

**Superseded 5/10/2016**

**59-12-1302 Imposition of tax -- Base -- Rate -- Enactment or repeal of tax -- Tax rate change -- Effective date -- Notice requirements -- Administration, collection, and enforcement of tax -- Administrative charge.**

- (1) Beginning on or after January 1, 1998, the governing body of a town may impose a tax as provided in this part in an amount that does not exceed 1%.
- (2) A town may impose a tax as provided in this part if the town imposed a license fee or tax on businesses based on gross receipts under Section 10-1-203 on or before January 1, 1996.
- (3) A town imposing a tax under this section shall:
  - (a) except as provided in Subsection (4), impose the tax on the transactions described in Subsection 59-12-103(1) located within the town; and
  - (b) provide an effective date for the tax as provided in Subsection (5).
- (4)
  - (a) Notwithstanding Subsection (3)(a), a town may not impose a tax under this section on:
    - (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and
    - (ii) except as provided in Subsection (4)(c), amounts paid or charged for food and food ingredients.
  - (b) For purposes of this Subsection (4), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.
  - (c) A town imposing a tax under this section shall impose the tax on amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.
- (5)
  - (a) For purposes of this Subsection (5):
    - (i) "Annexation" means an annexation to a town under Title 10, Chapter 2, Part 4, Annexation.
    - (ii) "Annexing area" means an area that is annexed into a town.
  - (b)
    - (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:
      - (A) on the first day of a calendar quarter; and
      - (B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(b)(ii) from the town.
    - (ii) The notice described in Subsection (5)(b)(i)(B) shall state:
      - (A) that the town will enact or repeal a tax or change the rate of a tax under this part;
      - (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);
      - (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and
      - (D) if the town enacts the tax or changes the rate of the tax described in Subsection (5)(b)(ii)(A), the rate of the tax.
  - (c)
    - (i) The enactment of a tax or a tax rate increase takes effect on the first day of the first billing period:
      - (A) that begins on or after the effective date of the enactment of the tax or the tax rate increase; and
      - (B) if the billing period for the transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Subsection (1).

- (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is rendered on or after the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1).
  - (d)
    - (i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax described in Subsection (5)(b)(i) takes effect:
      - (A) on the first day of a calendar quarter; and
      - (B) beginning 60 days after the effective date of the enactment, repeal, or change in the rate of the tax under Subsection (5)(b)(i).
    - (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."
  - (e)
    - (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take effect:
      - (A) on the first day of a calendar quarter; and
      - (B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(e)(ii) from the town that annexes the annexing area.
    - (ii) The notice described in Subsection (5)(e)(i)(B) shall state:
      - (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment, repeal, or change in the rate of a tax under this part for the annexing area;
      - (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);
      - (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and
      - (D) if the town enacts the tax or changes the rate of the tax described in Subsection (5)(e)(ii)(A), the rate of the tax.
  - (f)
    - (i) The enactment of a tax or a tax rate increase takes effect on the first day of the first billing period:
      - (A) that begins on or after the effective date of the enactment of the tax or the tax rate increase; and
      - (B) if the billing period for the transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Subsection (1).
    - (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is rendered on or after the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1).
  - (g)
    - (i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax described in Subsection (5)(e)(i) takes effect:
      - (A) on the first day of a calendar quarter; and
      - (B) beginning 60 days after the effective date of the enactment, repeal, or change in the rate of the tax under Subsection (5)(e)(i).
    - (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."
- (6) The commission shall:
- (a) distribute the revenues generated by the tax under this section to the town imposing the tax; and

- (b) except as provided in Subsection (8), administer, collect, and enforce the tax authorized under this section in accordance with:
  - (i) the same procedures used to administer, collect, and enforce the tax under:
    - (A) Part 1, Tax Collection; or
    - (B) Part 2, Local Sales and Use Tax Act; and
  - (ii) Chapter 1, General Taxation Policies.
- (7) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenues the commission collects from a tax under this part.
- (8) Notwithstanding Subsection (6)(b), a tax under this section is not subject to Subsections 59-12-205(2) through (6).