:

- 121 (a) process, manufacture, supply, test, haul, or pasteurize milk or milk products; or
- 122 (b) repair equipment used to conduct the activities described in Subsection (13)(a).

123 (14) "Plant" means any facility where milk is processed or manufactured.

124 (15) "Processor" means any person who subjects milk to a process.

125 (16) "Producer" means a person who owns a cow or other milk producing hoofed mammal  
126 that produces milk for consumption by persons other than the producer's family,  
127 employees, or nonpaying guests.

128 (17) "Raw milk" means unpasteurized milk.

129 (18) "Raw milk product" means a product:

- 130 (a) produced from raw milk; and
- 131 (b) distributed, sold, delivered, held, or stored in accordance with Chapter 5a, Home  
132 Consumption and Homemade Food Act.

133 [18] (19) "Renovated butter" means butter that is reduced to a liquid state by melting and  
134 drawing off such liquid or butter oil and churning or otherwise manipulating it in  
135 connection with milk or any product of milk.

136 [19] (20) "Retailer" means any person who sells or distributes dairy products directly to  
137 the consumer.

138 Section 2. Section **4-3-301** is amended to read:

139 **4-3-301 . Permits or certificates -- Application -- Fee -- Expiration -- Renewal.**

140 (1) Application for a permit to operate a plant, manufacture butter or cheese, pasteurize  
141 milk, test milk for payment, haul milk in bulk, or for the wholesale distribution of dairy  
142 products shall be made to the department upon forms prescribed and furnished by the  
143 department.

144 (2) Upon receipt of a proper application, compliance with the applicable rules, and payment  
145 of a permit fee determined by the department according to Subsection 4-2-103(2), the  
146 commissioner, if satisfied that the public convenience and necessity and the industry  
147 will be served, shall issue an appropriate permit to the applicant subject to suspension or  
148 revocation for cause.

149 (3) A permit issued under this section expires at midnight on December 31 of each year.

150 (4) A permit to operate a plant, manufacture butter or cheese, pasteurize milk, test milk for  
151 payment, haul milk in bulk, or for the wholesale distribution of dairy products, is  
152 renewable for a period of one year upon the payment of an annual permit renewal fee  
153 determined by the department according to Subsection 4-2-103(2) on or before  
154 December 31 of each year.

155 (5) Notwithstanding the requirements of Subsection (1), [application for a] the department  
156 may not require a permit or certificate to produce raw milk or a raw milk product[,-as  
157 that term is defined in Section 4-3-503, shall be made to the department on forms  
158 prescribed and furnished by the department].

159 (6)(a) Upon receipt of a proper application and compliance with applicable rules, the  
160 commissioner shall issue a permit entitling the applicant to engage in the business of  
161 producer, subject to suspension or revocation for cause.

162 (b) A fee may not be charged by the department for issuance of a certificate.

163 Section 3. Section **4-5a-102** is amended to read:

164 **4-5a-102 . Definitions.**

165 For purposes of this chapter:

166 (1)(a) "Commercial establishment" means a wholesale or retail business that displays,

167 sells, manufactures, processes, packs, holds, or stores food, drugs, devices, or  
168 cosmetics.

169 (b) "Commercial establishment" does not include a:

170 (i) direct-to-sale location; or

171 (ii) direct-to-sale farmers market.

172 (2) "Designated representative" means a person contracted by a producer to distribute, sell,  
173 deliver, hold, store, or offer for sale the producer's homemade food product.

174 [({2})] (3) "Direct-to-sale farmers market" means a public or private facility or area where  
175 producers gather on a regular basis to sell directly to an informed final consumer fresh  
176 food, locally grown products, and other food items that have not been certified, licensed,  
177 regulated, or inspected by state or local authorities.

178 [({3})] (4) "Direct-to-sale location" means a farm, ranch, direct-to-sale farmers market, home,  
179 office, or any location agreed upon by both a producer or a producer's designated  
180 representative and the informed final consumer where a producer or group of producers  
181 sells a food or food product to an informed final consumer.

182 [({4})] (5) "Home consumption" means the use or ingestion of homemade food or a  
183 homemade food product within a private home by a family member, an employee, or a  
184 nonpaying guest.

185 [({5})] (6)(a) "Homemade food product" means a food product that is prepared in a private  
186 home kitchen that can be used, or prepared for use, as food or nonalcoholic drink,  
187 subject to the limitation described in Subsection 4-5a-105(1).

188 (b) "Homemade food product" includes:

189 (i) raw milk, as that term is defined in Section 4-3-102; and

190 (ii) a raw milk product, as that term is defined in Section 4-3-102.

191 [({6})] (7) "Informed final consumer" means an individual who:

192 (a) purchases the product directly from the producer or the producer's designated  
193 representative;

194 (b) does not resell the product; and

195 (c) has been informed that the product is not certified, licensed, regulated, or inspected  
196 by the state.

197 [({7})] (8) "Minor-operated business" means a business that is operated by an individual who  
198 is:

199 (a) under 18 years old; and

200 (b) not regularly engaged in selling items.

201 [({8})] (9) "Minor producer" means a producer that is:

202 (a) an individual; and

203 (b) under 18 years old.

204 [({9})] (10) "Producer" means a person who harvests or produces homemade food or a

205 homemade food product.

