

**SHORT-TERM RENTAL MODIFICATIONS**

2024 GENERAL SESSION

STATE OF UTAH

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**LONG TITLE**

**General Description:**

This bill addresses the taxation of short-term rentals of accommodations and motor vehicles.

**Highlighted Provisions:**

This bill:

- ▶ defines "short-term rental" in the sales and use tax code;
- ▶ applies the defined term to the taxes on accommodations and motor vehicles; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

**AMENDS:**

**13-48a-101**, as enacted by Laws of Utah 2023, Chapter 361

**59-12-102 (Contingently Superseded 01/01/25)**, as last amended by Laws of Utah 2023, Chapters 329, 361

**59-12-102 (Contingently Effective 01/01/25)**, as last amended by Laws of Utah 2023, Chapters 329, 361 and 459

**59-12-103 (Contingently Superseded 01/01/25)**, as last amended by Laws of Utah 2023, Chapters 22, 213, 329, 361, and 471

**59-12-103 (Contingently Effective 01/01/25)**, as last amended by Laws of Utah 2023, Chapters 22, 213, 329, 361, 459, and 471

**59-12-602**, as last amended by Laws of Utah 2023, Chapter 361

**59-12-603**, as last amended by Laws of Utah 2023, Chapters 361, 471 and 479

**59-12-1201**, as last amended by Laws of Utah 2023, Chapters 361, 471

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

34 Section 1. Section **13-48a-101** is amended to read:

35 **13-48a-101. Definitions.**

36 As used in this chapter:

37 (1) (a) "Car sharing" means the authorized use of a motor vehicle:

38 (i) by an individual other than the owner of the motor vehicle; and

39 (ii) through a peer-to-peer car-sharing program.

40 (b) "Car sharing" does not mean the business of providing private passenger motor

41 vehicles to the public as used in Section 31A-22-311.

42 (2) (a) "Car-sharing agreement" means an agreement:

43 (i) applicable to a shared vehicle owner and a shared vehicle driver; and

44 (ii) that governs a shared vehicle driver's use of a shared vehicle through a car-sharing  
45 program.

46 (b) "Car-sharing agreement" does not mean:

47 (i) a rental agreement, as defined in Section 31A-22-311; or

48 (ii) a short-term rental as that term is defined in Section [~~59-12-602~~] 59-12-102.

49 (3) "Car-sharing delivery period" means the period of time during which a shared

50 vehicle is being delivered to the location of the car-sharing start time, if applicable, as

51 documented by the governing car-sharing agreement.

52 (4) "Car-sharing period" means the period of time that:

53 (a) (i) begins at the car-sharing delivery period; or

54 (ii) if there is no car-sharing delivery period, begins at the car-sharing start time; and

55 (b) ends at the car-sharing termination time.

56 (5) (a) "Car-sharing program" or "peer-to-peer car-sharing program" means a business

57 platform that connects motor vehicle owners with drivers to enable the sharing of motor

58 vehicles for consideration.

59 (b) "Car-sharing program" does not mean:

60 (i) a motor vehicle rental company, as defined in Section 13-48-102; or

61 (ii) a rental company, as defined in Section 31A-22-311.

62 (6) "Car-sharing start time" means the time when a shared vehicle becomes subject to

63 the control of the shared vehicle driver at or after the time the reservation of the shared vehicle

64 is scheduled to begin, as documented in the records of the car-sharing program.

65 (7) "Car-sharing termination time" means the earliest of the following events:

66 (a) the expiration of the agreed upon period of time established for the use of a shared  
67 vehicle according to the terms of the car-sharing agreement, if the shared vehicle is delivered to  
68 the location agreed upon in the car-sharing agreement;

69 (b) when the shared vehicle is returned to a location as alternatively agreed upon by the  
70 shared vehicle owner and shared vehicle driver as communicated through a car-sharing  
71 program, which alternatively agreed upon location shall be incorporated into the car-sharing  
72 agreement; and

73 (c) when the shared vehicle owner or shared vehicle owner's authorized designee takes  
74 possession and control of the shared vehicle.

75 (8) "Individual-owned shared vehicle" means:

76 (a) for a motor vehicle purchased in the state, a shared vehicle for which applicable  
77 sales tax and use tax was paid on the purchase; or

78 (b) for a motor vehicle not purchased in the state, a shared vehicle for which:

79 (i) an applicable use tax was paid to this state on the purchase; or

80 (ii) sales tax or use tax was paid on the purchase in the jurisdiction in which the motor  
81 vehicle was purchased.

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

83 (10) "Shared vehicle" means a motor vehicle that is available for use by an individual  
84 other than the shared vehicle owner through a car-sharing program.

85 (11) (a) "Shared vehicle driver" means an individual who has been authorized to drive  
86 a shared vehicle by the shared vehicle owner under a car-sharing program.

87 (b) "Shared vehicle driver" does not mean a renter, as defined in Section 31A-22-311.

88 (12) (a) "Shared vehicle owner" means:

89 (i) the registered owner of a motor vehicle made available for car sharing; or

90 (ii) a person designated by the registered owner of a motor vehicle made available for  
91 car sharing.

92 (b) "Shared vehicle owner" does not mean a rental company, as defined in Section  
93 31A-22-311.

94 Section 2. Section **59-12-102 (Contingently Superseded 01/01/25)** is amended to

95 read:

96 **59-12-102 (Contingently Superseded 01/01/25). Definitions.**

97 As used in this chapter:

98 (1) "800 service" means a telecommunications service that:

99 (a) allows a caller to dial a toll-free number without incurring a charge for the call; and

100 (b) is typically marketed:

101 (i) under the name 800 toll-free calling;

102 (ii) under the name 855 toll-free calling;

103 (iii) under the name 866 toll-free calling;

104 (iv) under the name 877 toll-free calling;

105 (v) under the name 888 toll-free calling; or

106 (vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the

107 Federal Communications Commission.

108 (2) (a) "900 service" means an inbound toll telecommunications service that:

109 (i) a subscriber purchases;

110 (ii) allows a customer of the subscriber described in Subsection (2)(a)(i) to call in to  
111 the subscriber's:

112 (A) prerecorded announcement; or

113 (B) live service; and

114 (iii) is typically marketed:

115 (A) under the name 900 service; or

116 (B) under a name similar to Subsection (2)(a)(iii)(A) as designated by the Federal  
117 Communications Commission.

118 (b) "900 service" does not include a charge for:

119 (i) a collection service a seller of a telecommunications service provides to a  
120 subscriber; or

121 (ii) the following a subscriber sells to the subscriber's customer:

122 (A) a product; or

123 (B) a service.

124 (3) (a) "Admission or user fees" includes season passes.

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

- 126 (i) annual membership dues to private organizations; or  
127 (ii) a lesson, including a lesson that involves as part of the lesson equipment or a  
128 facility listed in Subsection 59-12-103(1)(f).
- 129 (4) "Affiliate" or "affiliated person" means a person that, with respect to another  
130 person:
- 131 (a) has an ownership interest of more than 5%, whether direct or indirect, in that other  
132 person; or
- 133 (b) is related to the other person because a third person, or a group of third persons who  
134 are affiliated persons with respect to each other, holds an ownership interest of more than 5%,  
135 whether direct or indirect, in the related persons.
- 136 (5) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on  
137 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax  
138 Agreement after November 12, 2002.
- 139 (6) "Agreement combined tax rate" means the sum of the tax rates:
- 140 (a) listed under Subsection (7); and  
141 (b) that are imposed within a local taxing jurisdiction.
- 142 (7) "Agreement sales and use tax" means a tax imposed under:
- 143 (a) Subsection 59-12-103(2)(a)(i)(A);  
144 (b) Subsection 59-12-103(2)(b)(i);  
145 (c) Subsection 59-12-103(2)(c)(i);  
146 (d) Subsection 59-12-103(2)(d);  
147 (e) Subsection 59-12-103(2)(e)(i)(A)(I);  
148 (f) Section 59-12-204;  
149 (g) Section 59-12-401;  
150 (h) Section 59-12-402;  
151 (i) Section 59-12-402.1;  
152 (j) Section 59-12-703;  
153 (k) Section 59-12-802;  
154 (l) Section 59-12-804;  
155 (m) Section 59-12-1102;  
156 (n) Section 59-12-1302;

- 157 (o) Section 59-12-1402;
- 158 (p) Section 59-12-1802;
- 159 (q) Section 59-12-2003;
- 160 (r) Section 59-12-2103;
- 161 (s) Section 59-12-2213;
- 162 (t) Section 59-12-2214;
- 163 (u) Section 59-12-2215;
- 164 (v) Section 59-12-2216;
- 165 (w) Section 59-12-2217;
- 166 (x) Section 59-12-2218;
- 167 (y) Section 59-12-2219; or
- 168 (z) Section 59-12-2220.
- 169 (8) "Aircraft" means the same as that term is defined in Section 72-10-102.
- 170 (9) "Aircraft maintenance, repair, and overhaul provider" means a business entity:
- 171 (a) except for:
- 172 (i) an airline as defined in Section 59-2-102; or
- 173 (ii) an affiliated group, as defined in Section 59-7-101, except that "affiliated group"
- 174 includes a corporation that is qualified to do business but is not otherwise doing business in the
- 175 state, of an airline; and
- 176 (b) that has the workers, expertise, and facilities to perform the following, regardless of
- 177 whether the business entity performs the following in this state:
- 178 (i) check, diagnose, overhaul, and repair:
- 179 (A) an onboard system of a fixed wing turbine powered aircraft; and
- 180 (B) the parts that comprise an onboard system of a fixed wing turbine powered aircraft;
- 181 (ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered aircraft
- 182 engine;
- 183 (iii) perform at least the following maintenance on a fixed wing turbine powered
- 184 aircraft:
- 185 (A) an inspection;
- 186 (B) a repair, including a structural repair or modification;
- 187 (C) changing landing gear; and

- 188 (D) addressing issues related to an aging fixed wing turbine powered aircraft;
- 189 (iv) completely remove the existing paint of a fixed wing turbine powered aircraft and
- 190 completely apply new paint to the fixed wing turbine powered aircraft; and
- 191 (v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that
- 192 results in a change in the fixed wing turbine powered aircraft's certification requirements by the
- 193 authority that certifies the fixed wing turbine powered aircraft.
- 194 (10) "Alcoholic beverage" means a beverage that:
- 195 (a) is suitable for human consumption; and
- 196 (b) contains .5% or more alcohol by volume.
- 197 (11) "Alternative energy" means:
- 198 (a) biomass energy;
- 199 (b) geothermal energy;
- 200 (c) hydroelectric energy;
- 201 (d) solar energy;
- 202 (e) wind energy; or
- 203 (f) energy that is derived from:
- 204 (i) coal-to-liquids;
- 205 (ii) nuclear fuel;
- 206 (iii) oil-impregnated diatomaceous earth;
- 207 (iv) oil sands;
- 208 (v) oil shale;
- 209 (vi) petroleum coke; or
- 210 (vii) waste heat from:
- 211 (A) an industrial facility; or
- 212 (B) a power station in which an electric generator is driven through a process in which
- 213 water is heated, turns into steam, and spins a steam turbine.
- 214 (12) (a) Subject to Subsection (12)(b), "alternative energy electricity production
- 215 facility" means a facility that:
- 216 (i) uses alternative energy to produce electricity; and
- 217 (ii) has a production capacity of two megawatts or greater.
- 218 (b) A facility is an alternative energy electricity production facility regardless of

219 whether the facility is:

220 (i) connected to an electric grid; or

221 (ii) located on the premises of an electricity consumer.

222 (13) (a) "Ancillary service" means a service associated with, or incidental to, the  
223 provision of telecommunications service.

224 (b) "Ancillary service" includes:

225 (i) a conference bridging service;

226 (ii) a detailed communications billing service;

227 (iii) directory assistance;

228 (iv) a vertical service; or

229 (v) a voice mail service.

230 (14) "Area agency on aging" means the same as that term is defined in Section  
231 26B-6-101.

232 (15) "Assisted amusement device" means an amusement device, skill device, or ride  
233 device that is started and stopped by an individual:

234 (a) who is not the purchaser or renter of the right to use or operate the amusement  
235 device, skill device, or ride device; and

236 (b) at the direction of the seller of the right to use the amusement device, skill device,  
237 or ride device.

238 (16) "Assisted cleaning or washing of tangible personal property" means cleaning or  
239 washing of tangible personal property if the cleaning or washing labor is primarily performed  
240 by an individual:

241 (a) who is not the purchaser of the cleaning or washing of the tangible personal  
242 property; and

243 (b) at the direction of the seller of the cleaning or washing of the tangible personal  
244 property.

245 (17) "Authorized carrier" means:

246 (a) in the case of vehicles operated over public highways, the holder of credentials  
247 indicating that the vehicle is or will be operated pursuant to both the International Registration  
248 Plan and the International Fuel Tax Agreement;

249 (b) in the case of aircraft, the holder of a Federal Aviation Administration operating



250 certificate or air carrier's operating certificate; or

251 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling  
252 stock, a person who uses locomotives, freight cars, railroad work equipment, or other rolling  
253 stock in more than one state.

254 (18) (a) [~~Except as provided in Subsection (18)(b), "biomass"~~] "Biomass energy" means  
255 any of the following that is used as the primary source of energy to produce fuel or electricity:

256 (i) material from a plant or tree; or

257 (ii) other organic matter that is available on a renewable basis, including:

258 (A) slash and brush from forests and woodlands;

259 (B) animal waste;

260 (C) waste vegetable oil;

261 (D) methane or synthetic gas produced at a landfill, as a byproduct of the treatment of  
262 wastewater residuals, or through the conversion of a waste material through a nonincineration,  
263 thermal conversion process;

264 (E) aquatic plants; and

265 (F) agricultural products.

266 (b) "Biomass energy" does not include:

267 (i) black liquor; or

268 (ii) treated woods.

269 (19) (a) "Bundled transaction" means the sale of two or more items of tangible personal  
270 property, products, or services if the tangible personal property, products, or services are:

271 (i) distinct and identifiable; and

272 (ii) sold for one nonitemized price.

273 (b) "Bundled transaction" does not include:

274 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on  
275 the basis of the selection by the purchaser of the items of tangible personal property included in  
276 the transaction;

277 (ii) the sale of real property;

278 (iii) the sale of services to real property;

279 (iv) the retail sale of tangible personal property and a service if:

280 (A) the tangible personal property:

- 281 (I) is essential to the use of the service; and
- 282 (II) is provided exclusively in connection with the service; and
- 283 (B) the service is the true object of the transaction;
- 284 (v) the retail sale of two services if:
- 285 (A) one service is provided that is essential to the use or receipt of a second service;
- 286 (B) the first service is provided exclusively in connection with the second service; and
- 287 (C) the second service is the true object of the transaction;
- 288 (vi) a transaction that includes tangible personal property or a product subject to
- 289 taxation under this chapter and tangible personal property or a product that is not subject to
- 290 taxation under this chapter if the:
- 291 (A) seller's purchase price of the tangible personal property or product subject to
- 292 taxation under this chapter is de minimis; or
- 293 (B) seller's sales price of the tangible personal property or product subject to taxation
- 294 under this chapter is de minimis; and
- 295 (vii) the retail sale of tangible personal property that is not subject to taxation under
- 296 this chapter and tangible personal property that is subject to taxation under this chapter if:
- 297 (A) that retail sale includes:
- 298 (I) food and food ingredients;
- 299 (II) a drug;
- 300 (III) durable medical equipment;
- 301 (IV) mobility enhancing equipment;
- 302 (V) an over-the-counter drug;
- 303 (VI) a prosthetic device; or
- 304 (VII) a medical supply; and
- 305 (B) subject to Subsection (19)(f):
- 306 (I) the seller's purchase price of the tangible personal property subject to taxation under
- 307 this chapter is 50% or less of the seller's total purchase price of that retail sale; or
- 308 (II) the seller's sales price of the tangible personal property subject to taxation under
- 309 this chapter is 50% or less of the seller's total sales price of that retail sale.
- 310 (c) (i) For purposes of Subsection (19)(a)(i), tangible personal property, a product, or a
- 311 service that is distinct and identifiable does not include:

- 312 (A) packaging that:
- 313 (I) accompanies the sale of the tangible personal property, product, or service; and
- 314 (II) is incidental or immaterial to the sale of the tangible personal property, product, or
- 315 service;
- 316 (B) tangible personal property, a product, or a service provided free of charge with the
- 317 purchase of another item of tangible personal property, a product, or a service; or
- 318 (C) an item of tangible personal property, a product, or a service included in the
- 319 definition of "purchase price."
- 320 (ii) For purposes of Subsection (19)(c)(i)(B), an item of tangible personal property, a
- 321 product, or a service is provided free of charge with the purchase of another item of tangible
- 322 personal property, a product, or a service if the sales price of the purchased item of tangible
- 323 personal property, product, or service does not vary depending on the inclusion of the tangible
- 324 personal property, product, or service provided free of charge.
- 325 (d) (i) For purposes of Subsection (19)(a)(ii), property sold for one nonitemized price
- 326 does not include a price that is separately identified by tangible personal property, product, or
- 327 service on the following, regardless of whether the following is in paper format or electronic
- 328 format:
- 329 (A) a binding sales document; or
- 330 (B) another supporting sales-related document that is available to a purchaser.
- 331 (ii) For purposes of Subsection (19)(d)(i), a binding sales document or another
- 332 supporting sales-related document that is available to a purchaser includes:
- 333 (A) a bill of sale;
- 334 (B) a contract;
- 335 (C) an invoice;
- 336 (D) a lease agreement;
- 337 (E) a periodic notice of rates and services;
- 338 (F) a price list;
- 339 (G) a rate card;
- 340 (H) a receipt; or
- 341 (I) a service agreement.
- 342 (e) (i) For purposes of Subsection (19)(b)(vi), the sales price of tangible personal

343 property or a product subject to taxation under this chapter is de minimis if:

344 (A) the seller's purchase price of the tangible personal property or product is 10% or  
345 less of the seller's total purchase price of the bundled transaction; or

346 (B) the seller's sales price of the tangible personal property or product is 10% or less of  
347 the seller's total sales price of the bundled transaction.

348 (ii) For purposes of Subsection (19)(b)(vi), a seller:

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

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

355 (iii) For purposes of Subsection (19)(b)(vi), a seller shall use the full term of a service  
356 contract to determine if the sales price of tangible personal property or a product is de minimis.

357 (f) For purposes of Subsection (19)(b)(vii)(B), a seller may not use a combination of  
358 the seller's purchase price and the seller's sales price to determine if tangible personal property  
359 subject to taxation under this chapter is 50% or less of the seller's total purchase price or sales  
360 price of that retail sale.

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

362 (21) "Car-sharing program" means the same as that term is defined in Section  
363 13-48a-101.

364 (22) "Certified automated system" means software certified by the governing board of  
365 the agreement that:

366 (a) calculates the agreement sales and use tax imposed within a local taxing  
367 jurisdiction:

368 (i) on a transaction; and

369 (ii) in the states that are members of the agreement;

370 (b) determines the amount of agreement sales and use tax to remit to a state that is a  
371 member of the agreement; and

372 (c) maintains a record of the transaction described in Subsection (22)(a)(i).

373 (23) "Certified service provider" means an agent certified:

374 (a) by the governing board of the agreement; and

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

379 (24) (a) Subject to Subsection (24)(b), "clothing" means all human wearing apparel  
380 suitable for general use.

381 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
382 commission shall make rules:

383 (i) listing the items that constitute "clothing"; and

384 (ii) that are consistent with the list of items that constitute "clothing" under the  
385 agreement.

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

387 (26) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other  
388 fuels that does not constitute industrial use under Subsection (60) or residential use under  
389 Subsection (115).

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

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

395 (ii) For purposes of Subsection (27)(b)(i), in accordance with Title 63G, Chapter 3,  
396 Utah Administrative Rulemaking Act, the commission may make rules defining what  
397 constitutes a person's place of employment.

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

400 (28) "Component part" includes:

401 (a) poultry, dairy, and other livestock feed, and their components;

402 (b) baling ties and twine used in the baling of hay and straw;

403 (c) fuel used for providing temperature control of orchards and commercial

404 greenhouses doing a majority of their business in wholesale sales, and for providing power for

405 off-highway type farm machinery; and

406 (d) feed, seeds, and seedlings.

407 (29) "Computer" means an electronic device that accepts information:

408 (a) (i) in digital form; or

409 (ii) in a form similar to digital form; and

410 (b) manipulates that information for a result based on a sequence of instructions.

411 (30) "Computer software" means a set of coded instructions designed to cause:

412 (a) a computer to perform a task; or

413 (b) automatic data processing equipment to perform a task.

414 (31) "Computer software maintenance contract" means a contract that obligates a seller  
415 of computer software to provide a customer with:

416 (a) future updates or upgrades to computer software;

417 (b) support services with respect to computer software; or

418 (c) a combination of Subsections (31)(a) and (b).

419 (32) (a) "Conference bridging service" means an ancillary service that links two or  
420 more participants of an audio conference call or video conference call.

421 (b) "Conference bridging service" may include providing a telephone number as part of  
422 the ancillary service described in Subsection (32)(a).

423 (c) "Conference bridging service" does not include a telecommunications service used  
424 to reach the ancillary service described in Subsection (32)(a).

425 (33) "Construction materials" means any tangible personal property that will be  
426 converted into real property.

427 (34) "Delivered electronically" means delivered to a purchaser by means other than  
428 tangible storage media.

429 (35) (a) "Delivery charge" means a charge:

430 (i) by a seller of:

431 (A) tangible personal property;

432 (B) a product transferred electronically; or

433 (C) a service; and

434 (ii) for preparation and delivery of the tangible personal property, product transferred  
435 electronically, or services described in Subsection (35)(a)(i) to a location designated by the

436 purchaser.

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

438 (i) transportation;

439 (ii) shipping;

440 (iii) postage;

441 (iv) handling;

442 (v) crating; or

443 (vi) packing.

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

446 (37) "Dietary supplement" means a product, other than tobacco, that:

447 (a) is intended to supplement the diet;

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

449 (i) a vitamin;

450 (ii) a mineral;

451 (iii) an herb or other botanical;

452 (iv) an amino acid;

453 (v) a dietary substance for use by humans to supplement the diet by increasing the total  
454 dietary intake; or

455 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient  
456 described in Subsections (37)(b)(i) through (v);

457 (c) (i) except as provided in Subsection (37)(c)(ii), is intended for ingestion in:

458 (A) tablet form;

459 (B) capsule form;

460 (C) powder form;

461 (D) softgel form;

462 (E) gelcap form; or

463 (F) liquid form; or

464 (ii) if the product is not intended for ingestion in a form described in Subsections  
465 (37)(c)(i)(A) through (F), is not represented:

466 (A) as conventional food; and

- 467 (B) for use as a sole item of:
- 468 (I) a meal; or
- 469 (II) the diet; and
- 470 (d) is required to be labeled as a dietary supplement:
- 471 (i) identifiable by the "Supplemental Facts" box found on the label; and
- 472 (ii) as required by 21 C.F.R. Sec. 101.36.
- 473 (38) (a) "Digital audio work" means a work that results from the fixation of a series of
- 474 musical, spoken, or other sounds.
- 475 (b) "Digital audio work" includes a ringtone.
- 476 (39) "Digital audio-visual work" means a series of related images which, when shown
- 477 in succession, imparts an impression of motion, together with accompanying sounds, if any.
- 478 (40) "Digital book" means a work that is generally recognized in the ordinary and usual
- 479 sense as a book.
- 480 (41) (a) "Direct mail" means printed material delivered or distributed by United States
- 481 mail or other delivery service:
- 482 (i) to:
- 483 (A) a mass audience; or
- 484 (B) addressees on a mailing list provided:
- 485 (I) by a purchaser of the mailing list; or
- 486 (II) at the discretion of the purchaser of the mailing list; and
- 487 (ii) if the cost of the printed material is not billed directly to the recipients.
- 488 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a
- 489 purchaser to a seller of direct mail for inclusion in a package containing the printed material.
- 490 (c) "Direct mail" does not include multiple items of printed material delivered to a
- 491 single address.
- 492 (42) "Directory assistance" means an ancillary service of providing:
- 493 (a) address information; or
- 494 (b) telephone number information.
- 495 (43) (a) "Disposable home medical equipment or supplies" means medical equipment
- 496 or supplies that:
- 497 (i) cannot withstand repeated use; and



- 498 (ii) are purchased by, for, or on behalf of a person other than:
- 499 (A) a health care facility as defined in Section 26B-2-201;
- 500 (B) a health care provider as defined in Section 78B-3-403;
- 501 (C) an office of a health care provider described in Subsection (43)(a)(ii)(B); or
- 502 (D) a person similar to a person described in Subsections (43)(a)(ii)(A) through (C).
- 503 (b) "Disposable home medical equipment or supplies" does not include:
- 504 (i) a drug;
- 505 (ii) durable medical equipment;
- 506 (iii) a hearing aid;
- 507 (iv) a hearing aid accessory;
- 508 (v) mobility enhancing equipment; or
- 509 (vi) tangible personal property used to correct impaired vision, including:
- 510 (A) eyeglasses; or
- 511 (B) contact lenses.
- 512 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 513 commission may by rule define what constitutes medical equipment or supplies.
- 514 (44) "Drilling equipment manufacturer" means a facility:
- 515 (a) located in the state;
- 516 (b) with respect to which 51% or more of the manufacturing activities of the facility
- 517 consist of manufacturing component parts of drilling equipment;
- 518 (c) that uses pressure of 800,000 or more pounds per square inch as part of the
- 519 manufacturing process; and
- 520 (d) that uses a temperature of 2,000 or more degrees Fahrenheit as part of the
- 521 manufacturing process.
- 522 (45) (a) "Drug" means a compound, substance, or preparation, or a component of a
- 523 compound, substance, or preparation that is:
- 524 (i) recognized in:
- 525 (A) the official United States Pharmacopoeia;
- 526 (B) the official Homeopathic Pharmacopoeia of the United States;
- 527 (C) the official National Formulary; or
- 528 (D) a supplement to a publication listed in Subsections (45)(a)(i)(A) through (C);

- 529 (ii) intended for use in the:
- 530 (A) diagnosis of disease;
- 531 (B) cure of disease;
- 532 (C) mitigation of disease;
- 533 (D) treatment of disease; or
- 534 (E) prevention of disease; or
- 535 (iii) intended to affect:
- 536 (A) the structure of the body; or
- 537 (B) any function of the body.
- 538 (b) "Drug" does not include:
- 539 (i) food and food ingredients;
- 540 (ii) a dietary supplement;
- 541 (iii) an alcoholic beverage; or
- 542 (iv) a prosthetic device.
- 543 (46) (a) [~~Except as provided in Subsection (46)(c), "durable"~~] "Durable medical
- 544 equipment" means equipment that:
- 545 (i) can withstand repeated use;
- 546 (ii) is primarily and customarily used to serve a medical purpose;
- 547 (iii) generally is not useful to a person in the absence of illness or injury; and
- 548 (iv) is not worn in or on the body.
- 549 (b) "Durable medical equipment" includes parts used in the repair or replacement of the
- 550 equipment described in Subsection (46)(a).
- 551 (c) "Durable medical equipment" does not include mobility enhancing equipment.
- 552 (47) "Electronic" means:
- 553 (a) relating to technology; and
- 554 (b) having:
- 555 (i) electrical capabilities;
- 556 (ii) digital capabilities;
- 557 (iii) magnetic capabilities;
- 558 (iv) wireless capabilities;
- 559 (v) optical capabilities;

- 560 (vi) electromagnetic capabilities; or
- 561 (vii) capabilities similar to Subsections (47)(b)(i) through (vi).
- 562 (48) "Electronic financial payment service" means an establishment:
- 563 (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and
- 564 Clearinghouse Activities, of the 2012 North American Industry Classification System of the
- 565 federal Executive Office of the President, Office of Management and Budget; and
- 566 (b) that performs electronic financial payment services.
- 567 (49) "Employee" means the same as that term is defined in Section 59-10-401.
- 568 (50) "Fixed guideway" means a public transit facility that uses and occupies:
- 569 (a) rail for the use of public transit; or
- 570 (b) a separate right-of-way for the use of public transit.
- 571 (51) "Fixed wing turbine powered aircraft" means an aircraft that:
- 572 (a) is powered by turbine engines;
- 573 (b) operates on jet fuel; and
- 574 (c) has wings that are permanently attached to the fuselage of the aircraft.
- 575 (52) "Fixed wireless service" means a telecommunications service that provides radio
- 576 communication between fixed points.
- 577 (53) (a) "Food and food ingredients" means substances:
- 578 (i) regardless of whether the substances are in:
- 579 (A) liquid form;
- 580 (B) concentrated form;
- 581 (C) solid form;
- 582 (D) frozen form;
- 583 (E) dried form; or
- 584 (F) dehydrated form; and
- 585 (ii) that are:
- 586 (A) sold for:
- 587 (I) ingestion by humans; or
- 588 (II) chewing by humans; and
- 589 (B) consumed for the substance's:
- 590 (I) taste; or

- 591 (II) nutritional value.
- 592 (b) "Food and food ingredients" includes an item described in Subsection (99)(b)(iii).
- 593 (c) "Food and food ingredients" does not include:
- 594 (i) an alcoholic beverage;
- 595 (ii) tobacco; or
- 596 (iii) prepared food.
- 597 (54) (a) "Fundraising sales" means sales:
- 598 (i) (A) made by a school; or
- 599 (B) made by a school student;
- 600 (ii) that are for the purpose of raising funds for the school to purchase equipment,
- 601 materials, or provide transportation; and
- 602 (iii) that are part of an officially sanctioned school activity.
- 603 (b) For purposes of Subsection (54)(a)(iii), "officially sanctioned school activity"
- 604 means a school activity:
- 605 (i) that is conducted in accordance with a formal policy adopted by the school or school
- 606 district governing the authorization and supervision of fundraising activities;
- 607 (ii) that does not directly or indirectly compensate an individual teacher or other
- 608 educational personnel by direct payment, commissions, or payment in kind; and
- 609 (iii) the net or gross [~~revenues~~] revenue from which are deposited in a dedicated
- 610 account controlled by the school or school district.
- 611 (55) "Geothermal energy" means energy contained in heat that continuously flows
- 612 outward from the earth that is used as the sole source of energy to produce electricity.
- 613 (56) "Governing board of the agreement" means the governing board of the agreement
- 614 that is:
- 615 (a) authorized to administer the agreement; and
- 616 (b) established in accordance with the agreement.
- 617 (57) (a) For purposes of Subsection 59-12-104(41), "governmental entity" means:
- 618 (i) the executive branch of the state, including all departments, institutions, boards,
- 619 divisions, bureaus, offices, commissions, and committees;
- 620 (ii) the judicial branch of the state, including the courts, the Judicial Council, the
- 621 Administrative Office of the Courts, and similar administrative units in the judicial branch;

622 (iii) the legislative branch of the state, including the House of Representatives, the  
623 Senate, the Legislative Printing Office, the Office of Legislative Research and General  
624 Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal  
625 Analyst;

626 (iv) the National Guard;

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

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

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

631 (i) a school;

632 (ii) the State Board of Education;

633 (iii) the Utah Board of Higher Education; or

634 (iv) an institution of higher education described in Section 53B-1-102.

