

Evan J. Vickers proposes the following substitute bill:

1 **Sales and Use Tax Exemptions Modifications**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Evan J. Vickers**

House Sponsor:

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2 **LONG TITLE**

3 **General Description:**

4 This bill addresses sales and use tax exemptions.

5 **Highlighted Provisions:**

6 This bill:

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- 8 ▶ extends the duration of the sales and use tax exemption for tangible personal property
- 9 used to increase the capacity of alternative energy electric production facilities; and
- 10 ▶ makes technical changes.

11 **Money Appropriated in this Bill:**

12 None

13 **Other Special Clauses:**

14 This bill provides a special effective date.

15 **Utah Code Sections Affected:**

16 **AMENDS:**

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

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

20 Section 1. Section **59-12-104** is amended to read:

21 **59-12-104 . Exemptions.**

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

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

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

25 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political

26 subdivisions; however, this exemption does not apply to sales of:

27 (a) construction materials except:

28 (i) construction materials purchased by or on behalf of institutions of the public

29 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 consum

- (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;

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

69 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah  
70 Administrative Rulemaking Act, the commission may make rules:  
71 (i) governing the circumstances under which sales are at the same business location;  
72 and  
73 (ii) establishing the procedures and requirements for a seller to separately account for  
74 sales of assisted cleaning or washing of tangible personal property;

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

78 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this  
79 state if:  
80 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;  
81 (b) the vehicle is not registered in this state; and  
82 (c)(i) the vehicle is not used in this state; or  
83 (ii) the vehicle is used in this state:  
84 (A) if the vehicle is not used to conduct business, for a time period that does not  
85 exceed the longer of:  
86 (I) 30 days in any calendar year; or  
87 (II) the time period necessary to transport the vehicle to the borders of this  
88 state; or  
89 (B) if the vehicle is used to conduct business, for the time period necessary to  
90 transport the vehicle to the borders of this state;

91 (10)(a) amounts paid for an item described in Subsection (10)(b) if:  
92 (i) the item is intended for human use; and  
93 (ii)(A) a prescription was issued for the item; or  
94 (B) the item was purchased by a hospital or other medical facility; and  
95 (b)(i) Subsection (10)(a) applies to:  
96 (A) a drug;  
97 (B) a syringe; or

98 (C) a stoma supply; and

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

101 (A) "syringe"; or

102 (B) "stoma supply";

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

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

105 (i) the following if the item described in Subsection (12)(c) is not available to the  
106 general public:

107 (A) a church; or

108 (B) a charitable institution; or

109 (ii) an institution of higher education if:

110 (A) the item described in Subsection (12)(c) is not available to the general public;  
111 or

112 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal  
113 plan offered by the institution of higher education;

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

115 (i) a medical facility; or

116 (ii) a nursing facility; and

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

118 (i) food and food ingredients;

119 (ii) prepared food; or

120 (iii) alcoholic beverages;

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

123 (i) regardless of the number of transactions involving the sale of that tangible  
124 personal property or product transferred electronically by that person; and

125 (ii) not regularly engaged in the business of selling that type of tangible personal  
126 property or product transferred electronically;

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

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

131 (ii) the person holds that person out as regularly engaged in the business of selling

132 that type of tangible personal property or product transferred electronically;

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

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

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

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

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

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

147 (ii) a sale of tangible personal property or a product transferred electronically is one  
148 of a series of sales of a character to indicate that a person is regularly engaged in  
149 the business of selling that type of tangible personal property or product  
150 transferred electronically; or

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

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

156 (a) a manufacturing facility that:

157 (i) is located in the state; and

158 (ii) uses or consumes the machinery, equipment, normal operating repair or  
159 replacement parts, or materials:

160 (A) in the manufacturing process to manufacture an item sold as tangible personal  
161 property, as the commission may define that phrase in accordance with Title  
162 63G, Chapter 3, Utah Administrative Rulemaking Act; or

