

Senator Curtis S. Bramble proposes the following substitute bill:

**STATE TAX COMMISSION COLLECTION AND
LICENSING PRACTICES**

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill modifies the Revenue and Taxation title to address State Tax Commission collection and licensing practices.

Highlighted Provisions:

This bill:

▶ provides that certain penalty provisions apply with respect to:

• a tax under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

• a tax under Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act; and

• a tax under Title 59, Chapter 12, Sales and Use Tax Act, except for the tax refund for qualified emergency food agencies;

▶ requires certain persons to be licensed by the State Tax Commission;

▶ provides procedures and requirements for licensing by the State Tax Commission;

▶ addresses bonding requirements for certain persons; and

▶ makes technical changes.

Monies Appropriated in this Bill:

None



26 **Other Special Clauses:**

27 None

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **59-1-302**, as last amended by Chapter 255, Laws of Utah 2004

31 **59-10-406**, as last amended by Chapter 94, Laws of Utah 2001

32 **59-12-106**, as last amended by Chapter 312, Laws of Utah 2003

33 **59-12-107**, as last amended by Chapter 255, Laws of Utah 2004

34 **59-13-209**, as last amended by Chapter 1, Laws of Utah 1993, Second Special Session

35 **59-13-302**, as last amended by Chapter 271, Laws of Utah 1997

36 **59-13-303**, as last amended by Chapters 7 and 268, Laws of Utah 2003

37 **59-13-305**, as last amended by Chapter 7, Laws of Utah 2003

38 **59-13-308**, as last amended by Chapter 271, Laws of Utah 1997

39 ENACTS:

40 **59-10-405.5**, Utah Code Annotated 1953

41 **59-13-203.1**, Utah Code Annotated 1953

42 REPEALS:

43 **59-13-203**, as last amended by Chapters 53 and 313, Laws of Utah 1994



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

46 Section 1. Section **59-1-302** is amended to read:

47 **59-1-302. Penalty for nonpayment of certain taxes -- Jeopardy proceedings.**

48 (1) ~~[The provisions of this]~~ This section ~~[apply]~~ applies to the following ~~[taxes in this~~
49 ~~title]~~:

50 (a) a tax under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

51 (b) a tax under Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax
52 Act;

53 ~~[(a)]~~ (c) a tax under Chapter 10, Part 4, Withholding of Tax;

54 ~~[(b) a tax under Chapter 12, Part 1, Tax Collection;]~~

55 ~~[(c) a tax under Chapter 12, Part 2, Local Sales and Use Tax Act;]~~

56 ~~[(d) a tax under Chapter 12, Part 3, Transient Room Tax;]~~

57 [~~(e)~~ a tax under Chapter 12, Part 4, Resort Communities Tax;]

58 [~~(f)~~ a tax under Chapter 12, Part 5, Public Transit Tax;]

59 [~~(g)~~ a tax under Chapter 12, Part 6, Tourism, Recreation, Cultural, and Convention
60 Facilities Tax;]

61 (d) (i) except as provided in Subsection (1)(d)(ii), a tax under Chapter 12, Sales and
62 Use Tax Act; and

63 (ii) notwithstanding Subsection (1)(d)(i), this section does not apply to Chapter 12, Part
64 9, Sales Tax Refund for Qualified Emergency Food Agencies;

65 [~~(h)~~] (e) a tax under Chapter 13, Part 2, Motor Fuel;

66 [~~(i)~~] (f) a tax under Chapter 13, Part 3, Special Fuel; and

67 [~~(j)~~] (g) a tax under Chapter 13, Part 4, Aviation Fuel.

68 (2) Any person required to collect, truthfully account for, and pay over any tax listed in
69 Subsection (1) who willfully fails to collect the tax, fails to truthfully account for and pay over
70 the tax, or attempts in any manner to evade or defeat any tax or the payment of the tax, shall be
71 liable for a penalty equal to the total amount of the tax evaded, not collected, not accounted for,
72 or not paid over. This penalty is in addition to other penalties provided by law.

73 (3) (a) If the commission determines in accordance with Subsection (2) that a person is
74 liable for the penalty, the commission shall notify the taxpayer of the proposed penalty.

75 (b) The notice of proposed penalty shall:

76 (i) set forth the basis of the assessment; and

77 (ii) be mailed by [~~registered~~] certified mail[, ~~postage prepaid,~~] to the person's
78 last-known address.

79 (4) Upon receipt of the notice of proposed penalty, the person against whom the
80 penalty is proposed may:

81 (a) pay the amount of the proposed penalty at the place and time stated in the notice; or

82 (b) proceed in accordance with the review procedures of Subsection (5).

83 (5) Any person against whom a penalty has been proposed in accordance with
84 Subsections (2) and (3) may contest the proposed penalty by filing a petition for an adjudicative
85 proceeding with the commission.

86 (6) If the commission determines that the collection of the penalty is in jeopardy,
87 nothing in this section may prevent the immediate collection of the penalty in accordance with

88 the procedures and requirements for emergency proceedings in Title 63, Chapter 46b,
89 Administrative Procedures Act.

90 (7) (a) In any hearing before the commission and in any judicial review of the hearing,
91 the commission and the court shall consider any inference and evidence that a person has
92 willfully failed to collect, truthfully account for, or pay over any tax listed in Subsection (1).

93 (b) It is prima facie evidence that a person has willfully failed to collect, truthfully
94 account for, or pay over any of the taxes listed in Subsection (1) if the commission or a court
95 finds that the person charged with the responsibility of collecting, accounting for, or paying
96 over the taxes:

97 (i) made a voluntary, conscious, and intentional decision to prefer other creditors over
98 the state government or utilize the tax money for personal purposes;

99 (ii) recklessly disregarded obvious or known risks, which resulted in the failure to
100 collect, account for, or pay over the tax; or

101 (iii) failed to investigate or to correct mismanagement, having notice that the tax was
102 not or is not being collected, accounted for, or paid over as provided by law.

103 (c) The commission or court need not find a bad motive or specific intent to defraud
104 the government or deprive it of revenue to establish willfulness under this section.

105 (d) (i) If the commission determines that a person is liable for the penalty under
106 Subsection (2), the commission shall assess the penalty and give notice and demand for
107 payment.

108 (ii) The notice and demand for payment described in Subsection (7)(d)(i) shall be
109 mailed by [~~registered~~] certified mail [~~-, postage prepaid,~~] to the person's last-known address.

110 Section 2. Section **59-10-405.5** is enacted to read:

111 **59-10-405.5. Definitions -- Withholding tax license requirements -- Penalty --**

112 **Application process and requirements -- Fee not required -- Bonds.**

113 (1) As used in this section:

114 (a) "agent" means a person that:

115 (i) withholds, reports, or remits any amounts under this part for:

116 (A) an applicant; or

117 (B) a licensee; and

118 (ii) in accordance with an agreement between the person and the applicant or licensee

119 described in Subsection (1)(a)(i), is required to collect, truthfully account for, and pay over an
120 amount under this part for the:

121 (A) applicant; or

122 (B) licensee;

123 (b) "applicant" means a person that:

124 (i) is required by this section to obtain a license; and

125 (ii) submits an application:

126 (A) to the commission; and

127 (B) for a license under this section;

128 (c) "application" means an application for a license under this section;

129 (d) "fiduciary of the applicant" means a person that:

130 (i) is required to collect, truthfully account for, and pay over an amount under this part

131 for an applicant;

132 (ii) is not an agent of the applicant described in Subsection (1)(d)(i); and

133 (iii) (A) is a corporate officer of the applicant described in Subsection (1)(d)(i);

134 (B) is a director of the applicant described in Subsection (1)(d)(i);

135 (C) is an employee of the applicant described in Subsection (1)(d)(i);

136 (D) is a partner of an applicant described in Subsection (1)(d)(i);

