

1                                   **TOWN OPTION SALES AND USE TAX**

2   1998 GENERAL SESSION

3   STATE OF UTAH

4   **Sponsor: Peter C. Knudson**

5   John L. Valentine

6   AN ACT RELATING TO THE SALES AND USE TAX ACT; AUTHORIZING A TOWN  
7   OPTION SALES AND USE TAX FOR TOWNS THAT IMPOSED A LICENSE FEE OR  
8   TAX ON BUSINESSES BASED ON GROSS RECEIPTS ON OR BEFORE JANUARY 1,  
9   1996; AND PROVIDING FOR RETROSPECTIVE OPERATION.

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

11   ENACTS:

12                   **59-12-1301**, Utah Code Annotated 1953

13                   **59-12-1302**, Utah Code Annotated 1953

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

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

16   **Part 13. Town Option Sales and Use Tax Act**

17                   **59-12-1301. Title.**

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

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

20                   **59-12-1302. Authority to impose -- Base -- Rate.**

21                   (1) Beginning on or after January 1, 1998, the governing body of a town may impose a tax  
22 as provided in this part in an amount that does not exceed 1%.

23                   (2) A town may impose a tax as provided in this part if the town imposed a license fee or  
24 tax on businesses based on gross receipts under Section 10-1-203 on or before January 1, 1996.

25                   (3) A town imposing a tax under this section shall:

26                   (a) adopt an ordinance:

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

- 1        (ii) exempting from the tax the sales and uses described in Section 59-12-104; and
- 2        (iii) providing an effective date for the tax;
- 3        (b) impose the tax on the first day of a calendar quarter; and
- 4        (c) notify the commission at least 30 days before the day on which the commission is
- 5 required to collect the tax.
- 6        (4) The commission shall:
- 7        (a) except as provided in Subsection (4)(c), distribute the revenues generated by the tax
- 8 under this section to the town imposing the tax;
- 9        (b) administer, collect, and enforce the tax authorized under this section pursuant to:
- 10       (i) the same procedures used to administer, collect, and enforce the sales and use tax under
- 11 Title 59, Chapter 12, Part 1, Tax Collection; and
- 12       (ii) Title 59, Chapter 1, General Taxation Policies; and
- 13       (c) deduct from the distribution under Subsection (4)(a) an administrative charge for
- 14 collecting the tax as provided in Section 59-12-206.
- 15       Section 3. **Retrospective operation.**
- 16       This act has retrospective operation to January 1, 1998.

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**Legislative Review Note**  
**as of 1-8-98 2:03 PM**

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

**Office of Legislative Research and General Counsel**