163 (B) for a scrap recycler, to process an item sold as tangible personal property, as  
164 the commission may define that phrase in accordance with Title 63G, Chapter 3,  
165 Utah Administrative Rulemaking Act;

166 (b) an establishment, as the commission defines that term in accordance with Title 63G,  
167 Chapter 3, Utah Administrative Rulemaking Act, that:  
168 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS  
169 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for  
170 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except  
171 Fuels) Mining, of the 2002 North American Industry Classification System of the  
172 federal Executive Office of the President, Office of Management and Budget;  
173 (ii) is located in the state; and  
174 (iii) uses or consumes the machinery, equipment, normal operating repair or  
175 replacement parts, or materials in:  
176 (A) the production process to produce an item sold as tangible personal property,  
177 as the commission may define that phrase in accordance with Title 63G,  
178 Chapter 3, Utah Administrative Rulemaking Act;  
179 (B) research and development, as the commission may define that phrase in  
180 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;  
181 (C) transporting, storing, or managing tailings, overburden, or similar waste  
182 materials produced from mining;  
183 (D) developing or maintaining a road, tunnel, excavation, or similar feature used  
184 in mining; or  
185 (E) preventing, controlling, or reducing dust or other pollutants from mining; or  
186 (c) an establishment, as the commission defines that term in accordance with Title 63G,  
187 Chapter 3, Utah Administrative Rulemaking Act, that:  
188 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North  
189 American Industry Classification System of the federal Executive Office of the  
190 President, Office of Management and Budget;  
191 (ii) is located in the state; and  
192 (iii) uses or consumes the machinery, equipment, normal operating repair or  
193 replacement parts, or materials in the operation of the web search portal;  
194 (15)(a) sales of the following if the requirements of Subsection (15)(b) are met:  
195 (i) tooling;  
196 (ii) special tooling;  
197 (iii) support equipment;  
198 (iv) special test equipment; or  
199 (v) parts used in the repairs or renovations of tooling or equipment described in

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

- (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
  - (i) the tooling, equipment, or parts are used or consumed exclusively in the performance of any aerospace or electronics industry contract with the United States government or any subcontract under that contract; and
  - (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i), title to the tooling, equipment, or parts is vested in the United States government as evidenced by:
    - (A) a government identification tag placed on the tooling, equipment, or parts; or
    - (B) listing on a government-approved property record if placing a government identification tag on the tooling, equipment, or parts is impractical;
- ) sales of newspapers or newspaper subscriptions;
- ) (a) except as provided in Subsection (17)(b), tangible personal property or a product transferred electronically traded in as full or part payment of the purchase price, except that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:
  - (i) the bill of sale or other written evidence of value of the vehicle being sold and the vehicle being traded in; or
  - (ii) in the absence of a bill of sale or other written evidence of value, the then existing fair market value of the vehicle being sold and the vehicle being traded in, as determined by the commission; and
- (b) Subsection (17)(a) does not apply to the following items of tangible personal property or products transferred electronically traded in as full or part payment of the purchase price:
  - (i) money;
  - (ii) electricity;
  - (iii) water;
  - (iv) gas; or
  - (v) steam;
- ) (a)(i) except as provided in Subsection (18)(b), sales of tangible personal property or a product transferred electronically used or consumed primarily and directly in farming operations, regardless of whether the tangible personal property or product transferred electronically:
  - (A) becomes part of real estate; or