137 (E) is a trustee of an applicant described in Subsection (1)(d)(i); or

138 (F) has a relationship to the applicant described in Subsection (1)(d)(i) that is similar to

139 a relationship described in Subsections (1)(d)(iii)(A) through (E) as determined by the

140 commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative

141 Rulemaking Act;

142 (e) "fiduciary of the licensee" means a person that:

143 (i) is required to collect, truthfully account for, and pay over an amount under this part

144 for a licensee;

145 (ii) is not an agent of the licensee described in Subsection (1)(e)(i); and

146 (iii) (A) is a corporate officer of the licensee described in Subsection (1)(e)(i);

147 (B) is a director of the licensee described in Subsection (1)(e)(i);

148 (C) is an employee of the licensee described in Subsection (1)(e)(i);

149 (D) is a partner of the licensee described in Subsection (1)(e)(i);

150 (E) is a trustee of the licensee described in Subsection (1)(e)(i); or
151 (F) has a relationship to the licensee described in Subsection (1)(e)(i) that is similar to
152 a relationship described in Subsections (1)(e)(iii)(A) through (E) as determined by the
153 commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative
154 Rulemaking Act;
155 (f) "license" means a license under this section; and
156 (g) "licensee" means a person that is licensed under this section by the commission.
157 (2) The following persons are guilty of a criminal violation as provided in Section
158 59-1-401:
159 (a) a person that:
160 (i) is required to withhold, report, or remit any amounts under this part; and
161 (ii) engages in business within the state before obtaining a license under this section;
162 (b) a person that:
163 (i) pays wages under this part; and
164 (ii) engages in business within the state before obtaining a license under this section; or
165 (c) an agent that:
166 (i) is required to withhold, report, or remit any amounts under this part; and
167 (ii) takes the action described in Subsection (2)(c)(i) before obtaining a license under
168 this section.
169 (3) The license described in Subsection (2):
170 (a) shall be granted and issued:
171 (i) by the commission in accordance with this section;
172 (ii) without a license fee; and
173 (iii) if:
174 (A) an applicant:
175 (I) states the applicant's name and address in the application; and
176 (II) provides other information in the application that the commission may require; and
177 (B) the person meets the requirements of this section to be granted a license as
178 determined by the commission;
179 (b) may not be assigned to another person; and
180 (c) is valid;

181 (i) only for the person named on the license; and
182 (ii) until:
183 (A) the person described in Subsection (3)(c)(i):
184 (I) ceases to do business; or
185 (II) changes that person's business address; or
186 (B) the commission revokes the license.
187 (4) The commission shall review an application and determine whether:
188 (a) the applicant meets the requirements of this section to be issued a license; and
189 (b) a bond is required to be posted with the commission in accordance with
190 Subsections (5) and (6) before the applicant may be issued a license.
191 (5) (a) An applicant shall post a bond with the commission before the commission may
192 issue the applicant a license if:
193 (i) a license under this section was revoked for a delinquency under this part for:
194 (A) the applicant;
195 (B) a fiduciary of the applicant; or
196 (C) a person for which the applicant or the fiduciary of the applicant is required to
197 collect, truthfully account for, and pay over an amount under this part; or
198 (ii) there is a delinquency in withholding, reporting, or remitting any amount under this
199 part for:
200 (A) an applicant;
201 (B) a fiduciary of the applicant; or
202 (C) a person for which the applicant or the fiduciary of the applicant is required to
203 collect, truthfully account for, and pay over an amount under this part.
204 (b) If the commission determines it is necessary to ensure compliance with this part,
205 the commission may require a licensee to:
206 (i) for a licensee that has not posted a bond under this section with the commission,
207 post a bond with the commission in accordance with Subsection (6); or
208 (ii) for a licensee that has posted a bond under this section with the commission,
209 increase the amount of the bond posted with the commission.
210 (c) An agent shall post a bond with the commission before the commission may issue
211 the agent a license under this section.

212 (6) (a) A bond required by Subsection (5) shall be:
213 (i) executed by:
214 (A) for an applicant, the applicant as principal, with a corporate surety;
215 (B) for a licensee, the licensee as principal, with a corporate surety; or
216 (C) for an agent, the agent as principal, with a corporate surety; and
217 (ii) payable to the commission conditioned upon the faithful performance of all of the
218 requirements of this part including:
219 (A) the withholding or remitting of any amount under this part;
220 (B) the payment of any:
221 (I) penalty as provided in Section 59-1-401; or
222 (II) interest as provided in Section 59-1-402; or
223 (C) any other obligation of the:
224 (I) applicant under this part;
225 (II) licensee under this part; or
226 (III) agent under this part.
227 (b) Except as provided in Subsection (6)(d), the commission shall calculate the amount
228 of a bond required by Subsection (5) on the basis of:
229 (i) commission estimates of:
230 (A) for an applicant, any amounts the applicant withholds, reports, or remits under this
231 part;
232 (B) for a licensee, any amounts the licensee withholds, reports, or remits under this
233 part; or
234 (C) for an agent, any amounts the agent withholds, reports, or remits under this part;
235 and
236 (ii) any amount of a delinquency described in Subsection (6)(c).
237 (c) Except as provided in Subsection (6)(d), for purposes of Subsection (6)(b)(ii):
238 (i) for an applicant, the amount of the delinquency is the sum of:
239 (A) the amount of any delinquency that served as a basis for revoking the license under
240 this section of:
241 (I) the applicant;
242 (II) a fiduciary of the applicant; or

243 (III) a person for which the applicant or the fiduciary of the applicant is required to
244 collect, truthfully account for, and pay over an amount under this part; or

245 (B) the amount that any of the following owe under this part:

246 (I) the applicant;

247 (II) a fiduciary of the applicant; and

248 (III) a person for which the applicant or the fiduciary of the applicant is required to
249 collect, truthfully account for, and pay over an amount under this part;

250 (ii) for a licensee, the amount of the delinquency is the sum of:

251 (A) the amount of any delinquency that served as a basis for revoking the license under
252 this section of:

253 (I) the licensee;

254 (II) a fiduciary of the licensee; or

255 (III) a person for which the licensee or the fiduciary of the licensee is required to
256 collect, truthfully account for, and pay over an amount under this part; or

257 (B) the amount that any of the following owe under this part:

258 (I) the licensee;

259 (II) a fiduciary of the licensee; and

260 (III) a person for which the licensee or the fiduciary of the licensee is required to
261 collect, truthfully account for, and pay over an amount under this part; or

262 (iii) for an agent, the amount of the delinquency is the sum of:

263 (A) the amount of any delinquency that served as a basis for revoking the agent's
264 license under this section; or

265 (B) the amount that the agent owes under this part.

266 (d) Notwithstanding Subsection (6)(b) or (c), a bond required by Subsection (5) may
267 not:

268 (i) be less than \$50,000; or

269 (ii) exceed \$500,000.

270 (7) (a) The commission shall revoke a license under this section if:

271 (i) a licensee violates any provision of this part; and

272 (ii) before the commission revokes the license the commission provides the licensee:

273 (A) reasonable notice; and

274 (B) a hearing.
275 (b) If the commission revokes a licensee's license in accordance with Subsection (7)(a),
276 the commission may not issue another license to that licensee until that licensee complies with
277 the requirements of this part, including:

- 278 (i) paying any:
279 (A) amounts due under this part;
280 (B) penalty as provided in Section 59-1-401; or
281 (C) interest as provided in Section 59-1-402; and
282 (ii) posting a bond in accordance with Subsections (5) and (6).

283 Section 3. Section **59-10-406** is amended to read:

284 **59-10-406. Collection and payment of tax.**

285 (1) (a) Each employer shall, on or before the last day of April, July, October, and
286 January, pay to the commission the amount required to be deducted and withheld from wages
287 paid to any employee during the preceding calendar quarter under this part.

288 (b) The commission may change the time or period for making reports and payments
289 if:

- 290 (i) in its opinion, the tax is in jeopardy; or
291 (ii) a different time or period will facilitate the collection and payment of the tax by the
292 employer.

