

# Tax Bills Passed During the 2009 General Session

## Income Taxes

### **H.B. 20**      ***Repeal of Certain Income Tax Credits and Contributions*** (Rep. Julie Fisher)

This bill amends the Individual Income Tax Act and related provisions to repeal certain income tax credits and contributions.

This bill:

- ▶ repeals the income tax targeted jobs tax credit for individuals, estates, and trusts;
- ▶ repeals the individual income tax contributions for:
  - the Utah College of Applied Technology; and
  - the Wolf Depredation and Management Restricted Account;
- ▶ provides that contributions and interest remaining on June 30, 2009 in the Wolf Depredation and Management Restricted Account shall be deposited into the Agricultural and Wildlife Damage Prevention Account;
- ▶ modifies the sources of funding for the Agricultural Wildlife Damage Prevention Account to include contributions and interest remaining on June 30, 2009 in the Wolf Depredation and Management Restricted Account;
- ▶ provides repeal dates for provisions relating to:
  - the Wolf Depredation and Management Restricted Account; and
  - contributions and interest remaining on June 30, 2009 in the Wolf Depredation and Management Restricted Account that are deposited into the Agricultural and Wildlife Damage Prevention Account; and
- ▶ makes technical changes.

### **H.B. 71**      ***Withholding Tax Amendments*** (Rep. E. Vickers)

This bill modifies the Withholding of Tax part to address withholding prepayments.

This bill:

- ▶ modifies withholding requirements to address:
  - withholding prepayments and accompanying forms; and
  - penalties and interest; and
- ▶ makes technical changes.

### **S.B. 23**      ***Income Taxation of Pass-through Entities and Pass-through Entity Taxpayers*** (Sen. W. Niederhauser)

This bill amends the Corporate Franchise and Income Taxes chapter and the Individual Income Tax Act to address the income taxation of a pass-through entity and a taxpayer to whom income, gain, loss, deduction, or credit of the pass-through entity is passed through.

This bill:

- ▶ provides that corporate franchise and income taxes are imposed on an S corporation through the taxable year beginning on or after January 1, 2012, but beginning on or before December 31, 2012;
- ▶ requires the Revenue and Taxation Interim Committee to conduct a study and prescribes

- the scope of the study;
- ▶ repeals provisions governing the taxation of a limited liability company;
  - ▶ addresses the income taxation of a taxpayer to whom income, gain, loss, deduction, or credit of a pass-through entity is passed through;
  - ▶ expands withholding requirements to provide that a pass-through entity, including a general partnership, limited partnership, limited liability partnership, limited liability company, or an S corporation, is required to pay or withhold a tax on behalf of a resident or nonresident business entity or a nonresident individual;
  - ▶ provides exceptions to the withholding requirements;
  - ▶ provides withholding procedures;
  - ▶ addresses return filing requirements for a pass-through entity or a taxpayer to whom income, gain, loss, deduction, or credit of a pass-through entity is passed through;
  - ▶ addresses the characterization of items of income, gain, loss, deduction, or credit for purposes of state income taxation of a taxpayer to whom income, gain, loss, deduction, or credit of a pass-through entity is passed through;
  - ▶ addresses the determination of a taxpayer's share of certain additions to income, deductions from income, or adjustments to income required by state statute;
  - ▶ addresses a refundable tax credit for a taxpayer to whom income, gain, loss, deduction, or credit of a pass-through entity is passed through; and
  - ▶ makes technical changes.

## **Property Taxes**

### ***H.B. 23 Certified Tax Rate Amendments (Rep. F. Hunsaker)***

This bill amends provisions in the Property Tax Act relating to the calculation of a taxing entity's certified tax rate.

This bill:

- ▶ includes the revenue a taxing entity collects from redemptions as "ad valorem property tax revenues" for purposes of calculating the taxing entity's certified tax rate;
- ▶ requires a taxing entity's ad valorem property tax revenues budgeted for the prior year to be decreased by the average annual amount of revenue collected from redemptions during the prior five-year period for purposes of calculating a taxing entity's certified tax rate;
- ▶ exempts a taxing entity from the notice and hearing requirements of "Truth in Taxation" for a certain amount of budgeted revenue equal to the taxing entity's five-year average of redemptions from collections;
- ▶ defines terms; and
- ▶ makes technical changes.