234 (B) is installed by a farmer, contractor, or subcontractor; or  
235 (ii) sales of parts used in the repairs or renovations of tangible personal property or a  
236 product transferred electronically if the tangible personal property or product  
237 transferred electronically is exempt under Subsection (18)(a)(i); and  
238 (b) amounts paid or charged for the following are subject to the taxes imposed by this  
239 chapter:  
240 (i)(A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or  
241 supplies if used in a manner that is incidental to farming; and  
242 (B) tangible personal property that is considered to be used in a manner that is  
243 incidental to farming includes:  
244 (I) hand tools; or  
245 (II) maintenance and janitorial equipment and supplies;  
246 (ii)(A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product  
247 transferred electronically if the tangible personal property or product  
248 transferred electronically is used in an activity other than farming; and  
249 (B) tangible personal property or a product transferred electronically that is  
250 considered to be used in an activity other than farming includes:  
251 (I) office equipment and supplies; or  
252 (II) equipment and supplies used in:  
253 (Aa) the sale or distribution of farm products;  
254 (Bb) research; or  
255 (Cc) transportation; or  
256 (iii) a vehicle required to be registered by the laws of this state during the period  
257 ending two years after the date of the vehicle's purchase;  
258 (19) sales of hay;  
259 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden,  
260 farm, or other agricultural produce if the seasonal crops are, seedling plants are, or  
261 garden, farm, or other agricultural produce is sold by:  
262 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other  
263 agricultural produce;  
264 (b) an employee of the producer described in Subsection (20)(a); or  
265 (c) a member of the immediate family of the producer described in Subsection (20)(a);  
266 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under  
267 the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

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

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

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

274 (i) the product is:

275 (A) purchased outside of this state;

276 (B) brought into this state:

277 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and

278 (II) by a nonresident person who is not living or working in this state at the  
279 time of the purchase;

280 (C) used for the personal use or enjoyment of the nonresident person described in  
281 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state;  
282 and

283 (D) not used in conducting business in this state; and

284 (ii) for:

285 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use  
286 of the product for a purpose for which the product is designed occurs outside of  
287 this state;

288 (B) a boat, the boat is registered outside of this state; or

289 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is  
290 registered outside of this state;

291 (b) the exemption provided for in Subsection (24)(a) does not apply to:

292 (i) a lease or rental of a product; or

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

294 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
295 purposes of Subsection (24)(a), the commission may by rule define what constitutes  
296 the following:

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

299 (ii) the first use of a product if that phrase has the same meaning in this Subsection  
300 (24) as in Subsection (63); or

301 (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;

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

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

338 (b) tangible personal property that is installed on a vehicle:

339 (i) sold or leased to or used by an authorized carrier; and

340 (ii) before the vehicle is placed in service for the first time;

341 (34)(a) 45% of the sales price of any new manufactured home; and

342 (b) 100% of the sales price of any used manufactured home;

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

344 (36) sales or rentals of durable medical equipment if:

345 (a) a person presents a prescription for the durable medical equipment; and

346 (b) the durable medical equipment is used for home use only;

347 (37)(a) sales to a ski resort of electricity to operate a passenger ropeway as defined in

348 Section 72-11-102; and

349 (b) the commission shall by rule determine the method for calculating sales exempt

350 under Subsection (37)(a) that are not separately metered and accounted for in utility

351 billings;

352 (38) sales to a ski resort of:

353 (a) snowmaking equipment;

354 (b) ski slope grooming equipment;

355 (c) passenger ropeways as defined in Section 72-11-102; or

356 (d) parts used in the repairs or renovations of equipment or passenger ropeways

357 described in Subsections (38)(a) through (c);

358 (39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel

359 oil, or other fuels for industrial use;

360 (40)(a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for

361 amusement, entertainment, or recreation an unassisted amusement device as defined

362 in Section 59-12-102;

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

364 for amusement, entertainment, or recreation one or more unassisted amusement

365 devices and one or more assisted amusement devices, the exemption described in

366 Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of

367 the right to use or operate for amusement, entertainment, or recreation for the assisted

368 amusement devices; and

369 (c) for purposes of Subsection (40)(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  
the sales or rentals of the right to use or operate for amusement, entertainment, or  
recreation for assisted amusement devices;

(41)(a) sales of photocopies by:

- (i) a governmental entity; or
- (ii) an entity within the state system of public education, including:
  - (A) a school; or
  - (B) the State Board of Education; or

(b) sales of publications by a governmental entity;