293 (2) Each employer shall file a return, in a form the commission prescribes, with each
294 payment of the amount deducted and withheld under this part showing:

- 295 (a) the total amount of wages paid to his employees;
296 (b) the amount of federal income tax deducted and withheld;
297 (c) the amount of tax under this part deducted and withheld; and
298 (d) any other information the commission may require.

299 (3) (a) Each employer shall file an annual return, in a form the commission prescribes,
300 summarizing:

- 301 (i) the total compensation paid;
302 (ii) the federal income tax deducted and withheld; and
303 (iii) the state tax deducted and withheld for each employee during the calendar year.

304 (b) This return shall be filed with the commission on or before February 28 of the year

305 following that for which the report is made.

306 (4) (a) Each employer shall also, in accordance with rules prescribed by the
307 commission, provide each employee from whom state income tax has been withheld with a
308 statement of the amounts of total compensation paid and the amounts deducted and withheld
309 for that employee during the preceding calendar year in accordance with this part.

310 (b) The statement shall be made available to each ~~[entitled]~~ employee described in
311 Subsection (4)(a) on or before January 31 of the year following that for which the report is
312 made.

313 (5) (a) The employer is liable to the commission for the payment of the tax required to
314 be deducted and withheld under this part. ~~[The]~~

315 (b) If an employer pays the tax required to be deducted and withheld under this part:

316 (i) an employee of the employer is not ~~[thereafter]~~ liable for the amount of any ~~[such]~~
317 payment~~[, nor is]~~ described in Subsection (5)(a); and

318 (ii) the employer is not liable to any person or to any employee for the amount of any
319 such payment described in Subsection (5)(a).

320 ~~[(b)]~~ (c) For the purpose of making penal provisions of this title applicable, any amount
321 deducted or required to be deducted and remitted to the commission under this part is
322 considered to be the tax of the employer and with respect to such amounts ~~[he]~~ the employer is
323 considered to be the taxpayer.

324 (6) (a) Each employer ~~[who]~~ that deducts and withholds any amount under this part
325 shall hold the amount in trust for the state ~~[of Utah]~~ for the payment of ~~[it]~~ the amount to the
326 commission in the manner and at the time provided for in this part.

327 (b) So long as any delinquency continues, the state ~~[of Utah]~~ shall have a lien to secure
328 the payment of any amounts withheld, and not remitted as provided under this section, upon all
329 of the assets of the employer and all property owned or used by the employer in the conduct of
330 ~~[his]~~ the employer's business, including stock-in-trade, business fixtures, and equipment.

331 ~~[This]~~

332 (c) The lien described in Subsection (6)(b) shall be prior to any lien of any kind,
333 including existing liens for taxes.

334 ~~[(7) As a condition precedent to doing business in Utah, the commission may require~~
335 ~~an employer to post with it a corporate bond in an amount reasonably calculated to ensure the~~

336 ~~payment to the state of taxes deducted and withheld from wages, but not to exceed \$5,000.]~~

337 ~~[(8)] (7)~~ To the extent consistent with this section, the commission may use all the
338 provisions of this chapter relating to records, penalties, interest, deficiencies, redetermination
339 of deficiencies, overpayments, refunds, assessments, and venue to enforce this section.

340 ~~[(9)] (8)~~ For all ~~[tax]~~ taxable years beginning on or after January 1, 2001, an employer
341 that is required to file a federal Form W-2 in an electronic format with the Federal Department
342 of the Treasury Internal Revenue Service shall file each Form W-2 that is required to be filed
343 with the commission in an electronic format approved by the commission.

344 Section 4. Section **59-12-106** is amended to read:

345 **59-12-106. Definitions -- Sales and use tax license -- No fee -- Bonds --**

346 **Presumption of taxability -- Exemption certificates -- Exemption certificate license**
347 **number to accompany contract bids.**

348 (1) As used in this section:

349 (a) "agent" means a person that:

350 (i) remits a tax under this chapter for:

351 (A) an applicant; or

352 (B) a licensee; and

353 (ii) in accordance with an agreement between the person and the applicant or licensee
354 described in Subsection (1)(a)(i), is required to collect, truthfully account for, and pay over a
355 tax under this chapter for the:

356 (A) applicant; or

357 (B) licensee;

358 (b) "applicant" means a person that:

359 (i) is required by this section to obtain a license; and

360 (ii) submits an application:

361 (A) to the commission; and

362 (B) for a license under this section;

363 (c) "application" means an application for a license under this section;

364 (d) "fiduciary of the applicant" means a person that:

365 (i) is required to collect, truthfully account for, and pay over a tax under this chapter
366 for an applicant;

367 (ii) is not an agent of the applicant described in Subsection (1)(d)(i); and
368 (iii) (A) is a corporate officer of the applicant described in Subsection (1)(d)(i);
369 (B) is a director of the applicant described in Subsection (1)(d)(i);
370 (C) is an employee of the applicant described in Subsection (1)(d)(i);
371 (D) is a partner of an applicant described in Subsection (1)(d)(i);
372 (E) is a trustee of an applicant described in Subsection (1)(d)(i); or
373 (F) has a relationship to the applicant described in Subsection (1)(d)(i) that is similar to
374 a relationship described in Subsections (1)(d)(iii)(A) through (E) as determined by the
375 commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative
376 Rulemaking Act;
377 (e) "fiduciary of the licensee" means a person that:
378 (i) is required to collect, truthfully account for, and pay over a tax under this chapter
379 for a licensee;
380 (ii) is not an agent of the licensee described in Subsection (1)(e)(i); and
381 (iii) (A) is a corporate officer of the licensee described in Subsection (1)(e)(i);
382 (B) is a director of the licensee described in Subsection (1)(e)(i);
383 (C) is an employee of the licensee described in Subsection (1)(e)(i);
384 (D) is a partner of the licensee described in Subsection (1)(e)(i);
385 (E) is a trustee of the licensee described in Subsection (1)(e)(i); or
386 (F) has a relationship to the licensee described in Subsection (1)(e)(i) that is similar to
387 a relationship described in Subsections (1)(e)(iii)(A) through (E) as determined by the
388 commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative
389 Rulemaking Act;
390 (f) "license" means a license under this section; and
391 (g) "licensee" means a person that is licensed under this section by the commission.
392 [(+) (2) (a) It is unlawful for any person required to collect a tax under this chapter to
393 engage in business within the state without first having obtained a license to do so.
394 (b) The license described in Subsection [(+) (2)(a):
395 (i) shall be granted and issued by the commission;
396 (ii) is not assignable;
397 (iii) is valid only for the person in whose name the license is issued;

- 398 (iv) is valid until:
- 399 (A) the person described in Subsection [(+) (2)(b)(iii):
- 400 (I) ceases to do business; or
- 401 (II) changes that person's business address; or
- 402 (B) the license is revoked by the commission; and
- 403 (v) subject to Subsection (2)(d), shall be granted by the commission only upon an
- 404 application that:
- 405 (A) states the name and address of the applicant; and
- 406 (B) provides other information the commission may require.
- 407 (c) At the time [~~a person~~] an applicant makes an application under Subsection [(+) (2)(b)(v), the commission shall notify the applicant of the responsibilities and liability of a
- 408 business owner successor under Section 59-12-112.
- 409 (d) The commission shall review an application and determine whether the applicant:
- 410 (i) meets the requirements of this section to be issued a license; and
- 411 (ii) is required to post a bond with the commission in accordance with Subsections
- 412 (2)(e) and (f) before the applicant may be issued a license.
- 413 (e) (i) An applicant shall post a bond with the commission before the commission may
- 414 issue the applicant a license if:
- 415 (A) a license under this section was revoked for a delinquency under this chapter for:
- 416 (I) the applicant;
- 417 (II) a fiduciary of the applicant; or
- 418 (III) a person for which the applicant or the fiduciary of the applicant is required to
- 419 collect, truthfully account for, and pay over a tax under this chapter; or
- 420 (B) there is a delinquency in paying a tax under this chapter for:
- 421 (I) the applicant;
- 422 (II) a fiduciary of the applicant; or
- 423 (III) a person for which the applicant or the fiduciary of the applicant is required to
- 424 collect, truthfully account for, and pay over a tax under this chapter.
- 425 (ii) If the commission determines it is necessary to ensure compliance with this
- 426 chapter, the commission may require a licensee to:
- 427 (A) for a licensee that has not posted a bond under this section with the commission,
- 428