### ***H.B. 28 Personal Property Tax Amendments (Rep. C. Frank)***

This bill amends provisions in the Property Tax Act relating to the collection of personal property taxes.

This bill:

- ▶ provides that a county assessor may impose a penalty if a taxpayer fails to file a property tax statement on or before May 15 of the year the property tax statement is requested by the county assessor;

- ▶ requires a county assessor of a county of the first class to mail a subsequent notice to the taxpayer before imposing a penalty for failure to file a property tax statement;
- ▶ requires a county assessor to mail a subsequent notice to a taxpayer before imposing a penalty for failure to file a property tax statement if the county assessor requested the property tax statement on or after March 16 of the year the property tax statement is requested by the county assessor;
- ▶ requires a county assessor to make an estimate of the value of property based on known facts and circumstances if a taxpayer fails to file a signed statement of the taxpayer's property; and
- ▶ makes technical changes.

**H.B. 67**      ***Public Hearings on Property Tax Increases*** (Rep. G. Froerer)

This bill modifies the Property Tax Act to address certain requirements for a taxing entity to provide notice of public hearings.

This bill:

- ▶ amends the format of the "Truth in Taxation" newspaper advertisement;
- ▶ excludes new growth from the taxing entity's budgeted revenue amounts for purposes of determining the taxing entity's percentage increase listed in a "Truth in Taxation" newspaper advertisement;
- ▶ modifies the advertisement requirements for a taxing entity when the taxing entity's public hearing is advertised by the county auditor;
- ▶ requires certain taxing entities to notify a county auditor of public hearings related to tax increases;
- ▶ requires the county auditor to compile the notices of public hearings;
- ▶ requires publication of the compiled information;
- ▶ requires certain taxing entities to provide information to taxpayers;
- ▶ provides for the payment of costs;
- ▶ addresses the scope of the provision; and
- ▶ makes technical changes.

**H.B. 116**      ***Uniform Fees on Canoes*** (Rep. M. Wheatley)

This bill amends provisions in the Property Tax Act relating to the annual uniform fees on canoes.

This bill:

- ▶ amends the definition of "canoe" to include a canoe with an outboard motor; and
- ▶ makes technical changes.

**H.B. 157**      ***Property Tax Assessment Amendments*** (Rep. W. Harper)

This bill amends the appraiser licensing requirements for certain county assessors and provisions in the Property Tax Act relating to the Multicounty Assessing and Collecting Levy.

This bill:

- ▶ amends the licensing requirements for first, second, and third class county assessors to require those county assessors to be state licensed or state certified appraisers prior to taking office as a county assessor;
- ▶ requires second through sixth class counties to levy an additional .000010 per dollar of

- ▶ taxable value for its Multicounty Assessing and Collecting Levy;
- ▶ requires certain revenue from the Property Tax Valuation Agency Fund to be disbursed to the Multicounty Appraisal Trust;
- ▶ decreases the county additional property tax for certain second and third class counties;
- ▶ provides a method to determine the amount of revenue to be transferred from the Property Tax Valuation Agency Fund to the Multicounty Appraisal Trust;
- ▶ provides that the Multicounty Appraisal Trust oversee the distributions of revenue received from the Property Tax Valuation Agency Fund;
- ▶ defines terms; and
- ▶ makes technical changes.

**H.B. 378**      ***Circuit Breaker Amendments*** (Rep. T. Cosgrove)

This bill amends the Property Tax Act to amend the household income qualifying limits of some claimants applying for certain property tax relief programs.

This bill:

- ▶ for taxable year 2009, decreases a claimant's household income by \$1,000 for a dependent that the claimant is eligible to claim on the claimant's federal taxes for purposes of qualifying for a homeowner's credit for a maximum household income decrease of \$1,000;
- ▶ for taxable year 2009, decreases a claimant's household income by \$1,000 for a dependent that the claimant is eligible to claim on the claimant's federal taxes for purposes of qualifying for a renter's credit for a maximum household income decrease of \$1,000; and
- ▶ makes technical changes.