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

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

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

641 (a) in mining or extraction of minerals;

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

644 (i) commercial greenhouses;

645 (ii) irrigation pumps;

646 (iii) farm machinery;

647 (iv) implements of husbandry as defined in Section 41-1a-102 that are not registered  
648 under Title 41, Chapter 1a, Part 2, Registration; and

649 (v) other farming activities;

650 (c) in manufacturing tangible personal property at an establishment described in:

651 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of  
652 the federal Executive Office of the President, Office of Management and Budget; or

653 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North  
654 American Industry Classification System of the federal Executive Office of the President,  
655 Office of Management and Budget;

656 (d) by a scrap recycler if:

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

660 (A) iron;

661 (B) steel;

662 (C) nonferrous metal;

663 (D) paper;

664 (E) glass;

665 (F) plastic;

666 (G) textile; or

667 (H) rubber; and

668 (ii) the new products under Subsection (60)(d)(i) would otherwise be made with  
669 nonrecycled materials; or

670 (e) in producing a form of energy or steam described in Subsection 54-2-1(3)(a) by a  
671 cogeneration facility as defined in Section 54-2-1.

672 (61) (a) [~~Except as provided in Subsection (61)(b), "installation]~~ "Installation charge"  
673 means a charge for installing:

674 (i) tangible personal property; or

675 (ii) a product transferred electronically.

676 (b) "Installation charge" does not include a charge for:

677 (i) repairs or renovations of:

678 (A) tangible personal property; or

679 (B) a product transferred electronically; or

680 (ii) attaching tangible personal property or a product transferred electronically:

681 (A) to other tangible personal property; and

682 (B) as part of a manufacturing or fabrication process.

683 (62) "Institution of higher education" means an institution of higher education listed in

684 Section 53B-2-101.

685 (63) (a) "Lease" or "rental" means a transfer of possession or control of tangible  
686 personal property or a product transferred electronically for:

687 (i) (A) a fixed term; or

688 (B) an indeterminate term; and

689 (ii) consideration.

690 (b) "Lease" or "rental" includes:

691 (i) an agreement covering a motor vehicle and trailer if the amount of consideration  
692 may be increased or decreased by reference to the amount realized upon sale or disposition of  
693 the property as defined in Section 7701(h)(1), Internal Revenue Code; and

694 (ii) car sharing.

695 (c) "Lease" or "rental" does not include:

696 (i) a transfer of possession or control of property under a security agreement or  
697 deferred payment plan that requires the transfer of title upon completion of the required  
698 payments;

699 (ii) a transfer of possession or control of property under an agreement that requires the  
700 transfer of title:

701 (A) upon completion of required payments; and

702 (B) if the payment of an option price does not exceed the greater of:

703 (I) \$100; or

704 (II) 1% of the total required payments; or

705 (iii) providing tangible personal property along with an operator for a fixed period of  
706 time or an indeterminate period of time if the operator is necessary for equipment to perform as  
707 designed.

708 (d) For purposes of Subsection (63)(c)(iii), an operator is necessary for equipment to  
709 perform as designed if the operator's duties exceed the:

710 (i) set-up of tangible personal property;

711 (ii) maintenance of tangible personal property; or

712 (iii) inspection of tangible personal property.

713 (64) "Lesson" means a fixed period of time for the duration of which a trained  
714 instructor:

- 715 (a) is present with a student in person or by video; and
- 716 (b) actively instructs the student, including by providing observation or feedback.
- 717 (65) "Life science establishment" means an establishment in this state that is classified
- 718 under the following NAICS codes of the 2007 North American Industry Classification System
- 719 of the federal Executive Office of the President, Office of Management and Budget:
- 720 (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;
- 721 (b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus
- 722 Manufacturing; or
- 723 (c) NAICS Code 334517, Irradiation Apparatus Manufacturing.
- 724 (66) "Life science research and development facility" means a facility owned, leased,
- 725 or rented by a life science establishment if research and development is performed in 51% or
- 726 more of the total area of the facility.
- 727 (67) "Load and leave" means delivery to a purchaser by use of a tangible storage media
- 728 if the tangible storage media is not physically transferred to the purchaser.
- 729 (68) "Local taxing jurisdiction" means a:
- 730 (a) county that is authorized to impose an agreement sales and use tax;
- 731 (b) city that is authorized to impose an agreement sales and use tax; or
- 732 (c) town that is authorized to impose an agreement sales and use tax.
- 733 (69) "Manufactured home" means the same as that term is defined in Section
- 734 15A-1-302.
- 735 (70) "Manufacturing facility" means:
- 736 (a) an establishment described in:
- 737 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
- 738 the federal Executive Office of the President, Office of Management and Budget; or
- 739 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
- 740 American Industry Classification System of the federal Executive Office of the President,
- 741 Office of Management and Budget;
- 742 (b) a scrap recycler if:
- 743 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
- 744 one or more of the following items into prepared grades of processed materials for use in new
- 745 products:



746 (A) iron;  
747 (B) steel;  
748 (C) nonferrous metal;  
749 (D) paper;  
750 (E) glass;  
751 (F) plastic;  
752 (G) textile; or  
753 (H) rubber; and  
754 (ii) the new products under Subsection (70)(b)(i) would otherwise be made with  
755 nonrecycled materials; or

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

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

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

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

766 (i) does any of the following:

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

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

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

777 property, a product transferred electronically, or a service;

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

782 (E) provides software development or research and development activities related to  
783 any activity described in this Subsection (72)(a)(i), if the software development or research and  
784 development activity is directly related to the person's marketplace;

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

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

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

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

793 (ii) does any of the following:

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

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

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

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

808 exchange for the service; or

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

811 (b) "Marketplace facilitator" does not include:

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

813 (ii) a person described in Subsection (72)(a) to the extent the person is facilitating a  
814 sale for a seller that is a restaurant as defined in Section 59-12-602.

815 (73) "Marketplace seller" means a seller that makes one or more retail sales through a  
816 marketplace that a marketplace facilitator owns, operates, or controls, regardless of whether the  
817 seller is required to be registered to collect and remit the tax under this part.

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

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

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

822 (ii) a foster child or foster stepchild;

823 (b) grandchild or stepgrandchild;

824 (c) grandparent or stepgrandparent;

825 (d) nephew or stepnephew;

826 (e) niece or stepniece;

827 (f) parent or stepparent;

828 (g) sibling or stepsibling;

829 (h) spouse;

830 (i) person who is the spouse of a person described in Subsections (74)(a) through (g);

831 or

832 (j) person similar to a person described in Subsections (74)(a) through (i) as  
833 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah  
834 Administrative Rulemaking Act.

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

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

838 (77) (a) "Mobile wireless service" means a telecommunications service, regardless of

839 the technology used, if:

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

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

842 (iii) the origination point described in Subsection (77)(a)(i) and the termination point  
843 described in Subsection (77)(a)(ii) are not fixed.

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

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

848 (78) (a) [~~Except as provided in Subsection (78)(c), "mobility]~~ "Mobility enhancing  
849 equipment" means equipment that is:

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

852 (ii) appropriate for use in a:

853 (A) home; or

854 (B) motor vehicle; and

855 (iii) not generally used by persons with normal mobility.

856 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of  
857 the equipment described in Subsection (78)(a).

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

859 (i) a motor vehicle;

860 (ii) equipment on a motor vehicle if that equipment is normally provided by the motor  
861 vehicle manufacturer;

862 (iii) durable medical equipment; or

863 (iv) a prosthetic device.

864 (79) "Model 1 seller" means a seller registered under the agreement that has selected a  
865 certified service provider as the seller's agent to perform the seller's sales and use tax functions  
866 for agreement sales and use taxes, as outlined in the contract between the governing board of  
867 the agreement and the certified service provider, other than the seller's obligation under Section  
868 59-12-124 to remit a tax on the seller's own purchases.

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

870 (a) except as provided in Subsection (80)(b), has selected a certified automated system  
871 to perform the seller's sales tax functions for agreement sales and use taxes; and

872 (b) retains responsibility for remitting all of the sales tax:

873 (i) collected by the seller; and

874 (ii) to the appropriate local taxing jurisdiction.

875 (81) (a) Subject to Subsection (81)(b), "model 3 seller" means a seller registered under  
876 the agreement that has:

877 (i) sales in at least five states that are members of the agreement;

878 (ii) total annual sales [~~revenues~~] revenue of at least \$500,000,000;

879 (iii) a proprietary system that calculates the amount of tax:

880 (A) for an agreement sales and use tax; and

881 (B) due to each local taxing jurisdiction; and

882 (iv) entered into a performance agreement with the governing board of the agreement.

883 (b) For purposes of Subsection (81)(a), "model 3 seller" includes an affiliated group of  
884 sellers using the same proprietary system.

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

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

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

889 (85) "Oil sands" means impregnated bituminous sands that:

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

892 (b) yield mixtures of liquid hydrocarbon; and

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

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

897 (87) "Optional computer software maintenance contract" means a computer software  
898 maintenance contract that a customer is not obligated to purchase as a condition to the retail  
899 sale of computer software.

900 (88) (a) "Other fuels" means products that burn independently to produce heat or

901 energy.

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

904 (89) (a) "Paging service" means a telecommunications service that provides  
905 transmission of a coded radio signal for the purpose of activating a specific pager.

906 (b) For purposes of Subsection (89)(a), the transmission of a coded radio signal  
907 includes a transmission by message or sound.

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

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

910 (92) (a) "Permanently attached to real property" means that for tangible personal  
911 property attached to real property:

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

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

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

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

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

919 (B) require substantial alteration or repair of the real property to which the tangible  
920 personal property is attached.

921 (b) "Permanently attached to real property" includes:

922 (i) the attachment of an accessory to the tangible personal property if the accessory is:

923 (A) essential to the operation of the tangible personal property; and

924 (B) attached only to facilitate the operation of the tangible personal property;

925 (ii) a temporary detachment of tangible personal property from real property for a  
926 repair or renovation if the repair or renovation is performed where the tangible personal  
927 property and real property are located; or

928 (iii) property attached to oil, gas, or water pipelines, except for the property listed in  
929 Subsection (92)(c)(iii) or (iv).

930 (c) "Permanently attached to real property" does not include:

931 (i) the attachment of portable or movable tangible personal property to real property if

932 that portable or movable tangible personal property is attached to real property only for:

933 (A) convenience;

934 (B) stability; or

935 (C) for an obvious temporary purpose;

936 (ii) the detachment of tangible personal property from real property except for the  
937 detachment described in Subsection (92)(b)(ii);

938 (iii) an attachment of the following tangible personal property to real property if the

939 attachment to real property is only through a line that supplies water, electricity, gas,

940 telecommunications, cable, or supplies a similar item as determined by the commission by rule

941 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:

942 (A) a computer;

943 (B) a telephone;

944 (C) a television; or

945 (D) tangible personal property similar to Subsections (92)(c)(iii)(A) through (C) as

946 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah

947 Administrative Rulemaking Act; or

948 (iv) an item listed in Subsection [~~(136)(c)~~] (137)(c).

949 (93) "Person" includes any individual, firm, partnership, joint venture, association,

950 corporation, estate, trust, business trust, receiver, syndicate, this state, any county, city,

951 municipality, district, or other local governmental entity of the state, or any group or

952 combination acting as a unit.

953 (94) "Place of primary use":

954 (a) for telecommunications service other than mobile telecommunications service,

955 means the street address representative of where the customer's use of the telecommunications

956 service primarily occurs, which shall be:

957 (i) the residential street address of the customer; or

958 (ii) the primary business street address of the customer; or

959 (b) for mobile telecommunications service, means the same as that term is defined in

960 the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

961 (95) (a) "Postpaid calling service" means a telecommunications service a person

962 obtains by making a payment on a call-by-call basis:

- 963 (i) through the use of a:
- 964 (A) bank card;
- 965 (B) credit card;
- 966 (C) debit card; or
- 967 (D) travel card; or
- 968 (ii) by a charge made to a telephone number that is not associated with the origination
- 969 or termination of the telecommunications service.
- 970 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling
- 971 service, that would be a prepaid wireless calling service if the service were exclusively a
- 972 telecommunications service.
- 973 (96) "Postproduction" means an activity related to the finishing or duplication of a
- 974 medium described in Subsection 59-12-104(54)(a).
- 975 (97) "Prepaid calling service" means a telecommunications service:
- 976 (a) that allows a purchaser access to telecommunications service that is exclusively
- 977 telecommunications service;
- 978 (b) that:
- 979 (i) is paid for in advance; and
- 980 (ii) enables the origination of a call using an:
- 981 (A) access number; or
- 982 (B) authorization code;
- 983 (c) that is dialed:
- 984 (i) manually; or
- 985 (ii) electronically; and
- 986 (d) sold in predetermined units or dollars that decline:
- 987 (i) by a known amount; and
- 988 (ii) with use.
- 989 (98) "Prepaid wireless calling service" means a telecommunications service:
- 990 (a) that provides the right to utilize:
- 991 (i) mobile wireless service; and
- 992 (ii) other service that is not a telecommunications service, including:
- 993 (A) the download of a product transferred electronically;



- 994 (B) a content service; or  
995 (C) an ancillary service;  
996 (b) that:  
997 (i) is paid for in advance; and  
998 (ii) enables the origination of a call using an:  
999 (A) access number; or  
1000 (B) authorization code;  
1001 (c) that is dialed:  
1002 (i) manually; or  
1003 (ii) electronically; and  
1004 (d) sold in predetermined units or dollars that decline:  
1005 (i) by a known amount; and  
1006 (ii) with use.  
1007 (99) (a) "Prepared food" means:  
1008 (i) food:  
1009 (A) sold in a heated state; or  
1010 (B) heated by a seller;  
1011 (ii) two or more food ingredients mixed or combined by the seller for sale as a single  
1012 item; or  
1013 (iii) except as provided in Subsection (99)(c), food sold with an eating utensil provided  
1014 by the seller, including a:  
1015 (A) plate;  
1016 (B) knife;  
1017 (C) fork;  
1018 (D) spoon;  
1019 (E) glass;  
1020 (F) cup;  
1021 (G) napkin; or  
1022 (H) straw.  
1023 (b) "Prepared food" does not include:  
1024 (i) food that a seller only:

- 1025 (A) cuts;
- 1026 (B) repackages; or
- 1027 (C) pasteurizes;
- 1028 (ii) (A) the following:
- 1029 (I) raw egg;
- 1030 (II) raw fish;
- 1031 (III) raw meat;
- 1032 (IV) raw poultry; or
- 1033 (V) a food containing an item described in Subsections (99)(b)(ii)(A)(I) through (IV);
- 1034 and
- 1035 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the
- 1036 Food and Drug Administration's Food Code that a consumer cook the items described in
- 1037 Subsection (99)(b)(ii)(A) to prevent food borne illness; or
- 1038 (iii) the following if sold without eating utensils provided by the seller:
- 1039 (A) food and food ingredients sold by a seller if the seller's proper primary
- 1040 classification under the 2002 North American Industry Classification System of the federal
- 1041 Executive Office of the President, Office of Management and Budget, is manufacturing in
- 1042 Sector 311, Food Manufacturing, except for Subsector 3118, Bakeries and Tortilla
- 1043 Manufacturing;
- 1044 (B) food and food ingredients sold in an unheated state:
- 1045 (I) by weight or volume; and
- 1046 (II) as a single item; or
- 1047 (C) a bakery item, including:
- 1048 (I) a bagel;
- 1049 (II) a bar;
- 1050 (III) a biscuit;
- 1051 (IV) bread;
- 1052 (V) a bun;
- 1053 (VI) a cake;
- 1054 (VII) a cookie;
- 1055 (VIII) a croissant;

- 1056 (IX) a danish;
- 1057 (X) a donut;
- 1058 (XI) a muffin;
- 1059 (XII) a pastry;
- 1060 (XIII) a pie;
- 1061 (XIV) a roll;
- 1062 (XV) a tart;
- 1063 (XVI) a torte; or
- 1064 (XVII) a tortilla.
- 1065 (c) An eating utensil provided by the seller does not include the following used to
- 1066 transport the food:
- 1067 (i) a container; or
- 1068 (ii) packaging.
- 1069 (100) "Prescription" means an order, formula, or recipe that is issued:
- 1070 (a) (i) orally;
- 1071 (ii) in writing;
- 1072 (iii) electronically; or
- 1073 (iv) by any other manner of transmission; and
- 1074 (b) by a licensed practitioner authorized by the laws of a state.
- 1075 (101) (a) [~~Except as provided in Subsection (101)(b)(ii) or (iii), "prewritten"~~]
- 1076 "Prewritten computer software" means computer software that is not designed and developed:
- 1077 (i) by the author or other creator of the computer software; and
- 1078 (ii) to the specifications of a specific purchaser.
- 1079 (b) "Prewritten computer software" includes:
- 1080 (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer
- 1081 software is not designed and developed:
- 1082 (A) by the author or other creator of the computer software; and
- 1083 (B) to the specifications of a specific purchaser;
- 1084 (ii) computer software designed and developed by the author or other creator of the
- 1085 computer software to the specifications of a specific purchaser if the computer software is sold
- 1086 to a person other than the purchaser; or

1087 (iii) except as provided in Subsection (101)(c), prewritten computer software or a  
1088 prewritten portion of prewritten computer software:

1089 (A) that is modified or enhanced to any degree; and

1090 (B) if the modification or enhancement described in Subsection (101)(b)(iii)(A) is  
1091 designed and developed to the specifications of a specific purchaser.

1092 (c) "Prewritten computer software" does not include a modification or enhancement  
1093 described in Subsection (101)(b)(iii) if the charges for the modification or enhancement are:

1094 (i) reasonable; and

1095 (ii) subject to Subsections 59-12-103(2)(f)(ii) and (2)(g)(i), separately stated on the  
1096 invoice or other statement of price provided to the purchaser at the time of sale or later, as  
1097 demonstrated by:

1098 (A) the books and records the seller keeps at the time of the transaction in the regular  
1099 course of business, including books and records the seller keeps at the time of the transaction in  
1100 the regular course of business for nontax purposes;

1101 (B) a preponderance of the facts and circumstances at the time of the transaction; and

1102 (C) the understanding of all of the parties to the transaction.

1103 (102) (a) "Private communications service" means a telecommunications service:

1104 (i) that entitles a customer to exclusive or priority use of one or more communications  
1105 channels between or among termination points; and

1106 (ii) regardless of the manner in which the one or more communications channels are  
1107 connected.

1108 (b) "Private communications service" includes the following provided in connection  
1109 with the use of one or more communications channels:

1110 (i) an extension line;

1111 (ii) a station;

1112 (iii) switching capacity; or

1113 (iv) another associated service that is provided in connection with the use of one or  
1114 more communications channels as defined in Section 59-12-215.

1115 (103) (a) [~~Except as provided in Subsection (103)(b), "product]~~ "Product transferred  
1116 electronically" means a product transferred electronically that would be subject to a tax under  
1117 this chapter if that product was transferred in a manner other than electronically.

- 1118 (b) "Product transferred electronically" does not include:
- 1119 (i) an ancillary service;
- 1120 (ii) computer software; or
- 1121 (iii) a telecommunications service.
- 1122 (104) (a) "Prosthetic device" means a device that is worn on or in the body to:
- 1123 (i) artificially replace a missing portion of the body;
- 1124 (ii) prevent or correct a physical deformity or physical malfunction; or
- 1125 (iii) support a weak or deformed portion of the body.
- 1126 (b) "Prosthetic device" includes:
- 1127 (i) parts used in the repairs or renovation of a prosthetic device;
- 1128 (ii) replacement parts for a prosthetic device;
- 1129 (iii) a dental prosthesis; or
- 1130 (iv) a hearing aid.
- 1131 (c) "Prosthetic device" does not include:
- 1132 (i) corrective eyeglasses; or
- 1133 (ii) contact lenses.
- 1134 (105) (a) "Protective equipment" means an item:
- 1135 (i) for human wear; and
- 1136 (ii) that is:
- 1137 (A) designed as protection:
- 1138 (I) to the wearer against injury or disease; or
- 1139 (II) against damage or injury of other persons or property; and
- 1140 (B) not suitable for general use.
- 1141 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1142 commission shall make rules:
- 1143 (i) listing the items that constitute "protective equipment"; and
- 1144 (ii) that are consistent with the list of items that constitute "protective equipment"
- 1145 under the agreement.
- 1146 (106) (a) For purposes of Subsection 59-12-104(41), "publication" means any written
- 1147 or printed matter, other than a photocopy:
- 1148 (i) regardless of:

- 1149 (A) characteristics;
- 1150 (B) copyright;
- 1151 (C) form;
- 1152 (D) format;
- 1153 (E) method of reproduction; or
- 1154 (F) source; and
- 1155 (ii) made available in printed or electronic format.
- 1156 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1157 commission may by rule define the term "photocopy."
- 1158 (107) (a) "Purchase price" and "sales price" mean the total amount of consideration:
- 1159 (i) valued in money; and
- 1160 (ii) for which tangible personal property, a product transferred electronically, or
- 1161 services are:
- 1162 (A) sold;
- 1163 (B) leased; or
- 1164 (C) rented.
- 1165 (b) "Purchase price" and "sales price" include:
- 1166 (i) the seller's cost of the tangible personal property, a product transferred
- 1167 electronically, or services sold;
- 1168 (ii) expenses of the seller, including:
- 1169 (A) the cost of materials used;
- 1170 (B) a labor cost;
- 1171 (C) a service cost;
- 1172 (D) interest;
- 1173 (E) a loss;
- 1174 (F) the cost of transportation to the seller; or
- 1175 (G) a tax imposed on the seller;
- 1176 (iii) a charge by the seller for any service necessary to complete the sale; or
- 1177 (iv) consideration a seller receives from a person other than the purchaser if:
- 1178 (A) (I) the seller actually receives consideration from a person other than the purchaser;
- 1179 and

1180 (II) the consideration described in Subsection (107)(b)(iv)(A)(I) is directly related to a  
1181 price reduction or discount on the sale;

1182 (B) the seller has an obligation to pass the price reduction or discount through to the  
1183 purchaser;

1184 (C) the amount of the consideration attributable to the sale is fixed and determinable by  
1185 the seller at the time of the sale to the purchaser; and

1186 (D) (I) (Aa) the purchaser presents a certificate, coupon, or other documentation to the  
1187 seller to claim a price reduction or discount; and

1188 (Bb) a person other than the seller authorizes, distributes, or grants the certificate,  
1189 coupon, or other documentation with the understanding that the person other than the seller  
1190 will reimburse any seller to whom the certificate, coupon, or other documentation is presented;

1191 (II) the purchaser identifies that purchaser to the seller as a member of a group or  
1192 organization allowed a price reduction or discount, except that a preferred customer card that is  
1193 available to any patron of a seller does not constitute membership in a group or organization  
1194 allowed a price reduction or discount; or

1195 (III) the price reduction or discount is identified as a third party price reduction or  
1196 discount on the:

1197 (Aa) invoice the purchaser receives; or

1198 (Bb) certificate, coupon, or other documentation the purchaser presents.

1199 (c) "Purchase price" and "sales price" do not include:

1200 (i) a discount:

1201 (A) in a form including:

1202 (I) cash;

1203 (II) term; or

1204 (III) coupon;

1205 (B) that is allowed by a seller;

1206 (C) taken by a purchaser on a sale; and

1207 (D) that is not reimbursed by a third party; or

1208 (ii) subject to Subsections 59-12-103(2)(f)(ii) and (2)(g)(i), the following if separately  
1209 stated on an invoice, bill of sale, or similar document provided to the purchaser at the time of  
1210 sale or later, as demonstrated by the books and records the seller keeps at the time of the

1211 transaction in the regular course of business, including books and records the seller keeps at the  
1212 time of the transaction in the regular course of business for nontax purposes, by a  
1213 preponderance of the facts and circumstances at the time of the transaction, and by the  
1214 understanding of all of the parties to the transaction:

1215 (A) the following from credit extended on the sale of tangible personal property or  
1216 services:

1217 (I) a carrying charge;

1218 (II) a financing charge; or

1219 (III) an interest charge;

1220 (B) a delivery charge;

1221 (C) an installation charge;

1222 (D) a manufacturer rebate on a motor vehicle; or

1223 (E) a tax or fee legally imposed directly on the consumer.

1224 (108) "Purchaser" means a person to whom:

1225 (a) a sale of tangible personal property is made;

1226 (b) a product is transferred electronically; or

1227 (c) a service is furnished.

1228 (109) "Qualifying data center" means a data center facility that:

1229 (a) houses a group of networked server computers in one physical location in order to  
1230 disseminate, manage, and store data and information;

1231 (b) is located in the state;

1232 (c) is a new operation constructed on or after July 1, 2016;

1233 (d) consists of one or more buildings that total 150,000 or more square feet;

1234 (e) is owned or leased by:

1235 (i) the operator of the data center facility; or

1236 (ii) a person under common ownership, as defined in Section 59-7-101, of the operator  
1237 of the data center facility; and

1238 (f) is located on one or more parcels of land that are owned or leased by:

1239 (i) the operator of the data center facility; or

1240 (ii) a person under common ownership, as defined in Section 59-7-101, of the operator  
1241 of the data center facility.



1242 (110) "Regularly rented" means:

1243 (a) rented to a guest for value three or more times during a calendar year; or

1244 (b) advertised or held out to the public as a place that is regularly rented to guests for  
1245 value.

1246 (111) "Rental" means the same as that term is defined in Subsection (63).

1247 (112) (a) [~~Except as provided in Subsection (112)(b), "repairs"~~] "Repairs or renovations  
1248 of tangible personal property" means:

1249 (i) a repair or renovation of tangible personal property that is not permanently attached  
1250 to real property; or

1251 (ii) attaching tangible personal property or a product transferred electronically to other  
1252 tangible personal property or detaching tangible personal property or a product transferred  
1253 electronically from other tangible personal property if:

1254 (A) the other tangible personal property to which the tangible personal property or  
1255 product transferred electronically is attached or from which the tangible personal property or  
1256 product transferred electronically is detached is not permanently attached to real property; and

1257 (B) the attachment of tangible personal property or a product transferred electronically  
1258 to other tangible personal property or detachment of tangible personal property or a product  
1259 transferred electronically from other tangible personal property is made in conjunction with a  
1260 repair or replacement of tangible personal property or a product transferred electronically.

