

Effective 5/3/2023

Part 11 Exemptions

59-2-1101 Definitions -- Exemption of certain property -- Proportional payments for certain property -- Exception -- County legislative body authority to adopt rules or ordinances.

(1) As used in this section:

(a) "Charitable purposes" means:

- (i) for property used as a nonprofit hospital or a nursing home, the standards outlined in *Howell v. County Board of Cache County ex rel. IHC Hospitals, Inc.*, 881 P.2d 880 (Utah 1994); and
- (ii) for property other than property described in Subsection (1)(a)(i), providing a gift to the community.

(b) "Compliance period" means a period equal to 15 taxable years beginning with the first taxable year for which the taxpayer claims a tax credit under Section 42, Internal Revenue Code, or Section 59-7-607 or 59-10-1010.

(c)

(i) "Educational purposes" means purposes carried on by an educational organization that normally:

- (A) maintains a regular faculty and curriculum; and
- (B) has a regularly enrolled body of pupils and students.

(ii) "Educational purposes" includes:

- (A) the physical or mental teaching, training, or conditioning of competitive athletes by a national governing body of sport recognized by the United States Olympic Committee that qualifies as being tax exempt under Section 501(c)(3), Internal Revenue Code; and
- (B) an activity in support of or incidental to the teaching, training, or conditioning described in this Subsection (1)(c)(ii).

(d) "Exclusive use exemption" means a property tax exemption under Subsection (3)(a)(iv), for property owned by a nonprofit entity used exclusively for one or more of the following purposes:

- (i) religious purposes;
- (ii) charitable purposes; or
- (iii) educational purposes.

(e)

(i) "Farm machinery and equipment" means tractors, milking equipment and storage and cooling facilities, feed handling equipment, irrigation equipment, harvesters, choppers, grain drills and planters, tillage tools, scales, combines, spreaders, sprayers, haying equipment, including balers and cubers, and any other machinery or equipment used primarily for agricultural purposes.

(ii) "Farm machinery and equipment" does not include vehicles required to be registered with the Motor Vehicle Division or vehicles or other equipment used for business purposes other than farming.

(f) "Gift to the community" means:

(i) the lessening of a government burden; or

(ii)

(A) the provision of a significant service to others without immediate expectation of material reward;

- (B) the use of the property is supported to a material degree by donations and gifts including volunteer service;
 - (C) the recipients of the charitable activities provided on the property are not required to pay for the assistance received, in whole or in part, except that if in part, to a material degree;
 - (D) the beneficiaries of the charitable activities provided on the property are unrestricted or, if restricted, the restriction bears a reasonable relationship to the charitable objectives of the nonprofit entity that owns the property; and
 - (E) any commercial activities provided on the property are subordinate or incidental to charitable activities provided on the property.
- (g) "Government exemption" means a property tax exemption provided under Subsection (3)(a) (i), (ii), or (iii).
- (h)
- (i) "Nonprofit entity" means an entity:
 - (A) that is organized on a nonprofit basis, that dedicates the entity's property to the entity's nonprofit purpose, and that makes no dividend or other form of financial benefit available to a private interest;
 - (B) for which, upon dissolution, the entity's assets are distributable only for exempt purposes under state law or to the government for a public purpose; and
 - (C) for which none of the net earnings or donations made to the entity inure to the benefit of private shareholders or other individuals, as the private inurement standard has been interpreted under Section 501(c)(3), Internal Revenue Code.
 - (ii) "Nonprofit entity" includes an entity:
 - (A) if the entity is treated as a disregarded entity for federal income tax purposes and wholly owned by, and controlled under the direction of, a nonprofit entity; and
 - (B) for which none of the net earnings and profits of the entity inure to the benefit of any person other than a nonprofit entity.
 - (iii) "Nonprofit entity" includes an entity that is not an entity described in Subsection (1)(h)(i) if the entity jointly owns a property that:
 - (A) is used for the purpose of providing permanent supportive housing;
 - (B) has an owner that is an entity described in Subsection (1)(h)(i) or that is a housing authority that operates the permanent supportive housing;
 - (C) has an owner that receives public funding from a federal, state, or local government entity to provide support services and rental subsidies to the permanent supportive housing;
 - (D) is intended to be transferred at or before the end of the compliance period to an entity described in Subsection (1)(h)(i) or a housing authority that will continue to operate the property as permanent supportive housing; and
 - (E) has been certified by the Utah Housing Corporation as meeting the requirements described in Subsections (1)(h)(iii)(A) through (D).
 - (i) "Permanent supportive housing" means a housing facility that:
 - (i) provides supportive services;
 - (ii) makes a 15-year commitment to provide rent subsidies to tenants of the housing facility when the housing facility is placed in service;
 - (iii) receives an allocation of federal low-income housing tax credits in accordance with 26 U.S.C. Sec. 42; and
 - (iv) leases each unit to a tenant:
 - (A) who, immediately before leasing the housing, was homeless as defined in 24 C.F.R. 583.5; and
 - (B) whose rent is capped at no more than 30% of the tenant's household income.