**S.B. 65**      ***Amendments to Property Tax Notice, Public Hearing, and Resolution Provisions*** (Sen. D. Stowell)

This bill amends the Property Tax Act to address property tax notice, public hearing, and resolution requirements.

This bill:

- ▶ defines terms;
- ▶ modifies property tax notice, public hearing, and resolution requirements if a taxing entity seeks to levy a tax rate that exceeds the certified tax rate;
- ▶ addresses exceptions to the property tax notice or public hearing requirements; and
- ▶ makes technical changes.

**S.B. 157**      ***Property Taxation and Registration of Aircraft*** (Sen. M. Madsen)

This bill amends provisions in the Property Tax Act and the Uniform Aeronautical Regulatory Act related to the taxation and registration of certain charter aircraft.

This bill:

- ▶ provides that, for purposes of property taxation of an air charter service, operating property does not include an aircraft that is used by the air charter service for air charter and is owned by a person other than the air charter service;
- ▶ reduces the registration fee for an aircraft used by an air charter service for air charter from .4% to .25% of the average wholesale value of the aircraft; and
- ▶ makes technical changes.

**S.B. 210**      ***Amendments to Property Tax (Sen. C. Bramble)***

This bill amends provisions in the Property Tax Act related to the fair market value assessment of aircraft.

This bill:

- ▶ provides a method for determining the fair market value of centrally assessed aircraft; and
- ▶ makes technical changes.

## **Sales and Use Taxes**

**H.B. 58**      ***Sales and Use Tax - Determining the Location of Certain Transactions (Rep. W. Harper)***

This bill amends the Sales and Use Tax Act relating to determining the location of certain transactions.

This bill:

- ▶ addresses the sale, lease, or rental of a service under provisions for determining the location of certain transactions if the receipt of an order and the receipt of tangible personal property or a product transferred electronically take place within the state; and
- ▶ makes technical changes.

**H.B. 65**      ***Reporting of Certain Transactions Exempt from Sales and Use Taxes (Rep. Julie Fisher)***

This bill amends the Penalties, Interest, and Confidentiality of Information part and the Sales and Use Tax Act relating to reporting requirements for certain transactions exempt from sales and use taxes.

This bill:

- ▶ repeals the requirement for an owner or purchaser to report transactions exempt from state and local sales and use taxes with respect to:
  - exemptions for certain machinery, equipment, or parts; and
  - the exemption relating to semiconductors;
- ▶ repeals penalty provisions relating to the transaction reporting requirements that are repealed;
- ▶ repeals the requirement that the State Tax Commission provide to the Legislature the total amount of sales or uses:
  - exempt under the exemption relating to semiconductors; and
  - reported to the commission in accordance with the transaction reporting requirements that are repealed;
- ▶ requires the State Tax Commission to estimate the cost of the exemptions for certain machinery, equipment, or parts for purposes of reviewing the exemptions and reporting to the Revenue and Taxation Interim Committee; and
- ▶ makes technical changes.

**S.B. 35**      ***Sales and Use Tax Definitions Relating to Property*** (Sen. W. Niederhauser)

This bill amends the Sales and Use Tax Act relating to definitions.

This bill:

- ▶ modifies the definitions of:
  - "permanently attached to real property"; and
  - "tangible personal property"; and
- ▶ makes technical changes.

**S.B. 36**      ***Sales and Use Tax Amendments*** (Sen. C. Bramble)

This bill amends the Sales and Use Tax Act and related provisions.

This bill:

- ▶ addresses an exemption from certain penalties relating to sales and use taxes;
- ▶ modifies and repeals definitions;
- ▶ provides that amounts paid or charged for prepaid telephone calling cards are not subject to state and local sales and use taxes;
- ▶ repeals a sales and use tax exemption for sales of telecommunications service charged to a prepaid telephone calling card;
- ▶ provides a requirement that to be eligible for exemption from state and local sales and use taxes, certain machinery, equipment, or repair or replacement parts be used in an establishment or facility in the state;
- ▶ repeals obsolete language;
- ▶ addresses a state sales and use tax exemption for certain accommodations and services taxed by the Navajo Nation;
- ▶ addresses a refund for overpayment of a sales and use tax;
- ▶ addresses a seller's or certified service provider's reliance on State Tax Commission information;
- ▶ addresses the transactions that are taxable or exempt under Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act;
- ▶ addresses the determination of the location of certain transactions;
- ▶ provides that the motor vehicle rental tax is not subject to certain provisions designating the state sales and use tax for particular purposes;
- ▶ conforms terminology in the emergency telephone service charge for 911 administered by the State Tax Commission to terminology in the Sales and Use Tax Act; and
- ▶ makes technical changes.