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

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

- (i) an area agency on aging; or
- (ii) a senior citizen center owned by a county, city, or town; or

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

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

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

(b) ultimately become incorporated into real property;

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

(46) the lease or use of a vehicle issued a temporary sports event registration certificate in accordance with Section 41-3-306 for the event period specified on the temporary sports event registration certificate;

(47)(a) sales or uses of electricity, if the sales or uses are made under a retail tariff

adopted by the Public Service Commission only for purchase of electricity produced from a new alternative energy source built after January 1, 2016, as designated in the tariff by the Public Service Commission; and

404 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies  
405 only to the portion of the tariff rate a customer pays under the tariff described in  
406 Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection  
407 (47)(a) that the customer would have paid absent the tariff;

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

410 (49) sales of water in a:

- 411 (a) pipe;
- 412 (b) conduit;
- 413 (c) ditch; or
- 414 (d) reservoir;

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

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

- 418 (i) does not constitute legal tender of a state, the United States, or a foreign nation;  
419 and
- 420 (ii) has a gold, silver, or platinum content of 50% or more; and

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

- 422 (i) ingot;
- 423 (ii) bar;
- 424 (iii) medallion; or
- 425 (iv) decorative coin;

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

427 (53) sales of a prosthetic device:

- 428 (a) for use on or in a human; and
- 429 (b)(i) for which a prescription is required; or

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

431 (54)(a) except as provided in Subsection (54)(b), purchases, leases, or rentals of  
432 machinery or equipment by an establishment described in Subsection (54)(c) if the  
433 machinery or equipment is primarily used in the production or postproduction of the  
434 following media for commercial distribution:

- 435 (i) a motion picture;
- 436 (ii) a television program;
- 437 (iii) a movie made for television;

438 (iv) a music video;  
439 (v) a commercial;  
440 (vi) a documentary; or  
441 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the  
442 commission by administrative rule made in accordance with Subsection (54)(d);  
443 (b) purchases, leases, or rentals of machinery or equipment by an establishment  
444 described in Subsection (54)(c) that is used for the production or postproduction of  
445 the following are subject to the taxes imposed by this chapter:  
446 (i) a live musical performance;  
447 (ii) a live news program; or  
448 (iii) a live sporting event;  
449 (c) the following establishments listed in the 1997 North American Industry  
450 Classification System of the federal Executive Office of the President, Office of  
451 Management and Budget, apply to Subsections (54)(a) and (b):  
452 (i) NAICS Code 512110; or  
453 (ii) NAICS Code 51219; and  
454 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
455 commission may by rule:  
456 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);  
457 or  
458 (ii) define:  
459 (A) "commercial distribution";  
460 (B) "live musical performance";  
461 (C) "live news program"; or  
462 (D) "live sporting event";  
463 (55)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on  
464 or before June 30, [2027] 2037, of tangible personal property that:  
465 (i) is leased or purchased for or by a facility that:  
466 (A) is an alternative energy electricity production facility;  
467 (B) is located in the state; and  
468 (C)(I) becomes operational on or after July 1, 2004; or  
469 (II) has its generation capacity increased by one or more megawatts on or after  
470 July 1, 2004, as a result of the use of the tangible personal property;  
471 (ii) has an economic life of five or more years; and

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

475 (A) a wind turbine;  
476 (B) generating equipment;  
477 (C) a control and monitoring system;  
478 (D) a power line;  
479 (E) substation equipment;  
480 (F) lighting;  
481 (G) fencing;  
482 (H) pipes; or  
483 (I) other equipment used for locating a power line or pole; and

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

485 (i) tangible personal property used in construction of:  
486 (A) a new alternative energy electricity production facility; or  
487 (B) the increase in the capacity of an alternative energy electricity production  
488 facility;  
489 (ii) contracted services required for construction and routine maintenance activities;  
490 and  
491 (iii) unless the tangible personal property is used or acquired for an increase in  
492 capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal  
493 property used or acquired after:  
494 (A) the alternative energy electricity production facility described in Subsection  
495 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or  
496 (B) the increased capacity described in Subsection (55)(a)(i) is operational as  
497 described in Subsection (55)(a)(iii);