- (j) "Supportive service" means a service that is an eligible cost under 24 C.F.R. 578.53.
- (2)
- (a) Except as provided in Subsection (2)(b) , an exemption under this part may be allowed only if the claimant is the owner of the property as of January 1 of the year the exemption is claimed.
 - (b) Notwithstanding Subsection (2)(a), a claimant shall collect and pay a proportional tax based upon the length of time that the property was not owned by the claimant if:
 - (i) the claimant is a federal, state, or political subdivision entity described in Subsection (3)(a)(i), (ii), or (iii); or
 - (ii) pursuant to Subsection (3)(a)(iv):
 - (A) the claimant is a nonprofit entity; and
 - (B) the property is used exclusively for religious, charitable, or educational purposes.
- (3)
- (a) The following property is exempt from taxation:
 - (i) property exempt under the laws of the United States;
 - (ii) property of:
 - (A) the state;
 - (B) school districts; and
 - (C) public libraries;
 - (iii) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act, property of:
 - (A) counties;
 - (B) cities;
 - (C) towns;
 - (D) special districts;
 - (E) special service districts; and
 - (F) all other political subdivisions of the state;
 - (iv) except as provided in Subsection (6) or (7), property owned by a nonprofit entity used exclusively for one or more of the following purposes:
 - (A) religious purposes;
 - (B) charitable purposes; or
 - (C) educational purposes;
 - (v) places of burial not held or used for private or corporate benefit;
 - (vi) farm machinery and equipment;
 - (vii) a high tunnel, as defined in Section 10-9a-525;
 - (viii) intangible property; and
 - (ix) the ownership interest of an out-of-state public agency, as defined in Section 11-13-103:
 - (A) if that ownership interest is in property providing additional project capacity, as defined in Section 11-13-103; and
 - (B) on which a fee in lieu of ad valorem property tax is payable under Section 11-13-302.
 - (b) For purposes of a property tax exemption for property of school districts under Subsection (3)(a)(ii)(B), a charter school under Title 53G, Chapter 5, Charter Schools, is considered to be a school district.
- (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or a government exemption ceases to qualify for the exemption because of a change in the ownership of the property:
- (a) the new owner of the property shall pay a proportional tax based upon the period of time:
 - (i) beginning on the day that the new owner acquired the property; and
 - (ii) ending on the last day of the calendar year during which the new owner acquired the property; and

