

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

LONG TITLE

General Description:

This bill addresses provisions related to locally-produced foods.

Highlighted Provisions:

This bill:

- 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.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 4-3-102**, as last amended by Laws of Utah 2023, Chapter 528
- 4-3-301**, as last amended by Laws of Utah 2023, Chapter 528
- 4-5a-102**, as last amended by Laws of Utah 2023, Chapter 362

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

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.

(11) "Misbranded" means:

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

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

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

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

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

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

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

(17) "Raw milk" means unpasteurized milk.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4-5a-102 . Definitions.

For purposes of this chapter:

(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.

[~~(8)~~] (9) "Minor producer" means a producer that is:

(a) an individual; and

(b) under 18 years old.

[~~(9)~~] (10) "Producer" means a person who harvests or produces homemade food or a homemade food product.

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

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

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

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

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

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

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

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

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

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

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

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

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

products if:

(a) the producer complies with the requirements of this chapter; and

(b) the homemade food or homemade food product is:

(i) produced and sold within the state;

(ii) sold directly to an informed final consumer;

(iii) for personal or home consumption; and

(iv) not exempted under Subsection 4-5a-105(1).

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

(3) Except as provided in Subsection ~~[(6)]~~ (7), food or food products sold under this section shall be labeled with:

(a) the producer's name and address;

(b) a disclosure statement indicating that the product is:

(i) not for resale; and

(ii) processed and prepared without state or local inspection; and

(c) a statement listing whether the food or food product contains, or was prepared in a location that also handles, common allergens including milk, soy, wheat, eggs, peanuts or tree nuts, fish, or shellfish.

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

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

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

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

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

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

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

4-5a-105 . Limitations.

(1) This chapter does not apply to the sale of~~[:]~~

~~[(a) raw dairy or raw dairy products; or]~~

~~[(b)]~~ meat products, with the following exceptions:

~~[(i)]~~ (a) the sale of poultry and poultry products if the producer:

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

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

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

(2) Nothing in this chapter:

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

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

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

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

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

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

59-12-104 . Exemptions.

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

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

under Chapter 13, Motor and Special Fuel Tax Act;

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

(a) construction materials except:

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

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

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

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

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

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

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

(i) food and food ingredients; or

(ii) prepared food;

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

(i) alcoholic beverages;

(ii) food and food ingredients; or

(iii) prepared food;

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

(i) to a passenger;

(ii) by a commercial airline carrier; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) the vehicle is used in this state:

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

(I) 30 days in any calendar year; or

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

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

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

- 371 (i) the item is intended for human use; and
372 (ii)(A) a prescription was issued for the item; or
373 (B) the item was purchased by a hospital or other medical facility; and
374 (b)(i) Subsection (10)(a) applies to:
375 (A) a drug;
376 (B) a syringe; or
377 (C) a stoma supply; and
378 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
379 the commission may by rule define the terms:
380 (A) "syringe"; or
381 (B) "stoma supply";
382 (11) purchases or leases exempt under Section 19-12-201;
383 (12)(a) sales of an item described in Subsection (12)(c) served by:
384 (i) the following if the item described in Subsection (12)(c) is not available to the
385 general public:
386 (A) a church; or
387 (B) a charitable institution; or
388 (ii) an institution of higher education if:
389 (A) the item described in Subsection (12)(c) is not available to the general public;
390 or
391 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal
392 plan offered by the institution of higher education;
393 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
394 (i) a medical facility; or
395 (ii) a nursing facility; and
396 (c) Subsections (12)(a) and (b) apply to:
397 (i) food and food ingredients;
398 (ii) prepared food; or
399 (iii) alcoholic beverages;
400 (13)(a) except as provided in Subsection (13)(b), the sale of tangible personal property
401 or a product transferred electronically by a person:
402 (i) regardless of the number of transactions involving the sale of that tangible
403 personal property or product transferred electronically by that person; and
404 (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

the following:

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

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

- 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

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

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

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

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

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

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

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

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

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

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

- 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

- 847 (B) addresses; or
- 848 (ii) a database containing information that includes one or more:
- 849 (A) names; or
- 850 (B) addresses; and
- 851 (b) used to send direct mail;
- 852 (60) redemptions or repurchases of a product by a person if that product was:
- 853 (a) delivered to a pawnbroker as part of a pawn transaction; and
- 854 (b) redeemed or repurchased within the time period established in a written agreement
- 855 between the person and the pawnbroker for redeeming or repurchasing the product;
- 856 (61)(a) purchases or leases of an item described in Subsection (61)(b) if the item:
- 857 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
- 858 and
- 859 (ii) has a useful economic life of one or more years; and
- 860 (b) the following apply to Subsection (61)(a):
- 861 (i) telecommunications enabling or facilitating equipment, machinery, or software;
- 862 (ii) telecommunications equipment, machinery, or software required for 911 service;
- 863 (iii) telecommunications maintenance or repair equipment, machinery, or software;
- 864 (iv) telecommunications switching or routing equipment, machinery, or software; or
- 865 (v) telecommunications transmission equipment, machinery, or software;
- 866 (62)(a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
- 867 personal property or a product transferred electronically that are used in the research
- 868 and development of alternative energy technology; and
- 869 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 870 commission may, for purposes of Subsection (62)(a), make rules defining what
- 871 constitutes purchases of tangible personal property or a product transferred
- 872 electronically that are used in the research and development of alternative energy
- 873 technology;
- 874 (63)(a) purchases of tangible personal property or a product transferred electronically if:
- 875 (i) the tangible personal property or product transferred electronically is:
- 876 (A) purchased outside of this state;
- 877 (B) brought into this state at any time after the purchase described in Subsection
- 878 (63)(a)(i)(A); and
- 879 (C) used in conducting business in this state; and
- 880 (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

- 983 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
984 tangible personal property prior to making the sale; or
985 (b) for a lease:
986 (i) the ownership of the lessor and the ownership of the lessee are identical; and
987 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that
988 tangible personal property prior to making the lease;
989 (76)(a) purchases of machinery or equipment if:
990 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
991 Gambling, and Recreation Industries, of the 2012 North American Industry
992 Classification System of the federal Executive Office of the President, Office of
993 Management and Budget;
994 (ii) the machinery or equipment:
995 (A) has an economic life of three or more years; and
996 (B) is used by one or more persons who pay admission or user fees described in
997 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment;
998 and
999 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
1000 (A) amounts paid or charged as admission or user fees described in Subsection
1001 59-12-103(1)(f); and
1002 (B) subject to taxation under this chapter; and
1003 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1004 commission may make rules for verifying that 51% of a purchaser's sales revenue for
1005 the previous calendar quarter is:
1006 (i) amounts paid or charged as admission or user fees described in Subsection
1007 59-12-103(1)(f); and
1008 (ii) subject to taxation under this chapter;
1009 (77) purchases of a short-term lodging consumable by a business that provides
1010 accommodations and services described in Subsection 59-12-103(1)(i);
1011 (78) amounts paid or charged to access a database:
1012 (a) if the primary purpose for accessing the database is to view or retrieve information
1013 from the database; and
1014 (b) not including amounts paid or charged for a:
1015 (i) digital audio work;
1016 (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

- operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used or consumed:
- (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined in Section 79-6-701 located in the state;
 - (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:
 - (i) the production process to produce gasoline or diesel fuel, or at which blendstock is added to gasoline or diesel fuel;
 - (ii) research and development;
 - (iii) transporting, storing, or managing raw materials, work in process, finished products, and waste materials produced from refining gasoline or diesel fuel, or adding blendstock to gasoline or diesel fuel;
 - (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in refining; or
 - (v) preventing, controlling, or reducing pollutants from refining; and
 - (c) if the person holds a valid refiner tax exemption certification as defined in Section 79-6-701;
- (87) amounts paid to or charged by a proprietor for accommodations and services, as defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations tax imposed under Section 63H-1-205;
- (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, or materials, except for office equipment or office supplies, by an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;
 - (b) is located in this state; and
 - (c) uses the machinery, equipment, normal operating repair or replacement parts, or materials in the operation of the establishment;
- (89) amounts paid or charged for an item exempt under Section 59-12-104.10;
- (90) sales of a note, leaf, foil, or film, if the item:
- (a) is used as currency;
 - (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.