206 Section 4. Section **4-5a-103** is amended to read:

207 **4-5a-103 . Regulation of a direct-to-sale farmers market.**

208 (1) Except as provided in Subsection [({4})] (3), a direct-to-sale farmers market selling  
209 homemade food under this chapter shall[~~z~~ only include products for sale that have not  
210 been certified, licensed, regulated, or inspected by state or local authorities.

211 [({a}) ~~display signage indicating to an informed final consumer that the homemade food~~  
212 ~~and food products sold by producers at the market have not been certified, licensed,~~  
213 ~~regulated, or inspected by state or local authorities; and]~~

214 [({b}) ~~only include products for sale that have not been certified, licensed, regulated, or~~  
215 ~~inspected by state or local authorities.]~~

216 (2) If the direct-to-sale farmers market is in any way associated with a farmers market as  
217 defined in Section 4-5-102, the direct-to-sale farmers market section selling homemade  
218 food under this chapter shall[~~e~~ ~~comply with the following requirements~~]:

219 (a) [~~the direct-to-sale farmers market section shall~~]be separated from the farmers market  
220 section; and

221 (b) [~~the separate direct-to-sale farmers market section shall~~]include signs or other  
222 markings clearly indicating which space is the farmers market space offering  
223 inspected items for sale and which space is the direct-to-sale farmers market space  
224 offering items that are uninspected.

225 [({3}) The department may make rules, in accordance with Title 63G, Chapter 3, Utah  
226 Administrative Rulemaking Act, regarding the signage described in Subsection (1).]

227 [({4})] (3) The [~~requirements~~] requirement described in Subsection (1) [~~do~~] does not apply to a  
228 direct-to-sale farmers market comprising only minor producers or minor-operated  
229 businesses.

230 Section 5. Section **4-5a-104** is amended to read:

231 **4-5a-104 . Home producer direct sales -- Exempt from regulation.**

232 (1) A producer is exempt from state, county, or city licensing, permitting, certification,  
233 inspection, packaging, and labeling requirements, except as described in this section,  
234 related to the preparation, serving, use, consumption, or storage of food and food

235 products if:

236 (a) the producer complies with the requirements of this chapter; and  
237 (b) the homemade food or homemade food product is:  
238 (i) produced and sold within the state;  
239 (ii) sold directly to an informed final consumer;  
240 (iii) for personal or home consumption; and  
241 (iv) not exempted under Subsection 4-5a-105(1).

242 (2) Notwithstanding Subsection (1), a producer shall comply with business license  
243 requirements [~~pursuant to~~] in accordance with Section 10-1-203.

244 (3) Except as provided in Subsection [(6)] (7), food or food products sold under this section  
245 shall be labeled with:  
246 (a) the producer's name and address;  
247 (b) a disclosure statement indicating that the product is:  
248 (i) not for resale; and  
249 (ii) processed and prepared without state or local inspection; and  
250 (c) a statement listing whether the food or food product contains, or was prepared in a  
251 location that also handles, common allergens including milk, soy, wheat, eggs,  
252 peanuts or tree nuts, fish, or shellfish.

253 (4)(a) If a producer meets the requirements of this section, the producer or producer's  
254 designated representative may distribute, sell, deliver, hold, store, or offer for sale a  
255 homemade food or homemade food product directly to an informed final consumer at  
256 a direct-to-sale location.

257 (b) A producer retains ownership for a homemade food or homemade food product  
258 distributed, sold, delivered, held, stored, or offered for sale by a designated  
259 representative unless the producer and the designated representative agree to share or  
260 transfer ownership.

261 [(4)] (5)(a) Except as provided in Subsection [(4)(b)] (5)(b), homemade food or a  
262 homemade food product that is exempt from certain regulations as described in this  
263 chapter may not be sold to, or used by, a restaurant or commercial establishment.

264 (b) A producer may sell a raw, unprocessed fruit or vegetable to a restaurant or  
265 commercial establishment.

266 [(5)] (6) A producer selling homemade food or homemade food products exempt under this  
267 section shall inform the final consumer that the food or food product is not certified,  
268 licensed, regulated, or inspected by the state or any county or city.

269 [({6})] (7) The requirements described in Subsection (3) do not apply to a direct sale by a  
270 home producer comprising only minor producers.

271 Section 6. Section **4-5a-105** is amended to read:

272 **4-5a-105 . Limitations.**

273 (1) This chapter does not apply to the sale of[{:}]

274 [({a}) ~~raw dairy or raw dairy products; or~~]

275 [({b})] meat products, with the following exceptions:

276 [({i})] (a) the sale of poultry and poultry products if the producer:

277 [({A})] (i) slaughters no more than 1,000 birds per year in accordance with the United  
278 States Department of Agriculture 1,000 bird exemption; and

279 [({B})] (ii) follows the United States Department of Agriculture's, Food Safety and  
280 Inspection Service document titled "Guidance for Determining Whether A Poultry  
281 Slaughter or Processing Operation is Exempt from Inspection Requirements of the  
282 Poultry Products Inspection Act"; and

283 [({ii})] (b) the sale of domesticated rabbit meat, pending approval from the United States  
284 Department of Agriculture that the state's role in meat inspection is preserved.