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

500 (i) is leased or purchased for or by a facility that:  
501 (A) is a waste energy production facility;  
502 (B) is located in the state; and  
503 (C)(I) becomes operational on or after July 1, 2004; or  
504 (II) has its generation capacity increased by one or more megawatts on or after  
505 July 1, 2004, as a result of the use of the tangible personal property;

506 (ii) has an economic life of five or more years; and  
507 (iii) is used to make the facility or the increase in capacity of the facility described in  
508 Subsection (56)(a)(i) operational up to the point of interconnection with an  
509 existing transmission grid including:  
510 (A) generating equipment;  
511 (B) a control and monitoring system;  
512 (C) a power line;  
513 (D) substation equipment;  
514 (E) lighting;  
515 (F) fencing;  
516 (G) pipes; or  
517 (H) other equipment used for locating a power line or pole; and  
518 (b) this Subsection (56) does not apply to:  
519 (i) tangible personal property used in construction of:  
520 (A) a new waste energy facility; or  
521 (B) the increase in the capacity of a waste energy facility;  
522 (ii) contracted services required for construction and routine maintenance activities;  
523 and  
524 (iii) unless the tangible personal property is used or acquired for an increase in  
525 capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used  
526 or acquired after:  
527 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as  
528 described in Subsection (56)(a)(iii); or  
529 (B) the increased capacity described in Subsection (56)(a)(i) is operational as  
530 described in Subsection (56)(a)(iii);  
531 (57)(a) leases of five or more years or purchases made on or after July 1, 2004, but on or  
532 before June 30, 2027, of tangible personal property that:  
533 (i) is leased or purchased for or by a facility that:  
534 (A) is located in the state;  
535 (B) produces fuel from alternative energy, including:  
536 (I) methanol; or  
537 (II) ethanol; and  
538 (C)(I) becomes operational on or after July 1, 2004; or  
539 (II) has its capacity to produce fuel increase by 25% or more on or after July 1,

2004, as a result of the installation of the tangible personal property;

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

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

- (i) tangible personal property used in construction of:
  - (A) a new facility described in Subsection (57)(a)(i); or
  - (B) the increase in capacity of the facility described in Subsection (57)(a)(i);
- (ii) contracted services required for construction and routine maintenance activities;  
and
- (iii) unless the tangible personal property is used or acquired for an increase in capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:
  - (A) the facility described in Subsection (57)(a)(i) is operational; or
  - (B) the increased capacity described in Subsection (57)(a)(i) is operational;

) (a) subject to Subsection (58)(b), sales of tangible personal property or a product transferred electronically to a person within this state if that tangible personal property or product transferred electronically is subsequently shipped outside the state and incorporated ~~[pursuant to]~~ in accordance with contract into and becomes a part of real property located outside of this state; and

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

) purchases:

- (a) of one or more of the following items in printed or electronic format:
  - (i) a list containing information that includes one or more:
    - (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;

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

574 (a) delivered to a pawnbroker as part of a pawn transaction; and

575 (b) redeemed or repurchased within the time period established in a written agreement

576 between the person and the pawnbroker for redeeming or repurchasing the product;

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

578 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;

579 and

580 (ii) has a useful economic life of one or more years; and

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

582 (i) telecommunications enabling or facilitating equipment, machinery, or software;

583 (ii) telecommunications equipment, machinery, or software required for 911 service;

584 (iii) telecommunications maintenance or repair equipment, machinery, or software;

585 (iv) telecommunications switching or routing equipment, machinery, or software; or

586 (v) telecommunications transmission equipment, machinery, or software;

587 (62)(a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible

588 personal property or a product transferred electronically that are used in the research

