

25 (ii) equipment; or

26 (iii) a part for:

27 (A) machinery; or

28 (B) equipment;

29 (c) "mining establishment" means an establishment described in Sector 21, Mining, of
30 NAICS;

31 (d) "NAICS" means the 1997 North American Industry Classification System of the
32 federal Executive Office of the President, Office of Management and Budget; and

33 (e) (i) "purchase price" means the amount a mining establishment pays for machinery or
34 equipment; and

35 (ii) "purchase price" does not include an amount of tax imposed on a purchase of
36 machinery or equipment.

37 (2) For taxable years beginning on or after January 1, 2002, and subject to Subsection (3),
38 a mining establishment may claim a refundable credit against the tax imposed by this chapter in
39 an amount equal to the credit amount for machinery or equipment:

40 (a) that the mining establishment purchases during the taxable year;

41 (b) for which the mining establishment paid a tax under Section 59-12-103;

42 (c) that is used in a mining process; and

43 (d) that has an economic life of three or more years.

44 (3) A mining establishment:

45 (a) may only claim the credit for the taxable year during which the mining establishment
46 purchased the machinery or equipment; and

47 (b) may not carry forward or carry back a credit authorized by this section.

48 (4) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
49 commission shall make rules defining the terms:

50 (a) "equipment";

51 (b) "establishment";

52 (c) "machinery"; and

53 (d) "mining process."

54 Section 2. Section **59-10-133** is enacted to read:

55 **59-10-133. Refundable credit for machinery or equipment purchased by a mining**

56 **establishment -- Definitions -- Rulemaking authority.**57 (1) As used in this section:58 (a) "credit amount" is an amount equal to the product of:59 (i) the state tax percentage provided for in Subsection 59-12-103(2)(a)(i); and60 (ii) the purchase price of the machinery or equipment;61 (b) "machinery or equipment" means:62 (i) machinery;63 (ii) equipment; or64 (iii) a part for:65 (A) machinery; or66 (B) equipment;67 (c) "mining establishment" means an establishment described in Sector 21, Mining, of68 NAICS;69 (d) "NAICS" means the 1997 North American Industry Classification System of the70 federal Executive Office of the President, Office of Management and Budget; and71 (e) (i) "purchase price" means the amount a mining establishment pays for machinery or72 equipment; and73 (ii) "purchase price" does not include an amount of tax imposed on a purchase of74 machinery or equipment.75 (2) For taxable years beginning on or after January 1, 2002, and subject to Subsection (3),76 a mining establishment may claim a refundable credit against the tax imposed by this chapter in77 an amount equal to the credit amount for machinery or equipment:78 (a) that the mining establishment purchases during the taxable year;79 (b) for which the mining establishment paid a tax under Section 59-12-103;80 (c) that is used in a mining process; and81 (d) that has an economic life of three or more years.82 (3) A mining establishment:83 (a) may only claim the credit for the taxable year during which the mining establishment84 purchased the machinery or equipment; and85 (b) may not carry forward or carry back a credit authorized by this section.86 (4) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the

87 commission shall make rules defining the terms:

88 (a) "equipment";

89 (b) "establishment";

90 (c) "machinery"; and

91 (d) "mining process."

92 Section 3. **Effective date.**

93 This act takes effect for taxable years beginning on or after January 1, 2002.