

**AMENDMENTS TO TOURISM, RECREATION,
CULTURAL, AND CONVENTION TAX**

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Christine R. Fox-Finlinson

AN ACT RELATING TO THE SALES AND USE TAX ACT; INCREASING THE AMOUNT OF TAX A COUNTY OF THE FIRST CLASS MAY IMPOSE ON SHORT-TERM LEASES AND RENTALS OF MOTOR VEHICLES; **h** REQUIRING CERTAIN TAXPAYERS TO PROVIDE TO THE COMMISSION A WRITTEN STATEMENT OF TAXABLE TRANSACTIONS UNDER THIS PART AND THE COUNTY IN WHICH EACH TRANSACTION OCCURRED; SUBJECTING CERTAIN TAXPAYERS SUBJECT TO THE TAX ON SHORT-TERM LEASES AND RENTALS OF MOTOR VEHICLES TO THE MONTHLY PAYMENT PROVISIONS; **h** MAKING TECHNICAL CHANGES; AND PROVIDING AN EFFECTIVE DATE.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

h 59-12-108, as last amended by Chapter 305, Laws of Utah 1997 **h**

59-12-603, as last amended by Chapter 272, Laws of Utah 1993

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

h Section 1. Section 59-12-108 is amended to read:

59-12-108. Monthly payment -- Penalty.

(1) Any person whose tax liability under this part, Part 2, The Local Sales and Use Tax Act, Part 5, Public Transit Tax, Part 10, Highways Tax, [and] Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act, OR SUBSECTION 59-12-603(1)(a) OR (b) was \$50,000 or more for the previous year shall, on or before the last day of the month next succeeding each calendar month, file with the commission a return for the preceding monthly period. The vendor shall remit with the return the amount of the state and local tax required under this part, Part 2, The Local Sales and Use Tax Act, Part 5, Public Transit Tax, Part 10, Highways Tax, [and] Title 10, Chapter 1, Part 3, Municipal Energy Sales **h**

13j h and Use Tax Act, OR SUBSECTION 59-12-603(1)(a) OR (b) to be collected or paid for the period
 13k covered by the return. The commission shall establish by rule the procedures and guidelines in
 13l determining the tax liability under this section.

13m (2) Any person whose tax liability under this part, Part 2, The Local Sales and Use Tax Act, Part
 13n 5, Public Transit Tax, Part 10, Highways Tax, [and] Title 10, Chapter 1, Part 3, Municipal Energy Sales
 13o and Use Tax Act, OR SUBSECTION 59-12-603(1)(a) OR (b) was \$96,000 or more for the previous year
 13p shall remit the monthly amount of state and local tax payment due under this section to the tax
 13q commission by electronic funds transfer.

13r (3) (a) Except as provided in Subsection (3)(b), a vendor who is required to remit taxes monthly
 13s under this section may retain an amount not to exceed 1.5% of the total monthly sales tax collected
 13t under Part 1 of this chapter, and 1% of the total monthly sales tax collected under Part 2, The Local
 13u Sales and Use Tax Act, Part 5, Public Transit Tax, Part 10, Highways Tax, [and] Title 10, Chapter 1, Part
 13v 3, Municipal Energy Sales and Use Tax Act, OR SUBSECTION 59-12-603(1)(a) OR (b) for the cost to it of
 13w collecting and remitting sales and use taxes to the commission on a monthly basis.

13x (b) A state government entity that is required to remit taxes monthly under this chapter may not
 13y retain any portion of the taxes it collects to cover the costs of collecting and remitting sales and use
 13z taxes to the commission.

13aa (4) Penalties for late payment shall be as provided in Section 59-1-401. h

14 Section h [~~1~~] 2 h . Section 59-12-603 is amended to read:

15 **59-12-603. County tax -- Bases -- Rates -- Ordinance required.**

16 (1) In addition to any other taxes, [any] a county legislative body may, as provided in this
 17 part, impose a tourism, recreation, cultural, and convention tax as follows:

18 (a) a county legislative body of a county of the second, third, fourth, fifth, or sixth class
 19 may impose a tax of not to exceed 3% on all short-term leases and rentals of motor vehicles not
 20 exceeding 30 days, except [such] for leases and rentals of motor vehicles [when] made for the
 21 purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair
 22 or an insurance agreement;

23 (b) a county legislative body of a county of the first class may impose a tax of not to
 24 exceed 7% on all short-term leases and rentals of motor vehicles not exceeding 30 days, except
 25 for leases and rentals of motor vehicles made for the purpose of temporarily replacing a person's
 26 motor vehicle that is being repaired pursuant to a repair or an insurance agreement;

27 [(b)] (c) a county legislative body of any county may impose a tax of not to exceed 1% of

1 all sales of prepared foods and beverages that are sold by restaurants; and

2 ~~[(c)]~~ (d) a county legislative body of any county may impose a tax of not to exceed 1/2%
3 of the rent for every occupancy of a suite, room, or rooms on all persons, companies, corporations,
4 or other similar persons, groups, or organizations doing business as motor courts, motels, hotels,
5 inns, or similar public accommodations.

6 (2) The revenue from the imposition of the ~~[tax]~~ taxes provided for in Subsections (1)(a)~~[-~~
7 ~~(b), and (c)]~~ through (d) may be ~~[imposed]~~ used for the purposes of financing, in whole or in part,
8 tourism promotion, and the development, operation, and maintenance of tourist, recreation,
9 cultural, and convention facilities as defined in Section 59-12-602.

10 (3) The tax imposed under Subsection (1)~~[(c)]~~(d) shall be in addition to the transient room
11 tax imposed under Part 3 and may be imposed only by a county of the first class.

12 (4) (a) A tax imposed under this part shall be levied at the same time and collected in the
13 same manner as provided in Part 2, The Local Sales and Use Tax Act, except that the collection
14 and distribution of the tax revenue is not subject to the provisions of Subsection 59-12-205(2).

15 (b) A tax imposed under this part may be pledged as security for bonds, notes, or other
16 evidences of indebtedness incurred by a county under Title 11, Chapter 14, Utah Municipal Bond
17 Act, to finance tourism, recreation, cultural, and convention facilities.

18 (5) (a) In order to impose the tax under Subsection (1), each county legislative body shall
19 adopt annually an ordinance imposing the tax. This ordinance shall include provisions
20 substantially the same as those contained in Part 1, Tax Collection, except that the tax shall be
21 imposed only on those items and sales described in Subsection (1).

22 (b) The name of the county as the taxing agency shall be substituted for that of the state
23 where necessary, and an additional license is not required if one has been or is issued under
24 Section 59-12-106.

25 (6) In order to maintain in effect its tax ordinance adopted under this part, each county
26 legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1,
27 Tax Collection, adopt amendments to its tax ordinance to conform with the applicable amendments
28 to Part 1, Tax Collection.

28a § (7) IF A TAXPAYER SUBJECT TO TAXATION UNDER THIS PART OPERATES A BUSINESS IN
28b MORE THAN ONE COUNTY, THE TAXPAYER SHALL PROVIDE TO THE COMMISSION, ON OR BEFORE THE
28c LAST DAY OF EACH CALENDAR QUARTER, A WRITTEN STATEMENT OF:

28d (a) EACH TAXABLE TRANSACTION UNDER THIS PART FOR THE CALENDAR QUARTER; AND

28e (b) THE COUNTY IN WHICH EACH TAXABLE TRANSACTION OCCURRED. §

29 Section § [2] § . Effective date.

30 This act takes effect on July 1, 1998.

Legislative Review Note
as of 2-2-98 2:59 PM

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

- 3 -