- (b) the new owner of the property and the person from whom the new owner acquires the property shall notify the county assessor, in writing, of the change in ownership of the property within 30 days from the day that the new owner acquires the property.
- (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection (4)(a):
 - (a) is subject to any exclusive use exemption or government exemption that the property is entitled to under the new ownership of the property; and
 - (b) applies only to property that is acquired after December 31, 2005.
- (6)
 - (a) A property may not receive an exemption under Subsection (3)(a)(iv) if:
 - (i) the nonprofit entity that owns the property participates in or intervenes in any political campaign on behalf of or in opposition to any candidate for public office, including the publishing or distribution of statements; or
 - (ii) a substantial part of the activities of the nonprofit entity that owns the property consists of carrying on propaganda or otherwise attempting to influence legislation, except as provided under Subsection 501(h), Internal Revenue Code.
 - (b) Whether a nonprofit entity is engaged in an activity described in Subsection (6)(a) shall be determined using the standards described in Section 501, Internal Revenue Code.
- (7) A property may not receive an exemption under Subsection (3)(a)(iv) if:
 - (a) the property is used for a purpose that is not religious, charitable, or educational; and
 - (b) the use for a purpose that is not religious, charitable, or educational is more than de minimis.
- (8) A county legislative body may adopt rules or ordinances to:
 - (a) effectuate an exemption under this part; and
 - (b) designate one or more persons to perform the functions given to the county under this part.
- (9) If a person is dissatisfied with an exemption decision made under designated decision-making authority as described in Subsection (8)(b), that person may appeal the decision to the commission under Section 59-2-1006.

Amended by Chapter 16, 2023 General Session
Amended by Chapter 147, 2023 General Session
Amended by Chapter 471, 2023 General Session

59-2-1102 Determination of exemptions by board of equalization -- Appeal -- Application for exemption -- Annual statement -- Exceptions.

- (1)
 - (a) For property assessed under Part 3, County Assessment, the county board of equalization may, after giving notice in a manner prescribed by rule, determine whether certain property within the county is exempt from taxation.
 - (b) The decision of the county board of equalization described in Subsection (1)(a) shall:
 - (i) be in writing; and
 - (ii) include:
 - (A) a statement of facts; and
 - (B) the statutory basis for its decision.
 - (c) Except as provided in Subsection (10)(a), a copy of the decision described in Subsection (1)
 - (a) shall be sent on or before May 15 to the person applying for the exemption.
- (2) Except as provided in Subsection (7) and subject to Subsection (8), a reduction in the value of property may not be made under this part, unless the person affected or the person's agent:
 - (a) submits a written application to the county board of equalization; and
 - (b) verifies the application by signed statement.

- (3)
 - (a) The county board of equalization may require a person making an application for exemption or reduction to appear before the county board of equalization and be examined under oath.
 - (b) If the county board of equalization requires a person making an application for exemption or reduction to appear before the county board of equalization, a reduction may not be made or exemption granted unless the person appears and answers all questions pertinent to the inquiry.
- (4) For the hearing on the application, the county board of equalization may subpoena any witnesses, and hear and take any evidence in relation to the pending application.
- (5) Except as provided in Subsection (10)(b), the county board of equalization shall hold hearings and render a written decision to determine any exemption on or before May 1 in each year.
- (6) Any property owner dissatisfied with the decision of the county board of equalization regarding any reduction or exemption may appeal to the commission under Section 59-2-1006.
- (7) Notwithstanding Subsection (2), a county board of equalization may not require an owner of property to file an application in accordance with this section in order to claim an exemption for the property under the following:
 - (a) Subsections 59-2-1101(3)(a)(i) through (iii);
 - (b) Subsection 59-2-1101(3)(a)(vi) or (viii);
 - (c) Section 59-2-1110;
 - (d) Section 59-2-1111;
 - (e) Section 59-2-1112;
 - (f) Section 59-2-1113; or
 - (g) Section 59-2-1114.
- (8)
 - (a) Except as provided in Subsection (8)(b), for property described in Subsection 59-2-1101(3)(a)(iv) or (v), a county board of equalization shall, consistent with Subsection (9), require an owner of that property to file an application in accordance with this section in order to claim an exemption for that property.
 - (b) Notwithstanding Subsection (8)(a), a county board of equalization may not require an owner of property described in Subsection 59-2-1101(3)(a)(iv) or (v) to file an application under Subsection (8)(a) if:
 - (i) the owner filed an application under Subsection (8)(a);
 - (ii) the county board of equalization determines that the owner may claim an exemption for that property; and
 - (iii) the exemption described in Subsection (8)(b)(ii) is in effect.
 - (c)
 - (i) For the time period that an owner is granted an exemption in accordance with this section for property described in Subsection 59-2-1101(3)(a)(iv) or (v), a county board of equalization shall require the owner to file an annual statement on or before March 1 on a form prescribed by the commission establishing that the property continues to be eligible for the exemption.
 - (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules providing:
 - (A) the form for the annual statement required by Subsection (8)(c)(i);
 - (B) the contents of the form for the annual statement required by Subsection (8)(c)(i); and
 - (C) procedures and requirements for making the annual statement required by Subsection (8)(c)(i).