**S.B. 189**      ***Amendments to Sales and Use Tax*** (Sen. W. Niederhauser)

This bill amends the Sales and Use Tax Act and related provisions to address transactions that are subject to taxation or exempt from taxation and to address sales and use tax funding for the Qualified Emergency Food Agencies Fund.

This bill:

- ▶ modifies the sales and use tax funding sources for the Qualified Emergency Food Agencies Fund;
- ▶ repeals a defined term;
- ▶ reduces the amount of state sales and use tax to be deposited into the Qualified Emergency Food Agencies Fund;

- ▶ provides that the State Tax Commission shall calculate and retain a portion of the following taxes and deposit the amount retained into the Qualified Emergency Food Agencies Fund:
  - the tax under Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and
  - the tax under Title 59, Chapter 12, Part 11, County Option Sales and Use Tax;
- ▶ modifies a sales and use tax exemption relating to a commercial airline carrier;
- ▶ provides that the tax under Title 59, Chapter 12, Part 20, Supplemental State Sales and Use Tax Act, is imposed on the same transactions as the state sales and use tax:
  - except for food and food ingredients under certain circumstances; and
  - including sales of gas, electricity, heat, coal, fuel oil, or other fuels for residential use; and
- ▶ makes technical changes.

**S.B. 235**      ***Redistribution of Sales and Use Tax Revenues*** (Sen. J. Valentine)

This bill amends the Sales and Use Tax Act relating to the redistribution of sales and use tax revenues.

This bill:

- ▶ establishes procedures and requirements for the State Tax Commission to redistribute certain sales and use tax revenues from one county, city, or town to another county, city, or town under certain circumstances;
- ▶ allows a county, city, or town to file a petition for reconsideration with the State Tax Commission relating to a redistribution of certain sales and use tax revenues from one county, city, or town to another county, city, or town; and
- ▶ makes technical changes.

**S.B. 248**      ***Tax Amendments*** (Sen. G. Bell)

This bill amends the Sales and Use Tax Act and related provisions to address certain local sales and use taxes relating to airports, highways, and public transportation.

This bill:

- ▶ amends the additional public transit tax to:
  - expand the uses of tax revenues;
  - create an exemption from certain election requirements; and
  - provide that if an exemption from election requirements applies a county, city, or town shall obtain approval to impose the tax from the county, city, or town legislative body;
- ▶ amends a local option sales and use tax for airports, highways, and public transit by:
  - providing and modifying definitions;
  - allowing a city or town within a county of the second class to impose the tax in addition to a county of the second class under certain circumstances;
  - modifying the purposes for which tax revenues may be expended, including providing that certain cities and towns may expend up to all of the revenues collected from the tax for certain airport facilities;
  - addressing certain notice requirements for a city or town imposing the tax; and
  - addressing procedures for the State Tax Commission to distribute tax revenues;
- ▶ addresses the expenditure of revenues deposited into the Local Transportation Corridor

- ▶ Preservation Fund if those revenues are allocated to a city or town that imposes the local option sales and use tax for airports, highways, and public transit;
- ▶ addresses the expenditure of revenues deposited into the County of the Second Class State Highway Projects Fund if those revenues are deposited for or allocated to a city or town that imposes the local option sales and use tax for airports, highways, and public transit; and
- ▶ makes technical changes.

## Other Taxes

### ***H.B. 54 Amendments to Vehicle Registration Requirements (Rep. F. Gibson)***

This bill amends the Registration part relating to requirements prior to registration of a vehicle.

This bill:

- ▶ requires an owner to pay applicable state and local sales and use taxes prior to registration of a vehicle; and
- ▶ makes technical changes.