429 post a bond with the commission in accordance with Subsection (2)(f); or
430 (B) for a licensee that has posted a bond under this section with the commission,
431 increase the amount of the bond posted with the commission.
432 (f) (i) A bond required by Subsection (2)(e) shall be:
433 (A) executed by:
434 (I) for an applicant, the applicant as principal, with a corporate surety; or
435 (II) for a licensee, the licensee as principal, with a corporate surety; and
436 (B) payable to the commission conditioned upon the faithful performance of all of the
437 requirements of this chapter including:
438 (I) the payment of any tax under this chapter;
439 (II) the payment of any:
440 (Aa) penalty as provided in Section 59-1-401; or
441 (Bb) interest as provided in Section 59-1-402; or
442 (III) any other obligation of the:
443 (Aa) applicant under this chapter; or
444 (Bb) licensee under this chapter.
445 (ii) Except as provided in Subsection (2)(f)(iv), the commission shall calculate the
446 amount of a bond required by Subsection (2)(e) on the basis of:
447 (A) commission estimates of:
448 (I) an applicant's tax liability under this chapter; or
449 (II) a licensee's tax liability under this chapter; and
450 (B) any amount of a delinquency described in Subsection (2)(f)(iii).
451 (iii) Except as provided in Subsection (2)(f)(iv), for purposes of Subsection
452 (2)(f)(ii)(B):
453 (A) for an applicant, the amount of the delinquency is the sum of:
454 (I) the amount of any delinquency that served as a basis for revoking the license under
455 this section of:
456 (Aa) the applicant;
457 (Bb) a fiduciary of the applicant; or
458 (Cc) a person for which the applicant or the fiduciary of the applicant is required to
459 collect, truthfully account for, and pay over a tax under this chapter; or

460 (II) the amount of tax that any of the following owe under this chapter:
461 (Aa) the applicant;
462 (Bb) a fiduciary of the applicant; and
463 (Cc) a person for which the applicant or the fiduciary of the applicant is required to
464 collect, truthfully account for, and pay over a tax under this chapter; or
465 (B) for a licensee, the amount of the delinquency is the sum of:
466 (I) the amount of any delinquency that served as a basis for revoking the license under
467 this section of:
468 (Aa) the licensee;
469 (Bb) a fiduciary of the licensee; or
470 (Cc) a person for which the licensee or the fiduciary of the licensee is required to
471 collect, truthfully account for, and pay over a tax under this chapter; or
472 (II) the amount of tax that any of the following owe under this chapter:
473 (Aa) the licensee;
474 (Bb) a fiduciary of the licensee; and
475 (Cc) a person for which the licensee or the fiduciary of the licensee is required to
476 collect, truthfully account for, and pay over a tax under this chapter.
477 (iv) Notwithstanding Subsection (2)(f)(ii) or (2)(f)(iii), a bond required by Subsection
478 (2)(e) may not:
479 (A) be less than \$50,000; or
480 (B) exceed \$500,000.
481 ~~[(d)]~~ (g) If business is transacted at two or more separate places by one person, a
482 separate license for each place of business is required.
483 ~~[(e)]~~ (h) (i) The commission shall, on a reasonable notice and after a hearing, revoke
484 the license of any ~~[person]~~ licensee violating any provisions of this chapter.
485 (ii) A license may not be issued to a ~~[person]~~ licensee described in Subsection
486 ~~[(1)(e)(i)]~~ (2)(h)(i) until the ~~[person]~~ licensee has complied with the requirements of this
487 chapter[-], including:
488 (A) paying any:
489 (I) tax due under this chapter;
490 (II) penalty as provided in Section 59-1-401; or

491 (III) interest as provided in Section 59-1-402; and
492 (B) posting a bond in accordance with Subsections (2)(e) and (f).
493 ~~[(f)]~~ (i) Any person required to collect a tax under this chapter within this state without
494 having secured a license to do so is guilty of a criminal violation as provided in Section
495 59-1-401.
496 ~~[(g)]~~ (j) A license:
497 (i) is not required for any person engaged exclusively in the business of selling
498 commodities that are exempt from taxation under this chapter; and
499 (ii) shall be issued to the person by the commission without a license fee.
500 ~~[(2)]~~ (3) (a) For the purpose of the proper administration of this chapter and to prevent
501 evasion of the tax and the duty to collect the tax, it shall be presumed that tangible personal
502 property or any other taxable transaction under Subsection 59-12-103(1) sold by any person for
503 delivery in this state is sold for storage, use, or other consumption in this state unless the
504 person selling the property, item, or service has taken from the purchaser an exemption
505 certificate:
506 (i) bearing the name and address of the purchaser; and
507 (ii) providing that the property, item, or service was exempted under Section
508 59-12-104.
509 (b) An exemption certificate described in Subsection ~~[(2)]~~ (3)(a):
510 (i) shall contain information as prescribed by the commission; and
511 (ii) if a paper exemption certificate is used, shall be signed by the purchaser.
512 (c) Except as provided in Subsection ~~[(2)]~~ (3)(d), a seller that has taken an exemption
513 certificate from a purchaser in accordance with this Subsection ~~[(2)]~~ (3) with respect to a
514 transaction is not liable to collect a tax under this chapter:
515 (i) on that transaction; and
516 (ii) if the commission or a court of competent jurisdiction subsequently determines that
517 the purchaser improperly claimed the exemption.
518 (d) Notwithstanding Subsection ~~[(2)]~~ (3)(c), Subsection ~~[(2)]~~ (3)(c) does not apply to a
519 seller that:
520 (i) fraudulently fails to collect a tax under this chapter; or
521 (ii) solicits a purchaser to participate in improperly claiming an exemption from a tax

522 under this chapter.

523 ~~[(3)]~~ (4) A person filing a contract bid with the state or a political subdivision of the
524 state for the sale of tangible personal property or any other taxable transaction under
525 Subsection 59-12-103(1) shall include with the bid the number of the license issued to that
526 person under Subsection ~~[(1)]~~ (2).

527 Section 5. Section **59-12-107** is amended to read:

528 **59-12-107. Collection, remittance, and payment of tax by sellers or other persons**
529 **-- Collection of tax by a seller registered under the agreement may not be used as a factor**
530 **in determining whether the seller is required to pay certain taxes, fees, or charges --**
531 **Returns -- Direct payment by purchaser of vehicle -- Other liability for collection --**
532 **Rulemaking authority -- Credits -- Treatment of bad debt -- Penalties.**

533 (1) (a) Except as provided in Subsection (1)(e) or Sections 59-12-107.1 through
534 59-12-107.4 and subject to Subsection (1)(f), each seller shall pay or collect and remit the sales
535 and use taxes imposed by this chapter if within this state the seller:

536 (i) has or utilizes:

537 (A) an office;

538 (B) a distribution house;

539 (C) a sales house;

540 (D) a warehouse;

541 (E) a service enterprise; or

542 (F) a place of business similar to Subsections (1)(a)(i)(A) through (E);

543 (ii) maintains a stock of goods;

544 (iii) regularly solicits orders, regardless of whether or not the orders are accepted in the
545 state, unless the seller's only activity in the state is:

546 (A) advertising; or

547 (B) solicitation by:

548 (I) direct mail;

549 (II) electronic mail;

550 (III) the Internet;