285 (2) Nothing in this chapter:

286 (a) means that the department relinquishes its authority to administer the state's program  
287 at a standard level at least equal to the standards imposed under the Federal Meat and  
288 Poultry Products Inspection Act;

289 (b) shall be construed to impede the Department of Health and Human Services, or a  
290 local health department, in an investigation of foodborne illness;

291 (c) prohibits a state agency from providing assistance, consulting, or inspecting when  
292 requested by a producer; or

293 (d) affects the authority of the Department of Health and Human Services or the  
294 Department of Agriculture and Food to certify, license, regulate, or inspect food or  
295 food products that are not exempt from certification, licensing, regulation, or  
296 inspection as described in this chapter.

297 (3) The department may not, by rule, impose an additional limit, requirement, or restriction  
298 on a producer selling food or a food product under this chapter.

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

300 **59-12-104 . Exemptions.**

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

302 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax

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

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

306 (a) construction materials except:

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

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

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

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

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

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

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

323 (i) food and food ingredients; or

324 (ii) prepared food;

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

326 (i) alcoholic beverages;

327 (ii) food and food ingredients; or

328 (iii) prepared food;

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

330 (i) to a passenger;

331 (ii) by a commercial airline carrier; and

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

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

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

336 (6) sales of commercials, motion picture films, prerecorded audio program tapes or records,

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

339 (7)(a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of  
340 cleaning or washing of tangible personal property if the cleaning or washing of the  
341 tangible personal property is not assisted cleaning or washing of tangible personal  
342 property;

343 (b) if a seller that sells at the same business location assisted cleaning or washing of  
344 tangible personal property and cleaning or washing of tangible personal property that  
345 is not assisted cleaning or washing of tangible personal property, the exemption  
346 described in Subsection (7)(a) applies if the seller separately accounts for the sales of  
347 the assisted cleaning or washing of the tangible personal property; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (i) the item is intended for human use; and
- (ii)(A) a prescription was issued for the item; or
  - (B) the item was purchased by a hospital or other medical facility; and

(b)(i) Subsection (10)(a) applies to:

- (A) a drug;
- (B) a syringe; or
- (C) a stoma supply; and

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

- (A) "syringe"; or
- (B) "stoma supply";

) purchases or leases exempt under Section 19-12-201;

) (a) sales of an item described in Subsection (12)(c) served by:

- (i) the following if the item described in Subsection (12)(c) is not available to the general public:
  - (A) a church; or
  - (B) a charitable institution; or
- (ii) an institution of higher education if:
  - (A) the item described in Subsection (12)(c) is not available to the general public; or
  - (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan offered by the institution of higher education;

(b) sales of an item described in Subsection (12)(c) provided for a patient by:

- (i) a medical facility; or
- (ii) a nursing facility; and

(c) Subsections (12)(a) and (b) apply to:

- (i) food and food ingredients;
- (ii) prepared food; or
- (iii) alcoholic beverages;

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

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

405 property or product transferred electronically;

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

407 (i) the sale is one of a series of sales of a character to indicate that the person is  
408 regularly engaged in the business of selling that type of tangible personal property  
409 or product transferred electronically;

410 (ii) the person holds that person out as regularly engaged in the business of selling  
411 that type of tangible personal property or product transferred electronically;

412 (iii) the person sells an item of tangible personal property or product transferred  
413 electronically that the person purchased as a sale that is exempt under Subsection  
414 (25); or

415 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws  
416 of this state in which case the tax is based upon:

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

419 (B) in the absence of a bill of sale, lease agreement, or other written evidence of  
420 value, the fair market value of the vehicle or vessel being sold at the time of the  
421 sale as determined by the commission; and

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

424 (i) a person is regularly engaged in the business of selling a type of tangible personal  
425 property or product transferred electronically;

426 (ii) a sale of tangible personal property or a product transferred electronically is one  
427 of a series of sales of a character to indicate that a person is regularly engaged in  
428 the business of selling that type of tangible personal property or product  
429 transferred electronically; or

430 (iii) a person holds that person out as regularly engaged in the business of selling a  
431 type of tangible personal property or product transferred electronically;

432 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
433 operating repair or replacement parts, or materials, except for office equipment or office  
434 supplies, by:

435 (a) a manufacturing facility that:

436 (i) is located in the state; and

437 (ii) uses or consumes the machinery, equipment, normal operating repair or  
438 replacement parts, or materials;

439 (A) in the manufacturing process to manufacture an item sold as tangible personal  
440 property, as the commission may define that phrase in accordance with Title  
441 63G, Chapter 3, Utah Administrative Rulemaking Act; or  
442 (B) for a scrap recycler, to process an item sold as tangible personal property, as  
443 the commission may define that phrase in accordance with Title 63G, Chapter 3,  
444 Utah Administrative Rulemaking Act;