1261 (b) "Repairs or renovations of tangible personal property" does not include:

1262 (i) attaching prewritten computer software to other tangible personal property if the  
1263 other tangible personal property to which the prewritten computer software is attached is not  
1264 permanently attached to real property; or

1265 (ii) detaching prewritten computer software from other tangible personal property if the  
1266 other tangible personal property from which the prewritten computer software is detached is  
1267 not permanently attached to real property.

1268 (113) "Research and development" means the process of inquiry or experimentation  
1269 aimed at the discovery of facts, devices, technologies, or applications and the process of  
1270 preparing those devices, technologies, or applications for marketing.

1271 (114) (a) "Residential telecommunications services" means a telecommunications  
1272 service or an ancillary service that is provided to an individual for personal use:

- 1273 (i) at a residential address; or  
1274 (ii) at an institution, including a nursing home or a school, if the telecommunications  
1275 service or ancillary service is provided to and paid for by the individual residing at the  
1276 institution rather than the institution.
- 1277 (b) For purposes of Subsection (114)(a)(i), a residential address includes an:  
1278 (i) apartment; or  
1279 (ii) other individual dwelling unit.
- 1280 (115) "Residential use" means the use in or around a home, apartment building,  
1281 sleeping quarters, and similar facilities or accommodations.
- 1282 (116) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose other  
1283 than:  
1284 (a) resale;  
1285 (b) sublease; or  
1286 (c) subrent.
- 1287 (117) (a) "Retailer" means any person, unless prohibited by the Constitution of the  
1288 United States or federal law, that is engaged in a regularly organized business in tangible  
1289 personal property or any other taxable transaction under Subsection 59-12-103(1), and who is  
1290 selling to the user or consumer and not for resale.
- 1291 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly  
1292 engaged in the business of selling to users or consumers within the state.
- 1293 (118) (a) "Sale" means any transfer of title, exchange, or barter, conditional or  
1294 otherwise, in any manner, of tangible personal property or any other taxable transaction under  
1295 Subsection 59-12-103(1), for consideration.
- 1296 (b) "Sale" includes:  
1297 (i) installment and credit sales;  
1298 (ii) any closed transaction constituting a sale;  
1299 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this  
1300 chapter;  
1301 (iv) any transaction if the possession of property is transferred but the seller retains the  
1302 title as security for the payment of the price; and  
1303 (v) any transaction under which right to possession, operation, or use of any article of

1304 tangible personal property is granted under a lease or contract and the transfer of possession  
1305 would be taxable if an outright sale were made.

1306 (119) "Sale at retail" means the same as that term is defined in Subsection (116).

1307 (120) "Sale-leaseback transaction" means a transaction by which title to tangible  
1308 personal property or a product transferred electronically that is subject to a tax under this  
1309 chapter is transferred:

1310 (a) by a purchaser-lessee;

1311 (b) to a lessor;

1312 (c) for consideration; and

1313 (d) if:

1314 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase  
1315 of the tangible personal property or product transferred electronically;

1316 (ii) the sale of the tangible personal property or product transferred electronically to the  
1317 lessor is intended as a form of financing:

1318 (A) for the tangible personal property or product transferred electronically; and

1319 (B) to the purchaser-lessee; and

1320 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee  
1321 is required to:

1322 (A) capitalize the tangible personal property or product transferred electronically for  
1323 financial reporting purposes; and

1324 (B) account for the lease payments as payments made under a financing arrangement.

1325 (121) "Sales price" means the same as that term is defined in Subsection (107).

1326 (122) (a) "Sales relating to schools" means the following sales by, amounts paid to, or  
1327 amounts charged by a school:

1328 (i) sales that are directly related to the school's educational functions or activities  
1329 including:

1330 (A) the sale of:

1331 (I) textbooks;

1332 (II) textbook fees;

1333 (III) laboratory fees;

1334 (IV) laboratory supplies; or

- 1335 (V) safety equipment;
- 1336 (B) the sale of a uniform, protective equipment, or sports or recreational equipment
- 1337 that:
- 1338 (I) a student is specifically required to wear as a condition of participation in a
- 1339 school-related event or school-related activity; and
- 1340 (II) is not readily adaptable to general or continued usage to the extent that it takes the
- 1341 place of ordinary clothing;
- 1342 (C) sales of the following if the net or gross [~~revenues~~] revenue generated by the sales
- 1343 are deposited into a school district fund or school fund dedicated to school meals:
- 1344 (I) food and food ingredients; or
- 1345 (II) prepared food; or
- 1346 (D) transportation charges for official school activities; or
- 1347 (ii) amounts paid to or amounts charged by a school for admission to a school-related
- 1348 event or school-related activity.
- 1349 (b) "Sales relating to schools" does not include:
- 1350 (i) bookstore sales of items that are not educational materials or supplies;
- 1351 (ii) except as provided in Subsection (122)(a)(i)(B):
- 1352 (A) clothing;
- 1353 (B) clothing accessories or equipment;
- 1354 (C) protective equipment; or
- 1355 (D) sports or recreational equipment; or
- 1356 (iii) amounts paid to or amounts charged by a school for admission to a school-related
- 1357 event or school-related activity if the amounts paid or charged are passed through to a person:
- 1358 (A) other than a:
- 1359 (I) school;
- 1360 (II) nonprofit organization authorized by a school board or a governing body of a
- 1361 private school to organize and direct a competitive secondary school activity; or
- 1362 (III) nonprofit association authorized by a school board or a governing body of a
- 1363 private school to organize and direct a competitive secondary school activity; and
- 1364 (B) that is required to collect sales and use taxes under this chapter.
- 1365 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

- 1366 commission may make rules defining the term "passed through."
- 1367 (123) For purposes of this section and Section 59-12-104, "school" means:
- 1368 (a) an elementary school or a secondary school that:
- 1369 (i) is a:
- 1370 (A) public school; or
- 1371 (B) private school; and
- 1372 (ii) provides instruction for one or more grades kindergarten through 12; or
- 1373 (b) a public school district.
- 1374 (124) (a) "Seller" means a person that makes a sale, lease, or rental of:
- 1375 (i) tangible personal property;
- 1376 (ii) a product transferred electronically; or
- 1377 (iii) a service.
- 1378 (b) "Seller" includes a marketplace facilitator.
- 1379 (125) (a) "Semiconductor fabricating, processing, research, or development materials"
- 1380 means tangible personal property or a product transferred electronically if the tangible personal
- 1381 property or product transferred electronically is:
- 1382 (i) used primarily in the process of:
- 1383 (A) (I) manufacturing a semiconductor;
- 1384 (II) fabricating a semiconductor; or
- 1385 (III) research or development of a:
- 1386 (Aa) semiconductor; or
- 1387 (Bb) semiconductor manufacturing process; or
- 1388 (B) maintaining an environment suitable for a semiconductor; or
- 1389 (ii) consumed primarily in the process of:
- 1390 (A) (I) manufacturing a semiconductor;
- 1391 (II) fabricating a semiconductor; or
- 1392 (III) research or development of a:
- 1393 (Aa) semiconductor; or
- 1394 (Bb) semiconductor manufacturing process; or
- 1395 (B) maintaining an environment suitable for a semiconductor.
- 1396 (b) "Semiconductor fabricating, processing, research, or development materials"

1397 includes:

1398 (i) parts used in the repairs or renovations of tangible personal property or a product

1399 transferred electronically described in Subsection (125)(a); or

1400 (ii) a chemical, catalyst, or other material used to:

1401 (A) produce or induce in a semiconductor a:

1402 (I) chemical change; or

1403 (II) physical change;

1404 (B) remove impurities from a semiconductor; or

1405 (C) improve the marketable condition of a semiconductor.

1406 (126) "Senior citizen center" means a facility having the primary purpose of providing  
1407 services to the aged as defined in Section 26B-6-101.

1408 (127) "Shared vehicle" means the same as that term is defined in Section 13-48a-101.

1409 (128) "Shared vehicle driver" means the same as that term is defined in Section  
1410 13-48a-101.

1411 (129) "Shared vehicle owner" means the same as that term is defined in Section  
1412 13-48a-101.

1413 (130) (a) Subject to Subsections (130)(b) and (c), "short-term lodging consumable"  
1414 means tangible personal property that:

1415 (i) a business that provides accommodations and services described in Subsection  
1416 59-12-103(1)(i) purchases as part of a transaction to provide the accommodations and services  
1417 to a purchaser;

1418 (ii) is intended to be consumed by the purchaser; and

1419 (iii) is:

1420 (A) included in the purchase price of the accommodations and services; and

1421 (B) not separately stated on an invoice, bill of sale, or other similar document provided  
1422 to the purchaser.

1423 (b) "Short-term lodging consumable" includes:

1424 (i) a beverage;

1425 (ii) a brush or comb;

1426 (iii) a cosmetic;

1427 (iv) a hair care product;

- 1428 (v) lotion;
- 1429 (vi) a magazine;
- 1430 (vii) makeup;
- 1431 (viii) a meal;
- 1432 (ix) mouthwash;
- 1433 (x) nail polish remover;
- 1434 (xi) a newspaper;
- 1435 (xii) a notepad;
- 1436 (xiii) a pen;
- 1437 (xiv) a pencil;
- 1438 (xv) a razor;
- 1439 (xvi) saline solution;
- 1440 (xvii) a sewing kit;
- 1441 (xviii) shaving cream;
- 1442 (xix) a shoe shine kit;
- 1443 (xx) a shower cap;
- 1444 (xxi) a snack item;
- 1445 (xxii) soap;
- 1446 (xxiii) toilet paper;
- 1447 (xxiv) a toothbrush;
- 1448 (xxv) toothpaste; or
- 1449 (xxvi) an item similar to Subsections (130)(b)(i) through (xxv) as the commission may
- 1450 provide by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 1451 Rulemaking Act.
- 1452 (c) "Short-term lodging consumable" does not include:
- 1453 (i) tangible personal property that is cleaned or washed to allow the tangible personal
- 1454 property to be reused; or
- 1455 (ii) a product transferred electronically.
- 1456 (131) (a) "Short-term rental" means a lease or rental for less than 30 consecutive days.
- 1457 (b) "Short-term rental" does not include car sharing.
- 1458 [~~(131)~~] (132) "Simplified electronic return" means the electronic return:

- 1459 (a) described in Section 318(C) of the agreement; and
- 1460 (b) approved by the governing board of the agreement.
- 1461 ~~[(132)]~~ (133) "Solar energy" means the sun used as the sole source of energy for
- 1462 producing electricity.
- 1463 ~~[(133)]~~ (134) (a) "Sports or recreational equipment" means an item:
- 1464 (i) designed for human use; and
- 1465 (ii) that is:
- 1466 (A) worn in conjunction with:
- 1467 (I) an athletic activity; or
- 1468 (II) a recreational activity; and
- 1469 (B) not suitable for general use.
- 1470 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1471 commission shall make rules:
- 1472 (i) listing the items that constitute "sports or recreational equipment"; and
- 1473 (ii) that are consistent with the list of items that constitute "sports or recreational
- 1474 equipment" under the agreement.
- 1475 ~~[(134)]~~ (135) "State" means the state of Utah, its departments, and agencies.
- 1476 ~~[(135)]~~ (136) "Storage" means any keeping or retention of tangible personal property or
- 1477 any other taxable transaction under Subsection 59-12-103(1), in this state for any purpose
- 1478 except sale in the regular course of business.
- 1479 ~~[(136)]~~ (137) (a) ~~[Except as provided in Subsection (136)(d) or (e), "tangible]~~
- 1480 "Tangible personal property" means personal property that:
- 1481 (i) may be:
- 1482 (A) seen;
- 1483 (B) weighed;
- 1484 (C) measured;
- 1485 (D) felt; or
- 1486 (E) touched; or
- 1487 (ii) is in any manner perceptible to the senses.
- 1488 (b) "Tangible personal property" includes:
- 1489 (i) electricity;



- 1490 (ii) water;
- 1491 (iii) gas;
- 1492 (iv) steam; or
- 1493 (v) prewritten computer software, regardless of the manner in which the prewritten
- 1494 computer software is transferred.
- 1495 (c) "Tangible personal property" includes the following regardless of whether the item
- 1496 is attached to real property:
- 1497 (i) a dishwasher;
- 1498 (ii) a dryer;
- 1499 (iii) a freezer;
- 1500 (iv) a microwave;
- 1501 (v) a refrigerator;
- 1502 (vi) a stove;
- 1503 (vii) a washer; or
- 1504 (viii) an item similar to Subsections [~~(136)(c)(i)~~] (137)(c)(i) through (vii) as
- 1505 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah
- 1506 Administrative Rulemaking Act.
- 1507 (d) "Tangible personal property" does not include a product that is transferred
- 1508 electronically.
- 1509 (e) "Tangible personal property" does not include the following if attached to real
- 1510 property, regardless of whether the attachment to real property is only through a line that
- 1511 supplies water, electricity, gas, telephone, cable, or supplies a similar item as determined by the
- 1512 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 1513 Rulemaking Act:
- 1514 (i) a hot water heater;
- 1515 (ii) a water filtration system; or
- 1516 (iii) a water softener system.
- 1517 [~~(137)~~] (138) (a) "Telecommunications enabling or facilitating equipment, machinery,
- 1518 or software" means an item listed in Subsection [~~(137)(b)~~] (138)(b) if that item is purchased or
- 1519 leased primarily to enable or facilitate one or more of the following to function:
- 1520 (i) telecommunications switching or routing equipment, machinery, or software; or

1521 (ii) telecommunications transmission equipment, machinery, or software.

1522 (b) The following apply to Subsection [~~(137)(a)~~] (138)(a):

1523 (i) a pole;

1524 (ii) software;

1525 (iii) a supplementary power supply;

1526 (iv) temperature or environmental equipment or machinery;

1527 (v) test equipment;

1528 (vi) a tower; or

1529 (vii) equipment, machinery, or software that functions similarly to an item listed in

1530 Subsections [~~(137)(b)(i)~~] (138)(b)(i) through (vi) as determined by the commission by rule

1531 made in accordance with Subsection [~~(137)(c)~~] (138)(c).

1532 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

1533 commission may by rule define what constitutes equipment, machinery, or software that

1534 functions similarly to an item listed in Subsections [~~(137)(b)(i)~~] (138)(b)(i) through (vi).

1535 [~~(138)~~] (139) "Telecommunications equipment, machinery, or software required for

1536 911 service" means equipment, machinery, or software that is required to comply with 47

1537 C.F.R. Sec. 20.18.

1538 [~~(139)~~] (140) "Telecommunications maintenance or repair equipment, machinery, or

1539 software" means equipment, machinery, or software purchased or leased primarily to maintain

1540 or repair one or more of the following, regardless of whether the equipment, machinery, or

1541 software is purchased or leased as a spare part or as an upgrade or modification to one or more

1542 of the following:

1543 (a) telecommunications enabling or facilitating equipment, machinery, or software;

1544 (b) telecommunications switching or routing equipment, machinery, or software; or

1545 (c) telecommunications transmission equipment, machinery, or software.

1546 [~~(140)~~] (141) (a) "Telecommunications service" means the electronic conveyance,

1547 routing, or transmission of audio, data, video, voice, or any other information or signal to a

1548 point, or among or between points.

1549 (b) "Telecommunications service" includes:

1550 (i) an electronic conveyance, routing, or transmission with respect to which a computer

1551 processing application is used to act:

- 1552 (A) on the code, form, or protocol of the content;
- 1553 (B) for the purpose of electronic conveyance, routing, or transmission; and
- 1554 (C) regardless of whether the service:
- 1555 (I) is referred to as voice over Internet protocol service; or
- 1556 (II) is classified by the Federal Communications Commission as enhanced or value
- 1557 added;
- 1558 (ii) an 800 service;
- 1559 (iii) a 900 service;
- 1560 (iv) a fixed wireless service;
- 1561 (v) a mobile wireless service;
- 1562 (vi) a postpaid calling service;
- 1563 (vii) a prepaid calling service;
- 1564 (viii) a prepaid wireless calling service; or
- 1565 (ix) a private communications service.
- 1566 (c) "Telecommunications service" does not include:
- 1567 (i) advertising, including directory advertising;
- 1568 (ii) an ancillary service;
- 1569 (iii) a billing and collection service provided to a third party;
- 1570 (iv) a data processing and information service if:
- 1571 (A) the data processing and information service allows data to be:
- 1572 (I) (Aa) acquired;
- 1573 (Bb) generated;
- 1574 (Cc) processed;
- 1575 (Dd) retrieved; or
- 1576 (Ee) stored; and
- 1577 (II) delivered by an electronic transmission to a purchaser; and
- 1578 (B) the purchaser's primary purpose for the underlying transaction is the processed data
- 1579 or information;
- 1580 (v) installation or maintenance of the following on a customer's premises:
- 1581 (A) equipment; or
- 1582 (B) wiring;

- 1583 (vi) Internet access service;
- 1584 (vii) a paging service;
- 1585 (viii) a product transferred electronically, including:
- 1586 (A) music;
- 1587 (B) reading material;
- 1588 (C) a ring tone;
- 1589 (D) software; or
- 1590 (E) video;
- 1591 (ix) a radio and television audio and video programming service:
- 1592 (A) regardless of the medium; and
- 1593 (B) including:
- 1594 (I) furnishing conveyance, routing, or transmission of a television audio and video
- 1595 programming service by a programming service provider;
- 1596 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or
- 1597 (III) audio and video programming services delivered by a commercial mobile radio
- 1598 service provider as defined in 47 C.F.R. Sec. 20.3;
- 1599 (x) a value-added nonvoice data service; or
- 1600 (xi) tangible personal property.
- 1601 [~~(141)~~] (142) (a) "Telecommunications service provider" means a person that:
- 1602 (i) owns, controls, operates, or manages a telecommunications service; and
- 1603 (ii) engages in an activity described in Subsection [~~(141)(a)(i)~~] (142)(a)(i) for the
- 1604 shared use with or resale to any person of the telecommunications service.
- 1605 (b) A person described in Subsection [~~(141)(a)~~] (142)(a) is a telecommunications
- 1606 service provider whether or not the Public Service Commission of Utah regulates:
- 1607 (i) that person; or
- 1608 (ii) the telecommunications service that the person owns, controls, operates, or
- 1609 manages.
- 1610 [~~(142)~~] (143) (a) "Telecommunications switching or routing equipment, machinery, or
- 1611 software" means an item listed in Subsection [~~(142)(b)~~] (143)(b) if that item is purchased or
- 1612 leased primarily for switching or routing:
- 1613 (i) an ancillary service;

1614 (ii) data communications;  
1615 (iii) voice communications; or  
1616 (iv) telecommunications service.  
1617 (b) The following apply to Subsection [~~(142)(a)~~] (143)(a):  
1618 (i) a bridge;  
1619 (ii) a computer;  
1620 (iii) a cross connect;  
1621 (iv) a modem;  
1622 (v) a multiplexer;  
1623 (vi) plug in circuitry;  
1624 (vii) a router;  
1625 (viii) software;  
1626 (ix) a switch; or  
1627 (x) equipment, machinery, or software that functions similarly to an item listed in  
1628 Subsections [~~(142)(b)(i)~~] (143)(b)(i) through (ix) as determined by the commission by rule  
1629 made in accordance with Subsection [~~(142)(c)~~] (143)(c).

1630 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1631 commission may by rule define what constitutes equipment, machinery, or software that  
1632 functions similarly to an item listed in Subsections [~~(142)(b)(i)~~] (143)(b)(i) through (ix).

1633 [~~(143)~~] (144) (a) "Telecommunications transmission equipment, machinery, or  
1634 software" means an item listed in Subsection [~~(143)(b)~~] (144)(b) if that item is purchased or  
1635 leased primarily for sending, receiving, or transporting:

1636 (i) an ancillary service;  
1637 (ii) data communications;  
1638 (iii) voice communications; or  
1639 (iv) telecommunications service.  
1640 (b) The following apply to Subsection [~~(143)(a)~~] (144)(a):  
1641 (i) an amplifier;  
1642 (ii) a cable;  
1643 (iii) a closure;  
1644 (iv) a conduit;

- 1645 (v) a controller;
- 1646 (vi) a duplexer;
- 1647 (vii) a filter;
- 1648 (viii) an input device;
- 1649 (ix) an input/output device;
- 1650 (x) an insulator;
- 1651 (xi) microwave machinery or equipment;
- 1652 (xii) an oscillator;
- 1653 (xiii) an output device;
- 1654 (xiv) a pedestal;
- 1655 (xv) a power converter;
- 1656 (xvi) a power supply;
- 1657 (xvii) a radio channel;
- 1658 (xviii) a radio receiver;
- 1659 (xix) a radio transmitter;
- 1660 (xx) a repeater;
- 1661 (xxi) software;
- 1662 (xxii) a terminal;
- 1663 (xxiii) a timing unit;
- 1664 (xxiv) a transformer;
- 1665 (xxv) a wire; or

1666 (xxvi) equipment, machinery, or software that functions similarly to an item listed in  
 1667 Subsections [~~(143)(b)(i)~~] (144)(b)(i) through (xxv) as determined by the commission by rule  
 1668 made in accordance with Subsection [~~(143)(c)~~] (144)(c).

1669 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 1670 commission may by rule define what constitutes equipment, machinery, or software that  
 1671 functions similarly to an item listed in Subsections [~~(143)(b)(i)~~] (144)(b)(i) through (xxv).

1672 [~~(144)~~] (145) (a) "Textbook for a higher education course" means a textbook or other  
 1673 printed material that is required for a course:

- 1674 (i) offered by an institution of higher education; and
- 1675 (ii) that the purchaser of the textbook or other printed material attends or will attend.

1676 (b) "Textbook for a higher education course" includes a textbook in electronic format.

1677 [~~(145)~~] (146) "Tobacco" means:

1678 (a) a cigarette;

1679 (b) a cigar;

1680 (c) chewing tobacco;

1681 (d) pipe tobacco; or

1682 (e) any other item that contains tobacco.

1683 [~~(146)~~] (147) "Unassisted amusement device" means an amusement device, skill

1684 device, or ride device that is started and stopped by the purchaser or renter of the right to use or

1685 operate the amusement device, skill device, or ride device.

1686 [~~(147)~~] (148) (a) "Use" means the exercise of any right or power over tangible personal

1687 property, a product transferred electronically, or a service under Subsection 59-12-103(1),

1688 incident to the ownership or the leasing of that tangible personal property, product transferred

1689 electronically, or service.

1690 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal

1691 property, a product transferred electronically, or a service in the regular course of business and

1692 held for resale.

1693 [~~(148)~~] (149) "Value-added nonvoice data service" means a service:

1694 (a) that otherwise meets the definition of a telecommunications service except that a

1695 computer processing application is used to act primarily for a purpose other than conveyance,

1696 routing, or transmission; and

1697 (b) with respect to which a computer processing application is used to act on data or

1698 information:

1699 (i) code;

1700 (ii) content;

1701 (iii) form; or

1702 (iv) protocol.

1703 [~~(149)~~] (150) (a) Subject to Subsection [~~(149)(b)~~] (150)(b), "vehicle" means the

1704 following that are required to be titled, registered, or titled and registered:

1705 (i) an aircraft as defined in Section 72-10-102;

1706 (ii) a vehicle as defined in Section 41-1a-102;

- 1707 (iii) an off-highway vehicle as defined in Section 41-22-2; or  
1708 (iv) a vessel as defined in Section 41-1a-102.
- 1709 (b) For purposes of Subsection 59-12-104(33) only, "vehicle" includes:
- 1710 (i) a vehicle described in Subsection [~~(149)~~(a)] (150)(a); or  
1711 (ii) (A) a locomotive;  
1712 (B) a freight car;  
1713 (C) railroad work equipment; or  
1714 (D) other railroad rolling stock.
- 1715 [~~(150)~~] (151) "Vehicle dealer" means a person engaged in the business of buying,  
1716 selling, or exchanging a vehicle as defined in Subsection [~~(149)~~] (150).
- 1717 [~~(151)~~] (152) (a) "Vertical service" means an ancillary service that:
- 1718 (i) is offered in connection with one or more telecommunications services; and  
1719 (ii) offers an advanced calling feature that allows a customer to:
- 1720 (A) identify a caller; and  
1721 (B) manage multiple calls and call connections.
- 1722 (b) "Vertical service" includes an ancillary service that allows a customer to manage a  
1723 conference bridging service.
- 1724 [~~(152)~~] (153) (a) "Voice mail service" means an ancillary service that enables a  
1725 customer to receive, send, or store a recorded message.
- 1726 (b) "Voice mail service" does not include a vertical service that a customer is required  
1727 to have in order to utilize a voice mail service.
- 1728 [~~(153)~~] (154) (a) [~~Except as provided in Subsection (153)(b), "waste"~~] "Waste energy  
1729 facility" means a facility that generates electricity:
- 1730 (i) using as the primary source of energy waste materials that would be placed in a  
1731 landfill or refuse pit if it were not used to generate electricity, including:
- 1732 (A) tires;  
1733 (B) waste coal;  
1734 (C) oil shale; or  
1735 (D) municipal solid waste; and  
1736 (ii) in amounts greater than actually required for the operation of the facility.
- 1737 (b) "Waste energy facility" does not include a facility that incinerates:



1738 (i) hospital waste as defined in 40 C.F.R. 60.51c; or  
1739 (ii) medical/infectious waste as defined in 40 C.F.R. 60.51c.  
1740 [~~(154)~~] (155) "Watercraft" means a vessel as defined in Section 73-18-2.  
1741 [~~(155)~~] (156) "Wind energy" means wind used as the sole source of energy to produce  
1742 electricity.

1743 [~~(156)~~] (157) "ZIP Code" means a Zoning Improvement Plan Code assigned to a  
1744 geographic location by the United States Postal Service.

1745 Section 3. Section **59-12-102 (Contingently Effective 01/01/25)** is amended to read:

1746 **59-12-102 (Contingently Effective 01/01/25). Definitions.**

1747 As used in this chapter:

1748 (1) "800 service" means a telecommunications service that:

1749 (a) allows a caller to dial a toll-free number without incurring a charge for the call; and

1750 (b) is typically marketed:

1751 (i) under the name 800 toll-free calling;

1752 (ii) under the name 855 toll-free calling;

1753 (iii) under the name 866 toll-free calling;

1754 (iv) under the name 877 toll-free calling;

1755 (v) under the name 888 toll-free calling; or

1756 (vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the  
1757 Federal Communications Commission.

1758 (2) (a) "900 service" means an inbound toll telecommunications service that:

1759 (i) a subscriber purchases;

1760 (ii) allows a customer of the subscriber described in Subsection (2)(a)(i) to call in to  
1761 the subscriber's:

1762 (A) prerecorded announcement; or

1763 (B) live service; and

1764 (iii) is typically marketed:

1765 (A) under the name 900 service; or

1766 (B) under a name similar to Subsection (2)(a)(iii)(A) as designated by the Federal  
1767 Communications Commission.

