

**SALES TAX REFUND FOR QUALIFIED  
EMERGENCY FOOD AGENCIES**

2001 GENERAL SESSION

STATE OF UTAH

**Sponsor: Judy Ann Buffmire**

**This act modifies the Sales and Use Tax Act by allowing an association of governments created under the Interlocal Cooperation Act to claim a sales tax refund as a qualified emergency food agency. The act provides purposes for which sales tax refund monies may be used, provides that the State Community Services Office shall certify, monitor, and decertify qualified emergency food agencies for purposes of the sales tax refund, and makes technical changes. This act takes effect on July 1, 2001.**

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

AMENDS:

**9-4-1404**, as enacted by Chapter 286, Laws of Utah 2000

**59-12-901**, as enacted by Chapter 264, Laws of Utah 1997

**59-12-902 (Effective 07/01/01)**, as last amended by Chapters 253 and 325, Laws of Utah 2000

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

Section 1. Section **9-4-1404** is amended to read:

**9-4-1404. Duties of office.**

The office shall:

- (1) coordinate state activities designed to reduce poverty;
- (2) encourage entities in the private sector to participate in efforts to ameliorate poverty in the community;
- (3) cooperate with agencies of local, state, and federal government in reducing poverty and implementing community, social, and economic programs;
- (4) receive and expend funds for the purposes outlined in this part;
- (5) enter into contracts with and award grants to public and private nonprofit agencies and organizations;

- (6) develop a state plan based on needs identified by community action agencies and community action statewide organizations;
- (7) designate community action agencies to receive funds through the Community Services Block Grant program;
- (8) fund community action agencies and community action statewide organizations;
- (9) make rules in conjunction with the division pursuant to Title 63, Chapter 46a, Utah Administrative Rulemaking Act, to carry out the purposes of this part;
- (10) provide assistance to local governments or private organizations for the purpose of establishing and operating a community action agency;
- (11) provide technical assistance to community action agencies to improve program planning, program development, administration, and the mobilization of public and private resources;
- (12) convene public meetings which provide citizens the opportunity to comment on public policies and programs to reduce poverty;
- (13) advise the governor and Legislature of the nature and extent of poverty in the state and make recommendations concerning changes in state and federal policies and programs;
- (14) encourage Utah's nonprofit humanitarian assistance agencies serving low-income persons by facilitating, coordinating, training, partnerships, and providing technical assistance in addressing Utah's low-income persons by enhancing management, improving service and program delivery, and preserving flexibility and local initiative;
- (15) develop and implement management goals which fulfill the Community Services Block Grant mission, state requirements, and the mandates of federal legislation;
- (16) prepare a Community Services Block Grant plan which contains provisions describing how the state will carry out the assurances of the Community Services Block Grant Act;
- (17) act as the state agency responsible for the evaluation and improvement of emergency food assistance services in the state;
- (18) monitor the impact of social policies on the emergency food network;
- (19) provide training and technical assistance to all grantees to assist them in program

development and implementation, compliance with state and federal regulations, and reporting and management information systems;

(20) certify, monitor, and decertify ~~[food pantries eligible for state]~~ qualified emergency food agencies for purposes of the sales tax [rebates] refund under Section 59-12-902; and

(21) administer other programs to alleviate poverty assigned to the office.

Section 2. Section **59-12-901** is amended to read:

**59-12-901. Definitions.**

As used in this part:

(1) "Association of governments" means the following created under the authority of Title 11, Chapter 13, Interlocal Cooperation Act:

(a) an association of governments; or

(b) a regional council that acts as an association of governments.

~~[(1)]~~ (2) "Consumer price index" is as described in Section ~~[(1)]~~(f)(4), Internal Revenue Code, and defined in Section ~~[(1)]~~(f)(5), Internal Revenue Code.

~~[(2)]~~ (3) "Pounds of food donated" means the aggregate number of pounds of food donated to a qualified emergency food agency:

(a) on or after January 1, 1998; and

(b) for which sales or use tax was paid under Part 1, Tax Collection, by the person donating the food.