445 (b) an establishment, as the commission defines that term in accordance with Title 63G,  
446 Chapter 3, Utah Administrative Rulemaking Act, that:  
447 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS  
448 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for  
449 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except  
450 Fuels) Mining, of the 2002 North American Industry Classification System of the  
451 federal Executive Office of the President, Office of Management and Budget;  
452 (ii) is located in the state; and  
453 (iii) uses or consumes the machinery, equipment, normal operating repair or  
454 replacement parts, or materials in:  
455 (A) the production process to produce an item sold as tangible personal property,  
456 as the commission may define that phrase in accordance with Title 63G,  
457 Chapter 3, Utah Administrative Rulemaking Act;  
458 (B) research and development, as the commission may define that phrase in  
459 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;  
460 (C) transporting, storing, or managing tailings, overburden, or similar waste  
461 materials produced from mining;  
462 (D) developing or maintaining a road, tunnel, excavation, or similar feature used  
463 in mining; or  
464 (E) preventing, controlling, or reducing dust or other pollutants from mining; or  
465 (c) an establishment, as the commission defines that term in accordance with Title 63G,  
466 Chapter 3, Utah Administrative Rulemaking Act, that:  
467 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North  
468 American Industry Classification System of the federal Executive Office of the  
469 President, Office of Management and Budget;  
470 (ii) is located in the state; and  
471 (iii) uses or consumes the machinery, equipment, normal operating repair or  
472 replacement parts, or materials in the operation of the web search portal;

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

474 (i) tooling;

475 (ii) special tooling;

476 (iii) support equipment;

477 (iv) special test equipment; or

478 (v) parts used in the repairs or renovations of tooling or equipment described in

479 Subsections (15)(a)(i) through (iv); and

480 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:

481 (i) the tooling, equipment, or parts are used or consumed exclusively in the

482 performance of any aerospace or electronics industry contract with the United

483 States government or any subcontract under that contract; and

484 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),

485 title to the tooling, equipment, or parts is vested in the United States government

486 as evidenced by:

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

488 (B) listing on a government-approved property record if placing a government

489 identification tag on the tooling, equipment, or parts is impractical;

490 (16) sales of newspapers or newspaper subscriptions;

491 (17)(a) except as provided in Subsection (17)(b), tangible personal property or a product

492 transferred electronically traded in as full or part payment of the purchase price,

493 except that for purposes of calculating sales or use tax upon vehicles not sold by a

494 vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:

495 (i) the bill of sale or other written evidence of value of the vehicle being sold and the

496 vehicle being traded in; or

497 (ii) in the absence of a bill of sale or other written evidence of value, the then existing

498 fair market value of the vehicle being sold and the vehicle being traded in, as

499 determined by the commission; and

500 (b) Subsection (17)(a) does not apply to the following items of tangible personal

501 property or products transferred electronically traded in as full or part payment of the

502 purchase price:

503 (i) money;

504 (ii) electricity;

505 (iii) water;

506 (iv) gas; or

507 (v) steam;

508 (18)(a)(i) except as provided in Subsection (18)(b), sales of tangible personal  
509 property or a product transferred electronically used or consumed primarily and  
510 directly in farming operations, regardless of whether the tangible personal  
511 property or product transferred electronically:  
512 (A) becomes part of real estate; or  
513 (B) is installed by a farmer, contractor, or subcontractor; or  
514 (ii) sales of parts used in the repairs or renovations of tangible personal property or a  
515 product transferred electronically if the tangible personal property or product  
516 transferred electronically is exempt under Subsection (18)(a)(i); and  
517 (b) amounts paid or charged for the following are subject to the taxes imposed by this  
518 chapter:  
519 (i)(A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or  
520 supplies if used in a manner that is incidental to farming; and  
521 (B) tangible personal property that is considered to be used in a manner that is  
522 incidental to farming includes:  
523 (I) hand tools; or  
524 (II) maintenance and janitorial equipment and supplies;  
525 (ii)(A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product  
526 transferred electronically if the tangible personal property or product  
527 transferred electronically is used in an activity other than farming; and  
528 (B) tangible personal property or a product transferred electronically that is  
529 considered to be used in an activity other than farming includes:  
530 (I) office equipment and supplies; or  
531 (II) equipment and supplies used in:  
532 (Aa) the sale or distribution of farm products;  
533 (Bb) research; or  
534 (Cc) transportation; or  
535 (iii) a vehicle required to be registered by the laws of this state during the period  
536 ending two years after the date of the vehicle's purchase;  
537 (19) sales of hay;  
538 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden,  
539 farm, or other agricultural produce if the seasonal crops are, seedling plants are, or  
540 garden, farm, or other agricultural produce is sold by:

541 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other  
542 agricultural produce;

543 (b) an employee of the producer described in Subsection (20)(a); or  
544 (c) a member of the immediate family of the producer described in Subsection (20)(a);

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

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

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

552 (24)(a) purchases of a product if:  
553 (i) the product is:  
554 (A) purchased outside of this state;  
555 (B) brought into this state:  
556 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and  
557 (II) by a nonresident person who is not living or working in this state at the  
558 time of the purchase;  
559 (C) used for the personal use or enjoyment of the nonresident person described in  
560 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state;  
561 and  
562 (D) not used in conducting business in this state; and  
563 (ii) for:  
564 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use  
565 of the product for a purpose for which the product is designed occurs outside of  
566 this state;  
567 (B) a boat, the boat is registered outside of this state; or  
568 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is  
569 registered outside of this state;

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

575 the following:

- 576 (i) conducting business in this state if that phrase has the same meaning in this  
577 Subsection (24) as in Subsection (63);  
578 (ii) the first use of a product if that phrase has the same meaning in this Subsection  
579 (24) as in Subsection (63); or  
580 (iii) a purpose for which a product is designed if that phrase has the same meaning in  
581 this Subsection (24) as in Subsection (63);  
582 (25) a product purchased for resale in the regular course of business, either in the product's  
583 original form or as an ingredient or component part of a manufactured or compounded  
584 product;  
585 (26) a product upon which a sales or use tax was paid to some other state, or one of another  
586 state's subdivisions, except that the state shall be paid any difference between the tax  
587 paid and the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no  
588 adjustment is allowed if the tax paid was greater than the tax imposed by this part and  
589 Part 2, Local Sales and Use Tax Act;  
590 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person  
591 for use in compounding a service taxable under the subsections;  
592 (28) purchases made in accordance with the special supplemental nutrition program for  
593 women, infants, and children established in 42 U.S.C. Sec. 1786;  
594 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement  
595 parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of  
596 the 1987 Standard Industrial Classification Manual of the federal Executive Office of the  
597 President, Office of Management and Budget;  
598 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State  
599 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard  
600 motor is:
  - 601 (a) not registered in this state; and
  - 602 (b)(i) not used in this state; or
  - 603 (ii) used in this state:
    - 604 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for  
605 a time period that does not exceed the longer of:
      - 606 (I) 30 days in any calendar year; or
      - 607 (II) the time period necessary to transport the boat, boat trailer, or outboard  
608 motor to the borders of this state; or

609 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the  
610 time period necessary to transport the boat, boat trailer, or outboard motor to  
611 the borders of this state;

612 (31) sales of aircraft manufactured in Utah;

613 (32) amounts paid for the purchase of telecommunications service for purposes of  
614 providing telecommunications service;

615 (33) sales, leases, or uses of the following:

616 (a) a vehicle by an authorized carrier; or

617 (b) tangible personal property that is installed on a vehicle:  
618 (i) sold or leased to or used by an authorized carrier; and  
619 (ii) before the vehicle is placed in service for the first time;

620 (34)(a) 45% of the sales price of any new manufactured home; and  
621 (b) 100% of the sales price of any used manufactured home;

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

623 (36) sales or rentals of durable medical equipment if:  
624 (a) a person presents a prescription for the durable medical equipment; and  
625 (b) the durable medical equipment is used for home use only;

626 (37)(a) sales to a ski resort of electricity to operate a passenger ropeway as defined in  
627 Section 72-11-102; and  
628 (b) the commission shall by rule determine the method for calculating sales exempt  
629 under Subsection (37)(a) that are not separately metered and accounted for in utility  
630 billings;

631 (38) sales to a ski resort of:  
632 (a) snowmaking equipment;  
633 (b) ski slope grooming equipment;  
634 (c) passenger ropeways as defined in Section 72-11-102; or  
635 (d) parts used in the repairs or renovations of equipment or passenger ropeways  
636 described in Subsections (38)(a) through (c);

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

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

642 (b) if a seller that sells or rents at the same business location the right to use or operate

643 for amusement, entertainment, or recreation one or more unassisted amusement  
644 devices and one or more assisted amusement devices, the exemption described in  
645 Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of  
646 the right to use or operate for amusement, entertainment, or recreation for the assisted  
647 amusement devices; and

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

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

651 and

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

655 (41)(a) sales of photocopies by:

656 (i) a governmental entity; or

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

658 (A) a school; or

659 (B) the State Board of Education; or

660 (b) sales of publications by a governmental entity;

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

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

665 (i) an area agency on aging; or

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

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

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

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

672 (b) ultimately become incorporated into real property;

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

676 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in

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

679 (47)(a) sales or uses of electricity, if the sales or uses are made under a retail tariff  
680 adopted by the Public Service Commission only for purchase of electricity produced  
681 from a new alternative energy source built after January 1, 2016, as designated in the  
682 tariff by the Public Service Commission; and  
683 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies  
684 only to the portion of the tariff rate a customer pays under the tariff described in  
685 Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection  
686 (47)(a) that the customer would have paid absent the tariff;

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

689 (49) sales of water in a:

690 (a) pipe;  
691 (b) conduit;  
692 (c) ditch; or  
693 (d) reservoir;

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

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

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

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

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

701 (i) ingot;  
702 (ii) bar;  
703 (iii) medallion; or  
704 (iv) decorative coin;

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

706 (53) sales of a prosthetic device:

707 (a) for use on or in a human; and  
708 (b)(i) for which a prescription is required; or  
709 (ii) if the prosthetic device is purchased by a hospital or other medical facility;  
710 (54)(a) except as provided in Subsection (54)(b), purchases, leases, or rentals of

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

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

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

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

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

- 731 (i) NAICS Code 512110; or
- 732 (ii) NAICS Code 512119; and

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

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

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

- 744 (i) is leased or purchased for or by a facility that:

745 (A) is an alternative energy electricity production facility;

746 (B) is located in the state; and

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

748 (II) has its generation capacity increased by one or more megawatts on or after

749 July 1, 2004, as a result of the use of the tangible personal property;

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

751 (iii) is used to make the facility or the increase in capacity of the facility described in