- (iii) The commission shall make the form described in Subsection (8)(c)(ii)(A) available to counties.
- (d) On or before April 1, a county board of equalization shall notify each property owner who fails to timely file an annual statement in accordance with Subsection (8)(c) of the county board of equalization's intent to revoke the exemption.
- (e) An owner of exempt property described in Subsection 59-2-1101(3)(a)(iv) may file the annual statement described in Subsection (8)(c) after March 1 if the property owner:
 - (i) files the annual statement on or before March 31; and
 - (ii) includes a statement of facts establishing that the property owner was unable to file the annual statement on or before March 1 due to one of the following conditions and no other responsible party was capable of filing the annual statement:
 - (A) a medical emergency of the property owner, an immediate family member of the property owner, or the property owner's agent;
 - (B) the death of the property owner, an immediate family member of the property owner, or the property owner's agent; or
 - (C) other extraordinary and unanticipated circumstances.
- (9)
 - (a) For purposes of this Subsection (9), "exclusive use exemption" means the same as that term is defined in Section 59-2-1101.
 - (b) For purposes of Subsection (1)(a), when a person acquires property on or after January 1 that qualifies for an exclusive use exemption, that person may apply for the exclusive use exemption on or before the later of:
 - (i) the day set by rule as the deadline for filing a property tax exemption application; or
 - (ii) 120 days after the day on which the property is acquired.
- (10)
 - (a) Notwithstanding Subsection (1)(c), if an application for an exemption is filed under Subsection (9), a county board of equalization shall send a copy of the decision described in Subsection (1)(c) to the person applying for the exemption on or before the later of:
 - (i) May 15; or
 - (ii) 45 days after the day on which the application for the exemption is filed.
 - (b) Notwithstanding Subsection (5), if an application for an exemption is filed under Subsection (9), a county board of equalization shall hold the hearing and render the decision described in Subsection (5) on or before the later of:
 - (i) May 1; or
 - (ii) 30 days after the day on which the application for the exemption is filed.

Amended by Chapter 471, 2023 General Session

59-2-1103 State lands exemption -- Exceptions to exemption.

- (1) Lands to which title remains in the state, which are held or occupied by any person under a contract of sale or lease from the state, are exempt from taxation.
- (2) This section does not exempt the taxation of:
 - (a) improvements on state lands;
 - (b)
 - (i) any interest in state lands to the extent of money paid or due in part payment of the purchase price, regardless of whether an extension of payment was granted prior to the levying of this tax; or

- (ii) any interest remaining in the state in state lands after subtracting amounts paid or due in part payment of the purchase price as provided in Subsection (2)(b)(i) under a contract of sale that is subject to the privilege tax under Subsection 59-4-101(1)(b); or
 - (c) land otherwise subject to the privilege tax under Section 59-4-101.
- (3)
- (a) If final payment has been made under Subsection (1) on state lands, the contract of sale shall be regarded as passing title to the purchaser or assignee.
 - (b) The state agency from which the interest was purchased shall certify the receipt of final payment to the commission.
- (4) Any tax levied on the interest of a purchaser of state lands before title passes to the purchaser or assignee shall be collected in the same manner as taxes on personal property.
- (5) The interest of a purchaser of state lands is subject to sale for delinquent taxes in the same manner as personal property.
- (6)
- (a) If any interest in state lands is sold for delinquent taxes, the officer making the sale shall issue a certificate of sale.
 - (b) When filed with the state agency from which the interest was purchased, the certificate or certified copy operates as an assignment of the interest of the original purchaser or assignee to the purchaser at the tax sale.