1768 (b) "900 service" does not include a charge for:

- 1769 (i) a collection service a seller of a telecommunications service provides to a  
1770 subscriber; or
- 1771 (ii) the following a subscriber sells to the subscriber's customer:
- 1772 (A) a product; or
- 1773 (B) a service.
- 1774 (3) (a) "Admission or user fees" includes season passes.
- 1775 (b) "Admission or user fees" does not include:
- 1776 (i) annual membership dues to private organizations; or
- 1777 (ii) a lesson, including a lesson that involves as part of the lesson equipment or a  
1778 facility listed in Subsection 59-12-103(1)(f).
- 1779 (4) "Affiliate" or "affiliated person" means a person that, with respect to another  
1780 person:
- 1781 (a) has an ownership interest of more than 5%, whether direct or indirect, in that other  
1782 person; or
- 1783 (b) is related to the other person because a third person, or a group of third persons who  
1784 are affiliated persons with respect to each other, holds an ownership interest of more than 5%,  
1785 whether direct or indirect, in the related persons.
- 1786 (5) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on  
1787 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax  
1788 Agreement after November 12, 2002.
- 1789 (6) "Agreement combined tax rate" means the sum of the tax rates:
- 1790 (a) listed under Subsection (7); and
- 1791 (b) that are imposed within a local taxing jurisdiction.
- 1792 (7) "Agreement sales and use tax" means a tax imposed under:
- 1793 (a) Subsection 59-12-103(2)(a)(i)(A);
- 1794 (b) Subsection 59-12-103(2)(b)(i);
- 1795 (c) Subsection 59-12-103(2)(d);
- 1796 (d) Subsection 59-12-103(2)(e)(i)(A)(I);
- 1797 (e) Section 59-12-204;
- 1798 (f) Section 59-12-401;
- 1799 (g) Section 59-12-402;

- 1800 (h) Section 59-12-402.1;
- 1801 (i) Section 59-12-703;
- 1802 (j) Section 59-12-802;
- 1803 (k) Section 59-12-804;
- 1804 (l) Section 59-12-1102;
- 1805 (m) Section 59-12-1302;
- 1806 (n) Section 59-12-1402;
- 1807 (o) Section 59-12-1802;
- 1808 (p) Section 59-12-2003;
- 1809 (q) Section 59-12-2103;
- 1810 (r) Section 59-12-2213;
- 1811 (s) Section 59-12-2214;
- 1812 (t) Section 59-12-2215;
- 1813 (u) Section 59-12-2216;
- 1814 (v) Section 59-12-2217;
- 1815 (w) Section 59-12-2218;
- 1816 (x) Section 59-12-2219; or
- 1817 (y) Section 59-12-2220.
- 1818 (8) "Aircraft" means the same as that term is defined in Section 72-10-102.
- 1819 (9) "Aircraft maintenance, repair, and overhaul provider" means a business entity:
- 1820 (a) except for:
- 1821 (i) an airline as defined in Section 59-2-102; or
- 1822 (ii) an affiliated group, as defined in Section 59-7-101, except that "affiliated group"
- 1823 includes a corporation that is qualified to do business but is not otherwise doing business in the
- 1824 state, of an airline; and
- 1825 (b) that has the workers, expertise, and facilities to perform the following, regardless of
- 1826 whether the business entity performs the following in this state:
- 1827 (i) check, diagnose, overhaul, and repair:
- 1828 (A) an onboard system of a fixed wing turbine powered aircraft; and
- 1829 (B) the parts that comprise an onboard system of a fixed wing turbine powered aircraft;
- 1830 (ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered aircraft

- 1831 engine;
- 1832 (iii) perform at least the following maintenance on a fixed wing turbine powered  
1833 aircraft:
- 1834 (A) an inspection;
- 1835 (B) a repair, including a structural repair or modification;
- 1836 (C) changing landing gear; and
- 1837 (D) addressing issues related to an aging fixed wing turbine powered aircraft;
- 1838 (iv) completely remove the existing paint of a fixed wing turbine powered aircraft and  
1839 completely apply new paint to the fixed wing turbine powered aircraft; and
- 1840 (v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that  
1841 results in a change in the fixed wing turbine powered aircraft's certification requirements by the  
1842 authority that certifies the fixed wing turbine powered aircraft.
- 1843 (10) "Alcoholic beverage" means a beverage that:
- 1844 (a) is suitable for human consumption; and
- 1845 (b) contains .5% or more alcohol by volume.
- 1846 (11) "Alternative energy" means:
- 1847 (a) biomass energy;
- 1848 (b) geothermal energy;
- 1849 (c) hydroelectric energy;
- 1850 (d) solar energy;
- 1851 (e) wind energy; or
- 1852 (f) energy that is derived from:
- 1853 (i) coal-to-liquids;
- 1854 (ii) nuclear fuel;
- 1855 (iii) oil-impregnated diatomaceous earth;
- 1856 (iv) oil sands;
- 1857 (v) oil shale;
- 1858 (vi) petroleum coke; or
- 1859 (vii) waste heat from:
- 1860 (A) an industrial facility; or
- 1861 (B) a power station in which an electric generator is driven through a process in which

1862 water is heated, turns into steam, and spins a steam turbine.

1863 (12) (a) Subject to Subsection (12)(b), "alternative energy electricity production  
1864 facility" means a facility that:

1865 (i) uses alternative energy to produce electricity; and

1866 (ii) has a production capacity of two megawatts or greater.

1867 (b) A facility is an alternative energy electricity production facility regardless of  
1868 whether the facility is:

1869 (i) connected to an electric grid; or

1870 (ii) located on the premises of an electricity consumer.

1871 (13) (a) "Ancillary service" means a service associated with, or incidental to, the  
1872 provision of telecommunications service.

1873 (b) "Ancillary service" includes:

1874 (i) a conference bridging service;

1875 (ii) a detailed communications billing service;

1876 (iii) directory assistance;

1877 (iv) a vertical service; or

1878 (v) a voice mail service.

1879 (14) "Area agency on aging" means the same as that term is defined in Section  
1880 26B-6-101.

1881 (15) "Assisted amusement device" means an amusement device, skill device, or ride  
1882 device that is started and stopped by an individual:

1883 (a) who is not the purchaser or renter of the right to use or operate the amusement  
1884 device, skill device, or ride device; and

1885 (b) at the direction of the seller of the right to use the amusement device, skill device,  
1886 or ride device.

1887 (16) "Assisted cleaning or washing of tangible personal property" means cleaning or  
1888 washing of tangible personal property if the cleaning or washing labor is primarily performed  
1889 by an individual:

1890 (a) who is not the purchaser of the cleaning or washing of the tangible personal  
1891 property; and

1892 (b) at the direction of the seller of the cleaning or washing of the tangible personal

1893 property.

1894 (17) "Authorized carrier" means:

1895 (a) in the case of vehicles operated over public highways, the holder of credentials  
1896 indicating that the vehicle is or will be operated pursuant to both the International Registration  
1897 Plan and the International Fuel Tax Agreement;

1898 (b) in the case of aircraft, the holder of a Federal Aviation Administration operating  
1899 certificate or air carrier's operating certificate; or

1900 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling  
1901 stock, a person who uses locomotives, freight cars, railroad work equipment, or other rolling  
1902 stock in more than one state.

1903 (18) (a) [~~Except as provided in Subsection (18)(b), "biomass"~~] "Biomass energy" means  
1904 any of the following that is used as the primary source of energy to produce fuel or electricity:

1905 (i) material from a plant or tree; or

1906 (ii) other organic matter that is available on a renewable basis, including:

1907 (A) slash and brush from forests and woodlands;

1908 (B) animal waste;

1909 (C) waste vegetable oil;

1910 (D) methane or synthetic gas produced at a landfill, as a byproduct of the treatment of  
1911 wastewater residuals, or through the conversion of a waste material through a nonincineration,  
1912 thermal conversion process;

1913 (E) aquatic plants; and

1914 (F) agricultural products.

1915 (b) "Biomass energy" does not include:

1916 (i) black liquor; or

1917 (ii) treated woods.

1918 (19) (a) "Bundled transaction" means the sale of two or more items of tangible personal  
1919 property, products, or services if the tangible personal property, products, or services are:

1920 (i) distinct and identifiable; and

1921 (ii) sold for one nonitemized price.

1922 (b) "Bundled transaction" does not include:

1923 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on

1924 the basis of the selection by the purchaser of the items of tangible personal property included in  
1925 the transaction;

1926 (ii) the sale of real property;

1927 (iii) the sale of services to real property;

1928 (iv) the retail sale of tangible personal property and a service if:

1929 (A) the tangible personal property:

1930 (I) is essential to the use of the service; and

1931 (II) is provided exclusively in connection with the service; and

1932 (B) the service is the true object of the transaction;

1933 (v) the retail sale of two services if:

1934 (A) one service is provided that is essential to the use or receipt of a second service;

1935 (B) the first service is provided exclusively in connection with the second service; and

1936 (C) the second service is the true object of the transaction;

1937 (vi) a transaction that includes tangible personal property or a product subject to  
1938 taxation under this chapter and tangible personal property or a product that is not subject to  
1939 taxation under this chapter if the:

1940 (A) seller's purchase price of the tangible personal property or product subject to  
1941 taxation under this chapter is de minimis; or

1942 (B) seller's sales price of the tangible personal property or product subject to taxation  
1943 under this chapter is de minimis; and

1944 (vii) the retail sale of tangible personal property that is not subject to taxation under  
1945 this chapter and tangible personal property that is subject to taxation under this chapter if:

1946 (A) that retail sale includes:

1947 (I) food and food ingredients;

1948 (II) a drug;

1949 (III) durable medical equipment;

1950 (IV) mobility enhancing equipment;

1951 (V) an over-the-counter drug;

1952 (VI) a prosthetic device; or

1953 (VII) a medical supply; and

1954 (B) subject to Subsection (19)(f):

1955 (I) the seller's purchase price of the tangible personal property subject to taxation under  
1956 this chapter is 50% or less of the seller's total purchase price of that retail sale; or

1957 (II) the seller's sales price of the tangible personal property subject to taxation under  
1958 this chapter is 50% or less of the seller's total sales price of that retail sale.

1959 (c) (i) For purposes of Subsection (19)(a)(i), tangible personal property, a product, or a  
1960 service that is distinct and identifiable does not include:

1961 (A) packaging that:

1962 (I) accompanies the sale of the tangible personal property, product, or service; and

1963 (II) is incidental or immaterial to the sale of the tangible personal property, product, or  
1964 service;

1965 (B) tangible personal property, a product, or a service provided free of charge with the  
1966 purchase of another item of tangible personal property, a product, or a service; or

1967 (C) an item of tangible personal property, a product, or a service included in the  
1968 definition of "purchase price."

1969 (ii) For purposes of Subsection (19)(c)(i)(B), an item of tangible personal property, a  
1970 product, or a service is provided free of charge with the purchase of another item of tangible  
1971 personal property, a product, or a service if the sales price of the purchased item of tangible  
1972 personal property, product, or service does not vary depending on the inclusion of the tangible  
1973 personal property, product, or service provided free of charge.

1974 (d) (i) For purposes of Subsection (19)(a)(ii), property sold for one nonitemized price  
1975 does not include a price that is separately identified by tangible personal property, product, or  
1976 service on the following, regardless of whether the following is in paper format or electronic  
1977 format:

1978 (A) a binding sales document; or

1979 (B) another supporting sales-related document that is available to a purchaser.

1980 (ii) For purposes of Subsection (19)(d)(i), a binding sales document or another  
1981 supporting sales-related document that is available to a purchaser includes:

1982 (A) a bill of sale;

1983 (B) a contract;

1984 (C) an invoice;

1985 (D) a lease agreement;



- 1986 (E) a periodic notice of rates and services;
- 1987 (F) a price list;
- 1988 (G) a rate card;
- 1989 (H) a receipt; or
- 1990 (I) a service agreement.
- 1991 (e) (i) For purposes of Subsection (19)(b)(vi), the sales price of tangible personal
- 1992 property or a product subject to taxation under this chapter is de minimis if:
- 1993 (A) the seller's purchase price of the tangible personal property or product is 10% or
- 1994 less of the seller's total purchase price of the bundled transaction; or
- 1995 (B) the seller's sales price of the tangible personal property or product is 10% or less of
- 1996 the seller's total sales price of the bundled transaction.
- 1997 (ii) For purposes of Subsection (19)(b)(vi), a seller:
- 1998 (A) shall use the seller's purchase price or the seller's sales price to determine if the
- 1999 purchase price or sales price of the tangible personal property or product subject to taxation
- 2000 under this chapter is de minimis; and
- 2001 (B) may not use a combination of the seller's purchase price and the seller's sales price
- 2002 to determine if the purchase price or sales price of the tangible personal property or product
- 2003 subject to taxation under this chapter is de minimis.
- 2004 (iii) For purposes of Subsection (19)(b)(vi), a seller shall use the full term of a service
- 2005 contract to determine if the sales price of tangible personal property or a product is de minimis.
- 2006 (f) For purposes of Subsection (19)(b)(vii)(B), a seller may not use a combination of
- 2007 the seller's purchase price and the seller's sales price to determine if tangible personal property
- 2008 subject to taxation under this chapter is 50% or less of the seller's total purchase price or sales
- 2009 price of that retail sale.
- 2010 (20) "Car sharing" means the same as that term is defined in Section 13-48a-101.
- 2011 (21) "Car-sharing program" means the same as that term is defined in Section
- 2012 13-48a-101.
- 2013 (22) "Certified automated system" means software certified by the governing board of
- 2014 the agreement that:
- 2015 (a) calculates the agreement sales and use tax imposed within a local taxing
- 2016 jurisdiction:

- 2017 (i) on a transaction; and
- 2018 (ii) in the states that are members of the agreement;
- 2019 (b) determines the amount of agreement sales and use tax to remit to a state that is a  
2020 member of the agreement; and
- 2021 (c) maintains a record of the transaction described in Subsection (22)(a)(i).
- 2022 (23) "Certified service provider" means an agent certified:
- 2023 (a) by the governing board of the agreement; and
- 2024 (b) to perform a seller's sales and use tax functions for an agreement sales and use tax,  
2025 as outlined in the contract between the governing board of the agreement and the certified  
2026 service provider, other than the seller's obligation under Section 59-12-124 to remit a tax on the  
2027 seller's own purchases.
- 2028 (24) (a) Subject to Subsection (24)(b), "clothing" means all human wearing apparel  
2029 suitable for general use.
- 2030 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2031 commission shall make rules:
- 2032 (i) listing the items that constitute "clothing"; and
- 2033 (ii) that are consistent with the list of items that constitute "clothing" under the  
2034 agreement.
- 2035 (25) "Coal-to-liquid" means the process of converting coal into a liquid synthetic fuel.
- 2036 (26) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other  
2037 fuels that does not constitute industrial use under Subsection (60) or residential use under  
2038 Subsection (115).
- 2039 (27) (a) "Common carrier" means a person engaged in or transacting the business of  
2040 transporting passengers, freight, merchandise, or other property for hire within this state.
- 2041 (b) (i) "Common carrier" does not include a person that, at the time the person is  
2042 traveling to or from that person's place of employment, transports a passenger to or from the  
2043 passenger's place of employment.
- 2044 (ii) For purposes of Subsection (27)(b)(i), in accordance with Title 63G, Chapter 3,  
2045 Utah Administrative Rulemaking Act, the commission may make rules defining what  
2046 constitutes a person's place of employment.
- 2047 (c) "Common carrier" does not include a person that provides transportation network

2048 services, as defined in Section 13-51-102.

2049 (28) "Component part" includes:

2050 (a) poultry, dairy, and other livestock feed, and their components;

2051 (b) baling ties and twine used in the baling of hay and straw;

2052 (c) fuel used for providing temperature control of orchards and commercial

2053 greenhouses doing a majority of their business in wholesale sales, and for providing power for

2054 off-highway type farm machinery; and

2055 (d) feed, seeds, and seedlings.

2056 (29) "Computer" means an electronic device that accepts information:

2057 (a) (i) in digital form; or

2058 (ii) in a form similar to digital form; and

2059 (b) manipulates that information for a result based on a sequence of instructions.

2060 (30) "Computer software" means a set of coded instructions designed to cause:

2061 (a) a computer to perform a task; or

2062 (b) automatic data processing equipment to perform a task.

2063 (31) "Computer software maintenance contract" means a contract that obligates a seller

2064 of computer software to provide a customer with:

2065 (a) future updates or upgrades to computer software;

2066 (b) support services with respect to computer software; or

2067 (c) a combination of Subsections (31)(a) and (b).

2068 (32) (a) "Conference bridging service" means an ancillary service that links two or

2069 more participants of an audio conference call or video conference call.

2070 (b) "Conference bridging service" may include providing a telephone number as part of

2071 the ancillary service described in Subsection (32)(a).

2072 (c) "Conference bridging service" does not include a telecommunications service used

2073 to reach the ancillary service described in Subsection (32)(a).

2074 (33) "Construction materials" means any tangible personal property that will be

2075 converted into real property.

2076 (34) "Delivered electronically" means delivered to a purchaser by means other than

2077 tangible storage media.

2078 (35) (a) "Delivery charge" means a charge:

- 2079 (i) by a seller of:
- 2080 (A) tangible personal property;
- 2081 (B) a product transferred electronically; or
- 2082 (C) a service; and
- 2083 (ii) for preparation and delivery of the tangible personal property, product transferred
- 2084 electronically, or services described in Subsection (35)(a)(i) to a location designated by the
- 2085 purchaser.
- 2086 (b) "Delivery charge" includes a charge for the following:
- 2087 (i) transportation;
- 2088 (ii) shipping;
- 2089 (iii) postage;
- 2090 (iv) handling;
- 2091 (v) crating; or
- 2092 (vi) packing.
- 2093 (36) "Detailed telecommunications billing service" means an ancillary service of
- 2094 separately stating information pertaining to individual calls on a customer's billing statement.
- 2095 (37) "Dietary supplement" means a product, other than tobacco, that:
- 2096 (a) is intended to supplement the diet;
- 2097 (b) contains one or more of the following dietary ingredients:
- 2098 (i) a vitamin;
- 2099 (ii) a mineral;
- 2100 (iii) an herb or other botanical;
- 2101 (iv) an amino acid;
- 2102 (v) a dietary substance for use by humans to supplement the diet by increasing the total
- 2103 dietary intake; or
- 2104 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient
- 2105 described in Subsections (37)(b)(i) through (v);
- 2106 (c) (i) except as provided in Subsection (37)(c)(ii), is intended for ingestion in:
- 2107 (A) tablet form;
- 2108 (B) capsule form;
- 2109 (C) powder form;

- 2110 (D) softgel form;
- 2111 (E) gelcap form; or
- 2112 (F) liquid form; or
- 2113 (ii) if the product is not intended for ingestion in a form described in Subsections
- 2114 (37)(c)(i)(A) through (F), is not represented:
- 2115 (A) as conventional food; and
- 2116 (B) for use as a sole item of:
- 2117 (I) a meal; or
- 2118 (II) the diet; and
- 2119 (d) is required to be labeled as a dietary supplement:
- 2120 (i) identifiable by the "Supplemental Facts" box found on the label; and
- 2121 (ii) as required by 21 C.F.R. Sec. 101.36.
- 2122 (38) (a) "Digital audio work" means a work that results from the fixation of a series of
- 2123 musical, spoken, or other sounds.
- 2124 (b) "Digital audio work" includes a ringtone.
- 2125 (39) "Digital audio-visual work" means a series of related images which, when shown
- 2126 in succession, imparts an impression of motion, together with accompanying sounds, if any.
- 2127 (40) "Digital book" means a work that is generally recognized in the ordinary and usual
- 2128 sense as a book.
- 2129 (41) (a) "Direct mail" means printed material delivered or distributed by United States
- 2130 mail or other delivery service:
- 2131 (i) to:
- 2132 (A) a mass audience; or
- 2133 (B) addressees on a mailing list provided:
- 2134 (I) by a purchaser of the mailing list; or
- 2135 (II) at the discretion of the purchaser of the mailing list; and
- 2136 (ii) if the cost of the printed material is not billed directly to the recipients.
- 2137 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a
- 2138 purchaser to a seller of direct mail for inclusion in a package containing the printed material.
- 2139 (c) "Direct mail" does not include multiple items of printed material delivered to a
- 2140 single address.

- 2141 (42) "Directory assistance" means an ancillary service of providing:  
2142 (a) address information; or  
2143 (b) telephone number information.
- 2144 (43) (a) "Disposable home medical equipment or supplies" means medical equipment  
2145 or supplies that:  
2146 (i) cannot withstand repeated use; and  
2147 (ii) are purchased by, for, or on behalf of a person other than:  
2148 (A) a health care facility as defined in Section 26B-2-201;  
2149 (B) a health care provider as defined in Section 78B-3-403;  
2150 (C) an office of a health care provider described in Subsection (43)(a)(ii)(B); or  
2151 (D) a person similar to a person described in Subsections (43)(a)(ii)(A) through (C).  
2152 (b) "Disposable home medical equipment or supplies" does not include:  
2153 (i) a drug;  
2154 (ii) durable medical equipment;  
2155 (iii) a hearing aid;  
2156 (iv) a hearing aid accessory;  
2157 (v) mobility enhancing equipment; or  
2158 (vi) tangible personal property used to correct impaired vision, including:  
2159 (A) eyeglasses; or  
2160 (B) contact lenses.  
2161 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2162 commission may by rule define what constitutes medical equipment or supplies.
- 2163 (44) "Drilling equipment manufacturer" means a facility:  
2164 (a) located in the state;  
2165 (b) with respect to which 51% or more of the manufacturing activities of the facility  
2166 consist of manufacturing component parts of drilling equipment;  
2167 (c) that uses pressure of 800,000 or more pounds per square inch as part of the  
2168 manufacturing process; and  
2169 (d) that uses a temperature of 2,000 or more degrees Fahrenheit as part of the  
2170 manufacturing process.
- 2171 (45) (a) "Drug" means a compound, substance, or preparation, or a component of a

- 2172 compound, substance, or preparation that is:
- 2173 (i) recognized in:
- 2174 (A) the official United States Pharmacopoeia;
- 2175 (B) the official Homeopathic Pharmacopoeia of the United States;
- 2176 (C) the official National Formulary; or
- 2177 (D) a supplement to a publication listed in Subsections (45)(a)(i)(A) through (C);
- 2178 (ii) intended for use in the:
- 2179 (A) diagnosis of disease;
- 2180 (B) cure of disease;
- 2181 (C) mitigation of disease;
- 2182 (D) treatment of disease; or
- 2183 (E) prevention of disease; or
- 2184 (iii) intended to affect:
- 2185 (A) the structure of the body; or
- 2186 (B) any function of the body.
- 2187 (b) "Drug" does not include:
- 2188 (i) food and food ingredients;
- 2189 (ii) a dietary supplement;
- 2190 (iii) an alcoholic beverage; or
- 2191 (iv) a prosthetic device.
- 2192 (46) (a) [~~Except as provided in Subsection (46)(c), "durable"~~] "Durable medical
- 2193 equipment" means equipment that:
- 2194 (i) can withstand repeated use;
- 2195 (ii) is primarily and customarily used to serve a medical purpose;
- 2196 (iii) generally is not useful to a person in the absence of illness or injury; and
- 2197 (iv) is not worn in or on the body.
- 2198 (b) "Durable medical equipment" includes parts used in the repair or replacement of the
- 2199 equipment described in Subsection (46)(a).
- 2200 (c) "Durable medical equipment" does not include mobility enhancing equipment.
- 2201 (47) "Electronic" means:
- 2202 (a) relating to technology; and

- 2203 (b) having:
- 2204 (i) electrical capabilities;
- 2205 (ii) digital capabilities;
- 2206 (iii) magnetic capabilities;
- 2207 (iv) wireless capabilities;
- 2208 (v) optical capabilities;
- 2209 (vi) electromagnetic capabilities; or
- 2210 (vii) capabilities similar to Subsections (47)(b)(i) through (vi).
- 2211 (48) "Electronic financial payment service" means an establishment:
- 2212 (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and
- 2213 Clearinghouse Activities, of the 2012 North American Industry Classification System of the
- 2214 federal Executive Office of the President, Office of Management and Budget; and
- 2215 (b) that performs electronic financial payment services.
- 2216 (49) "Employee" means the same as that term is defined in Section 59-10-401.
- 2217 (50) "Fixed guideway" means a public transit facility that uses and occupies:
- 2218 (a) rail for the use of public transit; or
- 2219 (b) a separate right-of-way for the use of public transit.
- 2220 (51) "Fixed wing turbine powered aircraft" means an aircraft that:
- 2221 (a) is powered by turbine engines;
- 2222 (b) operates on jet fuel; and
- 2223 (c) has wings that are permanently attached to the fuselage of the aircraft.
- 2224 (52) "Fixed wireless service" means a telecommunications service that provides radio
- 2225 communication between fixed points.
- 2226 (53) (a) "Food and food ingredients" means substances:
- 2227 (i) regardless of whether the substances are in:
- 2228 (A) liquid form;
- 2229 (B) concentrated form;
- 2230 (C) solid form;
- 2231 (D) frozen form;
- 2232 (E) dried form; or
- 2233 (F) dehydrated form; and



- 2234 (ii) that are:
- 2235 (A) sold for:
- 2236 (I) ingestion by humans; or
- 2237 (II) chewing by humans; and
- 2238 (B) consumed for the substance's:
- 2239 (I) taste; or
- 2240 (II) nutritional value.
- 2241 (b) "Food and food ingredients" includes an item described in Subsection (99)(b)(iii).
- 2242 (c) "Food and food ingredients" does not include:
- 2243 (i) an alcoholic beverage;
- 2244 (ii) tobacco; or
- 2245 (iii) prepared food.
- 2246 (54) (a) "Fundraising sales" means sales:
- 2247 (i) (A) made by a school; or
- 2248 (B) made by a school student;
- 2249 (ii) that are for the purpose of raising funds for the school to purchase equipment,
- 2250 materials, or provide transportation; and
- 2251 (iii) that are part of an officially sanctioned school activity.
- 2252 (b) For purposes of Subsection (54)(a)(iii), "officially sanctioned school activity"
- 2253 means a school activity:
- 2254 (i) that is conducted in accordance with a formal policy adopted by the school or school
- 2255 district governing the authorization and supervision of fundraising activities;
- 2256 (ii) that does not directly or indirectly compensate an individual teacher or other
- 2257 educational personnel by direct payment, commissions, or payment in kind; and
- 2258 (iii) the net or gross [~~revenues~~] revenue from which are deposited in a dedicated
- 2259 account controlled by the school or school district.
- 2260 (55) "Geothermal energy" means energy contained in heat that continuously flows
- 2261 outward from the earth that is used as the sole source of energy to produce electricity.
- 2262 (56) "Governing board of the agreement" means the governing board of the agreement
- 2263 that is:
- 2264 (a) authorized to administer the agreement; and

- 2265 (b) established in accordance with the agreement.
- 2266 (57) (a) For purposes of Subsection 59-12-104(41), "governmental entity" means:
- 2267 (i) the executive branch of the state, including all departments, institutions, boards,
- 2268 divisions, bureaus, offices, commissions, and committees;
- 2269 (ii) the judicial branch of the state, including the courts, the Judicial Council, the
- 2270 Administrative Office of the Courts, and similar administrative units in the judicial branch;
- 2271 (iii) the legislative branch of the state, including the House of Representatives, the
- 2272 Senate, the Legislative Printing Office, the Office of Legislative Research and General
- 2273 Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal
- 2274 Analyst;
- 2275 (iv) the National Guard;
- 2276 (v) an independent entity as defined in Section 63E-1-102; or
- 2277 (vi) a political subdivision as defined in Section 17B-1-102.
- 2278 (b) "Governmental entity" does not include the state systems of public and higher
- 2279 education, including:
- 2280 (i) a school;
- 2281 (ii) the State Board of Education;
- 2282 (iii) the Utah Board of Higher Education; or
- 2283 (iv) an institution of higher education described in Section 53B-1-102.
- 2284 (58) "Hydroelectric energy" means water used as the sole source of energy to produce
- 2285 electricity.
- 2286 (59) "Individual-owned shared vehicle" means the same as that term is defined in
- 2287 Section 13-48a-101.
- 2288 (60) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil, or
- 2289 other fuels:
- 2290 (a) in mining or extraction of minerals;
- 2291 (b) in agricultural operations to produce an agricultural product up to the time of
- 2292 harvest or placing the agricultural product into a storage facility, including:
- 2293 (i) commercial greenhouses;
- 2294 (ii) irrigation pumps;
- 2295 (iii) farm machinery;

- 2296 (iv) implements of husbandry as defined in Section 41-1a-102 that are not registered  
2297 under Title 41, Chapter 1a, Part 2, Registration; and
- 2298 (v) other farming activities;
- 2299 (c) in manufacturing tangible personal property at an establishment described in:
- 2300 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of  
2301 the federal Executive Office of the President, Office of Management and Budget; or
- 2302 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North  
2303 American Industry Classification System of the federal Executive Office of the President,  
2304 Office of Management and Budget;
- 2305 (d) by a scrap recycler if:
- 2306 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process  
2307 one or more of the following items into prepared grades of processed materials for use in new  
2308 products:
- 2309 (A) iron;
- 2310 (B) steel;
- 2311 (C) nonferrous metal;
- 2312 (D) paper;
- 2313 (E) glass;
- 2314 (F) plastic;
- 2315 (G) textile; or
- 2316 (H) rubber; and
- 2317 (ii) the new products under Subsection (60)(d)(i) would otherwise be made with  
2318 nonrecycled materials; or
- 2319 (e) in producing a form of energy or steam described in Subsection 54-2-1(3)(a) by a  
2320 cogeneration facility as defined in Section 54-2-1.
- 2321 (61) (a) [~~Except as provided in Subsection (61)(b), "installation]~~ "Installation charge"  
2322 means a charge for installing:
- 2323 (i) tangible personal property; or
- 2324 (ii) a product transferred electronically.
- 2325 (b) "Installation charge" does not include a charge for:
- 2326 (i) repairs or renovations of:

- 2327 (A) tangible personal property; or  
2328 (B) a product transferred electronically; or  
2329 (ii) attaching tangible personal property or a product transferred electronically:  
2330 (A) to other tangible personal property; and  
2331 (B) as part of a manufacturing or fabrication process.
- 2332 (62) "Institution of higher education" means an institution of higher education listed in  
2333 Section 53B-2-101.
- 2334 (63) (a) "Lease" or "rental" means a transfer of possession or control of tangible  
2335 personal property or a product transferred electronically for:  
2336 (i) (A) a fixed term; or  
2337 (B) an indeterminate term; and  
2338 (ii) consideration.
- 2339 (b) "Lease" or "rental" includes:  
2340 (i) an agreement covering a motor vehicle and trailer if the amount of consideration  
2341 may be increased or decreased by reference to the amount realized upon sale or disposition of  
2342 the property as defined in Section 7701(h)(1), Internal Revenue Code; and  
2343 (ii) car sharing.
- 2344 (c) "Lease" or "rental" does not include:  
2345 (i) a transfer of possession or control of property under a security agreement or  
2346 deferred payment plan that requires the transfer of title upon completion of the required  
2347 payments;  
2348 (ii) a transfer of possession or control of property under an agreement that requires the  
2349 transfer of title:  
2350 (A) upon completion of required payments; and  
2351 (B) if the payment of an option price does not exceed the greater of:  
2352 (I) \$100; or  
2353 (II) 1% of the total required payments; or  
2354 (iii) providing tangible personal property along with an operator for a fixed period of  
2355 time or an indeterminate period of time if the operator is necessary for equipment to perform as  
2356 designed.
- 2357 (d) For purposes of Subsection (63)(c)(iii), an operator is necessary for equipment to

- 2358 perform as designed if the operator's duties exceed the:
- 2359 (i) set-up of tangible personal property;
- 2360 (ii) maintenance of tangible personal property; or
- 2361 (iii) inspection of tangible personal property.
- 2362 (64) "Lesson" means a fixed period of time for the duration of which a trained
- 2363 instructor:
- 2364 (a) is present with a student in person or by video; and
- 2365 (b) actively instructs the student, including by providing observation or feedback.
- 2366 (65) "Life science establishment" means an establishment in this state that is classified
- 2367 under the following NAICS codes of the 2007 North American Industry Classification System
- 2368 of the federal Executive Office of the President, Office of Management and Budget:
- 2369 (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;
- 2370 (b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus
- 2371 Manufacturing; or
- 2372 (c) NAICS Code 334517, Irradiation Apparatus Manufacturing.
- 2373 (66) "Life science research and development facility" means a facility owned, leased,
- 2374 or rented by a life science establishment if research and development is performed in 51% or
- 2375 more of the total area of the facility.
- 2376 (67) "Load and leave" means delivery to a purchaser by use of a tangible storage media
- 2377 if the tangible storage media is not physically transferred to the purchaser.
- 2378 (68) "Local taxing jurisdiction" means a:
- 2379 (a) county that is authorized to impose an agreement sales and use tax;
- 2380 (b) city that is authorized to impose an agreement sales and use tax; or
- 2381 (c) town that is authorized to impose an agreement sales and use tax.
- 2382 (69) "Manufactured home" means the same as that term is defined in Section
- 2383 15A-1-302.
- 2384 (70) "Manufacturing facility" means:
- 2385 (a) an establishment described in:
- 2386 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
- 2387 the federal Executive Office of the President, Office of Management and Budget; or
- 2388 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North

- 2389 American Industry Classification System of the federal Executive Office of the President,  
2390 Office of Management and Budget;
- 2391 (b) a scrap recycler if:
- 2392 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process  
2393 one or more of the following items into prepared grades of processed materials for use in new  
2394 products:
- 2395 (A) iron;
- 2396 (B) steel;
- 2397 (C) nonferrous metal;
- 2398 (D) paper;
- 2399 (E) glass;
- 2400 (F) plastic;
- 2401 (G) textile; or
- 2402 (H) rubber; and
- 2403 (ii) the new products under Subsection (70)(b)(i) would otherwise be made with  
2404 nonrecycled materials; or
- 2405 (c) a cogeneration facility as defined in Section 54-2-1 if the cogeneration facility is  
2406 placed in service on or after May 1, 2006.
- 2407 (71) (a) "Marketplace" means a physical or electronic place, platform, or forum where  
2408 tangible personal property, a product transferred electronically, or a service is offered for sale.
- 2409 (b) "Marketplace" includes a store, a booth, an Internet website, a catalog, or a  
2410 dedicated sales software application.
- 2411 (72) (a) "Marketplace facilitator" means a person, including an affiliate of the person,  
2412 that enters into a contract, an agreement, or otherwise with sellers, for consideration, to  
2413 facilitate the sale of a seller's product through a marketplace that the person owns, operates, or  
2414 controls and that directly or indirectly:
- 2415 (i) does any of the following:
- 2416 (A) lists, makes available, or advertises tangible personal property, a product  
2417 transferred electronically, or a service for sale by a marketplace seller on a marketplace that the  
2418 person owns, operates, or controls;
- 2419 (B) facilitates the sale of a marketplace seller's tangible personal property, product

2420 transferred electronically, or service by transmitting or otherwise communicating an offer or  
2421 acceptance of a retail sale between the marketplace seller and a purchaser using the  
2422 marketplace;

2423 (C) owns, rents, licenses, makes available, or operates any electronic or physical  
2424 infrastructure or any property, process, method, copyright, trademark, or patent that connects a  
2425 marketplace seller to a purchaser for the purpose of making a retail sale of tangible personal  
2426 property, a product transferred electronically, or a service;

2427 (D) provides a marketplace for making, or otherwise facilitates, a retail sale of tangible  
2428 personal property, a product transferred electronically, or a service, regardless of ownership or  
2429 control of the tangible personal property, the product transferred electronically, or the service  
2430 that is the subject of the retail sale;

2431 (E) provides software development or research and development activities related to  
2432 any activity described in this Subsection (72)(a)(i), if the software development or research and  
2433 development activity is directly related to the person's marketplace;

2434 (F) provides or offers fulfillment or storage services for a marketplace seller;

2435 (G) sets prices for the sale of tangible personal property, a product transferred  
2436 electronically, or a service by a marketplace seller;

2437 (H) provides or offers customer service to a marketplace seller or a marketplace seller's  
2438 purchaser or accepts or assists with taking orders, returns, or exchanges of tangible personal  
2439 property, a product transferred electronically, or a service sold by a marketplace seller on the  
2440 person's marketplace; or

2441 (I) brands or otherwise identifies sales as those of the person; and

2442 (ii) does any of the following:

2443 (A) collects the sales price or purchase price of a retail sale of tangible personal  
2444 property, a product transferred electronically, or a service;

2445 (B) provides payment processing services for a retail sale of tangible personal property,  
2446 a product transferred electronically, or a service;

2447 (C) charges, collects, or otherwise receives a selling fee, listing fee, referral fee, closing  
2448 fee, a fee for inserting or making available tangible personal property, a product transferred  
2449 electronically, or a service on the person's marketplace, or other consideration for the  
2450 facilitation of a retail sale of tangible personal property, a product transferred electronically, or

2451 a service, regardless of ownership or control of the tangible personal property, the product  
2452 transferred electronically, or the service that is the subject of the retail sale;

2453 (D) through terms and conditions, an agreement, or another arrangement with a third  
2454 person, collects payment from a purchase for a retail sale of tangible personal property, a  
2455 product transferred electronically, or a service and transmits that payment to the marketplace  
2456 seller, regardless of whether the third person receives compensation or other consideration in  
2457 exchange for the service; or

2458 (E) provides a virtual currency for a purchaser to use to purchase tangible personal  
2459 property, a product transferred electronically, or service offered for sale.

2460 (b) "Marketplace facilitator" does not include:

2461 (i) a person that only provides payment processing services; or

2462 (ii) a person described in Subsection (72)(a) to the extent the person is facilitating a  
2463 sale for a seller that is a restaurant as defined in Section 59-12-602.

2464 (73) "Marketplace seller" means a seller that makes one or more retail sales through a  
2465 marketplace that a marketplace facilitator owns, operates, or controls, regardless of whether the  
2466 seller is required to be registered to collect and remit the tax under this part.

2467 (74) "Member of the immediate family of the producer" means a person who is related  
2468 to a producer described in Subsection 59-12-104(20)(a) as a:

2469 (a) child or stepchild, regardless of whether the child or stepchild is:

2470 (i) an adopted child or adopted stepchild; or

2471 (ii) a foster child or foster stepchild;

2472 (b) grandchild or stepgrandchild;

2473 (c) grandparent or stepgrandparent;

2474 (d) nephew or stepnephew;

2475 (e) niece or stepniece;

2476 (f) parent or stepparent;

2477 (g) sibling or stepsibling;

2478 (h) spouse;

2479 (i) person who is the spouse of a person described in Subsections (74)(a) through (g);

2480 or

2481 (j) person similar to a person described in Subsections (74)(a) through (i) as



2482 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah  
2483 Administrative Rulemaking Act.

2484 (75) "Mobile home" means the same as that term is defined in Section 15A-1-302.

2485 (76) "Mobile telecommunications service" means the same as that term is defined in  
2486 the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

2487 (77) (a) "Mobile wireless service" means a telecommunications service, regardless of  
2488 the technology used, if:

2489 (i) the origination point of the conveyance, routing, or transmission is not fixed;

2490 (ii) the termination point of the conveyance, routing, or transmission is not fixed; or

2491 (iii) the origination point described in Subsection (77)(a)(i) and the termination point  
2492 described in Subsection (77)(a)(ii) are not fixed.

2493 (b) "Mobile wireless service" includes a telecommunications service that is provided  
2494 by a commercial mobile radio service provider.

2495 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2496 commission may by rule define "commercial mobile radio service provider."

2497 (78) (a) [~~Except as provided in Subsection (78)(c), "mobility"~~] "Mobility enhancing  
2498 equipment" means equipment that is:

2499 (i) primarily and customarily used to provide or increase the ability to move from one  
2500 place to another;

2501 (ii) appropriate for use in a:

2502 (A) home; or

2503 (B) motor vehicle; and

2504 (iii) not generally used by persons with normal mobility.

2505 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of  
2506 the equipment described in Subsection (78)(a).

2507 (c) "Mobility enhancing equipment" does not include:

2508 (i) a motor vehicle;

2509 (ii) equipment on a motor vehicle if that equipment is normally provided by the motor  
2510 vehicle manufacturer;

2511 (iii) durable medical equipment; or

2512 (iv) a prosthetic device.

2513 (79) "Model 1 seller" means a seller registered under the agreement that has selected a  
2514 certified service provider as the seller's agent to perform the seller's sales and use tax functions  
2515 for agreement sales and use taxes, as outlined in the contract between the governing board of  
2516 the agreement and the certified service provider, other than the seller's obligation under Section  
2517 59-12-124 to remit a tax on the seller's own purchases.

2518 (80) "Model 2 seller" means a seller registered under the agreement that:

2519 (a) except as provided in Subsection (80)(b), has selected a certified automated system  
2520 to perform the seller's sales tax functions for agreement sales and use taxes; and

2521 (b) retains responsibility for remitting all of the sales tax:

2522 (i) collected by the seller; and

2523 (ii) to the appropriate local taxing jurisdiction.

2524 (81) (a) Subject to Subsection (81)(b), "model 3 seller" means a seller registered under  
2525 the agreement that has:

2526 (i) sales in at least five states that are members of the agreement;

2527 (ii) total annual sales [~~revenues~~] revenue of at least \$500,000,000;

2528 (iii) a proprietary system that calculates the amount of tax:

2529 (A) for an agreement sales and use tax; and

2530 (B) due to each local taxing jurisdiction; and

2531 (iv) entered into a performance agreement with the governing board of the agreement.

2532 (b) For purposes of Subsection (81)(a), "model 3 seller" includes an affiliated group of  
2533 sellers using the same proprietary system.

2534 (82) "Model 4 seller" means a seller that is registered under the agreement and is not a  
2535 model 1 seller, model 2 seller, or model 3 seller.

2536 (83) "Modular home" means a modular unit as defined in Section 15A-1-302.

2537 (84) "Motor vehicle" means the same as that term is defined in Section 41-1a-102.

2538 (85) "Oil sands" means impregnated bituminous sands that:

2539 (a) contain a heavy, thick form of petroleum that is released when heated, mixed with  
2540 other hydrocarbons, or otherwise treated;

2541 (b) yield mixtures of liquid hydrocarbon; and

2542 (c) require further processing other than mechanical blending before becoming finished  
2543 petroleum products.

2544 (86) "Oil shale" means a group of fine black to dark brown shales containing kerogen  
2545 material that yields petroleum upon heating and distillation.

2546 (87) "Optional computer software maintenance contract" means a computer software  
2547 maintenance contract that a customer is not obligated to purchase as a condition to the retail  
2548 sale of computer software.

2549 (88) (a) "Other fuels" means products that burn independently to produce heat or  
2550 energy.

2551 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible  
2552 personal property.

2553 (89) (a) "Paging service" means a telecommunications service that provides  
2554 transmission of a coded radio signal for the purpose of activating a specific pager.

2555 (b) For purposes of Subsection (89)(a), the transmission of a coded radio signal  
2556 includes a transmission by message or sound.

2557 (90) "Pawn transaction" means the same as that term is defined in Section 13-32a-102.

2558 (91) "Pawnbroker" means the same as that term is defined in Section 13-32a-102.

2559 (92) (a) "Permanently attached to real property" means that for tangible personal  
2560 property attached to real property:

2561 (i) the attachment of the tangible personal property to the real property:

2562 (A) is essential to the use of the tangible personal property; and

2563 (B) suggests that the tangible personal property will remain attached to the real  
2564 property in the same place over the useful life of the tangible personal property; or

2565 (ii) if the tangible personal property is detached from the real property, the detachment  
2566 would:

2567 (A) cause substantial damage to the tangible personal property; or

2568 (B) require substantial alteration or repair of the real property to which the tangible  
2569 personal property is attached.

2570 (b) "Permanently attached to real property" includes:

2571 (i) the attachment of an accessory to the tangible personal property if the accessory is:

2572 (A) essential to the operation of the tangible personal property; and

2573 (B) attached only to facilitate the operation of the tangible personal property;

2574 (ii) a temporary detachment of tangible personal property from real property for a

2575 repair or renovation if the repair or renovation is performed where the tangible personal  
2576 property and real property are located; or

2577 (iii) property attached to oil, gas, or water pipelines, except for the property listed in  
2578 Subsection (92)(c)(iii) or (iv).

2579 (c) "Permanently attached to real property" does not include:

2580 (i) the attachment of portable or movable tangible personal property to real property if  
2581 that portable or movable tangible personal property is attached to real property only for:

2582 (A) convenience;

2583 (B) stability; or

2584 (C) for an obvious temporary purpose;

2585 (ii) the detachment of tangible personal property from real property except for the  
2586 detachment described in Subsection (92)(b)(ii);

2587 (iii) an attachment of the following tangible personal property to real property if the  
2588 attachment to real property is only through a line that supplies water, electricity, gas,  
2589 telecommunications, cable, or supplies a similar item as determined by the commission by rule  
2590 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:

2591 (A) a computer;

2592 (B) a telephone;

2593 (C) a television; or

2594 (D) tangible personal property similar to Subsections (92)(c)(iii)(A) through (C) as  
2595 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah  
2596 Administrative Rulemaking Act; or

2597 (iv) an item listed in Subsection [~~(136)(c)~~] (137)(c).

2598 (93) "Person" includes any individual, firm, partnership, joint venture, association,  
2599 corporation, estate, trust, business trust, receiver, syndicate, this state, any county, city,  
2600 municipality, district, or other local governmental entity of the state, or any group or  
2601 combination acting as a unit.

2602 (94) "Place of primary use":

2603 (a) for telecommunications service other than mobile telecommunications service,  
2604 means the street address representative of where the customer's use of the telecommunications  
2605 service primarily occurs, which shall be:

- 2606 (i) the residential street address of the customer; or  
2607 (ii) the primary business street address of the customer; or  
2608 (b) for mobile telecommunications service, means the same as that term is defined in  
2609 the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.
- 2610 (95) (a) "Postpaid calling service" means a telecommunications service a person  
2611 obtains by making a payment on a call-by-call basis:
- 2612 (i) through the use of a:
- 2613 (A) bank card;  
2614 (B) credit card;  
2615 (C) debit card; or  
2616 (D) travel card; or
- 2617 (ii) by a charge made to a telephone number that is not associated with the origination  
2618 or termination of the telecommunications service.
- 2619 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling  
2620 service, that would be a prepaid wireless calling service if the service were exclusively a  
2621 telecommunications service.
- 2622 (96) "Postproduction" means an activity related to the finishing or duplication of a  
2623 medium described in Subsection 59-12-104(54)(a).
- 2624 (97) "Prepaid calling service" means a telecommunications service:
- 2625 (a) that allows a purchaser access to telecommunications service that is exclusively  
2626 telecommunications service;
- 2627 (b) that:
- 2628 (i) is paid for in advance; and  
2629 (ii) enables the origination of a call using an:
- 2630 (A) access number; or  
2631 (B) authorization code;
- 2632 (c) that is dialed:
- 2633 (i) manually; or  
2634 (ii) electronically; and  
2635 (d) sold in predetermined units or dollars that decline:  
2636 (i) by a known amount; and

- 2637 (ii) with use.
- 2638 (98) "Prepaid wireless calling service" means a telecommunications service:
- 2639 (a) that provides the right to utilize:
- 2640 (i) mobile wireless service; and
- 2641 (ii) other service that is not a telecommunications service, including:
- 2642 (A) the download of a product transferred electronically;
- 2643 (B) a content service; or
- 2644 (C) an ancillary service;
- 2645 (b) that:
- 2646 (i) is paid for in advance; and
- 2647 (ii) enables the origination of a call using an:
- 2648 (A) access number; or
- 2649 (B) authorization code;
- 2650 (c) that is dialed:
- 2651 (i) manually; or
- 2652 (ii) electronically; and
- 2653 (d) sold in predetermined units or dollars that decline:
- 2654 (i) by a known amount; and
- 2655 (ii) with use.
- 2656 (99) (a) "Prepared food" means:
- 2657 (i) food:
- 2658 (A) sold in a heated state; or
- 2659 (B) heated by a seller;
- 2660 (ii) two or more food ingredients mixed or combined by the seller for sale as a single
- 2661 item; or
- 2662 (iii) except as provided in Subsection (99)(c), food sold with an eating utensil provided
- 2663 by the seller, including a:
- 2664 (A) plate;
- 2665 (B) knife;
- 2666 (C) fork;
- 2667 (D) spoon;

- 2668 (E) glass;
- 2669 (F) cup;
- 2670 (G) napkin; or
- 2671 (H) straw.
- 2672 (b) "Prepared food" does not include:
- 2673 (i) food that a seller only:
- 2674 (A) cuts;
- 2675 (B) repackages; or
- 2676 (C) pasteurizes;
- 2677 (ii) (A) the following:
- 2678 (I) raw egg;
- 2679 (II) raw fish;
- 2680 (III) raw meat;
- 2681 (IV) raw poultry; or
- 2682 (V) a food containing an item described in Subsections (99)(b)(ii)(A)(I) through (IV);
- 2683 and
- 2684 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the
- 2685 Food and Drug Administration's Food Code that a consumer cook the items described in
- 2686 Subsection (99)(b)(ii)(A) to prevent food borne illness; or
- 2687 (iii) the following if sold without eating utensils provided by the seller:
- 2688 (A) food and food ingredients sold by a seller if the seller's proper primary
- 2689 classification under the 2002 North American Industry Classification System of the federal
- 2690 Executive Office of the President, Office of Management and Budget, is manufacturing in
- 2691 Sector 311, Food Manufacturing, except for Subsector 3118, Bakeries and Tortilla
- 2692 Manufacturing;
- 2693 (B) food and food ingredients sold in an unheated state:
- 2694 (I) by weight or volume; and
- 2695 (II) as a single item; or
- 2696 (C) a bakery item, including:
- 2697 (I) a bagel;
- 2698 (II) a bar;

- 2699 (III) a biscuit;
- 2700 (IV) bread;
- 2701 (V) a bun;
- 2702 (VI) a cake;
- 2703 (VII) a cookie;
- 2704 (VIII) a croissant;
- 2705 (IX) a danish;
- 2706 (X) a donut;
- 2707 (XI) a muffin;
- 2708 (XII) a pastry;
- 2709 (XIII) a pie;
- 2710 (XIV) a roll;
- 2711 (XV) a tart;
- 2712 (XVI) a torte; or
- 2713 (XVII) a tortilla.
- 2714 (c) An eating utensil provided by the seller does not include the following used to
- 2715 transport the food:
- 2716 (i) a container; or
- 2717 (ii) packaging.
- 2718 (100) "Prescription" means an order, formula, or recipe that is issued:
- 2719 (a) (i) orally;
- 2720 (ii) in writing;
- 2721 (iii) electronically; or
- 2722 (iv) by any other manner of transmission; and
- 2723 (b) by a licensed practitioner authorized by the laws of a state.
- 2724 (101) (a) [~~Except as provided in Subsection (101)(b)(ii) or (iii), "prewritten"~~]
- 2725 "Prewritten computer software" means computer software that is not designed and developed:
- 2726 (i) by the author or other creator of the computer software; and
- 2727 (ii) to the specifications of a specific purchaser.
- 2728 (b) "Prewritten computer software" includes:
- 2729 (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer



2730 software is not designed and developed:

2731 (A) by the author or other creator of the computer software; and

2732 (B) to the specifications of a specific purchaser;

2733 (ii) computer software designed and developed by the author or other creator of the

2734 computer software to the specifications of a specific purchaser if the computer software is sold

2735 to a person other than the purchaser; or

2736 (iii) except as provided in Subsection (101)(c), prewritten computer software or a

2737 prewritten portion of prewritten computer software:

2738 (A) that is modified or enhanced to any degree; and

2739 (B) if the modification or enhancement described in Subsection (101)(b)(iii)(A) is

2740 designed and developed to the specifications of a specific purchaser.

2741 (c) "Prewritten computer software" does not include a modification or enhancement

2742 described in Subsection (101)(b)(iii) if the charges for the modification or enhancement are:

2743 (i) reasonable; and

2744 (ii) subject to Subsections 59-12-103(2)(f)(ii) and (2)(g)(i), separately stated on the

2745 invoice or other statement of price provided to the purchaser at the time of sale or later, as

2746 demonstrated by:

2747 (A) the books and records the seller keeps at the time of the transaction in the regular

2748 course of business, including books and records the seller keeps at the time of the transaction in

2749 the regular course of business for nontax purposes;

2750 (B) a preponderance of the facts and circumstances at the time of the transaction; and

2751 (C) the understanding of all of the parties to the transaction.

2752 (102) (a) "Private communications service" means a telecommunications service:

2753 (i) that entitles a customer to exclusive or priority use of one or more communications

2754 channels between or among termination points; and

2755 (ii) regardless of the manner in which the one or more communications channels are

2756 connected.

2757 (b) "Private communications service" includes the following provided in connection

2758 with the use of one or more communications channels:

2759 (i) an extension line;

2760 (ii) a station;

- 2761 (iii) switching capacity; or
- 2762 (iv) another associated service that is provided in connection with the use of one or
- 2763 more communications channels as defined in Section 59-12-215.
- 2764 (103) (a) [~~Except as provided in Subsection (103)(b), "product]~~ "Product transferred
- 2765 electronically" means a product transferred electronically that would be subject to a tax under
- 2766 this chapter if that product was transferred in a manner other than electronically.
- 2767 (b) "Product transferred electronically" does not include:
- 2768 (i) an ancillary service;
- 2769 (ii) computer software; or
- 2770 (iii) a telecommunications service.
- 2771 (104) (a) "Prosthetic device" means a device that is worn on or in the body to:
- 2772 (i) artificially replace a missing portion of the body;
- 2773 (ii) prevent or correct a physical deformity or physical malfunction; or
- 2774 (iii) support a weak or deformed portion of the body.
- 2775 (b) "Prosthetic device" includes:
- 2776 (i) parts used in the repairs or renovation of a prosthetic device;
- 2777 (ii) replacement parts for a prosthetic device;
- 2778 (iii) a dental prosthesis; or
- 2779 (iv) a hearing aid.
- 2780 (c) "Prosthetic device" does not include:
- 2781 (i) corrective eyeglasses; or
- 2782 (ii) contact lenses.
- 2783 (105) (a) "Protective equipment" means an item:
- 2784 (i) for human wear; and
- 2785 (ii) that is:
- 2786 (A) designed as protection:
- 2787 (I) to the wearer against injury or disease; or
- 2788 (II) against damage or injury of other persons or property; and
- 2789 (B) not suitable for general use.
- 2790 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2791 commission shall make rules:

- 2792 (i) listing the items that constitute "protective equipment"; and  
2793 (ii) that are consistent with the list of items that constitute "protective equipment"  
2794 under the agreement.
- 2795 (106) (a) For purposes of Subsection 59-12-104(41), "publication" means any written  
2796 or printed matter, other than a photocopy:
- 2797 (i) regardless of:
- 2798 (A) characteristics;  
2799 (B) copyright;  
2800 (C) form;  
2801 (D) format;  
2802 (E) method of reproduction; or  
2803 (F) source; and
- 2804 (ii) made available in printed or electronic format.
- 2805 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2806 commission may by rule define the term "photocopy."
- 2807 (107) (a) "Purchase price" and "sales price" mean the total amount of consideration:
- 2808 (i) valued in money; and  
2809 (ii) for which tangible personal property, a product transferred electronically, or  
2810 services are:
- 2811 (A) sold;  
2812 (B) leased; or  
2813 (C) rented.
- 2814 (b) "Purchase price" and "sales price" include:
- 2815 (i) the seller's cost of the tangible personal property, a product transferred  
2816 electronically, or services sold;
- 2817 (ii) expenses of the seller, including:
- 2818 (A) the cost of materials used;  
2819 (B) a labor cost;  
2820 (C) a service cost;  
2821 (D) interest;  
2822 (E) a loss;

- 2823 (F) the cost of transportation to the seller; or
- 2824 (G) a tax imposed on the seller;
- 2825 (iii) a charge by the seller for any service necessary to complete the sale; or
- 2826 (iv) consideration a seller receives from a person other than the purchaser if:
- 2827 (A) (I) the seller actually receives consideration from a person other than the purchaser;
- 2828 and
- 2829 (II) the consideration described in Subsection (107)(b)(iv)(A)(I) is directly related to a
- 2830 price reduction or discount on the sale;
- 2831 (B) the seller has an obligation to pass the price reduction or discount through to the
- 2832 purchaser;
- 2833 (C) the amount of the consideration attributable to the sale is fixed and determinable by
- 2834 the seller at the time of the sale to the purchaser; and
- 2835 (D) (I) (Aa) the purchaser presents a certificate, coupon, or other documentation to the
- 2836 seller to claim a price reduction or discount; and
- 2837 (Bb) a person other than the seller authorizes, distributes, or grants the certificate,
- 2838 coupon, or other documentation with the understanding that the person other than the seller
- 2839 will reimburse any seller to whom the certificate, coupon, or other documentation is presented;
- 2840 (II) the purchaser identifies that purchaser to the seller as a member of a group or
- 2841 organization allowed a price reduction or discount, except that a preferred customer card that is
- 2842 available to any patron of a seller does not constitute membership in a group or organization
- 2843 allowed a price reduction or discount; or
- 2844 (III) the price reduction or discount is identified as a third party price reduction or
- 2845 discount on the:
- 2846 (Aa) invoice the purchaser receives; or
- 2847 (Bb) certificate, coupon, or other documentation the purchaser presents.
- 2848 (c) "Purchase price" and "sales price" do not include:
- 2849 (i) a discount:
- 2850 (A) in a form including:
- 2851 (I) cash;
- 2852 (II) term; or
- 2853 (III) coupon;

- 2854 (B) that is allowed by a seller;
- 2855 (C) taken by a purchaser on a sale; and
- 2856 (D) that is not reimbursed by a third party; or
- 2857 (ii) subject to Subsections 59-12-103(2)(f)(ii) and (2)(g)(i), the following if separately
- 2858 stated on an invoice, bill of sale, or similar document provided to the purchaser at the time of
- 2859 sale or later, as demonstrated by the books and records the seller keeps at the time of the
- 2860 transaction in the regular course of business, including books and records the seller keeps at the
- 2861 time of the transaction in the regular course of business for nontax purposes, by a
- 2862 preponderance of the facts and circumstances at the time of the transaction, and by the
- 2863 understanding of all of the parties to the transaction:
- 2864 (A) the following from credit extended on the sale of tangible personal property or
- 2865 services:
- 2866 (I) a carrying charge;
- 2867 (II) a financing charge; or
- 2868 (III) an interest charge;
- 2869 (B) a delivery charge;
- 2870 (C) an installation charge;
- 2871 (D) a manufacturer rebate on a motor vehicle; or
- 2872 (E) a tax or fee legally imposed directly on the consumer.
- 2873 (108) "Purchaser" means a person to whom:
- 2874 (a) a sale of tangible personal property is made;
- 2875 (b) a product is transferred electronically; or
- 2876 (c) a service is furnished.
- 2877 (109) "Qualifying data center" means a data center facility that:
- 2878 (a) houses a group of networked server computers in one physical location in order to
- 2879 disseminate, manage, and store data and information;
- 2880 (b) is located in the state;
- 2881 (c) is a new operation constructed on or after July 1, 2016;
- 2882 (d) consists of one or more buildings that total 150,000 or more square feet;
- 2883 (e) is owned or leased by:
- 2884 (i) the operator of the data center facility; or

2885 (ii) a person under common ownership, as defined in Section 59-7-101, of the operator  
2886 of the data center facility; and

2887 (f) is located on one or more parcels of land that are owned or leased by:

2888 (i) the operator of the data center facility; or

2889 (ii) a person under common ownership, as defined in Section 59-7-101, of the operator  
2890 of the data center facility.