752 Subsection (55)(a)(i) operational up to the point of interconnection with an

753 existing transmission grid including:

754 (A) a wind turbine;

755 (B) generating equipment;

756 (C) a control and monitoring system;

757 (D) a power line;

758 (E) substation equipment;

759 (F) lighting;

760 (G) fencing;

761 (H) pipes; or

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

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

764 (i) tangible personal property used in construction of:

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

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

767 facility;

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

769 and

770 (iii) unless the tangible personal property is used or acquired for an increase in

771 capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal

772 property used or acquired after:

773 (A) the alternative energy electricity production facility described in Subsection

774 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or

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

776 described in Subsection (55)(a)(iii);

777 (56)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on

778 or before June 30, 2027, of tangible personal property that:

779 (i) is leased or purchased for or by a facility that:

780 (A) is a waste energy production facility;

781 (B) is located in the state; and

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

783 (II) has its generation capacity increased by one or more megawatts on or after

784 July 1, 2004, as a result of the use of the tangible personal property;

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

786 (iii) is used to make the facility or the increase in capacity of the facility described in

787 Subsection (56)(a)(i) operational up to the point of interconnection with an

788 existing transmission grid including:

789 (A) generating equipment;

790 (B) a control and monitoring system;

791 (C) a power line;

792 (D) substation equipment;

793 (E) lighting;

794 (F) fencing;

795 (G) pipes; or

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

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

798 (i) tangible personal property used in construction of:

799 (A) a new waste energy facility; or

800 (B) the increase in the capacity of a waste energy facility;

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

802 and

803 (iii) unless the tangible personal property is used or acquired for an increase in

804 capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used

805 or acquired after:

806 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as

807 described in Subsection (56)(a)(iii); or

808 (B) the increased capacity described in Subsection (56)(a)(i) is operational as

809 described in Subsection (56)(a)(iii);

810 (57)(a) leases of five or more years or purchases made on or after July 1, 2004, but on or

811 before June 30, 2027, of tangible personal property that:

812 (i) is leased or purchased for or by a facility that:

813 (A) is located in the state;  
814 (B) produces fuel from alternative energy, including:  
815 (I) methanol; or  
816 (II) ethanol; and  
817 (C)(I) becomes operational on or after July 1, 2004; or  
818 (II) has its capacity to produce fuel increase by 25% or more on or after July 1,  
819 2004, as a result of the installation of the tangible personal property;

820 (ii) has an economic life of five or more years; and  
821 (iii) is installed on the facility described in Subsection (57)(a)(i);

822 (b) this Subsection (57) does not apply to:

823 (i) tangible personal property used in construction of:

824 (A) a new facility described in Subsection (57)(a)(i); or  
825 (B) the increase in capacity of the facility described in Subsection (57)(a)(i);

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

828 (iii) unless the tangible personal property is used or acquired for an increase in  
829 capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used  
830 or acquired after:

831 (A) the facility described in Subsection (57)(a)(i) is operational; or

832 (B) the increased capacity described in Subsection (57)(a)(i) is operational;

833 (58)(a) subject to Subsection (58)(b), sales of tangible personal property or a product  
834 transferred electronically to a person within this state if that tangible personal  
835 property or product transferred electronically is subsequently shipped outside the  
836 state and incorporated pursuant to contract into and becomes a part of real property  
837 located outside of this state; and

838 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other  
839 state or political entity to which the tangible personal property is shipped imposes a  
840 sales, use, gross receipts, or other similar transaction excise tax on the transaction  
841 against which the other state or political entity allows a credit for sales and use taxes  
842 imposed by this chapter;

843 (59) purchases:

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

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

846 (A) names; or

- (B) addresses; or
- (ii) a database containing information that includes one or more:
  - (A) names; or
  - (B) addresses; and
- (b) used to send direct mail;

(60) redemptions or repurchases of a product by a person if that product was:

- (a) delivered to a pawnbroker as part of a pawn transaction; and
- (b) redeemed or repurchased within the time period established in a written agreement between the person and the pawnbroker for redeeming or repurchasing the product;

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

- (i) is purchased or leased by, or on behalf of, a telecommunications service provider; and
- (ii) has a useful economic life of one or more years; and

(b) the following apply to Subsection (61)(a):

- (i) telecommunications enabling or facilitating equipment, machinery, or software;
- (ii) telecommunications equipment, machinery, or software required for 911 service;
- (iii) telecommunications maintenance or repair equipment, machinery, or software;
- (iv) telecommunications switching or routing equipment, machinery, or software; or
- (v) telecommunications transmission equipment, machinery, or software;

(62)(a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible personal property or a product transferred electronically that are used in the research and development of alternative energy technology; and

(b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may, for purposes of Subsection (62)(a), make rules defining what constitutes purchases of tangible personal property or a product transferred electronically that are used in the research and development of alternative energy technology;

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

- (i) the tangible personal property or product transferred electronically is:
  - (A) purchased outside of this state;
  - (B) brought into this state at any time after the purchase described in Subsection (63)(a)(i)(A); and
  - (C) used in conducting business in this state; and
- (ii) for:

881 (A) tangible personal property or a product transferred electronically other than  
882 the tangible personal property described in Subsection (63)(a)(ii)(B), the first  
883 use of the property for a purpose for which the property is designed occurs  
884 outside of this state; or

