

Contingently Effective 1/1/2017

Effective until 11/8/2016

59-2-1116 Definitions -- Exemption for property leased to government entities -- Application process -- Rulemaking authority.

- (1)
 - (a)
 - (i) As used in this section, "claimant" means the owner of the eligible personal property that is leased to an entity described in Subsection (2).
 - (ii) "Claimant" includes an agent of the owner under Subsection (1)(a)(i).
 - (b) "Eligible personal property" means machinery and equipment with an economic life of three or more years.
 - (c) "Long-term lease" means a lease with a term of one year or more.
- (2) Subject to the other provisions of this part, eligible personal property is exempt from taxation when it is leased to the following entities through a long-term lease:
 - (a) the state;
 - (b) a school district or charter school;
 - (c) a public library;
 - (d) a county;
 - (e) a city;
 - (f) a town;
 - (g) a local district;
 - (h) a special service district; or
 - (i) any other political subdivision of the state.
- (3) If the eligible personal property that is leased under Subsection (2) is not leased to an entity described in Subsection (2) for an entire calendar year, the claimant shall pay a proportional tax based upon the number of days during the calendar year the eligible personal property did not qualify for an exemption under this section.
- (4) A claimant shall apply annually for the exemption under this section unless the application requirement is waived by the county board of equalization.
- (5)
 - (a) Except as provided in Subsection (5)(b), a claimant applying for an exemption under this section shall file an application with the county board of equalization on or before April 1 of the year in which the claimant is applying for the exemption.
 - (b) For a long-term lease entered into on or after March 1 of the year in which the claimant is applying for the exemption, the claimant shall file an application with the county board of equalization within 30 days of entering into the long-term lease.
- (6) The claimant shall submit the following information with the application described in Subsection (5):
 - (a) a copy of the lease agreement; and
 - (b) other evidence that the personal property is eligible for the exemption under this section as required by rules established by:
 - (i) the commission under Subsection (8); or
 - (ii) the county to which the claimant is submitting the application.
- (7) If, after the claimant submits an application under Subsection (5), the length of the term of the lease changes, the claimant shall, within 30 days of the change, submit an amended application, including a copy of the new lease agreement, to the county board of equalization.
- (8) 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.