Amended by Chapter 155, 1996 General Session

59-2-1106 Exemption of property owned by blind persons or their unmarried surviving spouses or minor orphans -- Amount -- Application -- County authority to make refunds.

- (1)
- (a) Subject to Subsections (2) and (3), the first \$11,500 of taxable value of real and tangible personal property in this state owned by the following is exempt from taxation:
 - (i) a blind person;
 - (ii) the unmarried surviving spouse of a blind person; or
 - (iii) a minor orphan of a blind person.
 - (b) If the claimant is the grantor of a trust holding title to real or tangible personal property on which an exemption is claimed, the claimant may claim the portion of the exemption under this section and be treated as the owner of that portion of the property held in trust for which the claimant proves to the satisfaction of the county that:
 - (i) title to the portion of the trust will revert in the claimant upon the exercise of a power:
 - (A) by:
 - (I) the claimant as grantor of the trust;
 - (II) a nonadverse party; or
 - (III) both the claimant and a nonadverse party; and
 - (B) regardless of whether the power is a power:
 - (I) to revoke;
 - (II) to terminate;
 - (III) to alter;
 - (IV) to amend; or
 - (V) to appoint;
 - (ii) the claimant is obligated to pay the taxes on that portion of the trust property beginning January 1 of the year the claimant claims the exemption; and
 - (iii) the claimant meets the requirements under this part for the exemption.

- (2)
 - (a) Every person claiming the exemption under Subsection (1) shall file an application:
 - (i) on or before September 1 in each year; and
 - (ii) with the county in which the person resides.
 - (b) A county may extend the deadline for filing under Subsection (2)(a) until December 31 if the county finds that good cause exists to extend the deadline.
- (3) The first year's application shall be accompanied by a statement signed by a licensed ophthalmologist verifying that the person:
 - (a) has no more than 20/200 visual acuity in the better eye when corrected; or
 - (b) has, in the case of better than 20/200 central vision, a restriction of the field of vision in the better eye which subtends an angle of vision no greater than 20 degrees.
- (4)
 - (a) For purposes of this Subsection (4):
 - (i) "Property taxes due" means the taxes due on a person's property:
 - (A) for which an exemption is granted by a county under this section; and
 - (B) for the calendar year for which the exemption is granted.
 - (ii) "Property taxes paid" is an amount equal to the sum of:
 - (A) the amount of the property taxes the person paid for the taxable year for which the person is applying for the exemption; and
 - (B) the amount of tax the county exempts under this section.
 - (b) A county granting an exemption to a person under this section shall refund to that person an amount equal to the amount by which the person's property taxes paid exceed the person's property taxes due, if that amount is \$1 or more.

Amended by Chapter 221, 2001 General Session

Amended by Chapter 310, 2001 General Session

**59-2-1110 Exemption of property used to furnish power for irrigation purposes --
Computation of power used for irrigation.**

- (1) Power plants, power transmission lines, and other property used for generating and delivering electrical power, a portion of which is used for furnishing power for pumping water for irrigation purposes on lands in this state, are exempt from taxation, subject to the conditions of this section.
- (2) For purposes of the exemption under Subsection (1), the commission shall determine:
 - (a) the total amount of electric power distributed by each distributor for all purposes within this state; and
 - (b) the total amount of electric power distributed by each distributor which was used exclusively for pumping water for the irrigation of lands within this state.
- (3) The commission shall exempt from the total property assessment on all properties assessed within this state used for generating and distributing electrical power, that portion which the total amount of electric power used exclusively for pumping water for irrigation purposes bears to the total amount of electric power distributed within this state.
- (4) The total amount of tax exempted shall be prorated among the distributors. The distributors shall prorate the benefits among the users according to the amount of power used for pumping water for irrigation purposes by each user.
- (5) The commission may adopt and enforce all rules necessary to determine the exemption and prorate the benefits provided in this section.

Repealed and Re-enacted by Chapter 3, 1988 General Session

59-2-1111 Exemption of property used for irrigation purposes -- Exemption of a nonprofit entity's property used for water purposes.