551 (IV) telephone; or

552 (V) a means similar to ~~[Subsections]~~ Subsection (1)(a)(iii)(A) or (B);

- 553 (iv) regularly engages in the delivery of property in the state other than by:
- 554 (A) common carrier; or
- 555 (B) United States mail; or
- 556 (v) regularly engages in an activity directly related to the leasing or servicing of
- 557 property located within the state.
- 558 (b) A seller that does not meet one or more of the criteria provided for in Subsection
- 559 (1)(a):
- 560 (i) except as provided in Subsection (1)(b)(ii), may voluntarily:
- 561 (A) collect a tax on a transaction described in Subsection 59-12-103(1); and
- 562 (B) remit the tax to the commission as provided in this part; or
- 563 (ii) notwithstanding Subsection (1)(b)(i), shall collect a tax on a transaction described
- 564 in Subsection 59-12-103(1) if Section 59-12-103.1 requires the seller to collect the tax.
- 565 (c) The collection and remittance of a tax under this chapter by a seller that is
- 566 registered under the agreement may not be used as a factor in determining whether that seller is
- 567 required by Subsection (1)(a) to:
- 568 (i) pay a tax, fee, or charge under:
- 569 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
- 570 (B) Section 19-6-716;
- 571 (C) Section 19-6-805;
- 572 (D) Section 69-2-5.5; or
- 573 (E) this title; or
- 574 (ii) collect and remit a tax, fee, or charge under:
- 575 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
- 576 (B) Section 19-6-716;
- 577 (C) Section 19-6-805;
- 578 (D) Section 69-2-5.5; or
- 579 (E) this title.
- 580 (d) A person shall pay a use tax imposed by this chapter on a transaction described in
- 581 Subsection 59-12-103(1) if:
- 582 (i) the seller did not collect a tax imposed by this chapter on the transaction; and
- 583 (ii) the person:

- 584 (A) stores the tangible personal property in the state;
- 585 (B) uses the tangible personal property in the state; or
- 586 (C) consumes the tangible personal property in the state.

587 (e) Notwithstanding Subsection (1)(a), the ownership of property that is located at the
588 premises of a printer's facility with which the retailer has contracted for printing and that
589 consists of the final printed product, property that becomes a part of the final printed product,
590 or copy from which the printed product is produced, shall not result in the retailer being
591 considered to have or maintain an office, distribution house, sales house, warehouse, service
592 enterprise, or other place of business, or to maintain a stock of goods, within this state.

593 (f) (i) As used in this Subsection (1)(f):

594 (A) "affiliated group" is as defined in Section 59-7-101, except that "affiliated group"
595 includes a corporation that is qualified to do business but is not otherwise doing business in
596 this state;

597 (B) "common ownership" is as defined in Section 59-7-101;

598 (C) "related seller" means a seller that:

599 (I) is not required to pay or collect and remit sales and use taxes under Subsection
600 (1)(a) or Section 59-12-103.1;

601 (II) is:

602 (Aa) related to a seller that is required to pay or collect and remit sales and use taxes
603 under Subsection (1)(a) as part of an affiliated group or because of common ownership; or

604 (Bb) a limited liability company owned by the parent corporation of an affiliated group
605 if that parent corporation of the affiliated group is required to pay or collect and remit sales and
606 use taxes under Subsection (1)(a); and

607 (III) does not voluntarily collect and remit a tax under Subsection (1)(b)(i).

608 (ii) A seller is not required to pay or collect and remit sales and use taxes under
609 Subsection (1)(a):

610 (A) if the seller is a related seller;

611 (B) if the seller to which the related seller is related does not engage in any of the
612 following activities on behalf of the related seller:

613 (I) advertising;

614 (II) marketing;

615 (III) sales; or
616 (IV) other services; and
617 (C) if the seller to which the related seller is related accepts the return of an item sold
618 by the related seller, the seller to which the related seller is related accepts the return of that
619 item:

620 (I) sold by a seller that is not a related seller; and
621 (II) on the same terms as the return of an item sold by that seller to which the related
622 seller is related.

623 (2) (a) Except as provided in Sections 59-12-107.1 through 59-12-107.4, a tax under
624 this chapter shall be collected from a purchaser.

625 (b) A seller may not collect as tax an amount, without regard to fractional parts of one
626 cent, in excess of the tax computed at the rates prescribed by this chapter.

627 (c) (i) Each seller shall:

628 (A) give the purchaser a receipt for the tax collected; or

629 (B) bill the tax as a separate item and declare the name of this state and the seller's
630 sales and use tax license number on the invoice for the sale.

631 (ii) The receipt or invoice is prima facie evidence that the seller has collected the tax
632 and relieves the purchaser of the liability for reporting the tax to the commission as a
633 consumer.

634 (d) A seller is not required to maintain a separate account for the tax collected, but is
635 considered to be a person charged with receipt, safekeeping, and transfer of public moneys.

636 (e) Taxes collected by a seller pursuant to this chapter shall be held in trust for the
637 benefit of the state and for payment to the commission in the manner and at the time provided
638 for in this chapter.

639 (f) If any seller, during any reporting period, collects as a tax an amount in excess of
640 the lawful state and local percentage of total taxable sales allowed under this chapter, the seller
641 shall remit to the commission the full amount of the tax imposed under this chapter, plus any
642 excess.

643 (g) If the accounting methods regularly employed by the seller in the transaction of the
644 seller's business are such that reports of sales made during a calendar month or quarterly period
645 will impose unnecessary hardships, the commission may accept reports at intervals that will, in

646 the commission's opinion, better suit the convenience of the taxpayer or seller and will not
647 jeopardize collection of the tax.

648 (3) (a) Except as provided in Subsections (4) through (6) and in Section 59-12-108, the
649 sales or use tax imposed by this chapter is due and payable to the commission quarterly on or
650 before the last day of the month next succeeding each calendar quarterly period.

651 (b) (i) Each seller shall, on or before the last day of the month next succeeding each
652 calendar quarterly period, file with the commission a return for the preceding quarterly period.

653 (ii) The seller shall remit with the return under Subsection (3)(b)(i) the amount of the
654 tax required under this chapter to be collected or paid for the period covered by the return.

655 (c) (i) Except as provided in Subsections (3)(c)(ii) and (4)(b)(i)(C), each return shall
656 contain information and be in a form the commission prescribes by rule.

657 (ii) Notwithstanding Subsection (3)(c)(i), a seller described in Subsection (1)(b) that is
658 registered under the agreement shall file a return required by this section electronically.

659 (d) The sales tax as computed in the return shall be based upon the total nonexempt
660 sales made during the period, including both cash and charge sales.

661 (e) The use tax as computed in the return shall be based upon the total amount of sales
662 and purchases for storage, use, or other consumption in this state made during the period,
663 including both by cash and by charge.

664 (f) (i) Subject to Subsection (3)(f)(ii) and in accordance with Title 63, Chapter 46a,
665 Utah Administrative Rulemaking Act, the commission may by rule extend the time for making
666 returns and paying the taxes.

667 (ii) An extension under Subsection (3)(f)(i) may not be for more than 90 days.

668 (g) The commission may require returns and payment of the tax to be made for other
669 than quarterly periods if the commission considers it necessary in order to ensure the payment
670 of the tax imposed by this chapter.

671 (4) (a) (i) Notwithstanding Subsection (3) and except as provided in Subsection
672 (4)(a)(ii), a tax collected in accordance with Subsection (1)(b) by a seller described in
673 Subsection (4)(d) shall be due and payable:

674 (A) to the commission;

675 (B) annually; and

676 (C) on or before the last day of the month immediately following the last day of each

677 calendar year.

678 (ii) Notwithstanding Subsection (4)(a)(i), the commission may require that a tax
679 collected in accordance with Subsection (1)(b) by a seller described in Subsection (4)(d) be due
680 and payable:

681 (A) to the commission; and

682 (B) on the last day of the month immediately following any month in which the seller
683 has accumulated a total of at least \$1,000 in agreement sales and use tax.