589 and development of alternative energy technology; and

590 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

591 commission may, for purposes of Subsection (62)(a), make rules defining what

592 constitutes purchases of tangible personal property or a product transferred

593 electronically that are used in the research and development of alternative energy

594 technology;

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

596 (i) the tangible personal property or product transferred electronically is:

597 (A) purchased outside of this state;

598 (B) brought into this state at any time after the purchase described in Subsection

599 (63)(a)(i)(A); and

600 (C) used in conducting business in this state; and

601 (ii) for:

602 (A) tangible personal property or a product transferred electronically other than

603 the tangible personal property described in Subsection (63)(a)(ii)(B), the first

604 use of the property for a purpose for which the property is designed occurs

605 outside of this state; or

606 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is

607 registered outside of this state and not required to be registered in this state

608 under Section 41-1a-202 or 73-18-9 based on residency;

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

610 (i) a lease or rental of tangible personal property or a product transferred  
611 electronically; or

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

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

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

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

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

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

624 (a) a person presents a prescription for the disposable home medical equipment or  
625 supplies;

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

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

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

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

632 (65) sales:

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

635 (b) of tangible personal property to a subcontractor of a public transit district, if the  
636 tangible personal property is:

637 (i) clearly identified; and

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

639 (66) sales of construction materials:

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

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

- (i) located within a county of the first class; and
- (ii) that has a United States customs office on its premises; and
- (c) if the construction materials are:
  - (i) clearly identified;
  - (ii) segregated; and
  - (iii) installed or converted to real property:
    - (A) owned or operated by the international airport described in Subsection (66)(b); and
    - (B) located at the international airport described in Subsection (66)(b);
- ) sales of construction materials:
  - (a) purchased on or after July 1, 2008;
  - (b) purchased by, on behalf of, or for the benefit of a new airport:
    - (i) located within a county of the second or third class, as classified in Section 17-60-104; and
    - (ii) that is owned or operated by a city in which an airline as defined in Section 59-2-102 is headquartered; and
- (c) if the construction materials are:
  - (i) clearly identified;
  - (ii) segregated; and
  - (iii) installed or converted to real property:
    - (A) owned or operated by the new airport described in Subsection (67)(b);
    - (B) located at the new airport described in Subsection (67)(b); and
    - (C) as part of the construction of the new airport described in Subsection (67)(b);
- ) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common carrier that is a railroad for use in a locomotive engine;
- ) purchases and sales described in Section 63H-4-111;
- ) (a) sales of tangible personal property to an aircraft maintenance, repair, and overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration lists a state or country other than this state as the location of registry of the fixed wing turbine powered aircraft; or
- (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered

676 aircraft's registration lists a state or country other than this state as the location of  
677 registry of the fixed wing turbine powered aircraft;

678 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:  
679 (a) to a person admitted to an institution of higher education; and  
680 (b) by a seller, other than a bookstore owned by an institution of higher education, if  
681 51% or more of that seller's sales revenue for the previous calendar quarter are sales  
682 of a textbook for a higher education course;

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

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

689 (a) clearly identified;  
690 (b) segregated; and  
691 (c) installed or converted to real property;

692 (74) amounts paid or charged for:

693 (a) a purchase or lease of machinery and equipment that:  
694 (i) are used in performing qualified research:  
695 (A) as defined in Section 41(d), Internal Revenue Code; and  
696 (B) in the state; and  
697 (ii) have an economic life of three or more years; and  
698 (b) normal operating repair or replacement parts:  
699 (i) for the machinery and equipment described in Subsection (74)(a); and  
700 (ii) that have an economic life of three or more years;

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

702 (a) for a sale:  
703 (i) the ownership of the seller and the ownership of the purchaser are identical; and  
704 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that  
705 tangible personal property prior to making the sale; or  
706 (b) for a lease:  
707 (i) the ownership of the lessor and the ownership of the lessee are identical; and  
708 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that  
709 tangible personal property prior to making the lease;