2891 (110) "Regularly rented" means:

2892 (a) rented to a guest for value three or more times during a calendar year; or

2893 (b) advertised or held out to the public as a place that is regularly rented to guests for  
2894 value.

2895 (111) "Rental" means the same as that term is defined in Subsection (63).

2896 (112) (a) [~~Except as provided in Subsection (112)(b), "repairs]~~ "Repairs or renovations  
2897 of tangible personal property" means:

2898 (i) a repair or renovation of tangible personal property that is not permanently attached  
2899 to real property; or

2900 (ii) attaching tangible personal property or a product transferred electronically to other  
2901 tangible personal property or detaching tangible personal property or a product transferred  
2902 electronically from other tangible personal property if:

2903 (A) the other tangible personal property to which the tangible personal property or  
2904 product transferred electronically is attached or from which the tangible personal property or  
2905 product transferred electronically is detached is not permanently attached to real property; and

2906 (B) the attachment of tangible personal property or a product transferred electronically  
2907 to other tangible personal property or detachment of tangible personal property or a product  
2908 transferred electronically from other tangible personal property is made in conjunction with a  
2909 repair or replacement of tangible personal property or a product transferred electronically.

2910 (b) "Repairs or renovations of tangible personal property" does not include:

2911 (i) attaching prewritten computer software to other tangible personal property if the  
2912 other tangible personal property to which the prewritten computer software is attached is not  
2913 permanently attached to real property; or

2914 (ii) detaching prewritten computer software from other tangible personal property if the  
2915 other tangible personal property from which the prewritten computer software is detached is

2916 not permanently attached to real property.

2917 (113) "Research and development" means the process of inquiry or experimentation  
2918 aimed at the discovery of facts, devices, technologies, or applications and the process of  
2919 preparing those devices, technologies, or applications for marketing.

2920 (114) (a) "Residential telecommunications services" means a telecommunications  
2921 service or an ancillary service that is provided to an individual for personal use:

2922 (i) at a residential address; or

2923 (ii) at an institution, including a nursing home or a school, if the telecommunications  
2924 service or ancillary service is provided to and paid for by the individual residing at the  
2925 institution rather than the institution.

2926 (b) For purposes of Subsection (114)(a)(i), a residential address includes an:

2927 (i) apartment; or

2928 (ii) other individual dwelling unit.

2929 (115) "Residential use" means the use in or around a home, apartment building,  
2930 sleeping quarters, and similar facilities or accommodations.

2931 (116) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose other  
2932 than:

2933 (a) resale;

2934 (b) sublease; or

2935 (c) subrent.

2936 (117) (a) "Retailer" means any person, unless prohibited by the Constitution of the  
2937 United States or federal law, that is engaged in a regularly organized business in tangible  
2938 personal property or any other taxable transaction under Subsection 59-12-103(1), and who is  
2939 selling to the user or consumer and not for resale.

2940 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly  
2941 engaged in the business of selling to users or consumers within the state.

2942 (118) (a) "Sale" means any transfer of title, exchange, or barter, conditional or  
2943 otherwise, in any manner, of tangible personal property or any other taxable transaction under  
2944 Subsection 59-12-103(1), for consideration.

2945 (b) "Sale" includes:

2946 (i) installment and credit sales;

- 2947 (ii) any closed transaction constituting a sale;
- 2948 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this  
2949 chapter;
- 2950 (iv) any transaction if the possession of property is transferred but the seller retains the  
2951 title as security for the payment of the price; and
- 2952 (v) any transaction under which right to possession, operation, or use of any article of  
2953 tangible personal property is granted under a lease or contract and the transfer of possession  
2954 would be taxable if an outright sale were made.
- 2955 (119) "Sale at retail" means the same as that term is defined in Subsection (116).
- 2956 (120) "Sale-leaseback transaction" means a transaction by which title to tangible  
2957 personal property or a product transferred electronically that is subject to a tax under this  
2958 chapter is transferred:
- 2959 (a) by a purchaser-lessee;
- 2960 (b) to a lessor;
- 2961 (c) for consideration; and
- 2962 (d) if:
- 2963 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase  
2964 of the tangible personal property or product transferred electronically;
- 2965 (ii) the sale of the tangible personal property or product transferred electronically to the  
2966 lessor is intended as a form of financing:
- 2967 (A) for the tangible personal property or product transferred electronically; and
- 2968 (B) to the purchaser-lessee; and
- 2969 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee  
2970 is required to:
- 2971 (A) capitalize the tangible personal property or product transferred electronically for  
2972 financial reporting purposes; and
- 2973 (B) account for the lease payments as payments made under a financing arrangement.
- 2974 (121) "Sales price" means the same as that term is defined in Subsection (107).
- 2975 (122) (a) "Sales relating to schools" means the following sales by, amounts paid to, or  
2976 amounts charged by a school:
- 2977 (i) sales that are directly related to the school's educational functions or activities



- 2978 including:
- 2979 (A) the sale of:
- 2980 (I) textbooks;
- 2981 (II) textbook fees;
- 2982 (III) laboratory fees;
- 2983 (IV) laboratory supplies; or
- 2984 (V) safety equipment;
- 2985 (B) the sale of a uniform, protective equipment, or sports or recreational equipment
- 2986 that:
- 2987 (I) a student is specifically required to wear as a condition of participation in a
- 2988 school-related event or school-related activity; and
- 2989 (II) is not readily adaptable to general or continued usage to the extent that it takes the
- 2990 place of ordinary clothing;
- 2991 (C) sales of the following if the net or gross [~~revenues~~] revenue generated by the sales
- 2992 are deposited into a school district fund or school fund dedicated to school meals:
- 2993 (I) food and food ingredients; or
- 2994 (II) prepared food; or
- 2995 (D) transportation charges for official school activities; or
- 2996 (ii) amounts paid to or amounts charged by a school for admission to a school-related
- 2997 event or school-related activity.
- 2998 (b) "Sales relating to schools" does not include:
- 2999 (i) bookstore sales of items that are not educational materials or supplies;
- 3000 (ii) except as provided in Subsection (122)(a)(i)(B):
- 3001 (A) clothing;
- 3002 (B) clothing accessories or equipment;
- 3003 (C) protective equipment; or
- 3004 (D) sports or recreational equipment; or
- 3005 (iii) amounts paid to or amounts charged by a school for admission to a school-related
- 3006 event or school-related activity if the amounts paid or charged are passed through to a person:
- 3007 (A) other than a:
- 3008 (I) school;

3009 (II) nonprofit organization authorized by a school board or a governing body of a  
3010 private school to organize and direct a competitive secondary school activity; or

3011 (III) nonprofit association authorized by a school board or a governing body of a  
3012 private school to organize and direct a competitive secondary school activity; and

3013 (B) that is required to collect sales and use taxes under this chapter.

3014 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
3015 commission may make rules defining the term "passed through."

3016 (123) For purposes of this section and Section 59-12-104, "school" means:

3017 (a) an elementary school or a secondary school that:

3018 (i) is a:

3019 (A) public school; or

3020 (B) private school; and

3021 (ii) provides instruction for one or more grades kindergarten through 12; or

3022 (b) a public school district.

3023 (124) (a) "Seller" means a person that makes a sale, lease, or rental of:

3024 (i) tangible personal property;

3025 (ii) a product transferred electronically; or

3026 (iii) a service.

3027 (b) "Seller" includes a marketplace facilitator.

3028 (125) (a) "Semiconductor fabricating, processing, research, or development materials"

3029 means tangible personal property or a product transferred electronically if the tangible personal  
3030 property or product transferred electronically is:

3031 (i) used primarily in the process of:

3032 (A) (I) manufacturing a semiconductor;

3033 (II) fabricating a semiconductor; or

3034 (III) research or development of a:

3035 (Aa) semiconductor; or

3036 (Bb) semiconductor manufacturing process; or

3037 (B) maintaining an environment suitable for a semiconductor; or

3038 (ii) consumed primarily in the process of:

3039 (A) (I) manufacturing a semiconductor;

- 3040 (II) fabricating a semiconductor; or
- 3041 (III) research or development of a:
- 3042 (Aa) semiconductor; or
- 3043 (Bb) semiconductor manufacturing process; or
- 3044 (B) maintaining an environment suitable for a semiconductor.
- 3045 (b) "Semiconductor fabricating, processing, research, or development materials"
- 3046 includes:
- 3047 (i) parts used in the repairs or renovations of tangible personal property or a product
- 3048 transferred electronically described in Subsection (125)(a); or
- 3049 (ii) a chemical, catalyst, or other material used to:
- 3050 (A) produce or induce in a semiconductor a:
- 3051 (I) chemical change; or
- 3052 (II) physical change;
- 3053 (B) remove impurities from a semiconductor; or
- 3054 (C) improve the marketable condition of a semiconductor.
- 3055 (126) "Senior citizen center" means a facility having the primary purpose of providing
- 3056 services to the aged as defined in Section 26B-6-101.
- 3057 (127) "Shared vehicle" means the same as that term is defined in Section 13-48a-101.
- 3058 (128) "Shared vehicle driver" means the same as that term is defined in Section
- 3059 13-48a-101.
- 3060 (129) "Shared vehicle owner" means the same as that term is defined in Section
- 3061 13-48a-101.
- 3062 (130) (a) Subject to Subsections (130)(b) and (c), "short-term lodging consumable"
- 3063 means tangible personal property that:
- 3064 (i) a business that provides accommodations and services described in Subsection
- 3065 59-12-103(1)(i) purchases as part of a transaction to provide the accommodations and services
- 3066 to a purchaser;
- 3067 (ii) is intended to be consumed by the purchaser; and
- 3068 (iii) is:
- 3069 (A) included in the purchase price of the accommodations and services; and
- 3070 (B) not separately stated on an invoice, bill of sale, or other similar document provided

3071 to the purchaser.

3072 (b) "Short-term lodging consumable" includes:

3073 (i) a beverage;

3074 (ii) a brush or comb;

3075 (iii) a cosmetic;

3076 (iv) a hair care product;

3077 (v) lotion;

3078 (vi) a magazine;

3079 (vii) makeup;

3080 (viii) a meal;

3081 (ix) mouthwash;

3082 (x) nail polish remover;

3083 (xi) a newspaper;

3084 (xii) a notepad;

3085 (xiii) a pen;

3086 (xiv) a pencil;

3087 (xv) a razor;

3088 (xvi) saline solution;

3089 (xvii) a sewing kit;

3090 (xviii) shaving cream;

3091 (xix) a shoe shine kit;

3092 (xx) a shower cap;

3093 (xxi) a snack item;

3094 (xxii) soap;

3095 (xxiii) toilet paper;

3096 (xxiv) a toothbrush;

3097 (xxv) toothpaste; or

3098 (xxvi) an item similar to Subsections (130)(b)(i) through (xxv) as the commission may

3099 provide by rule made in accordance with Title 63G, Chapter 3, Utah Administrative

3100 Rulemaking Act.

3101 (c) "Short-term lodging consumable" does not include:

- 3102 (i) tangible personal property that is cleaned or washed to allow the tangible personal  
3103 property to be reused; or
- 3104 (ii) a product transferred electronically.
- 3105 (131) (a) "Short-term rental" means a lease or rental for less than 30 consecutive days.
- 3106 (b) "Short-term rental" does not include car sharing.
- 3107 [~~(131)~~] (132) "Simplified electronic return" means the electronic return:
- 3108 (a) described in Section 318(C) of the agreement; and
- 3109 (b) approved by the governing board of the agreement.
- 3110 [~~(132)~~] (133) "Solar energy" means the sun used as the sole source of energy for  
3111 producing electricity.
- 3112 [~~(133)~~] (134) (a) "Sports or recreational equipment" means an item:
- 3113 (i) designed for human use; and
- 3114 (ii) that is:
- 3115 (A) worn in conjunction with:
- 3116 (I) an athletic activity; or
- 3117 (II) a recreational activity; and
- 3118 (B) not suitable for general use.
- 3119 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
3120 commission shall make rules:
- 3121 (i) listing the items that constitute "sports or recreational equipment"; and
- 3122 (ii) that are consistent with the list of items that constitute "sports or recreational  
3123 equipment" under the agreement.
- 3124 [~~(134)~~] (135) "State" means the state of Utah, its departments, and agencies.
- 3125 [~~(135)~~] (136) "Storage" means any keeping or retention of tangible personal property or  
3126 any other taxable transaction under Subsection 59-12-103(1), in this state for any purpose  
3127 except sale in the regular course of business.
- 3128 [~~(136)~~] (137) (a) [~~Except as provided in Subsection (136)(d) or (e), "tangible"~~]  
3129 "Tangible personal property" means personal property that:
- 3130 (i) may be:
- 3131 (A) seen;
- 3132 (B) weighed;

- 3133 (C) measured;
- 3134 (D) felt; or
- 3135 (E) touched; or
- 3136 (ii) is in any manner perceptible to the senses.
- 3137 (b) "Tangible personal property" includes:
- 3138 (i) electricity;
- 3139 (ii) water;
- 3140 (iii) gas;
- 3141 (iv) steam; or
- 3142 (v) prewritten computer software, regardless of the manner in which the prewritten
- 3143 computer software is transferred.
- 3144 (c) "Tangible personal property" includes the following regardless of whether the item
- 3145 is attached to real property:
- 3146 (i) a dishwasher;
- 3147 (ii) a dryer;
- 3148 (iii) a freezer;
- 3149 (iv) a microwave;
- 3150 (v) a refrigerator;
- 3151 (vi) a stove;
- 3152 (vii) a washer; or
- 3153 (viii) an item similar to Subsections [~~(136)(c)(i)~~] (137)(c)(i) through (vii) as
- 3154 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah
- 3155 Administrative Rulemaking Act.
- 3156 (d) "Tangible personal property" does not include a product that is transferred
- 3157 electronically.
- 3158 (e) "Tangible personal property" does not include the following if attached to real
- 3159 property, regardless of whether the attachment to real property is only through a line that
- 3160 supplies water, electricity, gas, telephone, cable, or supplies a similar item as determined by the
- 3161 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 3162 Rulemaking Act:
- 3163 (i) a hot water heater;

3164 (ii) a water filtration system; or

3165 (iii) a water softener system.

3166 ~~[(137)]~~ (138) (a) "Telecommunications enabling or facilitating equipment, machinery,  
3167 or software" means an item listed in Subsection ~~[(137)(b)]~~ (138)(b) if that item is purchased or  
3168 leased primarily to enable or facilitate one or more of the following to function:

3169 (i) telecommunications switching or routing equipment, machinery, or software; or

3170 (ii) telecommunications transmission equipment, machinery, or software.

3171 (b) The following apply to Subsection ~~[(137)(a)]~~ (138)(b):

3172 (i) a pole;

3173 (ii) software;

3174 (iii) a supplementary power supply;

3175 (iv) temperature or environmental equipment or machinery;

3176 (v) test equipment;

3177 (vi) a tower; or

3178 (vii) equipment, machinery, or software that functions similarly to an item listed in  
3179 Subsections ~~[(137)(b)(i)]~~ (138)(b)(i) through (vi) as determined by the commission by rule  
3180 made in accordance with Subsection ~~[(137)(c)]~~ (138)(c).

3181 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
3182 commission may by rule define what constitutes equipment, machinery, or software that  
3183 functions similarly to an item listed in Subsections ~~[(137)(b)(i)]~~ (138)(b)(i) through (vi).

3184 ~~[(138)]~~ (139) "Telecommunications equipment, machinery, or software required for  
3185 911 service" means equipment, machinery, or software that is required to comply with 47  
3186 C.F.R. Sec. 20.18.

3187 ~~[(139)]~~ (140) "Telecommunications maintenance or repair equipment, machinery, or  
3188 software" means equipment, machinery, or software purchased or leased primarily to maintain  
3189 or repair one or more of the following, regardless of whether the equipment, machinery, or  
3190 software is purchased or leased as a spare part or as an upgrade or modification to one or more  
3191 of the following:

3192 (a) telecommunications enabling or facilitating equipment, machinery, or software;

3193 (b) telecommunications switching or routing equipment, machinery, or software; or

3194 (c) telecommunications transmission equipment, machinery, or software.

- 3195            [~~(140)~~] (141) (a) "Telecommunications service" means the electronic conveyance,  
3196 routing, or transmission of audio, data, video, voice, or any other information or signal to a  
3197 point, or among or between points.
- 3198            (b) "Telecommunications service" includes:
- 3199            (i) an electronic conveyance, routing, or transmission with respect to which a computer  
3200 processing application is used to act:
- 3201            (A) on the code, form, or protocol of the content;  
3202            (B) for the purpose of electronic conveyance, routing, or transmission; and  
3203            (C) regardless of whether the service:  
3204            (D) is referred to as voice over Internet protocol service; or  
3205            (E) is classified by the Federal Communications Commission as enhanced or value  
3206 added;
- 3207            (ii) an 800 service;  
3208            (iii) a 900 service;  
3209            (iv) a fixed wireless service;  
3210            (v) a mobile wireless service;  
3211            (vi) a postpaid calling service;  
3212            (vii) a prepaid calling service;  
3213            (viii) a prepaid wireless calling service; or  
3214            (ix) a private communications service.
- 3215            (c) "Telecommunications service" does not include:
- 3216            (i) advertising, including directory advertising;  
3217            (ii) an ancillary service;  
3218            (iii) a billing and collection service provided to a third party;  
3219            (iv) a data processing and information service if:
- 3220            (A) the data processing and information service allows data to be:  
3221            (I) (Aa) acquired;  
3222            (Bb) generated;  
3223            (Cc) processed;  
3224            (Dd) retrieved; or  
3225            (Ee) stored; and



- 3226 (II) delivered by an electronic transmission to a purchaser; and  
3227 (B) the purchaser's primary purpose for the underlying transaction is the processed data  
3228 or information;
- 3229 (v) installation or maintenance of the following on a customer's premises:  
3230 (A) equipment; or  
3231 (B) wiring;
- 3232 (vi) Internet access service;  
3233 (vii) a paging service;  
3234 (viii) a product transferred electronically, including:  
3235 (A) music;  
3236 (B) reading material;  
3237 (C) a ring tone;  
3238 (D) software; or  
3239 (E) video;
- 3240 (ix) a radio and television audio and video programming service:  
3241 (A) regardless of the medium; and  
3242 (B) including:  
3243 (I) furnishing conveyance, routing, or transmission of a television audio and video  
3244 programming service by a programming service provider;
- 3245 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or  
3246 (III) audio and video programming services delivered by a commercial mobile radio  
3247 service provider as defined in 47 C.F.R. Sec. 20.3;
- 3248 (x) a value-added nonvoice data service; or  
3249 (xi) tangible personal property.
- 3250 [(141)] (142) (a) "Telecommunications service provider" means a person that:  
3251 (i) owns, controls, operates, or manages a telecommunications service; and  
3252 (ii) engages in an activity described in Subsection [(141)(a)(i)] (142)(a)(i) for the  
3253 shared use with or resale to any person of the telecommunications service.
- 3254 (b) A person described in Subsection [(141)(a)] (142)(a) is a telecommunications  
3255 service provider whether or not the Public Service Commission of Utah regulates:  
3256 (i) that person; or

3257 (ii) the telecommunications service that the person owns, controls, operates, or  
 3258 manages.

3259 [~~(142)~~] (143) (a) "Telecommunications switching or routing equipment, machinery, or  
 3260 software" means an item listed in Subsection [~~(142)(b)~~] (143)(b) if that item is purchased or  
 3261 leased primarily for switching or routing:

- 3262 (i) an ancillary service;
- 3263 (ii) data communications;
- 3264 (iii) voice communications; or
- 3265 (iv) telecommunications service.

3266 (b) The following apply to Subsection [~~(142)(a)~~] (143)(b):

- 3267 (i) a bridge;
- 3268 (ii) a computer;
- 3269 (iii) a cross connect;
- 3270 (iv) a modem;
- 3271 (v) a multiplexer;
- 3272 (vi) plug in circuitry;
- 3273 (vii) a router;
- 3274 (viii) software;
- 3275 (ix) a switch; or
- 3276 (x) equipment, machinery, or software that functions similarly to an item listed in  
 3277 Subsections [~~(142)(b)(i)~~] (143)(b)(i) through (ix) as determined by the commission by rule  
 3278 made in accordance with Subsection [~~(142)(c)~~] (143)(c).

3279 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 3280 commission may by rule define what constitutes equipment, machinery, or software that  
 3281 functions similarly to an item listed in Subsections [~~(142)(b)(i)~~] (143)(b)(i) through (ix).

3282 [~~(143)~~] (144) (a) "Telecommunications transmission equipment, machinery, or  
 3283 software" means an item listed in Subsection [~~(143)(b)~~] (144)(b) if that item is purchased or  
 3284 leased primarily for sending, receiving, or transporting:

- 3285 (i) an ancillary service;
- 3286 (ii) data communications;
- 3287 (iii) voice communications; or

- 3288 (iv) telecommunications service.
- 3289 (b) The following apply to Subsection [(143)(a)] (144)(a):
- 3290 (i) an amplifier;
- 3291 (ii) a cable;
- 3292 (iii) a closure;
- 3293 (iv) a conduit;
- 3294 (v) a controller;
- 3295 (vi) a duplexer;
- 3296 (vii) a filter;
- 3297 (viii) an input device;
- 3298 (ix) an input/output device;
- 3299 (x) an insulator;
- 3300 (xi) microwave machinery or equipment;
- 3301 (xii) an oscillator;
- 3302 (xiii) an output device;
- 3303 (xiv) a pedestal;
- 3304 (xv) a power converter;
- 3305 (xvi) a power supply;
- 3306 (xvii) a radio channel;
- 3307 (xviii) a radio receiver;
- 3308 (xix) a radio transmitter;
- 3309 (xx) a repeater;
- 3310 (xxi) software;
- 3311 (xxii) a terminal;
- 3312 (xxiii) a timing unit;
- 3313 (xxiv) a transformer;
- 3314 (xxv) a wire; or
- 3315 (xxvi) equipment, machinery, or software that functions similarly to an item listed in
- 3316 Subsections [(143)(b)(i)] (144)(b)(i) through (xxv) as determined by the commission by rule
- 3317 made in accordance with Subsection [(143)(c)] (144)(c).
- 3318 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

3319 commission may by rule define what constitutes equipment, machinery, or software that  
3320 functions similarly to an item listed in Subsections ~~[(143)(b)(i)]~~ (144)(b)(i) through (xxv).

3321 ~~[(144)]~~ (145) (a) "Textbook for a higher education course" means a textbook or other  
3322 printed material that is required for a course:

3323 (i) offered by an institution of higher education; and

3324 (ii) that the purchaser of the textbook or other printed material attends or will attend.

3325 (b) "Textbook for a higher education course" includes a textbook in electronic format.

3326 ~~[(145)]~~ (146) "Tobacco" means:

3327 (a) a cigarette;

3328 (b) a cigar;

3329 (c) chewing tobacco;

3330 (d) pipe tobacco; or

3331 (e) any other item that contains tobacco.

3332 ~~[(146)]~~ (147) "Unassisted amusement device" means an amusement device, skill  
3333 device, or ride device that is started and stopped by the purchaser or renter of the right to use or  
3334 operate the amusement device, skill device, or ride device.

3335 ~~[(147)]~~ (148) (a) "Use" means the exercise of any right or power over tangible personal  
3336 property, a product transferred electronically, or a service under Subsection 59-12-103(1),  
3337 incident to the ownership or the leasing of that tangible personal property, product transferred  
3338 electronically, or service.

3339 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal  
3340 property, a product transferred electronically, or a service in the regular course of business and  
3341 held for resale.