885 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is  
886 registered outside of this state and not required to be registered in this state  
887 under Section 41-1a-202 or 73-18-9 based on residency;

888 (b) the exemption provided for in Subsection (63)(a) does not apply to:

889 (i) a lease or rental of tangible personal property or a product transferred  
890 electronically; or

891 (ii) a sale of a vehicle exempt under Subsection (33); and

892 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
893 purposes of Subsection (63)(a), the commission may by rule define what constitutes  
894 the following:

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

897 (ii) the first use of tangible personal property or a product transferred electronically if  
898 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or

899 (iii) a purpose for which tangible personal property or a product transferred  
900 electronically is designed if that phrase has the same meaning in this Subsection  
901 (63) as in Subsection (24);

902 (64) sales of disposable home medical equipment or supplies if:

903 (a) a person presents a prescription for the disposable home medical equipment or  
904 supplies;

905 (b) the disposable home medical equipment or supplies are used exclusively by the  
906 person to whom the prescription described in Subsection (64)(a) is issued; and

907 (c) the disposable home medical equipment and supplies are listed as eligible for  
908 payment under:

909 (i) Title XVIII, federal Social Security Act; or

910 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

911 (65) sales:

912 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District  
913 Act; or

914 (b) of tangible personal property to a subcontractor of a public transit district, if the

915 tangible personal property is:

916 (i) clearly identified; and

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

918 (66) sales of construction materials:

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

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

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

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

923 (c) if the construction materials are:

924 (i) clearly identified;

925 (ii) segregated; and

926 (iii) installed or converted to real property:

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

928 and

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

930 (67) sales of construction materials:

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

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

933 (i) located within a county of the second or third class, as classified in Section  
934 17-60-104; and

935 (ii) that is owned or operated by a city in which an airline as defined in Section  
936 59-2-102 is headquartered; and

937 (c) if the construction materials are:

938 (i) clearly identified;

939 (ii) segregated; and

940 (iii) installed or converted to real property:

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

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

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

944 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common  
945 carrier that is a railroad for use in a locomotive engine;

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

947 (70)(a) sales of tangible personal property to an aircraft maintenance, repair, and  
948 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in

949 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered  
950 aircraft's registration lists a state or country other than this state as the location of  
951 registry of the fixed wing turbine powered aircraft; or  
952 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul  
953 provider in connection with the maintenance, repair, overhaul, or refurbishment in  
954 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered  
955 aircraft's registration lists a state or country other than this state as the location of  
956 registry of the fixed wing turbine powered aircraft;

957 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:  
958 (a) to a person admitted to an institution of higher education; and  
959 (b) by a seller, other than a bookstore owned by an institution of higher education, if  
960 51% or more of that seller's sales revenue for the previous calendar quarter are sales  
961 of a textbook for a higher education course;

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

965 (73) amounts paid or charged for construction materials used in the construction of a new or  
966 expanding life science research and development facility in the state, if the construction  
967 materials are:  
968 (a) clearly identified;  
969 (b) segregated; and  
970 (c) installed or converted to real property;

971 (74) amounts paid or charged for:  
972 (a) a purchase or lease of machinery and equipment that:  
973 (i) are used in performing qualified research:  
974 (A) as defined in Section 41(d), Internal Revenue Code; and  
975 (B) in the state; and  
976 (ii) have an economic life of three or more years; and  
977 (b) normal operating repair or replacement parts:  
978 (i) for the machinery and equipment described in Subsection (74)(a); and  
979 (ii) that have an economic life of three or more years;

980 (75) a sale or lease of tangible personal property used in the preparation of prepared food if:  
981 (a) for a sale:  
982 (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 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 making the lease;
- ) 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

1017 (iii) digital book;

1018 (79) amounts paid or charged for a purchase or lease made by an electronic financial  
1019 payment service, of:

1020 (a) machinery and equipment that:

1021 (i) are used in the operation of the electronic financial payment service; and  
1022 (ii) have an economic life of three or more years; and

1023 (b) normal operating repair or replacement parts that:

1024 (i) are used in the operation of the electronic financial payment service; and  
1025 (ii) have an economic life of three or more years;

1026 (80) sales of a fuel cell as defined in Section 54-15-102;

1027 (81) amounts paid or charged for a purchase or lease of tangible personal property or a  
1028 product transferred electronically if the tangible personal property or product transferred  
1029 electronically:

1030 (a) is stored, used, or consumed in the state; and

1031 (b) is temporarily brought into the state from another state:

1032 (i) during a disaster period as defined in Section 53-2a-1202;

1033 (ii) by an out-of-state business as defined in Section 53-2a-1202;

1034 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and

1035 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;

1036 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined in  
1037 Section 39A-7-102, made [pursuant to] in accordance with Title 39A, Chapter 7, Morale,  
1038 Welfare, and Recreation Program;

1039 (83) amounts paid or charged for a purchase or lease of molten magnesium;

1040 (84) amounts paid or charged for a purchase or lease made by a qualifying data center or an  
1041 occupant of a qualifying data center of machinery, equipment, or normal operating  
1042 repair or replacement parts, if the machinery, equipment, or normal operating repair or  
1043 replacement parts:

1044 (a) are used in:

1045 (i) the operation of the qualifying data center; or

1046 (ii) the occupant's operations in the qualifying data center; and

1047 (b) have an economic life of one or more years;

1048 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle  
1049 that includes cleaning or washing of the interior of the vehicle;

1050 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal

1051 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or  
1052 supplies used or consumed:

1053 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined  
1054 in Section 79-6-701 located in the state;

1055 (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts,  
1056 chemicals, reagents, solutions, or supplies are used or consumed in:

1057 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is  
1058 added to gasoline or diesel fuel;

1059 (ii) research and development;

1060 (iii) transporting, storing, or managing raw materials, work in process, finished  
1061 products, and waste materials produced from refining gasoline or diesel fuel, or  
1062 adding blendstock to gasoline or diesel fuel;

1063 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in  
1064 refining; or

1065 (v) preventing, controlling, or reducing pollutants from refining; and

1066 (c) if the person holds a valid refiner tax exemption certification as defined in Section  
1067 79-6-701;

1068 (87) amounts paid to or charged by a proprietor for accommodations and services, as  
1069 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations  
1070 tax imposed under Section 63H-1-205;

1071 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
1072 operating repair or replacement parts, or materials, except for office equipment or office  
1073 supplies, by an establishment, as the commission defines that term in accordance with  
1074 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

1075 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North  
1076 American Industry Classification System of the federal Executive Office of the  
1077 President, Office of Management and Budget;

1078 (b) is located in this state; and

1079 (c) uses the machinery, equipment, normal operating repair or replacement parts, or  
1080 materials in the operation of the establishment;

1081 (89) amounts paid or charged for an item exempt under Section 59-12-104.10;

1082 (90) sales of a note, leaf, foil, or film, if the item:

1083 (a) is used as currency;

1084 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and

1085 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any  
1086 transparent polymer holder, coating, or encasement;

1087 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or  
1088 surfing facility, if a trained instructor:  
1089 (a) is present with the participant, in person or by video, for the duration of the activity;  
1090 and  
1091 (b) actively instructs the participant, including providing observation or feedback;

1092 (92) amounts paid or charged in connection with the construction, operation, maintenance,  
1093 repair, or replacement of facilities owned by or constructed for:  
1094 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or  
1095 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;

1096 (93) amounts paid by the service provider for tangible personal property, other than  
1097 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels,  
1098 that:  
1099 (a) is consumed in the performance of a service that is subject to tax under Subsection  
1100 59-12-103(1)(b), (f), (g), (h), (i), or (j);  
1101 (b) has to be consumed for the service provider to provide the service described in  
1102 Subsection (93)(a); and  
1103 (c) will be consumed in the performance of the service described in Subsection (93)(a),  
1104 to one or more customers, to the point that the tangible personal property disappears  
1105 or cannot be used for any other purpose;

1106 (94) sales of rail rolling stock manufactured in Utah;

1107 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or  
1108 construction materials between establishments, as the commission defines that term in  
1109 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:  
1110 (a) the establishments are related directly or indirectly through 100% common  
1111 ownership or control; and  
1112 (b) each establishment is described in one of the following subsectors of the 2022 North  
1113 American Industry Classification System of the federal Executive Office of the  
1114 President, Office of Management and Budget:  
1115 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or  
1116 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing;

1117 (96) sales of construction materials used for the construction of a qualified stadium, as  
1118 defined in Section 11-70-101;

1119 (97) amounts paid or charged for sales of a cannabinoid product as that term is defined in  
1120 Section 4-41-102;

1121 (98) amounts paid or charged by an operator of a qualifying energy storage manufacturing  
1122 facility for:

1123 (a) a purchase of tangible personal property if the tangible personal property is  
1124 incorporated into equipment or a device that stores and discharges energy at the  
1125 qualifying energy storage manufacturing facility; and

1126 (b) a purchase or lease of machinery, equipment, or normal operating repair or  
1127 replacement parts if the machinery, equipment, or normal operating repair or  
1128 replacement parts are used exclusively in the operation of the qualifying energy  
1129 storage manufacturing facility;

1130 (99) amounts paid or charged for sales of adaptive driving equipment if the adaptive driving  
1131 equipment is not yet installed in a motor vehicle;

1132 (100) amounts paid or charged for sales of adaptive driving equipment if the adaptive  
1133 driving equipment is installed in a motor vehicle by a previous owner and the  
1134 requirements of Section 59-12-104.11 are met;[~~and~~]

1135 (101) sales of construction materials used for the construction, remodeling, or refurbishing  
1136 of a major sporting event venue, as defined in Section 63N-3-1701, within an approved  
1137 major sporting event venue zone[.] ; and

1138 (102) sales of a homemade food product at a direct-to-sale farmers market or direct-to-sale  
1139 location, as defined in Section 4-5a-102.

1140 **Section 8. Repealer.**

1141 This bill repeals:

1142 **Section 4-3-503, Sale of raw milk products -- Suspension of producer's permit --**

1143 **Severability not permitted.**

1144 **Section 4-5a-101, Title.**

1145 **Section 9. Effective Date.**

1146 This bill takes effect on May 6, 2026.