

H.B. 315
LOCAL OPTION SALES AND USE TAX AMENDMENTS

Representative **Wayne A. Harper** proposes the following amendments:

1. *Page 2, Line 36:*

36 the legislative body of a political subdivision; ~~[[and]]~~

▶ allows a county to impose a sales and use tax of up to .25%, the revenues from which will be distributed to school districts; and

2. *Page 3, Line 61:*

61 **59-12-1503**, as enacted by Chapter 282, Laws of Utah 2003

ENACTS:

= **59-12-1601**
59-12-1602
59-12-1603
59-12-1604
59-12-1605
59-12-1606

3. *Page 75, Lines 2320 through 2321:*

2320 (9).

= **Section 19. Section 59-12-1601 is enacted to read:**

= **Part 16. County Option Sales and Use Tax for School District**

59-12-1601. County option sales and use tax for school district -- Tax rate

(1) Except as provided in Subsection (2), and subject to the other provisions of this part, a county legislative body may by ordinance impose a sales and use tax on every transaction listed in Subsection 59-12-103(1) made within a county, including areas contained within the cities and towns located in the county:

(a) at the rate of up to .25% of the purchase price paid or charged; and

(b) if the transaction is consummated within the county in accordance with Section 59-12-205.

(2) Notwithstanding Subsection (1), an ordinance described in Subsection (1) shall include a provision prohibiting a county from imposing a tax under this part on:

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

(b) any amount paid or charged by a vendor that collects a tax under Subsection 59-12-107(1)(b).

Section 20. Section 59-12-1602 is enacted to read:

59-12-1602. Voter approval requirements

(1)(a) Before imposing a tax under this part, a county legislative body shall:

(i) obtain approval from a majority of the members of the county legislative body to impose the tax; and

(ii) subject to Subsection (1)(b), submit an opinion question to the county's registered voters voting on the imposition of the tax so that each registered voter has the opportunity to express the registered voter's opinion on whether a tax should be imposed under this part.

(b) The opinion question required by Subsection (1)(a)(ii):

(i) shall state the proposed tax rate of the tax described in Section 59-12-1601; and

(ii) may include a provision stating the day on which a tax under this part shall be repealed.

(c) The election required by this Section shall be held:

(i) at a regular general election; and

(ii) in accordance with the procedures and requirements of Title 20A, Election Code, governing regular general elections.

(2) Subject to the other provisions of this part, if a county legislative body determines that a majority of the county's registered voters voting on the imposition of the tax have voted in favor of the imposition of the tax in accordance with Subsection (1), the county legislative body may impose the tax by a majority vote of all the members of the county legislative body.

Section 21. Section 59-12-1603 is enacted to read:

59-12-1603. Change in tax rate -- repeal of tax.

(1) If a county legislative body imposes a tax under this part at a tax rate that is less than .25%, the county legislative body may increase the tax rate up to .25%:

(a) by ordinance of the county legislative body;

(b) if the county legislative body meets the same requirements established in this section for obtaining voter approval to impose the tax; and

(c) if the county legislative body provides notice to the commission as required by Section 59-12-1606.

(2)(a) A county legislative body may repeal a tax imposed in accordance with this part:

(i) by resolution of the county legislative body;

(ii) except as provided in Subsection (2)(b), effective as provided in Section 59-12-1606; and

(iii) if the county legislative body provides notice to the commission as required by Section 59-12-1606.

(b) Notwithstanding Subsection (2)(a)(ii), if, on the day on which a county legislative body adopts a resolution in accordance with Subsection (2)(a) to repeal a tax imposed in accordance with this part, any portion of the tax is pledged to secure the payment of a bond:

(i) the tax may not be pledged to secure the payment of a bond issued on or after the day on which the county legislative body adopts the resolution in accordance with Subsection (2)(a) to repeal the tax;

- (ii) the county legislative body shall:
- (A) adopt an ordinance:
- (I) reducing the tax rate to a percentage that does not exceed the percentage necessary to generate revenues sufficient to satisfy the obligation to pay the bond; and
- (II) that takes effect as provided in Section 59-12-1606; and
- (B) before the ordinance described in Subsection (2)(b)(ii)(A) takes effect, provide notice to the commission:
- (I) as required by Section 59-12-1606; and
- (II) stating the day on which the county legislative body estimates that the obligation to pay the bond will be satisfied; and
- (iii) the county legislative body shall provide notice to the commission no later than 90 days before the day on which the obligation to pay the bond is satisfied:
- (A) that meets the requirements of Section 59-12-1606; and
- (B) that provides that the repeal of the tax shall take effect as provided in Section 59-12-1606.