3342 ~~[(148)]~~ (149) "Value-added nonvoice data service" means a service:

3343 (a) that otherwise meets the definition of a telecommunications service except that a  
3344 computer processing application is used to act primarily for a purpose other than conveyance,  
3345 routing, or transmission; and

3346 (b) with respect to which a computer processing application is used to act on data or  
3347 information:

3348 (i) code;

3349 (ii) content;

- 3350 (iii) form; or
- 3351 (iv) protocol.
- 3352 ~~[(149)]~~ (150) (a) Subject to Subsection ~~[(149)(b)]~~ (150)(b), "vehicle" means the
- 3353 following that are required to be titled, registered, or titled and registered:
- 3354 (i) an aircraft as defined in Section 72-10-102;
- 3355 (ii) a vehicle as defined in Section 41-1a-102;
- 3356 (iii) an off-highway vehicle as defined in Section 41-22-2; or
- 3357 (iv) a vessel as defined in Section 41-1a-102.
- 3358 (b) For purposes of Subsection 59-12-104(33) only, "vehicle" includes:
- 3359 (i) a vehicle described in Subsection ~~[(149)(a)]~~ (150)(b); or
- 3360 (ii) (A) a locomotive;
- 3361 (B) a freight car;
- 3362 (C) railroad work equipment; or
- 3363 (D) other railroad rolling stock.
- 3364 ~~[(150)]~~ (151) "Vehicle dealer" means a person engaged in the business of buying,
- 3365 selling, or exchanging a vehicle as defined in Subsection ~~[(149)]~~ (150).
- 3366 ~~[(151)]~~ (152) (a) "Vertical service" means an ancillary service that:
- 3367 (i) is offered in connection with one or more telecommunications services; and
- 3368 (ii) offers an advanced calling feature that allows a customer to:
- 3369 (A) identify a caller; and
- 3370 (B) manage multiple calls and call connections.
- 3371 (b) "Vertical service" includes an ancillary service that allows a customer to manage a
- 3372 conference bridging service.
- 3373 ~~[(152)]~~ (153) (a) "Voice mail service" means an ancillary service that enables a
- 3374 customer to receive, send, or store a recorded message.
- 3375 (b) "Voice mail service" does not include a vertical service that a customer is required
- 3376 to have in order to utilize a voice mail service.
- 3377 ~~[(153)]~~ (154) (a) ~~[Except as provided in Subsection (153)(b), "waste"]~~ "Waste energy
- 3378 facility" means a facility that generates electricity:
- 3379 (i) using as the primary source of energy waste materials that would be placed in a
- 3380 landfill or refuse pit if it were not used to generate electricity, including:

- 3381 (A) tires;
- 3382 (B) waste coal;
- 3383 (C) oil shale; or
- 3384 (D) municipal solid waste; and
- 3385 (ii) in amounts greater than actually required for the operation of the facility.
- 3386 (b) "Waste energy facility" does not include a facility that incinerates:
- 3387 (i) hospital waste as defined in 40 C.F.R. 60.51c; or
- 3388 (ii) medical/infectious waste as defined in 40 C.F.R. 60.51c.
- 3389 [~~(154)~~] (155) "Watercraft" means a vessel as defined in Section 73-18-2.
- 3390 [~~(155)~~] (156) "Wind energy" means wind used as the sole source of energy to produce
- 3391 electricity.
- 3392 [~~(156)~~] (157) "ZIP Code" means a Zoning Improvement Plan Code assigned to a
- 3393 geographic location by the United States Postal Service.
- 3394 Section 4. Section **59-12-103 (Contingently Superseded 01/01/25)** is amended to
- 3395 read:
- 3396 **59-12-103 (Contingently Superseded 01/01/25).** Sales and use tax base -- Rates --
- 3397 Effective dates -- Use of sales and use tax revenue.
- 3398 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
- 3399 sales price for amounts paid or charged for the following transactions:
- 3400 (a) retail sales of tangible personal property made within the state;
- 3401 (b) amounts paid for:
- 3402 (i) telecommunications service, other than mobile telecommunications service, that
- 3403 originates and terminates within the boundaries of this state;
- 3404 (ii) mobile telecommunications service that originates and terminates within the
- 3405 boundaries of one state only to the extent permitted by the Mobile Telecommunications
- 3406 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
- 3407 (iii) an ancillary service associated with a:
- 3408 (A) telecommunications service described in Subsection (1)(b)(i); or
- 3409 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 3410 (c) sales of the following for commercial use:
- 3411 (i) gas;

- 3412 (ii) electricity;
- 3413 (iii) heat;
- 3414 (iv) coal;
- 3415 (v) fuel oil; or
- 3416 (vi) other fuels;
- 3417 (d) sales of the following for residential use:
- 3418 (i) gas;
- 3419 (ii) electricity;
- 3420 (iii) heat;
- 3421 (iv) coal;
- 3422 (v) fuel oil; or
- 3423 (vi) other fuels;
- 3424 (e) sales of prepared food;
- 3425 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 3426 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 3427 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 3428 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 3429 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 3430 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 3431 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 3432 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 3433 exhibition, cultural, or athletic activity;
- 3434 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 3435 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 3436 (i) the tangible personal property; and
- 3437 (ii) parts used in the repairs or renovations of the tangible personal property described
- 3438 in Subsection (1)(g)(i), regardless of whether:
- 3439 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 3440 property; or
- 3441 (B) the particular parts used in the repairs or renovations of that tangible personal
- 3442 property are exempt from a tax under this chapter;

- 3443 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for  
3444 assisted cleaning or washing of tangible personal property;
- 3445 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or  
3446 trailer court accommodations and services [~~that are regularly rented for less than 30~~  
3447 ~~consecutive days~~];
- 3448 (j) amounts paid or charged for laundry or dry cleaning services;
- 3449 (k) amounts paid or charged for leases or rentals of tangible personal property if within  
3450 this state the tangible personal property is:
- 3451 (i) stored;
- 3452 (ii) used; or
- 3453 (iii) otherwise consumed;
- 3454 (l) amounts paid or charged for tangible personal property if within this state the  
3455 tangible personal property is:
- 3456 (i) stored;
- 3457 (ii) used; or
- 3458 (iii) consumed;
- 3459 (m) amounts paid or charged for a sale:
- 3460 (i) (A) of a product transferred electronically; or
- 3461 (B) of a repair or renovation of a product transferred electronically; and
- 3462 (ii) regardless of whether the sale provides:
- 3463 (A) a right of permanent use of the product; or
- 3464 (B) a right to use the product that is less than a permanent use, including a right:
- 3465 (I) for a definite or specified length of time; and
- 3466 (II) that terminates upon the occurrence of a condition; and
- 3467 (n) sales of leased tangible personal property from the lessor to the lessee made in the  
3468 state.
- 3469 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax  
3470 are imposed on a transaction described in Subsection (1) equal to the sum of:
- 3471 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 3472 (A) 4.70% plus the rate specified in Subsection (11)(a); and
- 3473 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales



3474 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
3475 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional  
3476 State Sales and Use Tax Act; and

3477 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales  
3478 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
3479 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state  
3480 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

3481 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
3482 transaction under this chapter other than this part.

3483 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a  
3484 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to  
3485 the sum of:

3486 (i) a state tax imposed on the transaction at a tax rate of 2%; and

3487 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
3488 transaction under this chapter other than this part.

3489 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are  
3490 imposed on amounts paid or charged for food and food ingredients equal to the sum of:

3491 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at  
3492 a tax rate of 1.75%; and

3493 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
3494 amounts paid or charged for food and food ingredients under this chapter other than this part.

3495 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts  
3496 paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at  
3497 a rate of 4.85%.

3498 (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed  
3499 by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax  
3500 imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a  
3501 shared vehicle driver, or a shared vehicle owner.

3502 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is  
3503 required once during the time that the shared vehicle owner owns the shared vehicle.

3504 (C) The commission shall verify that a shared vehicle is an individual-owned shared

3505 vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the  
3506 purchase of the shared vehicle.

3507 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified  
3508 individual-owned shared vehicle shared through a car-sharing program even if non-certified  
3509 shared vehicles are also available to be shared through the same car-sharing program.

3510 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

3511 (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's  
3512 representation that the shared vehicle is an individual-owned shared vehicle certified with the  
3513 commission as described in Subsection (2)(e)(i).

3514 (B) If a car-sharing program relies in good faith on a shared vehicle owner's  
3515 representation that the shared vehicle is an individual-owned shared vehicle certified with the  
3516 commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any  
3517 tax, penalty, fee, or other sanction imposed on the shared vehicle owner.

3518 (iv) If all shared vehicles shared through a car-sharing program are certified as  
3519 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation  
3520 to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.

3521 (v) [~~(A)~~] A car-sharing program is not required to list or otherwise identify an  
3522 individual-owned shared vehicle on a return or an attachment to a return.

3523 (vi) A car-sharing program shall:

3524 (A) retain tax information for each car-sharing program transaction; and

3525 (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at  
3526 the commission's request.

3527 (f) (i) For a bundled transaction that is attributable to food and food ingredients and  
3528 tangible personal property other than food and food ingredients, a state tax and a local tax is  
3529 imposed on the entire bundled transaction equal to the sum of:

3530 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

3531 (I) the tax rate described in Subsection (2)(a)(i)(A); and

3532 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
3533 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
3534 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
3535 Additional State Sales and Use Tax Act; and

3536 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
3537 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
3538 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
3539 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and  
3540 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates  
3541 described in Subsection (2)(a)(ii).

3542 (ii) If an optional computer software maintenance contract is a bundled transaction that  
3543 consists of taxable and nontaxable products that are not separately itemized on an invoice or  
3544 similar billing document, the purchase of the optional computer software maintenance contract  
3545 is 40% taxable under this chapter and 60% nontaxable under this chapter.

3546 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled  
3547 transaction described in Subsection (2)(f)(i) or (ii):

3548 (A) if the sales price of the bundled transaction is attributable to tangible personal  
3549 property, a product, or a service that is subject to taxation under this chapter and tangible  
3550 personal property, a product, or service that is not subject to taxation under this chapter, the  
3551 entire bundled transaction is subject to taxation under this chapter unless:

3552 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
3553 personal property, product, or service that is not subject to taxation under this chapter from the  
3554 books and records the seller keeps in the seller's regular course of business; or  
3555 (II) state or federal law provides otherwise; or

3556 (B) if the sales price of a bundled transaction is attributable to two or more items of  
3557 tangible personal property, products, or services that are subject to taxation under this chapter  
3558 at different rates, the entire bundled transaction is subject to taxation under this chapter at the  
3559 higher tax rate unless:

3560 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
3561 personal property, product, or service that is subject to taxation under this chapter at the lower  
3562 tax rate from the books and records the seller keeps in the seller's regular course of business; or  
3563 (II) state or federal law provides otherwise.

3564 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the  
3565 seller's regular course of business includes books and records the seller keeps in the regular  
3566 course of business for nontax purposes.

3567 (g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii)  
3568 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
3569 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
3570 of tangible personal property, other property, a product, or a service that is not subject to  
3571 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
3572 the seller, at the time of the transaction:

3573 (A) separately states the portion of the transaction that is not subject to taxation under  
3574 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

3575 (B) is able to identify by reasonable and verifiable standards, from the books and  
3576 records the seller keeps in the seller's regular course of business, the portion of the transaction  
3577 that is not subject to taxation under this chapter.

3578 (ii) A purchaser and a seller may correct the taxability of a transaction if:

3579 (A) after the transaction occurs, the purchaser and the seller discover that the portion of  
3580 the transaction that is not subject to taxation under this chapter was not separately stated on an  
3581 invoice, bill of sale, or similar document provided to the purchaser because of an error or  
3582 ignorance of the law; and

3583 (B) the seller is able to identify by reasonable and verifiable standards, from the books  
3584 and records the seller keeps in the seller's regular course of business, the portion of the  
3585 transaction that is not subject to taxation under this chapter.

3586 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps  
3587 in the seller's regular course of business includes books and records the seller keeps in the  
3588 regular course of business for nontax purposes.

3589 (h) (i) If the sales price of a transaction is attributable to two or more items of tangible  
3590 personal property, products, or services that are subject to taxation under this chapter at  
3591 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate  
3592 unless the seller, at the time of the transaction:

3593 (A) separately states the items subject to taxation under this chapter at each of the  
3594 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

3595 (B) is able to identify by reasonable and verifiable standards the tangible personal  
3596 property, product, or service that is subject to taxation under this chapter at the lower tax rate  
3597 from the books and records the seller keeps in the seller's regular course of business.

3598 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the  
3599 seller's regular course of business includes books and records the seller keeps in the regular  
3600 course of business for nontax purposes.

3601 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax  
3602 rate imposed under the following shall take effect on the first day of a calendar quarter:

3603 (i) Subsection (2)(a)(i)(A);

3604 (ii) Subsection (2)(b)(i);

3605 (iii) Subsection (2)(c)(i); or

3606 (iv) Subsection (2)(f)(i)(A)(I).

3607 (j) (i) A tax rate increase takes effect on the first day of the first billing period that  
3608 begins on or after the effective date of the tax rate increase if the billing period for the  
3609 transaction begins before the effective date of a tax rate increase imposed under:

3610 (A) Subsection (2)(a)(i)(A);

3611 (B) Subsection (2)(b)(i);

3612 (C) Subsection (2)(c)(i); or

3613 (D) Subsection (2)(f)(i)(A)(I).

3614 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
3615 statement for the billing period is rendered on or after the effective date of the repeal of the tax  
3616 or the tax rate decrease imposed under:

3617 (A) Subsection (2)(a)(i)(A);

3618 (B) Subsection (2)(b)(i);

3619 (C) Subsection (2)(c)(i); or

3620 (D) Subsection (2)(f)(i)(A)(I).

3621 (k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale  
3622 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal  
3623 or change in a tax rate takes effect:

3624 (A) on the first day of a calendar quarter; and

3625 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

3626 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:

3627 (A) Subsection (2)(a)(i)(A);

3628 (B) Subsection (2)(b)(i);

- 3629 (C) Subsection (2)(c)(i); or
- 3630 (D) Subsection (2)(f)(i)(A)(I).
- 3631 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 3632 the commission may by rule define the term "catalogue sale."
- 3633 (l) (i) For a location described in Subsection (2)(l)(ii), the commission shall determine
- 3634 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the
- 3635 predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.
- 3636 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
- 3637 or other fuel is furnished through a single meter for two or more of the following uses:
- 3638 (A) a commercial use;
- 3639 (B) an industrial use; or
- 3640 (C) a residential use.
- 3641 (3) (a) The following state taxes shall be deposited into the General Fund:
- 3642 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 3643 (ii) the tax imposed by Subsection (2)(b)(i);
- 3644 (iii) the tax imposed by Subsection (2)(c)(i); and
- 3645 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 3646 (b) The following local taxes shall be distributed to a county, city, or town as provided
- 3647 in this chapter:
- 3648 (i) the tax imposed by Subsection (2)(a)(ii);
- 3649 (ii) the tax imposed by Subsection (2)(b)(ii);
- 3650 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 3651 (iv) the tax imposed by Subsection (2)(f)(i)(B).
- 3652 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General
- 3653 Fund.
- 3654 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
- 3655 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
- 3656 through (g):
- 3657 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 3658 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 3659 (B) for the fiscal year; or

3660 (ii) \$17,500,000.

3661 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount  
3662 described in Subsection (4)(a) shall be transferred each year as designated sales and use tax  
3663 revenue to the Department of Natural Resources to:

3664 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to  
3665 protect sensitive plant and animal species; or

3666 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
3667 act, to political subdivisions of the state to implement the measures described in Subsections  
3668 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

3669 (ii) Money transferred to the Department of Natural Resources under Subsection  
3670 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other  
3671 person to list or attempt to have listed a species as threatened or endangered under the  
3672 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

3673 (iii) At the end of each fiscal year:

3674 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the  
3675 Water Resources Conservation and Development Fund created in Section 73-10-24;

3676 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
3677 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

3678 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
3679 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

3680 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
3681 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
3682 created in Section 4-18-106.

3683 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
3684 in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to  
3685 the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for  
3686 the adjudication of water rights.

3687 (ii) At the end of each fiscal year:

3688 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the  
3689 Water Resources Conservation and Development Fund created in Section 73-10-24;

3690 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the

3691 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and  
3692 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
3693 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

3694 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described  
3695 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and  
3696 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

3697 (ii) In addition to the uses allowed of the Water Resources Conservation and  
3698 Development Fund under Section 73-10-24, the Water Resources Conservation and  
3699 Development Fund may also be used to:

3700 (A) conduct hydrologic and geotechnical investigations by the Division of Water  
3701 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of  
3702 quantifying surface and ground water resources and describing the hydrologic systems of an  
3703 area in sufficient detail so as to enable local and state resource managers to plan for and  
3704 accommodate growth in water use without jeopardizing the resource;

3705 (B) fund state required dam safety improvements; and

3706 (C) protect the state's interest in interstate water compact allocations, including the  
3707 hiring of technical and legal staff.

3708 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
3709 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount  
3710 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

3711 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
3712 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount  
3713 created in Section 73-10c-5 for use by the Division of Drinking Water to:

3714 (i) provide for the installation and repair of collection, treatment, storage, and  
3715 distribution facilities for any public water system, as defined in Section 19-4-102;

3716 (ii) develop underground sources of water, including springs and wells; and  
3717 (iii) develop surface water sources.

3718 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
3719 2006, the difference between the following amounts shall be expended as provided in this  
3720 Subsection (5), if that difference is greater than \$1:

3721 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the



3722 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and  
3723 (ii) \$17,500,000.

3724 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:  
3725 (A) transferred each fiscal year to the Department of Natural Resources as designated  
3726 sales and use tax revenue; and  
3727 (B) expended by the Department of Natural Resources for watershed rehabilitation or  
3728 restoration.

3729 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use  
3730 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation  
3731 and Development Fund created in Section 73-10-24.

3732 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the  
3733 remaining difference described in Subsection (5)(a) shall be:  
3734 (A) transferred each fiscal year to the Division of Water Resources as designated sales  
3735 and use tax revenue; and  
3736 (B) expended by the Division of Water Resources for cloud-seeding projects  
3737 authorized by Title 73, Chapter 15, Modification of Weather.

3738 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use  
3739 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation  
3740 and Development Fund created in Section 73-10-24.

3741 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the  
3742 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
3743 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
3744 Division of Water Resources for:  
3745 (i) preconstruction costs:  
3746 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
3747 26, Bear River Development Act; and  
3748 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project  
3749 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

3750 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,  
3751 Chapter 26, Bear River Development Act;

3752 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project

3753 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and  
3754 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and  
3755 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).  
3756 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the  
3757 remaining difference described in Subsection (5)(a) shall be deposited each year into the Water  
3758 Rights Restricted Account created by Section 73-2-1.6.

3759 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a),  
3760 each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account  
3761 created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the  
3762 transactions described in Subsection (1) for the fiscal year.

3763 (7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal  
3764 year beginning on or after July 1, 2023, the commission shall deposit into the Transportation  
3765 Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under  
3766 Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

3767 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;  
3768 (ii) the tax imposed by Subsection (2)(b)(i);  
3769 (iii) the tax imposed by Subsection (2)(c)(i); and  
3770 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

3771 (b) (i) As used in this Subsection (7)(b):  
3772 (A) "Additional growth revenue" means the amount of relevant revenue collected in  
3773 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the  
3774 previous fiscal year.

3775 (B) "Combined amount" means the combined total amount of money deposited into the  
3776 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

3777 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation  
3778 Investment Fund created in Subsection 72-2-124(10).

3779 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that  
3780 equals 17% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv).  
3781 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually  
3782 reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by  
3783 an amount equal to the amount of the deposit under this Subsection (7)(b) to the Cottonwood

3784 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the  
3785 limit in Subsection (7)(b)(iii).

3786 (iii) The commission shall annually deposit the amount described in Subsection  
3787 (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount  
3788 for any single fiscal year of \$20,000,000.

3789 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous  
3790 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood  
3791 Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant  
3792 revenue.

3793 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,  
3794 2023, the commission shall annually reduce the deposit into the Transportation Investment  
3795 Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

3796 (A) the amount of revenue generated in the current fiscal year by the portion of taxes  
3797 listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described  
3798 in Subsections (7)(a)(i) through (iv);

3799 (B) the amount of revenue generated in the current fiscal year by registration fees  
3800 designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund  
3801 of 2005; and

3802 (C) [~~revenues~~] revenue transferred by the Division of Finance to the Transportation  
3803 Investment Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

3804 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a  
3805 given fiscal year.

3806 (iii) The commission shall annually deposit the amount described in Subsection  
3807 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).

3808 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
3809 Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or  
3810 after July 1, 2018, the commission shall annually deposit into the Transportation Investment  
3811 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)  
3812 in an amount equal to 3.68% of the [~~revenues~~] revenue collected from the following taxes:

3813 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

3814 (ii) the tax imposed by Subsection (2)(b)(i);

3815 (iii) the tax imposed by Subsection (2)(c)(i); and

3816 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

3817 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually  
3818 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by  
3819 an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by  
3820 the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale  
3821 or use in this state that exceeds 29.4 cents per gallon.

3822 (c) The commission shall annually deposit the amount described in Subsection (8)(b)  
3823 into the Transit Transportation Investment Fund created in Section 72-2-124.

3824 (d) (i) As used in this Subsection (8)(d):

3825 (A) "Additional growth revenue" means the amount of relevant revenue collected in  
3826 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the  
3827 previous fiscal year.

3828 (B) "Combined amount" means the combined total amount of money deposited into the  
3829 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

3830 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation  
3831 Investment Fund created in Subsection 72-2-124(10).

3832 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that  
3833 equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through  
3834 (iv).

3835 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually  
3836 reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by  
3837 an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood  
3838 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the  
3839 limit in Subsection (8)(d)(iii).

3840 (iii) The commission shall annually deposit the amount described in Subsection  
3841 (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount  
3842 for any single fiscal year of \$20,000,000.

3843 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous  
3844 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood  
3845 Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant

3846 revenue.

3847 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
3848 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
3849 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

3850 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
3851 fiscal year during which the commission receives notice under Section 63N-2-510 that  
3852 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission  
3853 shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by  
3854 the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in  
3855 Section 63N-2-512.

3856 (11) (a) The rate specified in this subsection is 0.15%.

3857 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year  
3858 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the  
3859 rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax  
3860 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.

3861 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
3862 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit  
3863 solely for use of the Search and Rescue Financial Assistance Program created in, and expended  
3864 in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

3865 (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall  
3866 annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund  
3867 of 2005 under Subsections (7) and (8) to the General Fund.

3868 (b) If the total revenue deposited into the Transportation Investment Fund of 2005  
3869 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall  
3870 transfer the total revenue deposited into the Transportation Investment Fund of 2005 under  
3871 Subsections (7) and (8) during the fiscal year to the General Fund.

3872 (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610,  
3873 beginning the first day of the calendar quarter one year after the sales and use tax boundary for  
3874 a housing and transit reinvestment zone is established, the commission, at least annually, shall  
3875 transfer an amount equal to 15% of the sales and use tax increment within an established sales  
3876 and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation

3877 Investment Fund created in Section 72-2-124.

3878 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year  
3879 beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure  
3880 Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection  
3881 (3)(a) equal to 1% of the [~~revenues~~] revenue collected from the following sales and use taxes:

3882 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

3883 (b) the tax imposed by Subsection (2)(b)(i);

3884 (c) the tax imposed by Subsection (2)(c)(i); and

3885 (d) the tax imposed by Subsection (2)(f)(i)(A)(I).

3886 Section 5. Section **59-12-103 (Contingently Effective 01/01/25)** is amended to read:

3887 **59-12-103 (Contingently Effective 01/01/25). Sales and use tax base -- Rates --**

3888 **Effective dates -- Use of sales and use tax revenue.**

3889 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or  
3890 sales price for amounts paid or charged for the following transactions:

3891 (a) retail sales of tangible personal property made within the state;

3892 (b) amounts paid for:

3893 (i) telecommunications service, other than mobile telecommunications service, that  
3894 originates and terminates within the boundaries of this state;

3895 (ii) mobile telecommunications service that originates and terminates within the  
3896 boundaries of one state only to the extent permitted by the Mobile Telecommunications

3897 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

3898 (iii) an ancillary service associated with a:

3899 (A) telecommunications service described in Subsection (1)(b)(i); or

3900 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

3901 (c) sales of the following for commercial use:

3902 (i) gas;

3903 (ii) electricity;

3904 (iii) heat;

3905 (iv) coal;

3906 (v) fuel oil; or

3907 (vi) other fuels;

- 3908 (d) sales of the following for residential use:
- 3909 (i) gas;
- 3910 (ii) electricity;
- 3911 (iii) heat;
- 3912 (iv) coal;
- 3913 (v) fuel oil; or
- 3914 (vi) other fuels;
- 3915 (e) sales of prepared food;
- 3916 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 3917 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 3918 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 3919 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 3920 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 3921 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 3922 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 3923 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 3924 exhibition, cultural, or athletic activity;
- 3925 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 3926 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 3927 (i) the tangible personal property; and
- 3928 (ii) parts used in the repairs or renovations of the tangible personal property described
- 3929 in Subsection (1)(g)(i), regardless of whether:
- 3930 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 3931 property; or
- 3932 (B) the particular parts used in the repairs or renovations of that tangible personal
- 3933 property are exempt from a tax under this chapter;
- 3934 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 3935 assisted cleaning or washing of tangible personal property;
- 3936 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or
- 3937 trailer court accommodations and services [~~that are regularly rented for less than 30~~
- 3938 ~~consecutive days~~];

- 3939 (j) amounts paid or charged for laundry or dry cleaning services;
- 3940 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 3941 this state the tangible personal property is:
- 3942 (i) stored;
- 3943 (ii) used; or
- 3944 (iii) otherwise consumed;
- 3945 (l) amounts paid or charged for tangible personal property if within this state the
- 3946 tangible personal property is:
- 3947 (i) stored;
- 3948 (ii) used; or
- 3949 (iii) consumed;
- 3950 (m) amounts paid or charged for a sale:
- 3951 (i) (A) of a product transferred electronically; or
- 3952 (B) of a repair or renovation of a product transferred electronically; and
- 3953 (ii) regardless of whether the sale provides:
- 3954 (A) a right of permanent use of the product; or
- 3955 (B) a right to use the product that is less than a permanent use, including a right:
- 3956 (I) for a definite or specified length of time; and
- 3957 (II) that terminates upon the occurrence of a condition; and
- 3958 (n) sales of leased tangible personal property from the lessor to the lessee made in the
- 3959 state.
- 3960 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax
- 3961 are imposed on a transaction described in Subsection (1) equal to the sum of:
- 3962 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 3963 (A) 4.70% plus the rate specified in Subsection (11)(a); and
- 3964 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
- 3965 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
- 3966 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
- 3967 State Sales and Use Tax Act; and
- 3968 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
- 3969 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211



3970 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state  
3971 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

3972 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
3973 transaction under this chapter other than this part.

3974 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a  
3975 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to  
3976 the sum of:

3977 (i) a state tax imposed on the transaction at a tax rate of 2%; and

3978 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
3979 transaction under this chapter other than this part.

3980 (c) (i) Except as provided in Subsection (2)(f) or (g), a local tax is imposed on amounts  
3981 paid or charged for food and food ingredients equal to the sum of the tax rates a county, city, or  
3982 town imposes under this chapter on the amounts paid or charged for food or food ingredients.

3983 (ii) There is no state tax imposed on amounts paid or charged for food and food  
3984 ingredients.

3985 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts  
3986 paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at  
3987 a rate of 4.85%.

3988 (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed  
3989 by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax  
3990 imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a  
3991 shared vehicle driver, or a shared vehicle owner.

3992 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is  
3993 required once during the time that the shared vehicle owner owns the shared vehicle.

3994 (C) The commission shall verify that a shared vehicle is an individual-owned shared  
3995 vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the  
3996 purchase of the shared vehicle.

3997 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified  
3998 individual-owned shared vehicle shared through a car-sharing program even if non-certified  
3999 shared vehicles are also available to be shared through the same car-sharing program.

4000 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

4001 (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's  
4002 representation that the shared vehicle is an individual-owned shared vehicle certified with the  
4003 commission as described in Subsection (2)(e)(i).

4004 (B) If a car-sharing program relies in good faith on a shared vehicle owner's  
4005 representation that the shared vehicle is an individual-owned shared vehicle certified with the  
4006 commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any  
4007 tax, penalty, fee, or other sanction imposed on the shared vehicle owner.

4008 (iv) If all shared vehicles shared through a car-sharing program are certified as  
4009 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation  
4010 to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.

4011 (v) [~~(A)~~] A car-sharing program is not required to list or otherwise identify an  
4012 individual-owned shared vehicle on a return or an attachment to a return.

4013 (vi) A car-sharing program shall:

4014 (A) retain tax information for each car-sharing program transaction; and

4015 (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at  
4016 the commission's request.

4017 (f) (i) For a bundled transaction that is attributable to food and food ingredients and  
4018 tangible personal property other than food and food ingredients, a state tax and a local tax is  
4019 imposed on the entire bundled transaction equal to the sum of:

4020 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

4021 (I) the tax rate described in Subsection (2)(a)(i)(A); and

4022 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
4023 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
4024 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
4025 Additional State Sales and Use Tax Act; and

4026 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
4027 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
4028 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
4029 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

4030 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates  
4031 described in Subsection (2)(a)(ii).

4032 (ii) If an optional computer software maintenance contract is a bundled transaction that  
4033 consists of taxable and nontaxable products that are not separately itemized on an invoice or  
4034 similar billing document, the purchase of the optional computer software maintenance contract  
4035 is 40% taxable under this chapter and 60% nontaxable under this chapter.

4036 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled  
4037 transaction described in Subsection (2)(f)(i) or (ii):

4038 (A) if the sales price of the bundled transaction is attributable to tangible personal  
4039 property, a product, or a service that is subject to taxation under this chapter and tangible  
4040 personal property, a product, or service that is not subject to taxation under this chapter, the  
4041 entire bundled transaction is subject to taxation under this chapter unless:

4042 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
4043 personal property, product, or service that is not subject to taxation under this chapter from the  
4044 books and records the seller keeps in the seller's regular course of business; or

4045 (II) state or federal law provides otherwise; or

4046 (B) if the sales price of a bundled transaction is attributable to two or more items of  
4047 tangible personal property, products, or services that are subject to taxation under this chapter  
4048 at different rates, the entire bundled transaction is subject to taxation under this chapter at the  
4049 higher tax rate unless:

4050 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
4051 personal property, product, or service that is subject to taxation under this chapter at the lower  
4052 tax rate from the books and records the seller keeps in the seller's regular course of business; or

4053 (II) state or federal law provides otherwise.

4054 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the  
4055 seller's regular course of business includes books and records the seller keeps in the regular  
4056 course of business for nontax purposes.

4057 (g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii)  
4058 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
4059 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
4060 of tangible personal property, other property, a product, or a service that is not subject to  
4061 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
4062 the seller, at the time of the transaction:

4063 (A) separately states the portion of the transaction that is not subject to taxation under  
4064 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

4065 (B) is able to identify by reasonable and verifiable standards, from the books and  
4066 records the seller keeps in the seller's regular course of business, the portion of the transaction  
4067 that is not subject to taxation under this chapter.

4068 (ii) A purchaser and a seller may correct the taxability of a transaction if:

4069 (A) after the transaction occurs, the purchaser and the seller discover that the portion of  
4070 the transaction that is not subject to taxation under this chapter was not separately stated on an  
4071 invoice, bill of sale, or similar document provided to the purchaser because of an error or  
4072 ignorance of the law; and

4073 (B) the seller is able to identify by reasonable and verifiable standards, from the books  
4074 and records the seller keeps in the seller's regular course of business, the portion of the  
4075 transaction that is not subject to taxation under this chapter.

