

1                                   **SALES AND USE TAX - RURAL HOSPITAL**

2   **TAX AMENDMENTS**

3   2001 GENERAL SESSION

4   STATE OF UTAH

5   **Sponsor: DeMar Bud Bowman**

6 **This act modifies the Revenue and Taxation Code to address the issue of double taxation**  
7 **when both the county and city impose a hospital tax. This act makes technical changes. This**  
8 **act has a July 1, 2001 effective date.**

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

10 AMENDS:

11                   **59-12-802 (Effective 07/01/01)**, as last amended by Chapter 253, Laws of Utah 2000

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

13                   Section 1. Section **59-12-802 (Effective 07/01/01)** is amended to read:

14                   **59-12-802 (Effective 07/01/01). Imposition of rural county health care facilities tax**

15 **-- Base -- Rate.**

16                   (1) (a) A county legislative body may impose a sales and use tax of up to 1%:

17                   (i) except as provided in Subsection (1)(b), on the transactions described in Subsection  
18 59-12-103(1); and

19                   (ii) to fund rural county health care facilities in that county.

20                   (b) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a tax  
21 under this section on:

22                   (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are  
23 exempt from taxation under Section 59-12-104; ~~and~~

24                   (ii) any amounts paid or charged by a vendor that collects a tax under Subsection  
25 59-12-107(1)(b)~~[-]; and~~

26                   (iii) a transaction to the extent a rural city hospital tax is imposed on that transaction in a  
27 city that imposes a tax under Section 59-12-804.



28           (2) (a) Before imposing or increasing a tax under Subsection (1)(a), a county legislative  
29 body shall obtain approval to impose or increase the tax from a majority of the:

- 30           (i) members of the county's legislative body; and
- 31           (ii) county's registered voters voting on the imposition of the tax.

32           (b) The county legislative body shall conduct the election according to the procedures and  
33 requirements of Title 11, Chapter 14, Utah Municipal Bond Act.

34           (3) The monies generated by a tax imposed under Subsection (1) may only be used for the  
35 financing of:

- 36           (a) ongoing operating expenses of a rural county health care facility;
- 37           (b) the acquisition of land for a rural county health care facility; or
- 38           (c) the design, construction, equipping, or furnishing of a rural county health care facility.
- 39           (4) Taxes imposed under this section shall be:

40           (a) levied at the same time and collected in the same manner as provided in Part 2, Local  
41 Sales and Use Tax Act, except that the collection and distribution of the tax revenue is not subject  
42 to Subsection 59-12-205(2); and

43           (b) levied for a period of ten years and may be reauthorized at the end of the ten-year  
44 period by the county legislative body as provided in Subsection (1).

45           (5) The commission may retain an amount not to exceed 1-1/2% of the tax collected under  
46 this section for the cost of administering this tax.

47           Section 2. **Effective date.**

48           This act takes effect on July 1, 2001.

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**Legislative Review Note**  
**as of 1-31-01 2:13 PM**

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

**Office of Legislative Research and General Counsel**