~~[(3)]~~ (4) "Qualified emergency food agency" means an organization that is:

(a) ~~is~~ (i) exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code; or

(ii) an association of governments;

(b) as part of its activities operates a program~~[-the]~~ that has as the program's primary purpose [of which is] to:

(i) warehouse and distribute food to other agencies and organizations providing food to low-income persons; or

(ii) provide food directly to low-income persons; and

(c) is certified to claim a refund by the [~~Division of Community Development created in Section 9-4-201~~] State Community Services Office in accordance with Section 9-4-1404.

Section 3. Section **59-12-902 (Effective 07/01/01)** is amended to read:

**59-12-902 (Effective 07/01/01). Sales tax refund for qualified emergency food agencies -- Use of amounts received as refund -- Administration -- Rulemaking authority.**

(1) Beginning on January 1, 1998, a qualified emergency food agency may claim a sales tax refund as provided in this section on the pounds of food donated to the qualified emergency food agency.

(2) (a) Subject to the adjustments provided for in Subsection (2)(b), a qualified emergency food agency may claim a refund in an amount equal to the pounds of food donated to the qualified emergency food agency multiplied by:

(i) \$1.70; and

(ii) the sum of:

(A) 4.75%; and

(B) except as provided in Subsection (2)(c), the sum of the tax rates provided for in Subsection (2)(b).

(b) Tax rates authorized under the following apply to Subsection (2)(a)(ii)(B):

(i) the lowest tax rate imposed by a county, city, or town under Section 59-12-204, but only if all of the counties, cities, and towns in the state impose the tax under Section 59-12-204;

(ii) the lowest tax rate imposed by a county, city, or town under Section 59-12-205, but only if all of the counties, cities, and towns in the state impose the tax under Section 59-12-205;

(iii) the tax rate authorized by Section 59-12-501 or Section 59-12-1001, but only if all of the counties, cities, and towns in the state impose the tax:

(A) under Section 59-12-501; or

(B) under Section 59-12-1001;

(iv) the tax rate authorized by Section 59-12-502, but only if all of the counties, cities, and towns in the state impose the tax under Section 59-12-502;

(v) the tax rate authorized by Section 59-12-703, but only if all of the counties in the state

impose the tax under Section 59-12-703; and

(vi) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the state impose the tax under Section 59-12-1102.

(c) Tax rates authorized under the following do not apply to Subsection (2)(a)(ii)(B):

- (i) Subsection 59-12-103(2)(a)(i);
- (ii) Subsection 59-12-103(2)(b)(i);
- (iii) Subsection 59-12-103(2)(c)(i);
- (iv) Section 59-12-301;
- (v) Section 59-12-352;
- (vi) Section 59-12-353;
- (vii) Section 59-12-401;
- (viii) Section 59-12-402;
- (ix) Section 59-12-603;
- (x) Section 59-12-802;
- (xi) Section 59-12-804;
- (xii) Section 59-12-1201; or
- (xiii) Section 59-12-1302.

(d) Beginning on January 1, 1999, the commission shall annually adjust on or before the second Monday of February the \$1.70 provided in Subsection (2)(a)(i) by a percentage equal to the percentage difference between the food at home category of the Consumer Price Index for:

- (i) the preceding calendar year; and
- (ii) calendar year 1997.

(3) To claim a sales tax refund under this section, a qualified emergency food agency shall file an application with the commission.

(4) A qualified emergency food agency may use amounts received as a sales tax refund under this section only for a purpose related to:

(a) warehousing and distributing food to other agencies and organizations providing food to low-income persons; or

(b) providing food directly to low-income persons.

~~[(4)]~~ (5) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may make rules providing procedures for implementing the sales tax refund under this section, including:

~~[(a) procedures for an organization to apply for recognition as a qualified emergency food agency;]~~

~~[(b)]~~ (a) standards for determining and verifying the amount of the sales tax refund; and

~~[(c)]~~ (b) procedures for a qualified emergency food agency to apply for a sales tax refund, including the frequency with which a qualified emergency food agency may apply for a sales tax refund.

~~[(5)]~~ (6) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the Division of Community Development may establish rules providing for the certification of emergency food agencies to claim a refund under this part.

**Section 4. Effective date.**

This act takes effect on July 1, 2001.