4076 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps  
4077 in the seller's regular course of business includes books and records the seller keeps in the  
4078 regular course of business for nontax purposes.

4079 (h) (i) If the sales price of a transaction is attributable to two or more items of tangible  
4080 personal property, products, or services that are subject to taxation under this chapter at  
4081 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate  
4082 unless the seller, at the time of the transaction:

4083 (A) separately states the items subject to taxation under this chapter at each of the  
4084 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

4085 (B) is able to identify by reasonable and verifiable standards the tangible personal  
4086 property, product, or service that is subject to taxation under this chapter at the lower tax rate  
4087 from the books and records the seller keeps in the seller's regular course of business.

4088 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the  
4089 seller's regular course of business includes books and records the seller keeps in the regular  
4090 course of business for nontax purposes.

4091 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax  
4092 rate imposed under the following shall take effect on the first day of a calendar quarter:

4093 (i) Subsection (2)(a)(i)(A);

- 4094 (ii) Subsection (2)(b)(i); or
- 4095 (iii) Subsection (2)(f)(i)(A)(I).
- 4096 (j) (i) A tax rate increase takes effect on the first day of the first billing period that
- 4097 begins on or after the effective date of the tax rate increase if the billing period for the
- 4098 transaction begins before the effective date of a tax rate increase imposed under:
- 4099 (A) Subsection (2)(a)(i)(A);
- 4100 (B) Subsection (2)(b)(i); or
- 4101 (C) Subsection (2)(f)(i)(A)(I).
- 4102 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
- 4103 statement for the billing period is rendered on or after the effective date of the repeal of the tax
- 4104 or the tax rate decrease imposed under:
- 4105 (A) Subsection (2)(a)(i)(A);
- 4106 (B) Subsection (2)(b)(i); or
- 4107 (C) Subsection (2)(f)(i)(A)(I).
- 4108 (k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
- 4109 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
- 4110 or change in a tax rate takes effect:
- 4111 (A) on the first day of a calendar quarter; and
- 4112 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 4113 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 4114 (A) Subsection (2)(a)(i)(A);
- 4115 (B) Subsection (2)(b)(i); or
- 4116 (C) Subsection (2)(f)(i)(A)(I).
- 4117 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 4118 the commission may by rule define the term "catalogue sale."
- 4119 (l) (i) For a location described in Subsection (2)(l)(ii), the commission shall determine
- 4120 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the
- 4121 predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.
- 4122 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
- 4123 or other fuel is furnished through a single meter for two or more of the following uses:
- 4124 (A) a commercial use;

- 4125 (B) an industrial use; or
- 4126 (C) a residential use.
- 4127 (3) (a) The following state taxes shall be deposited into the General Fund:
- 4128 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 4129 (ii) the tax imposed by Subsection (2)(b)(i); and
- 4130 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 4131 (b) The following local taxes shall be distributed to a county, city, or town as provided
- 4132 in this chapter:
- 4133 (i) the tax imposed by Subsection (2)(a)(ii);
- 4134 (ii) the tax imposed by Subsection (2)(b)(ii);
- 4135 (iii) the tax imposed by Subsection (2)(c); and
- 4136 (iv) the tax imposed by Subsection (2)(f)(i)(B).
- 4137 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General
- 4138 Fund.
- 4139 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
- 4140 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
- 4141 through (g):
- 4142 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 4143 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 4144 (B) for the fiscal year; or
- 4145 (ii) \$17,500,000.
- 4146 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
- 4147 described in Subsection (4)(a) shall be transferred each year as designated sales and use tax
- 4148 revenue to the Department of Natural Resources to:
- 4149 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
- 4150 protect sensitive plant and animal species; or
- 4151 (B) award grants, up to the amount authorized by the Legislature in an appropriations
- 4152 act, to political subdivisions of the state to implement the measures described in Subsections
- 4153 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.
- 4154 (ii) Money transferred to the Department of Natural Resources under Subsection
- 4155 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other

4156 person to list or attempt to have listed a species as threatened or endangered under the  
4157 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

4158 (iii) At the end of each fiscal year:

4159 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the  
4160 Water Resources Conservation and Development Fund created in Section 73-10-24;

4161 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
4162 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

4163 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
4164 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

4165 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
4166 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
4167 created in Section 4-18-106.

4168 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
4169 in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to  
4170 the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for  
4171 the adjudication of water rights.

4172 (ii) At the end of each fiscal year:

4173 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the  
4174 Water Resources Conservation and Development Fund created in Section 73-10-24;

4175 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
4176 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

4177 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
4178 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

4179 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described  
4180 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and  
4181 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

4182 (ii) In addition to the uses allowed of the Water Resources Conservation and  
4183 Development Fund under Section 73-10-24, the Water Resources Conservation and  
4184 Development Fund may also be used to:

4185 (A) conduct hydrologic and geotechnical investigations by the Division of Water  
4186 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of

4187 quantifying surface and ground water resources and describing the hydrologic systems of an  
4188 area in sufficient detail so as to enable local and state resource managers to plan for and  
4189 accommodate growth in water use without jeopardizing the resource;

4190 (B) fund state required dam safety improvements; and

4191 (C) protect the state's interest in interstate water compact allocations, including the  
4192 hiring of technical and legal staff.

4193 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
4194 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount  
4195 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

4196 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
4197 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount  
4198 created in Section 73-10c-5 for use by the Division of Drinking Water to:

4199 (i) provide for the installation and repair of collection, treatment, storage, and  
4200 distribution facilities for any public water system, as defined in Section 19-4-102;

4201 (ii) develop underground sources of water, including springs and wells; and

4202 (iii) develop surface water sources.

4203 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
4204 2006, the difference between the following amounts shall be expended as provided in this  
4205 Subsection (5), if that difference is greater than \$1:

4206 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the  
4207 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

4208 (ii) \$17,500,000.

4209 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

4210 (A) transferred each fiscal year to the Department of Natural Resources as designated  
4211 sales and use tax revenue; and

4212 (B) expended by the Department of Natural Resources for watershed rehabilitation or  
4213 restoration.

4214 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use  
4215 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation  
4216 and Development Fund created in Section 73-10-24.

4217 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the



4218 remaining difference described in Subsection (5)(a) shall be:

4219 (A) transferred each fiscal year to the Division of Water Resources as designated sales  
4220 and use tax revenue; and

4221 (B) expended by the Division of Water Resources for cloud-seeding projects  
4222 authorized by Title 73, Chapter 15, Modification of Weather.

4223 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use  
4224 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation  
4225 and Development Fund created in Section 73-10-24.

4226 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the  
4227 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
4228 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
4229 Division of Water Resources for:

4230 (i) preconstruction costs:

4231 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
4232 26, Bear River Development Act; and

4233 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project  
4234 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

4235 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,  
4236 Chapter 26, Bear River Development Act;

4237 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project  
4238 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

4239 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and  
4240 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

4241 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the  
4242 remaining difference described in Subsection (5)(a) shall be deposited each year into the Water  
4243 Rights Restricted Account created by Section 73-2-1.6.

4244 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a),  
4245 each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account  
4246 created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the  
4247 transactions described in Subsection (1) for the fiscal year.

4248 (7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal

4249 year beginning on or after July 1, 2023, the commission shall deposit into the Transportation  
4250 Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under  
4251 Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

4252 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

4253 (ii) the tax imposed by Subsection (2)(b)(i); and

4254 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

4255 (b) (i) As used in this Subsection (7)(b):

4256 (A) "Additional growth revenue" means the amount of relevant revenue collected in  
4257 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the  
4258 previous fiscal year.

4259 (B) "Combined amount" means the combined total amount of money deposited into the  
4260 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

4261 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation  
4262 Investment Fund created in Subsection 72-2-124(10).

4263 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that  
4264 equals 17% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iii).

4265 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually  
4266 reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by  
4267 an amount equal to the amount of the deposit under this Subsection (7)(b) to the Cottonwood  
4268 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the  
4269 limit in Subsection (7)(b)(iii).

4270 (iii) The commission shall annually deposit the amount described in Subsection  
4271 (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount  
4272 for any single fiscal year of \$20,000,000.

4273 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous  
4274 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood  
4275 Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant  
4276 revenue.

4277 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,  
4278 2023, the commission shall annually reduce the deposit into the Transportation Investment  
4279 Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

4280 (A) the amount of revenue generated in the current fiscal year by the portion of taxes  
4281 listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described  
4282 in Subsections (7)(a)(i) through (iv);

4283 (B) the amount of revenue generated in the current fiscal year by registration fees  
4284 designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund  
4285 of 2005; and

4286 (C) [~~revenues~~] revenue transferred by the Division of Finance to the Transportation  
4287 Investment Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

4288 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a  
4289 given fiscal year.

4290 (iii) The commission shall annually deposit the amount described in Subsection  
4291 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).

4292 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
4293 Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or  
4294 after July 1, 2018, the commission shall annually deposit into the Transportation Investment  
4295 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)  
4296 in an amount equal to 3.68% of the [~~revenues~~] revenue collected from the following taxes:

4297 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

4298 (ii) the tax imposed by Subsection (2)(b)(i); and

4299 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

4300 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually  
4301 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by  
4302 an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by  
4303 the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale  
4304 or use in this state that exceeds 29.4 cents per gallon.

4305 (c) The commission shall annually deposit the amount described in Subsection (8)(b)  
4306 into the Transit Transportation Investment Fund created in Section 72-2-124.

4307 (d) (i) As used in this Subsection (8)(d):

4308 (A) "Additional growth revenue" means the amount of relevant revenue collected in  
4309 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the  
4310 previous fiscal year.

4311 (B) "Combined amount" means the combined total amount of money deposited into the  
4312 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

4313 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation  
4314 Investment Fund created in Subsection 72-2-124(10).

4315 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that  
4316 equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through  
4317 (iii).

4318 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually  
4319 reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by  
4320 an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood  
4321 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the  
4322 limit in Subsection (8)(d)(iii).

4323 (iii) The commission shall annually deposit the amount described in Subsection  
4324 (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount  
4325 for any single fiscal year of \$20,000,000.

4326 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous  
4327 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood  
4328 Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant  
4329 revenue.

4330 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
4331 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
4332 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

4333 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
4334 fiscal year during which the commission receives notice under Section 63N-2-510 that  
4335 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission  
4336 shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by  
4337 the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in  
4338 Section 63N-2-512.

4339 (11) (a) The rate specified in this subsection is 0.15%.

4340 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year  
4341 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the

4342 rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax  
4343 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.

4344 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
4345 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit  
4346 solely for use of the Search and Rescue Financial Assistance Program created in, and expended  
4347 in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

4348 (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall  
4349 annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund  
4350 of 2005 under Subsections (7) and (8) to the General Fund.

4351 (b) If the total revenue deposited into the Transportation Investment Fund of 2005  
4352 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall  
4353 transfer the total revenue deposited into the Transportation Investment Fund of 2005 under  
4354 Subsections (7) and (8) during the fiscal year to the General Fund.

4355 (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610,  
4356 beginning the first day of the calendar quarter one year after the sales and use tax boundary for  
4357 a housing and transit reinvestment zone is established, the commission, at least annually, shall  
4358 transfer an amount equal to 15% of the sales and use tax increment within an established sales  
4359 and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation  
4360 Investment Fund created in Section 72-2-124.

4361 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year  
4362 beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure  
4363 Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection  
4364 (3)(a) equal to 1% of the ~~[revenues]~~ revenue collected from the following sales and use taxes:

- 4365 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;  
4366 (b) the tax imposed by Subsection (2)(b)(i); and  
4367 (c) the tax imposed by Subsection (2)(f)(i)(A)(I).

4368 Section 6. Section **59-12-602** is amended to read:

4369 **59-12-602. Definitions.**

4370 As used in this part:

- 4371 (1) (a) ~~[Subject to Subsection (1)(b), "airport]~~ "Airport facility" means an airport of  
4372 regional significance, as defined by the Transportation Commission by rule made in accordance

4373 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

4374 (b) "Airport facility" includes:

4375 (i) an appurtenance to an airport, including a fixed guideway that provides  
4376 transportation service to or from the airport;

4377 (ii) a control tower, including a radar system;

4378 (iii) a public area of an airport; or

4379 (iv) a terminal facility.

4380 (2) "All-terrain type I vehicle" means the same as that term is defined in Section  
4381 41-22-2.

4382 (3) "All-terrain type II vehicle" means the same as that term is defined in Section  
4383 41-22-2.

4384 (4) "All-terrain type III vehicle" means the same as that term is defined in Section  
4385 41-22-2.

4386 (5) "Convention facility" means any publicly owned or operated convention center,  
4387 sports arena, or other facility at which conventions, conferences, and other gatherings are held  
4388 and whose primary business or function is to host such conventions, conferences, and other  
4389 gatherings.

4390 (6) "Cultural facility" means any publicly owned or operated museum, theater, art  
4391 center, music hall, or other cultural or arts facility.

4392 (7) (a) [~~Except as provided in Subsection (7)(b), "off-highway]~~ "Off-highway vehicle"  
4393 means any snowmobile, all-terrain type I vehicle, all-terrain type II vehicle, all-terrain type III  
4394 vehicle, or motorcycle.

4395 (b) "Off-highway vehicle" does not include a vehicle that is a motor vehicle under  
4396 Section 41-1a-102.

4397 (8) "Motorcycle" means the same as that term is defined in Section 41-22-2.

4398 (9) "Recreation facility" or "tourist facility" means any publicly owned or operated  
4399 park, campground, marina, dock, golf course, water park, historic park, monument,  
4400 planetarium, zoo, bicycle trails, and other recreation or tourism-related facility.

4401 (10) (a) [~~Except as provided in Subsection (10)(c), "recreational]~~ "Recreational  
4402 vehicle" means a vehicular unit other than a mobile home, primarily designed as a temporary  
4403 dwelling for travel, recreational, or vacation use, that is pulled by another vehicle.

4404 (b) "Recreational vehicle" includes:

4405 (i) a travel trailer;

4406 (ii) a camping trailer; and

4407 (iii) a fifth wheel trailer.

4408 (c) "Recreational vehicle" does not include a vehicle that is a motor vehicle under  
4409 Section 41-1a-102.

4410 (11) (a) "Restaurant" includes any coffee shop, cafeteria, luncheonette, soda fountain,  
4411 or fast-food service where food is prepared for immediate consumption.

4412 (b) "Restaurant" does not include:

4413 (i) any retail establishment whose primary business or function is the sale of fuel or  
4414 food items for off-premise, but not immediate, consumption; and

4415 (ii) a theater that sells food items, but not a dinner theater.

4416 [~~(12) (a) "Short-term rental" means a lease or rental that is 30 days or less.~~]

4417 [~~(b) "Short-term rental" does not include car sharing as that term is defined in Section  
4418 13-48a-101.~~]

4419 [~~(13)~~] (12) "Snowmobile" means the same as that term is defined in Section 41-22-2.

4420 [~~(14)~~] (13) "Travel trailer," "camping trailer," or "fifth wheel trailer" means a portable  
4421 vehicle without motive power, designed as a temporary dwelling for travel, recreational, or  
4422 vacation use that does not require a special highway movement permit when drawn by a  
4423 self-propelled motor vehicle.

4424 Section 7. Section **59-12-603** is amended to read:

4425 **59-12-603. County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance**  
4426 **required -- Advisory board -- Administration -- Collection -- Administrative charge --**  
4427 **Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice**  
4428 **requirements.**

4429 (1) (a) In addition to any other taxes, a county legislative body may, as provided in this  
4430 part, impose a tax as follows:

4431 (i) (A) a county legislative body of any county may impose a tax of not to exceed 3%  
4432 on all short-term rentals of motor vehicles, except for short-term rentals of motor vehicles  
4433 made for the purpose of temporarily replacing a person's motor vehicle that is being repaired  
4434 pursuant to a repair or an insurance agreement; and

4435 (B) a county legislative body of any county imposing a tax under Subsection  
4436 (1)(a)(i)(A) may, in addition to imposing the tax under Subsection (1)(a)(i)(A), impose a tax of  
4437 not to exceed 4% on all short-term rentals of motor vehicles, except for short-term rentals of  
4438 motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is  
4439 being repaired pursuant to a repair or an insurance agreement;

4440 (ii) a county legislative body of any county may impose a tax of not to exceed 7% on  
4441 all short-term rentals of off-highway vehicles and recreational vehicles;

4442 (iii) a county legislative body of any county may impose a tax of not to exceed 1% of  
4443 all sales of the following that are sold by a restaurant:

4444 (A) alcoholic beverages;

4445 (B) food and food ingredients; or

4446 (C) prepared food;

4447 (iv) a county legislative body of a county of the first class may impose a tax of not to  
4448 exceed .5% on charges for the accommodations and services described in Subsection  
4449 59-12-103(1)(i); and

4450 (v) [~~beginning on July 1, 2023,~~] if a county legislative body of any county imposes a  
4451 tax under Subsection (1)(a)(i), a tax at the same rate applies to car sharing of less than 30 days,  
4452 except for[+]

4453 [~~(A)~~] car sharing for the purpose of temporarily replacing a person's motor vehicle that  
4454 is being repaired pursuant to a repair or an insurance agreement; and

4455 [~~(B) car sharing for more than 30 days.~~]

4456 (b) A tax imposed under Subsection (1)(a) is subject to the audit provisions of Section  
4457 17-31-5.5.

4458 (2) (a) Subject to Subsection (2)(c), a county may use revenue from the imposition of a  
4459 tax under Subsection (1) for:

4460 (i) financing tourism promotion; and

4461 (ii) the development, operation, and maintenance of:

4462 (A) an airport facility;

4463 (B) a convention facility;

4464 (C) a cultural facility;

4465 (D) a recreation facility; or



4466 (E) a tourist facility.

4467 (b) (i) In addition to the uses described in Subsection (2)(a) and subject to Subsection  
4468 (2)(b)(ii), a county of the fourth, fifth, or sixth class or a county with a population density of  
4469 fewer than 15 people per square mile may expend the revenue from the imposition of a tax  
4470 under Subsections (1)(a)(i) and (ii) on the following activities to mitigate the impacts of  
4471 tourism:

4472 (A) solid waste disposal;

4473 (B) search and rescue activities;

4474 (C) law enforcement activities;

4475 (D) emergency medical services; or

4476 (E) fire protection services.

4477 (ii) A county may only expend the revenue as outlined in Subsection (2)(b)(i) if the  
4478 county's tourism tax advisory board created under Subsection 17-31-8(1)(a) has prioritized the  
4479 use of revenue to mitigate the impacts of tourism.

4480 (c) A county of the first class shall expend at least \$450,000 each year of the revenue  
4481 from the imposition of a tax authorized by Subsection (1)(a)(iv) within the county to fund a  
4482 marketing and ticketing system designed to:

4483 (i) promote tourism in ski areas within the county by persons that do not reside within  
4484 the state; and

4485 (ii) combine the sale of:

4486 (A) ski lift tickets; and

4487 (B) accommodations and services described in Subsection 59-12-103(1)(i).

4488 (3) A tax imposed under this part may be pledged as security for bonds, notes, or other  
4489 evidences of indebtedness incurred by a county, city, or town under Title 11, Chapter 14, Local  
4490 Government Bonding Act, or a community reinvestment agency under Title 17C, Chapter 1,  
4491 Part 5, Agency Bonds, to finance:

4492 (a) an airport facility;

4493 (b) a convention facility;

4494 (c) a cultural facility;

4495 (d) a recreation facility; or

4496 (e) a tourist facility.

4497 (4) (a) To impose a tax under Subsection (1), the county legislative body shall adopt an  
4498 ordinance imposing the tax.

4499 (b) The ordinance under Subsection (4)(a) shall include provisions substantially the  
4500 same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on  
4501 those items and sales described in Subsection (1).

4502 (c) The name of the county as the taxing agency shall be substituted for that of the state  
4503 where necessary, and an additional license is not required if one has been or is issued under  
4504 Section 59-12-106.

4505 (5) To maintain in effect a tax ordinance adopted under this part, each county  
4506 legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1,  
4507 Tax Collection, adopt amendments to the county's tax ordinance to conform with the applicable  
4508 amendments to Part 1, Tax Collection.

4509 (6) (a) Regardless of whether a county of the first class creates a tourism tax advisory  
4510 board in accordance with Section 17-31-8, the county legislative body of the county of the first  
4511 class shall create a tax advisory board in accordance with this Subsection (6).

4512 (b) The tax advisory board shall be composed of nine members appointed as follows:

4513 (i) four members shall be residents of a county of the first class appointed by the  
4514 county legislative body of the county of the first class; and

4515 (ii) subject to Subsections (6)(c) and (d), five members shall be mayors of cities or  
4516 towns within the county of the first class appointed by an organization representing all mayors  
4517 of cities and towns within the county of the first class.

4518 (c) Five members of the tax advisory board constitute a quorum.

4519 (d) The county legislative body of the county of the first class shall determine:

4520 (i) terms of the members of the tax advisory board;

4521 (ii) procedures and requirements for removing a member of the tax advisory board;

4522 (iii) voting requirements, except that action of the tax advisory board shall be by at  
4523 least a majority vote of a quorum of the tax advisory board;

4524 (iv) chairs or other officers of the tax advisory board;

4525 (v) how meetings are to be called and the frequency of meetings; and

4526 (vi) the compensation, if any, of members of the tax advisory board.

4527 (e) The tax advisory board under this Subsection (6) shall advise the county legislative

4528 body of the county of the first class on the expenditure of revenue collected within the county  
4529 of the first class from the taxes described in Subsection (1)(a).

4530 (7) (a) (i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part  
4531 shall be administered, collected, and enforced in accordance with:

4532 (A) the same procedures used to administer, collect, and enforce the tax under:

4533 (I) Part 1, Tax Collection; or

4534 (II) Part 2, Local Sales and Use Tax Act; and

4535 (B) Chapter 1, General Taxation Policies.

4536 (ii) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or  
4537 Subsections 59-12-205(2) through (5).

4538 (b) Except as provided in Subsection (7)(c):

4539 (i) for a tax under this part other than the tax under Subsection (1)(a)(i)(B), the  
4540 commission shall distribute the revenue to the county imposing the tax; and

4541 (ii) for a tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenue  
4542 according to the distribution formula provided in Subsection (8).

4543 (c) The commission shall retain and deposit an administrative charge in accordance  
4544 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

4545 (8) The commission shall distribute the revenue generated by the tax under Subsection  
4546 (1)(a)(i)(B) to each county collecting a tax under Subsection (1)(a)(i)(B) according to the  
4547 following formula:

4548 (a) the commission shall distribute 70% of the revenue based on the percentages  
4549 generated by dividing the revenue collected by each county under Subsection (1)(a)(i)(B) by  
4550 the total revenue collected by all counties under Subsection (1)(a)(i)(B); and

4551 (b) the commission shall distribute 30% of the revenue based on the percentages  
4552 generated by dividing the population of each county collecting a tax under Subsection  
4553 (1)(a)(i)(B) by the total population of all counties collecting a tax under Subsection (1)(a)(i)(B).

4554 (9) (a) For purposes of this Subsection (9):

4555 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,  
4556 County Annexation.

4557 (ii) "Annexing area" means an area that is annexed into a county.

4558 (b) (i) Except as provided in Subsection (9)(c), if a county enacts or repeals a tax or

4559 changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:

4560 (A) on the first day of a calendar quarter; and

4561 (B) after a 90-day period beginning on the day on which the commission receives  
4562 notice meeting the requirements of Subsection (9)(b)(ii) from the county.

4563 (ii) The notice described in Subsection (9)(b)(i)(B) shall state:

4564 (A) that the county will enact or repeal a tax or change the rate of a tax under this part;

4565 (B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);

4566 (C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and

4567 (D) if the county enacts the tax or changes the rate of the tax described in Subsection  
4568 (9)(b)(ii)(A), the rate of the tax.

4569 (c) (i) If the billing period for a transaction begins before the effective date of the  
4570 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of  
4571 the tax or the tax rate increase shall take effect on the first day of the first billing period that  
4572 begins after the effective date of the enactment of the tax or the tax rate increase.

4573 (ii) If the billing period for a transaction begins before the effective date of the repeal  
4574 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax  
4575 rate decrease shall take effect on the first day of the last billing period that began before the  
4576 effective date of the repeal of the tax or the tax rate decrease.

4577 (d) (i) Except as provided in Subsection (9)(e), if the annexation will result in the  
4578 enactment, repeal, or change in the rate of a tax under this part for an annexing area, the  
4579 enactment, repeal, or change shall take effect:

4580 (A) on the first day of a calendar quarter; and

4581 (B) after a 90-day period beginning on the day on which the commission receives  
4582 notice meeting the requirements of Subsection (9)(d)(ii) from the county that annexes the  
4583 annexing area.

4584 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:

4585 (A) that the annexation described in Subsection (9)(d)(i) will result in an enactment,  
4586 repeal, or change in the rate of a tax under this part for the annexing area;

4587 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

4588 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

4589 (D) if the county enacts the tax or changes the rate of the tax described in Subsection

4590 (9)(d)(ii)(A), the rate of the tax.

4591 (e) (i) If the billing period for a transaction begins before the effective date of the  
4592 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of  
4593 the tax or the tax rate increase shall take effect on the first day of the first billing period that  
4594 begins after the effective date of the enactment of the tax or the tax rate increase.

4595 (ii) If the billing period for a transaction begins before the effective date of the repeal  
4596 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax  
4597 rate decrease shall take effect on the first day of the last billing period that began before the  
4598 effective date of the repeal of the tax or the tax rate decrease.

4599 Section 8. Section **59-12-1201** is amended to read:

4600 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**  
4601 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

4602 (1) (a) Except as provided in Subsections (3) and (4), there is imposed a tax of 2.5% on  
4603 all short-term [~~leases and~~] rentals of motor vehicles [~~not exceeding 30 days~~].

4604 (b) The tax imposed in this section is in addition to all other state, county, or municipal  
4605 fees and taxes imposed on rentals of motor vehicles.

4606 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax  
4607 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

4608 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall  
4609 take effect on the first day of the first billing period:

4610 (A) that begins after the effective date of the tax rate increase; and

4611 (B) if the billing period for the transaction begins before the effective date of a tax rate  
4612 increase imposed under Subsection (1).

4613 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax  
4614 rate decrease shall take effect on the first day of the last billing period:

4615 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;

4616 and

4617 (B) if the billing period for the transaction begins before the effective date of the repeal  
4618 of the tax or the tax rate decrease imposed under Subsection (1).

4619 (3) [~~Beginning on July 1, 2023, a~~] A tax imposed under Subsection (1) applies at the  
4620 same rate to car sharing of less than 30 days, except for[:]

4621            ~~[(a)]~~ car sharing for the purpose of temporarily replacing a person's motor vehicle that  
4622 is being repaired pursuant to a repair or an insurance agreement~~[-and].~~

4623            ~~[(b) car sharing for more than 30 days.]~~

4624            (4) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

4625            (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

4626            (b) the motor vehicle is rented as a personal household goods moving van; or

4627            (c) the lease or rental of the motor vehicle is made for the purpose of temporarily  
4628 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an  
4629 insurance agreement.

4630            (5) (a) (i) The tax authorized under this section shall be administered, collected, and  
4631 enforced in accordance with:

4632            (A) the same procedures used to administer, collect, and enforce the tax under Part 1,  
4633 Tax Collection; and

4634            (B) Chapter 1, General Taxation Policies.

4635            (ii) Notwithstanding Subsection (5)(a)(i), a tax under this part is not subject to  
4636 Subsections 59-12-103(4) through (9) or Section 59-12-107.1 or 59-12-123.

4637            (b) The commission shall retain and deposit an administrative charge in accordance  
4638 with Section 59-1-306 from the ~~[revenues]~~ revenue the commission collects from a tax under  
4639 this part.

4640            (c) Except as provided under Subsection (5)(b)~~[-all revenue received by the~~  
4641 ~~commission under this section shall be deposited daily with the state treasurer and credited~~  
4642 ~~monthly to the Marda Dillree Corridor Preservation Fund under Section 72-2-117]:~~

4643            (i) the commission shall deposit daily with the state treasurer all revenue received  
4644 under this section; and

4645            (ii) the state treasurer shall credit monthly all revenue received under this section to the  
4646 Marda Dillree Corridor Preservation Fund under Section 72-2-117.

4647            Section 9. **Effective date.**

4648            (1) Except as provided in Subsection (2), this bill takes effect on July 1, 2024.

4649            (2) The actions affecting Sections 59-12-102 (Contingently Effective 01/01/25) and  
4650 59-12-103 (Contingently Effective 01/01/25) contingently take effect on January 1, 2025.