684 (b) (i) A tax remitted to the commission under Subsection (4)(a) shall be accompanied
685 by a return that:

686 (A) contains information prescribed by the commission;

687 (B) is in a form prescribed by the commission; and

688 (C) notwithstanding Subsection (3)(c)(i), is filed electronically as required by
689 Subsection (3)(c)(ii).

690 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
691 the commission shall make rules prescribing:

692 (A) the information required to be contained in a return described in Subsection
693 (4)(b)(i); and

694 (B) the form of the return described in Subsection (4)(b)(i).

695 (c) The tax collected in accordance with this Subsection (4) calculated in the return
696 described in Subsection (4)(b) shall be calculated on the basis of the total amount of taxable
697 transactions described in Subsection 59-12-103(1) conducted by a seller described in
698 Subsection (4)(d), including:

699 (i) a cash transaction; and

700 (ii) a charge transaction.

701 (d) This Subsection (4) applies to a seller that is:

702 (i) registered under the agreement;

703 (ii) described in Subsection (1)(b); and

704 (iii) not a:

705 (A) model 1 seller;

706 (B) model 2 seller; or

707 (C) model 3 seller.

708 (5) (a) Notwithstanding Subsection (3) and except as provided in Subsection (5)(b), a
709 tax collected in accordance with this chapter by a seller that files a simplified electronic return
710 shall be due and payable:

711 (i) monthly on or before the last day of the month immediately following the month for
712 which the seller collects a tax under this chapter; and

713 (ii) for the month for which the seller collects a tax under this chapter.

714 (b) Notwithstanding Subsection (5)(a), a tax collected in accordance with Subsection
715 (1)(b) by a seller described in Subsection (4)(d) that files a simplified electronic return, shall be
716 due and payable as provided in Subsection (4)(a).

717 (6) (a) Notwithstanding Subsection (3), on each vehicle sale made by other than a
718 regular licensed vehicle dealer, the purchaser shall pay the sales or use tax directly to the
719 commission if the vehicle is subject to titling or registration under the laws of this state.

720 (b) The commission shall collect the tax described in Subsection (6)(a) when the
721 vehicle is titled or registered.

722 (7) If any sale of tangible personal property or any other taxable transaction under
723 Subsection 59-12-103(1), is made by a wholesaler to a retailer, the wholesaler is not
724 responsible for the collection or payment of the tax imposed on the sale and the retailer is
725 responsible for the collection or payment of the tax imposed on the sale if:

726 (a) the retailer represents that the personal property is purchased by the retailer for
727 resale; and

728 (b) the personal property is not subsequently resold.

729 (8) If any sale of property or service subject to the tax is made to a person prepaying
730 sales or use tax in accordance with Title 63, Chapter 51, Resource Development, or to a
731 contractor or subcontractor of that person, the person to whom such payment or consideration
732 is payable is not responsible for the collection or payment of the sales or use tax and the person
733 prepaying the sales or use tax is responsible for the collection or payment of the sales or use tax
734 if the person prepaying the sales or use tax represents that the amount prepaid as sales or use
735 tax has not been fully credited against sales or use tax due and payable under the rules
736 promulgated by the commission.

737 (9) (a) For purposes of this Subsection (9):

738 (i) Except as provided in Subsection (9)(a)(ii), "bad debt" is as defined in Section 166,

739 Internal Revenue Code.

740 (ii) Notwithstanding Subsection (9)(a)(i), "bad debt" does not include:

741 (A) an amount included in the purchase price of tangible personal property or a service
742 that is:

743 (I) not a transaction described in Subsection 59-12-103(1); or

744 (II) exempt under Section 59-12-104;

745 (B) a financing charge;

746 (C) interest;

747 (D) a tax imposed under this chapter on the purchase price of tangible personal
748 property or a service;

749 (E) an uncollectible amount on tangible personal property that:

750 (I) is subject to a tax under this chapter; and

751 (II) remains in the possession of a seller until the full purchase price is paid;

752 (F) an expense incurred in attempting to collect any debt; or

753 (G) an amount that a seller does not collect on repossessed property.

754 (b) A seller may deduct bad debt from the total amount from which a tax under this
755 chapter is calculated on a return.

756 (c) A seller may file a refund claim with the commission if:

757 (i) the amount of bad debt for the time period described in Subsection (9)(e) exceeds
758 the amount of the seller's sales that are subject to a tax under this chapter for that same time
759 period; and

760 (ii) as provided in Section 59-12-110.

761 (d) A bad debt deduction under this section may not include interest.

762 (e) A bad debt may be deducted under this Subsection (9) on a return for the time
763 period during which the bad debt:

764 (i) is written off as uncollectible in the seller's books and records; and

765 (ii) would be eligible for a bad debt deduction:

766 (A) for federal income tax purposes; and

767 (B) if the seller were required to file a federal income tax return.

768 (f) If a seller recovers any portion of bad debt for which the seller makes a deduction or
769 claims a refund under this Subsection (9), the seller shall report and remit a tax under this

770 chapter:

771 (i) on the portion of the bad debt the seller recovers; and

772 (ii) on a return filed for the time period for which the portion of the bad debt is
773 recovered.

774 (g) For purposes of reporting a recovery of a portion of bad debt under Subsection
775 (9)(f), a seller shall apply amounts received on the bad debt in the following order:

776 (i) in a proportional amount:

777 (A) to the purchase price of the tangible personal property or service; and

778 (B) to the tax due under this chapter on the tangible personal property or service; and

779 (ii) to:

780 (A) interest charges;

781 (B) service charges; and

782 (C) other charges.

783 (h) A seller's certified service provider may make a deduction or claim a refund for bad
784 debt on behalf of the seller:

785 (i) in accordance with this Subsection (9); and

786 (ii) if the certified service provider credits or refunds the full amount of the bad debt
787 deduction or refund to the seller.

788 (i) A bad debt may be allocated among the states that are members of the agreement if
789 a seller's books and records support that allocation.

790 ~~[(10) (a) The commission may require any person subject to the tax imposed under this~~
791 ~~chapter to deposit with the commission security as the commission determines, if the~~
792 ~~commission considers it necessary to ensure compliance with this chapter.]~~

793 ~~[(b) The commission may sell the security at public sale if it becomes necessary to do~~
794 ~~so in order to recover any tax, interest, or penalty due.]~~

795 ~~[(c) (i) The commission shall serve notice of the sale upon the person who deposited~~
796 ~~the securities.]~~

797 ~~[(ii) Notice under Subsection (10)(c)(i) sent to the last-known address as it appears in~~
798 ~~the records of the commission is sufficient for the purposes of this requirement.]~~

799 ~~[(d) The commission shall return to the person who deposited the security any amount~~
800 ~~of the sale proceeds that exceed the amounts due under this chapter.]~~

801 [(H)] (10) (a) A seller may not, with intent to evade any tax, fail to timely remit the
802 full amount of tax required by this chapter.

803 (b) A violation of this section is punishable as provided in Section 59-1-401.

804 (c) Each person who fails to pay any tax to the state or any amount of tax required to be
805 paid to the state, except amounts determined to be due by the commission under Sections
806 59-12-110 and 59-12-111, within the time required by this chapter, or who fails to file any
807 return as required by this chapter, shall pay, in addition to the tax, penalties and interest as
808 provided in Section 59-12-110.

809 (d) For purposes of prosecution under this section, each quarterly tax period in which a
810 seller, with intent to evade any tax, collects a tax and fails to timely remit the full amount of the
811 tax required to be remitted, constitutes a separate offense.