- (1) Water rights, ditches, canals, reservoirs, power plants, pumping plants, transmission lines, pipes, and flumes owned and used by individuals or corporations for irrigating land within the state owned by those individuals or corporations, or by the individual members of the corporation, are exempt from taxation to the extent that they are owned and used for irrigation purposes.
- (2)
 - (a) As used in this Subsection (2) and for purposes of Article XIII, Section 3 of the Utah Constitution:
 - (i) "Domestic water" means water used for a residential or commercial application, including the outdoor watering of vegetation.
 - (ii) "Other water infrastructure" means property, other than a reservoir, pumping plant, ditch, canal, pipe, or flume, whose use is physically necessary in the production, treatment, storage, or distribution of water.
 - (b) If owned by a nonprofit entity and used within the state to irrigate land, provide domestic water, or provide water to a public water supplier, the following are exempt from taxation:
 - (i) a water right;
 - (ii) a reservoir, pumping plant, ditch, canal, pipe, and flume; and
 - (iii) other water infrastructure.
 - (c) Land occupied by a reservoir, ditch, canal, or pipe that is exempt under Subsection (2)(b)(ii) is exempt if the land is owned by the nonprofit entity that owns the reservoir, ditch, canal, or pipe.
 - (d) Land immediately adjacent to a reservoir, ditch, canal, or pipe that is exempt under Subsection (2)(b)(ii) is exempt if the land is:
 - (i) owned by the nonprofit entity that owns the adjacent reservoir, ditch, canal, or pipe; and
 - (ii) reasonably necessary for the maintenance or for otherwise supporting the operation of the reservoir, ditch, canal, or pipe.

Amended by Chapter 50, 2010 General Session

59-2-1112 Livestock exemption.

Livestock in Utah, as defined in Section 59-2-102, is exempt from ad valorem property taxation.

Repealed and Re-enacted by Chapter 3, 1988 General Session

59-2-1113 Exemption of household furnishings.

Household furnishings, furniture, and equipment used exclusively by the owner at the owner's place of abode in maintaining a home for the owner and the owner's family are exempt from property taxation.

Repealed and Re-enacted by Chapter 3, 1988 General Session

59-2-1114 Exemption of inventory or other tangible personal property held for sale.

- (1) Tangible personal property present in Utah on the assessment date, at noon, held for sale in the ordinary course of business or for shipping to a final out-of-state destination within 12

months and which constitutes the inventory of any retailer, wholesaler, distributor, processor, warehouseman, manufacturer, producer, gatherer, transporter, storage provider, farmer, or livestock raiser, is exempt from property taxation.

- (2) This exemption does not apply to:
- (a) inventory which is not otherwise subject to personal property taxation;
 - (b) mines;
 - (c) natural deposits; or
 - (d) a manufactured home or mobile home which is sited at a location where occupancy could take place.
- (3) As used in this section:
- (a) "Assessment date" means:
 - (i) for tangible personal property and vehicles other than vehicles described in Subsection (3)(a)(ii), January 1; and
 - (ii) for vehicles brought into Utah from out-of-state, the date the vehicles are brought into Utah.
 - (b) "Inventory" means all items of tangible personal property described as materials, containers, goods in process, finished goods, severed minerals, and other personal property owned by or in possession of the person claiming the exemption.
 - (c)
 - (i) "Mine" means a natural deposit of either metalliferous or nonmetalliferous valuable mineral.
 - (ii) "Mine" does not mean a severed mineral.
 - (d) "Natural deposit" means a metalliferous or nonmetalliferous mineral located at or below ground level that has not been severed or extracted from its natural state.
 - (e) "Severed mineral" means any mineral that has been previously severed or extracted from a natural deposit including severed or extracted minerals that:
 - (i) are stored above, below, or within the ground; and
 - (ii) are ultimately recoverable for future sale.
- (4) The commission may adopt rules to implement the inventory exemption.

Amended by Chapter 324, 2010 General Session

59-2-1115 Exemption of certain tangible personal property.

