

TOWN OPTION SALES AND USE TAX

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Peter C. Knudson

John L. Valentine

AN ACT RELATING TO THE SALES AND USE TAX ACT; AUTHORIZING A TOWN OPTION SALES AND USE TAX FOR TOWNS THAT IMPOSED A LICENSE FEE OR TAX ON BUSINESSES BASED ON GROSS RECEIPTS ON OR BEFORE JANUARY 1, 1996; AND PROVIDING AN EFFECTIVE DATE.

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

ENACTS:

59-12-1301, Utah Code Annotated 1953

59-12-1302, Utah Code Annotated 1953

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

Section 1. Section **59-12-1301** is enacted to read:

Part 13. Town Option Sales and Use Tax Act

59-12-1301. Title.

This part is known as the "Town Option Sales and Use Tax Act."

Section 2. Section **59-12-1302** is enacted to read:

59-12-1302. Authority to impose -- Base -- Rate.

(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) adopt an ordinance:

(i) imposing the tax on the sales and uses described in Section 59-12-103;

(ii) exempting from the tax the sales and uses described in Section 59-12-104; and

(iii) providing an effective date for the tax;

(b) impose the tax on the first day of a calendar quarter; and

(c) notify the commission at least 30 days before the day on which the commission is required to collect the tax.

(4) The commission shall:

(a) except as provided in Subsection (4)(c), distribute the revenues generated by the tax under this section to the town imposing the tax;

(b) administer, collect, and enforce the tax authorized under this section pursuant to:

(i) the same procedures used to administer, collect, and enforce the sales and use tax under Title 59, Chapter 12, Part 1, Tax Collection; and

(ii) Title 59, Chapter 1, General Taxation Policies; and

(c) deduct from the distribution under Subsection (4)(a) an administrative charge for collecting the tax as provided in Section 59-12-206.

Section 3. Effective date.

If approved by two-thirds of all the members elected to each house, this act takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.