812 Section 6. Section **59-13-203.1** is enacted to read:

813 **59-13-203.1. Definitions -- License requirements -- Penalty -- Application process**
814 **and requirements -- Fee not required -- Bonds.**

815 (1) As used in this section:

816 (a) "agent" means a person that:

817 (i) remits a tax under this part for:

818 (A) an applicant; or

819 (B) a licensee; and

820 (ii) in accordance with an agreement between the person and the applicant or licensee
821 described in Subsection (1)(a)(i), is required to collect, truthfully account for, and pay over a
822 tax under this part for the:

823 (A) applicant; or

824 (B) licensee;

825 (b) "applicant" means a person that:

826 (i) is required by this section to obtain a license; and

827 (ii) submits an application:

828 (A) to the commission; and

829 (B) for a license under this section;

830 (c) "application" means an application for a license under this section;

831 (d) "fiduciary of the applicant" means a person that:

832 (i) is required to collect, truthfully account for, and pay over a tax under this part for an
833 applicant;

834 (ii) is not an agent of the applicant described in Subsection (1)(d)(i); and

835 (iii) (A) is a corporate officer of the applicant described in Subsection (1)(d)(i);

836 (B) is a director of the applicant described in Subsection (1)(d)(i);

837 (C) is an employee of the applicant described in Subsection (1)(d)(i);

838 (D) is a partner of an applicant described in Subsection (1)(d)(i);

839 (E) is a trustee of an applicant described in Subsection (1)(d)(i); or

840 (F) has a relationship to the applicant described in Subsection (1)(d)(i) that is similar to
841 a relationship described in Subsections (1)(d)(iii)(A) through (E) as determined by the
842 commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative
843 Rulemaking Act;

844 (e) "fiduciary of the licensee" means a person that:

845 (i) is required to collect, truthfully account for, and pay over a tax under this part for a
846 licensee;

847 (ii) is not an agent of the licensee described in Subsection (1)(e)(i); and

848 (iii) (A) is a corporate officer of the licensee described in Subsection (1)(e)(i);

849 (B) is a director of the licensee described in Subsection (1)(e)(i);

850 (C) is an employee of the licensee described in Subsection (1)(e)(i);

851 (D) is a partner of the licensee described in Subsection (1)(e)(i);

852 (E) is a trustee of the licensee described in Subsection (1)(e)(i); or

853 (F) has a relationship to the licensee described in Subsection (1)(e)(i) that is similar to
854 a relationship described in Subsections (1)(e)(iii)(A) through (E) as determined by the
855 commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative
856 Rulemaking Act;

857 (f) "license" means a license under this section; and

858 (g) "licensee" means a person that is licensed under this section by the commission.

859 (2) A person that is required to collect a tax under this part is guilty of a criminal
860 violation as provided in Section 59-1-401 if before obtaining a license under this section that
861 person engages in business within the state.

862 (3) The license described in Subsection (2):

- 863 (a) shall be granted and issued:
- 864 (i) by the commission in accordance with this section;
- 865 (ii) without a license fee; and
- 866 (iii) if:
- 867 (A) an applicant:
- 868 (I) states the applicant's name and address in the application; and
- 869 (II) provides other information in the application that the commission may require; and
- 870 (B) the person meets the requirements of this section to be granted a license as
- 871 determined by the commission;
- 872 (b) may not be assigned to another person; and
- 873 (c) is valid:
- 874 (i) only for the person named on the license; and
- 875 (ii) until:
- 876 (A) the person described in Subsection (3)(c)(i):
- 877 (I) ceases to do business; or
- 878 (II) changes that person's business address; or
- 879 (B) the commission revokes the license.
- 880 (4) The commission shall review an application and determine whether the applicant
- 881 meets the requirements of this section to be issued a license.
- 882 (5) (a) An applicant shall post a bond with the commission before the commission may
- 883 issue the applicant a license.
- 884 (b) If the commission determines it is necessary to ensure compliance with this part,
- 885 the commission may require a licensee to increase the amount of a bond posted with the
- 886 commission.
- 887 (c) A bond under this Subsection (5) shall be:
- 888 (i) executed by:
- 889 (A) for an applicant, the applicant as principal, with a corporate surety; or
- 890 (B) for a licensee, the licensee as principal, with a corporate surety; and
- 891 (ii) payable to the commission conditioned upon the faithful performance of all of the
- 892 requirements of this part including:
- 893 (A) the payment of all taxes under this part;

894 (B) the payment of any:
895 (I) penalty as provided in Section 59-1-401; or
896 (II) interest as provided in Section 59-1-402; or
897 (C) any other obligation of the:
898 (I) applicant under this part; or
899 (II) licensee under this part.
900 (d) Except as provided in Subsection (5)(f), the commission shall calculate the amount
901 of a bond under this Subsection (5) on the basis of:
902 (i) commission estimates of:
903 (A) an applicant's tax liability under this part; or
904 (B) a licensee's tax liability under this part; and
905 (ii) the amount of a delinquency described in Subsection (5)(e) if:
906 (A) a license under this section was revoked for a delinquency under this part for:
907 (I) (Aa) an applicant; or
908 (Bb) a licensee;
909 (II) a fiduciary of the:
910 (Aa) applicant; or
911 (Bb) licensee; or
912 (III) a person for which the applicant, licensee, fiduciary of the applicant, or fiduciary
913 of the licensee is required to collect, truthfully account for, and pay over a tax under this part;
914 or
915 (B) there is a delinquency in paying a tax under this part for:
916 (I) (Aa) an applicant; or
917 (Bb) a licensee;
918 (II) a fiduciary of the:
919 (Aa) applicant; or
920 (Bb) licensee; or
921 (III) a person for which the applicant, licensee, fiduciary of the applicant, or fiduciary
922 of the licensee is required to collect, truthfully account for, and pay over a tax under this part.
923 (e) Except as provided in Subsection (5)(f), for purposes of Subsection (5)(d)(ii):
924 (i) for an applicant, the amount of the delinquency is the sum of:

925 (A) the amount of any delinquency that served as a basis for revoking the license under
926 this section of:

927 (I) the applicant;

928 (II) a fiduciary of the applicant; or

929 (III) a person for which the applicant or the fiduciary of the applicant is required to
930 collect, truthfully account for, and pay over a tax under this part; or

931 (B) the amount of tax that any of the following owe under this part:

932 (I) the applicant;

933 (II) a fiduciary of the applicant; and

934 (III) a person for which the applicant or the fiduciary of the applicant is required to
935 collect, truthfully account for, and pay over a tax under this part; or

936 (ii) for a licensee, the amount of the delinquency is the sum of:

937 (A) the amount of any delinquency that served as a basis for revoking the license under
938 this section of:

939 (I) the licensee;

940 (II) a fiduciary of the licensee; or

941 (III) a person for which the licensee or the fiduciary of the licensee is required to
942 collect, truthfully account for, and pay over a tax under this part; or

943 (B) the amount of tax that any of the following owe under this part:

944 (I) the licensee;

945 (II) a fiduciary of the licensee; and

946 (III) a person for which the licensee or the fiduciary of the licensee is required to
947 collect, truthfully account for, and pay over a tax under this part.

948 (f) Notwithstanding Subsection (5)(d) or (e), a bond required by this Subsection (5)
949 may not:

950 (i) be less than \$50,000; or

951 (ii) exceed \$500,000.

952 (6) (a) The commission shall revoke a license under this section if:

953 (i) a licensee violates any provision of this part; and

954 (ii) before the commission revokes the license the commission provides the licensee:

955 (A) reasonable notice; and

956 (B) a hearing.

957 (b) If the commission revokes a licensee's license in accordance with Subsection (6)(a),
958 the commission may not issue another license to that licensee until that licensee complies with
959 the requirements of this part, including:

960 (i) paying any:

961 (A) tax due under this part;

962 (B) penalty as provided in Section 59-1-401; or

963 (C) interest as provided in Section 59-1-402; and

964 (ii) posting a bond in accordance with Subsection (5).