### ***H.B. 55 Amendments to Tourism, Recreation, Cultural, Convention, and Airport Facilities Tax Act (Rep. W. Harper)***

This bill amends the Tourism, Recreation, Cultural, Convention, and Airport Facilities Tax Act to address the taxation of sales by a restaurant.

This bill:

- ▶ provides that sales of alcoholic beverages sold by a restaurant are subject to taxation within a county that imposes a tax on certain sales by a restaurant; and
- ▶ makes technical changes.

### ***H.B. 80 Study on Taxpayer Advocate Program (Rep. K. Grover)***

This bill requires the Revenue and Taxation Interim Committee to study the implementation of a taxpayer advocate program.

This bill:

- ▶ requires the Revenue and Taxation Interim Committee to study the implementation of a taxpayer advocate program within the Utah State Tax Commission during the 2009 interim;
- ▶ prescribes the scope of the study; and
- ▶ addresses legislation to implement a taxpayer advocate program.

### ***S.B. 108 Tax Commission Administration, Collection, and Enforcement Amendments (Sen. W. Niederhauser)***

This bill modifies provisions related to the administration, collection, and enforcement of certain taxes, fees, and charges by the State Tax Commission.

This bill:

- ▶ addresses the administration, collection, and enforcement of certain taxes, fees, and charges by the State Tax Commission;



- ▶ defines terms;
- ▶ addresses penalties and interest on a tax, fee, or charge;
- ▶ addresses the procedure for obtaining a redetermination of a deficiency;
- ▶ addresses general collection procedures by the State Tax Commission;
- ▶ addresses mailing procedures for the State Tax Commission or a person required to mail certain documents to the State Tax Commission;
- ▶ addresses record retention requirements for a person subject to a tax, fee, or charge;
- ▶ enacts provisions related to the assessment, collection, and refund of a tax, fee, or charge, including:
  - providing general collection authority;
  - providing exceptions to the provisions;
  - allowing for the State Tax Commission to make rules establishing collection procedures;
  - addressing notice requirements for the State Tax Commission;
  - providing for an objection to a notice of deficiency;
  - requiring the State Tax Commission to estimate a tax, fee, or charge, if a person fails to file a return;
  - addressing mathematical errors;
  - addressing assessments of a tax, fee, or charge;
  - providing for recomputation of amounts due;
  - addressing actions for the collection of a tax, fee, or charge;
  - addressing the time period for assessing a tax, fee, or charge;
  - addressing credits and refunds;
  - addressing notice and demand for an unpaid liability;
  - addressing notices to a third party relating to a delinquency in the payment of a liability;
  - addressing a lien related to the payment of a liability;
  - addressing a notice of a lien;
  - addressing a warrant;
  - addressing a levy for an unpaid liability;
  - addressing a transferee obligated for the payment of a liability of a person that originally owes the liability;
  - addressing burden of proof;
  - addressing statutes of limitations;
  - addressing venue; and
  - addressing miscellaneous provisions;
- ▶ addresses overpayments, credits, and refunds in relation to certain taxes;
- ▶ addresses State Tax Commission rulemaking authority;
- ▶ addresses assessments and collections in relation to income taxes;
- ▶ addresses income tax return filing requirements;
- ▶ addresses powers and duties of the State Tax Commission;
- ▶ addresses State Tax Commission collection, administration, and enforcement authority in relation to the emergency services telephone charge to fund the Utah Poison Control Center; and
- ▶ makes technical changes.

**S.B. 186**      ***Amendments to State Tax Commission Penalty Provisions*** (Sen. H. Stephenson)

This bill amends the Penalties, Interest, and Confidentiality of Information part relating to penalties imposed by the State Tax Commission.

This bill:

- ▶ defines terms;
- ▶ addresses penalties relating to a tax, fee, or charge:
  - before the activation of the State Tax Commission's GenTax system; and
  - after the activation of the State Tax Commission's GenTax system;
- ▶ addresses the due date for filing a return if the person filing the return is allowed an extension of time for filing the return;
- ▶ addresses the taxes, fees, or charges to which certain penalties apply; and
- ▶ makes technical changes.