710 (76)(a) purchases of machinery or equipment if:

711 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,  
712 Gambling, and Recreation Industries, of the 2012 North American Industry  
713 Classification System of the federal Executive Office of the President, Office of  
714 Management and Budget;

715 (ii) the machinery or equipment:

716 (A) has an economic life of three or more years; and

717 (B) is used by one or more persons who pay admission or user fees described in  
718 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment;  
719 and

720 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:

721 (A) amounts paid or charged as admission or user fees described in Subsection  
722 59-12-103(1)(f); and

723 (B) subject to taxation under this chapter; and

724 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
725 commission may make rules for verifying that 51% of a purchaser's sales revenue for  
726 the previous calendar quarter is:

727 (i) amounts paid or charged as admission or user fees described in Subsection  
728 59-12-103(1)(f); and

729 (ii) subject to taxation under this chapter;

730 (77) purchases of a short-term lodging consumable by a business that provides  
731 accommodations and services described in Subsection 59-12-103(1)(i);

732 (78) amounts paid or charged to access a database:

733 (a) if the primary purpose for accessing the database is to view or retrieve information  
734 from the database; and

735 (b) not including amounts paid or charged for a:

736 (i) digital audio work;

737 (ii) digital audio-visual work; or

738 (iii) digital book;

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

741 (a) machinery and equipment that:

742 (i) are used in the operation of the electronic financial payment service; and

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

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

745 (i) are used in the operation of the electronic financial payment service; and

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

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

748 (81) amounts paid or charged for a purchase or lease of tangible personal property or a  
749 product transferred electronically if the tangible personal property or product transferred  
750 electronically:

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

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

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

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

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

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

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

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

761 (84) amounts paid or charged for a purchase or lease made by a qualifying data center or an  
762 occupant of a qualifying data center of machinery, equipment, or normal operating  
763 repair or replacement parts, if the machinery, equipment, or normal operating repair or  
764 replacement parts:

765 (a) are used in:

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

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

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

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

771 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
772 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or  
773 supplies used or consumed:

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

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

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

780 (ii) research and development;

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

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

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

787 (c) if the person holds a valid refiner tax exemption certification as defined in Section  
788 79-6-701;

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

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

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

799 (b) is located in this state; and

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

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

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

804 (a) is used as currency;

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

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

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

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

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

813 (92) amounts paid or charged in connection with the construction, operation, maintenance,

814 repair, or replacement of facilities owned by or constructed for:

815 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or

816 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;

817 (93) amounts paid by the service provider for tangible personal property, other than

818 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels,

819 that:

820 (a) is consumed in the performance of a service that is subject to tax under Subsection

821 59-12-103(1)(b), (f), (g), (h), (i), or (j);

822 (b) has to be consumed for the service provider to provide the service described in

823 Subsection (93)(a); and

824 (c) will be consumed in the performance of the service described in Subsection (93)(a),

825 to one or more customers, to the point that the tangible personal property disappears

826 or cannot be used for any other purpose;

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

828 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or

829 construction materials between establishments, as the commission defines that term in

830 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:

831 (a) the establishments are related directly or indirectly through 100% common

832 ownership or control; and

833 (b) each establishment is described in one of the following subsectors of the 2022 North

834 American Industry Classification System of the federal Executive Office of the

835 President, Office of Management and Budget:

836 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or

837 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing;

838 (96) sales of construction materials used for the construction of a qualified stadium, as

839 defined in Section 11-70-101;

840 (97) amounts paid or charged for sales of a cannabinoid product as that term is defined in

841 Section 4-41-102;

842 (98) amounts paid or charged by an operator of a qualifying energy storage manufacturing

843 facility for:

844 (a) a purchase of tangible personal property if the tangible personal property is

845 incorporated into equipment or a device that stores and discharges energy at the

qualifying energy storage manufacturing facility; and

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

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

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

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

## Section 2. Effective Date.

This bill takes effect on July 1, 2026.