

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; AUTHORIZING COUNTIES TO IMPOSE AN ADDITIONAL TAX ON SHORT-TERM LEASES AND RENTALS OF MOTOR VEHICLES UNDER THE TOURISM, RECREATION, CULTURAL, AND CONVENTION FACILITIES TAX; PROVIDING PROCEDURES FOR THE COMMISSION TO ADMINISTER AND COLLECT THE TAX UNDER THIS PART; SUBJECTING THE ADDITIONAL TAX TO A DISTRIBUTION FORMULA; INCLUDING THE TAXES ON SHORT-TERM LEASES AND RENTALS OF MOTOR VEHICLES UNDER THE MONTHLY PAYMENT PROVISIONS; MAKING TECHNICAL CHANGES; AND PROVIDING AN EFFECTIVE DATE.

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

AMENDS:

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

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

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

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, Subsection 59-12-603(1)(a)(i), and Subsection 59-12-603(1)(a)(ii), 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 and Use Tax

Act, Subsection 59-12-603(1)(a)(i), and Subsection 59-12-603(1)(a)(ii), to be collected or paid for the period covered by the return. The commission shall establish by rule the procedures and guidelines in determining the tax liability under this section.

(2) 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, Subsection 59-12-603(1)(a)(i), and Subsection 59-12-603(1)(a)(ii), was \$96,000 or more for the previous year shall remit the monthly amount of state and local tax payment due under this section to the tax commission by electronic funds transfer.

(3) (a) Except as provided in Subsection (3)(b), a vendor who is required to remit taxes monthly under this section may retain an amount not to exceed 1.5% of the total monthly sales tax collected under Part 1 of this chapter, and 1% of the total monthly sales tax collected under 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, Subsection 59-12-603(1)(a)(i), and Subsection 59-12-603(1)(a)(ii), for the cost to it of collecting and remitting sales and use taxes to the commission on a monthly basis.

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

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

Section 2. Section **59-12-603** is amended to read:

**59-12-603. County tax -- Bases -- Rates -- Ordinance required -- Collection -- Administration -- Distribution.**

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

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

(ii) beginning on or after January 1, 1999, a county legislative body of any county imposing a tax under Subsection (1)(a)(i) may, in addition to imposing the tax under Subsection (1)(a)(i), impose a tax of not to exceed 4% on all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement;

(b) a county legislative body of any county may impose a tax of not to exceed 1% of all sales of prepared foods and beverages that are sold by restaurants; and

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

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

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

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

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

(5) (a) In order to impose the tax under Subsection (1), each county legislative body shall [adopt] adopt an ordinance imposing the tax. [This]

(b) The ordinance under Subsection (5)(a) shall include provisions substantially the same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on those items

and sales described in Subsection (1).

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

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

(7) The commission shall:

(a) administer, collect, and enforce the tax authorized under this part pursuant to:

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

(ii) Chapter 1, General Taxation Policies;

(b) (i) except as provided in Subsection (7)(c), for a tax under this part other than the tax under Subsection (1)(a)(ii), distribute the revenues to the county imposing the tax; and

(ii) except as provided in Subsection (7)(c), for a tax under Subsection (1)(a)(ii), distribute the revenues according to the distribution formula provided in Subsection (8); and

(c) deduct from the distributions under Subsection (7)(b) an administrative charge for collecting the tax as provided in Section 59-12-206.

(8) The commission shall distribute the revenues generated by the tax under Subsection (1)(a)(ii) to each county collecting a tax under Subsection (1)(a)(ii) according to the following formula:

(a) the commission shall distribute 70% of the revenues based on the percentages generated by dividing the revenues collected by each county under Subsection (1)(a)(ii) by the total revenues collected by all counties under Subsection (1)(a)(ii); and

(b) the commission shall distribute 30% of the revenues based on the percentages generated by dividing the population of each county collecting a tax under Subsection (1)(a)(ii) by the total population of all counties collecting a tax under Subsection (1)(a)(ii).

Section 3. **Effective date.**

This act takes effect on January 1, 1999.