- (1) As used in this section:
- (a)
 - (i) "Item of taxable tangible personal property" does not include an improvement to real property or a part that will become an improvement.
 - (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the term "item of taxable tangible personal property."
 - (b)
 - (i) "Supply" means taxable tangible personal property that is:
 - (A) not held for sale in the ordinary course of business;
 - (B) either carried on hand and for which no record of consumption is taken in ordinary business or typically used up within the calendar year; and
 - (C) used in the provision of the taxpayer's business activity.
 - (ii) "Supply" includes an office supply, a shipping supply, a maintenance supply, a replacement part, a lubricating oil, a fuel, or an item consumed in the course of operating the business.
 - (iii) "Supply" does not include furniture, a fixture, machinery, equipment, a computer, a cellular telephone, or a vehicle.
 - (c)

- (i) "Taxable tangible personal property" means tangible personal property that is subject to taxation under this chapter.
 - (ii) "Taxable tangible personal property" does not include:
 - (A) tangible personal property required by law to be registered with the state before it is used on a public highway, public waterway, or public land or in the air;
 - (B) a mobile home as defined in Section 41-1a-102; or
 - (C) a manufactured home as defined in Section 41-1a-102.
- (2)
- (a) In accordance with Utah Constitution, Article XIII, Section 3, Subsection (2)(a)(vi), which provides that the Legislature may by statute exempt tangible personal property that, if subject to property tax, would generate an inconsequential amount of revenue, the Legislature exempts the tangible personal property described in this Subsection (2).
 - (b) The taxable tangible personal property of a taxpayer is exempt from taxation if the taxable tangible personal property has a total aggregate taxable value per county of \$25,000 or less.
 - (c) For an item of taxable tangible personal property that is not exempt under Subsection (2)(b), the item is exempt from taxation if:
 - (i) the item is owned by a business and is not critical to the actual business operation of the business; and
 - (ii) the acquisition cost of the item is less than \$500.
 - (d) A supply, including the cost of freight-in, is exempt from taxation.
- (3)
- (a) For a calendar year beginning on or after January 1, 2023, the commission shall increase the dollar amount described in Subsection (2)(b):
 - (i) by a percentage equal to the percentage difference between the consumer price index for the preceding calendar year and the consumer price index for calendar year 2021; and
 - (ii) up to the nearest \$100 increment.
 - (b) For purposes of this Subsection (3), the commission shall calculate the consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.
 - (c) If the percentage difference under Subsection (3)(a)(i) is zero or a negative percentage, the consumer price index increase for the year is zero.
- (4)
- (a) For the first calendar year in which a taxpayer qualifies for an exemption described in Subsection (2)(b), a county assessor may require the taxpayer to file a signed statement described in Section 59-2-306.
 - (b) If a taxpayer qualifies for an exemption described in Subsection (2)(b) and files a signed statement in accordance with Subsection (4)(a), a county assessor may not require the taxpayer to file a signed statement for each continuing consecutive year for which the taxpayer qualifies for the exemption.
 - (c) If a taxpayer qualifies for an exemption described in Subsection (2)(c) for an item of tangible taxable personal property or in Subsection (2)(d) for a supply, a county assessor may not require the taxpayer to include the item on a signed statement described in Section 59-2-306.
- (5)
- (a) Beginning in 2023, a county assessor shall send a notice to a taxpayer who becomes eligible for the exemption described in Subsection (2)(b).
 - (b) The county assessor shall:
 - (i) send the notice during the calendar year in which the taxpayer becomes eligible for the exemption and before the deadline to file a signed statement; and
 - (ii) in the notice, inform the taxpayer that:

- (A) in accordance with Subsection (4)(b), the taxpayer is not required to file a signed statement for each continuing consecutive year for which the taxpayer qualifies for the exemption; and
 - (B) the taxpayer shall notify the county assessor if the taxpayer's taxable tangible personal property exceeds the total aggregate taxable value described in Subsection (2)(b).
- (6) A signed statement with respect to qualifying exempt primary residential rental personal property is as provided in Section 59-2-103.5.
- (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules to administer this section and provide for uniform implementation.

Amended by Chapter 41, 2022 General Session

Amended by Chapter 275, 2022 General Session

Amended by Chapter 293, 2022 General Session