Section 22. Section 59-12-1604 is enacted to read:

59-12-1604. Distribution of tax revenues.

- (1) The monies generated by a tax imposed under this part shall be distributed:
- (a) to each school district if a portion of the student enrollment of the school district is located within the county imposing the tax under this part; and
- (b) on the basis of the percentage that the student enrollment of the portion of the school district that is located within the county bears to the total student enrollment of the school districts that are within the county.
- (2) Population figures for purposes of this part shall be based on the most recent official census or census estimate of the United States Census Bureau.
- (3) If a needed population estimate is not available from the United States Census Bureau, population figures shall be derived from the estimate from the Utah Population Estimates Committee created by executive order of the governor.

Section 23. Section 59-12-1605 is enacted to read:

59-12-1605. Administration, enforcement, and collection of tax.

- (1) The commission shall administer, collect, and enforce the tax under this part in accordance with the procedures outlined in:
- (a) Part 1, Tax Collection, for the administration, collection, and enforcement of the state sales and use tax; and
- (b) Chapter 1, General Taxation Policies.
- (2)(a) The commission may retain an amount of tax collected under this part of not to exceed the lesser of:
- (i) 1.5%; or

(ii) an amount equal to the cost to the commission of administering this part.

(b) Any amount the commission retains under Subsection (2)(a) shall be:

(i) placed in the Sales and Use Tax Administrative Fees Account; and

(ii) used as provided in Subsection 59-12-206(2).

Section 24. Section 59-12-1606 is enacted to read:

59-12-1606. Enactment or repeal of tax or tax rate change -- Effective date -- Notice requirements.

(1) For purposes of this section:

(a) "Annexation" means an annexation to a county under Title 17, Chapter 2, Annexation to County.

(b) "Annexing area" means an area that is annexed into a county.

(2)(a) If a county enacts, repeals, or changes the rate of a tax under this part, the enactment, repeal, or change in rate shall take effect:

(i) on the first day of a calendar quarter; and

(ii) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (2)(b) from the county.

(b) The notice described in Subsection (2)(a)(ii) shall state:

(i) that the county will enact, repeal, or change the rate of a tax under this part;

(ii) the statutory authority for the tax described in Subsection (2)(b)(i);

(iii) the effective date of the tax described in Subsection (2)(b)(i); and

(iv) if the county enacts or changes the rate of the tax described in Subsection (2)(b)(i), the rate of the tax.

(c)(i) Notwithstanding Subsection (2)(a) or (3)(a), for a transaction described in Subsection (2)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the first billing period:

(A) that begins after the effective date of the enactment of the tax or the tax rate increase; and

(B) if the billing period for the transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under this part.

(ii) Notwithstanding Subsection (2)(a) or (3)(a), for a transaction described in Subsection (2)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last billing period:

(A) that began before the effective date of the repeal of the tax or the tax rate decrease; and

(B) if the billing period for the transaction begins before the effective date of the repeal of the tax or the tax rate decrease imposed under this part.

(iii) Subsections (2)(c)(i), (2)(c)(ii), (3)(c)(i), and (3)(c)(ii) apply to transactions subject to a tax under:

(A) Subsection 59-12-103(1)(b);

(B) Subsection 59-12-103(1)(c);

(C) Subsection 59-12-103(1)(d);

(D) Subsection 59-12-103(1)(e);

(E) Subsection 59-12-103(1)(f);

(F) Subsection 59-12-103(1)(g);

(G) Subsection 59-12-103(1)(h);

(H) Subsection 59-12-103(1)(i);

(I) Subsection 59-12-103(1)(j); or

(J) Subsection 59-12-103(1)(k).

(d)(i) Notwithstanding Subsection (2)(a) or (3)(a), if a tax due under this part on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax takes effect:

(A) on the first day of a calendar quarter; and

(B) beginning 60 days after the effective date of the enactment, repeal, or change in the rate of the tax under Subsection (2)(a).

(ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may be rule define the term "catalogue sale."

(3)(a) Except as provided in Subsection (2)(c) or (d), if an annexation will result in the enactment or repeal of a tax under this part for an annexing area, the enactment or repeal shall take effect:

(i) on the first day of a calendar quarter; and

(ii) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(b) from the county that annexes the annexing area.

(b) The notice described in Subsection (3)(a)(ii) shall state:

(i) that the annexation described in Subsection (3)(a) will result in an enactment, repeal, or change in the rate of a tax under this part for the annexing area;

(ii) the statutory authority for the tax described in Subsection (3)(b)(i);

(iii) the effective date of the tax described in Subsection (3)(b)(i); and

(iv) the rate of the tax described in Subsection (3)(b)(i).

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2321 Section ~~[[19]]~~ 25 . Effective date.