965 Section 7. Section **59-13-209** is amended to read:

966 **59-13-209. Due date -- Delinquency -- Penalties -- Interest.**

967 (1) The motor fuel tax is due and payable by the distributor on or before the last day of
968 each month to the commission for the number of gallons of motor fuel sold, used, or received
969 for sale or use by the distributor during the preceding calendar month. The commission shall
970 receipt the distributor for taxes paid and shall promptly deposit all revenue with the state
971 treasurer.

972 (2) If any distributor fails or refuses to pay any tax when it becomes due and payable,
973 the tax is delinquent. If a distributor is delinquent in tax payments, the commission shall
974 [~~revoke the distributor's license and~~] impose a penalty as provided under Section 59-1-401.
975 The amount of the tax shall bear interest at the rate and in the manner prescribed in Section
976 59-1-402.

977 (3) No report or payment of tax is considered delinquent if the envelope in which the
978 report or remittance is enclosed bears a post office cancellation mark dated on or before the
979 date on which the report or payment was due. The commission, upon receipt of the report or
980 remittance, shall treat the report or payment as if it had been received on the date it was due.

981 (4) If any part of the tax due is deficient or delinquent because of negligence or
982 disregard of this part, or in the case of false or fraudulent monthly reports, or intent to evade the
983 tax, a penalty shall be added to the tax due as provided in Section 59-1-401.

984 (5) A tax due and unpaid under this part constitutes a debt due the state and may be
985 collected, together with interest, penalty, and costs, by appropriate judicial proceeding. This
986 remedy is in addition to all other remedies. If the tax imposed by this part is not paid when it is

987 due, collection may be made as provided in Sections 59-7-526 and 59-7-527.

988 ~~[(6) No license may be issued to any distributor who has permitted any tax levied and~~
989 ~~imposed by this part to become delinquent until the tax, penalty, and interest have been fully~~
990 ~~paid.]~~

991 Section 8. Section **59-13-302** is amended to read:

992 **59-13-302. Definitions -- License requirements -- Penalty -- Application process**
993 **and requirements -- Fee not required -- Bonds -- Discontinuance of business -- Liens upon**
994 **property.**

995 ~~[(1) Each supplier of diesel fuel shall first obtain from the commission a supplier's~~
996 ~~license and shall pay a license fee determined by the commission pursuant to Section~~
997 ~~63-38-3.2. The license shall be valid until the holder of the license ceases to act as a supplier,~~
998 ~~unless the commission has reasonable cause to terminate the license at an earlier date. The~~
999 ~~license issued by the commission is not assignable and is valid only for the supplier in whose~~
1000 ~~name it is issued.]~~

1001 ~~[(2) The supplier license application shall state:]~~

1002 ~~[(a) the places of business and locations from which delivery or removal are made;]~~

1003 ~~[(b) the name and address of the managing agent; and]~~

1004 ~~[(c) the names and addresses of the persons constituting the firm, association, or~~
1005 ~~partnership, if a firm, association, or partnership, and if a corporation, the corporate name~~
1006 ~~under which it is authorized to transact business and the names and addresses of its principal~~
1007 ~~officers, resident general agent, and attorney in fact.]~~

1008 ~~[(3) (a) (i) A supplier may not be granted a license until the commission is furnished a~~
1009 ~~bond in an amount two times the estimated monthly tax not to exceed \$100,000, but no less~~
1010 ~~than \$35,000, in a form prescribed by the commission.]~~

1011 ~~[(ii) The bond shall be executed by the applicant as principal, with a corporate surety,~~
1012 ~~and shall be payable to the commission conditioned upon the faithful performance of all the~~
1013 ~~requirements of this part, including the payment of all taxes, penalties, interest, and other~~
1014 ~~obligations of the applicant arising under this part and under Section 59-1-401.]~~

1015 ~~[(b) (i) In lieu of the bond, the applicant may deposit with the commission, under terms~~
1016 ~~and conditions prescribed by the commission, either a like amount of lawful money of the~~
1017 ~~United States or bonds or other obligations satisfactory to the commission and which shall, at~~

1018 all times, be of an actual market value not less than the amount fixed by the commission.]

1019 ~~[(ii) Any license obtained by depositing bonds or other obligations shall automatically~~
1020 ~~be revoked upon the failure of the holder, within 15 days after written notice from the~~
1021 ~~commission, to deposit the additional bonds or other securities sufficient to offset any~~
1022 ~~diminution of the actual market value of the deposited bonds or other obligations.]~~

1023 ~~[(4) (a) The commission may cancel the license of a supplier and notify that supplier of~~
1024 ~~the cancellation if that supplier:]~~

1025 ~~[(i) files a false monthly report of the data or information required by this part;]~~

1026 ~~[(ii) fails, refuses, or neglects to file the monthly report as required by this part;]~~

1027 ~~[(iii) fails to pay the full amount of the tax as required by this part; or]~~

1028 ~~[(iv) fails to keep accurate records of quantities of fuel received, produced, refined,~~
1029 ~~manufactured, compounded, or used in this state:]~~

1030 ~~[(b) The commission may also cancel any license issued to any supplier upon the~~
1031 ~~written request of the supplier:]~~

1032 (1) As used in this section:

1033 (a) "agent" means a person that:

1034 (i) remits any amounts under this part for:

1035 (A) an applicant; or

1036 (B) a licensee; and

1037 (ii) in accordance with an agreement between the person and the applicant or licensee
1038 described in Subsection (1)(a)(i), is required to collect, truthfully account for, and pay over an
1039 amount under this part for the:

1040 (A) applicant; or

1041 (B) licensee;

1042 (b) "applicant" means a person that:

1043 (i) is required by this section to obtain a license; and

1044 (ii) submits an application:

1045 (A) to the commission; and

1046 (B) for a license under this section;

1047 (c) "application" means an application for a license under this section;

1048 (d) "fiduciary of the applicant" means a person that:

1049 (i) is required to collect, truthfully account for, and pay over an amount under this part
1050 for an applicant;

1051 (ii) is not an agent of the applicant described in Subsection (1)(d)(i); and

1052 (iii) (A) is a corporate officer of the applicant described in Subsection (1)(d)(i);

1053 (B) is a director of the applicant described in Subsection (1)(d)(i);

1054 (C) is an employee of the applicant described in Subsection (1)(d)(i);

1055 (D) is a partner of an applicant described in Subsection (1)(d)(i);

1056 (E) is a trustee of an applicant described in Subsection (1)(d)(i); or

1057 (F) has a relationship to the applicant described in Subsection (1)(d)(i) that is similar to

1058 a relationship described in Subsections (1)(d)(iii)(A) through (E) as determined by the

1059 commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative

1060 Rulemaking Act;

1061 (e) "fiduciary of the licensee" means a person that:

1062 (i) is required to collect, truthfully account for, and pay over an amount under this part

1063 for a licensee;

1064 (ii) is not an agent of the licensee described in Subsection (1)(e)(i); and

1065 (iii) (A) is a corporate officer of the licensee described in Subsection (1)(e)(i);

1066 (B) is a director of the licensee described in Subsection (1)(e)(i);

1067 (C) is an employee of the licensee described in Subsection (1)(e)(i);

1068 (D) is a partner of the licensee described in Subsection (1)(e)(i);

1069 (E) is a trustee of the licensee described in Subsection (1)(e)(i); or

1070 (F) has a relationship to the licensee described in Subsection (1)(e)(i) that is similar to

1071 a relationship described in Subsections (1)(e)(iii)(A) through (E) as determined by the

1072 commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative

1073 Rulemaking Act;

1074 (f) "license" means a license under this section; and

1075 (g) "licensee" means a person that is licensed under this section by the commission.

1076 (2) A person that is required to collect an amount under this part is guilty of a criminal

1077 violation as provided in Section 59-1-401 if before obtaining a license under this section that

1078 person engages in business within the state.

1079 (3) The license described in Subsection (2):

- 1080 (a) shall be granted and issued:
- 1081 (i) by the commission in accordance with this section;
- 1082 (ii) without a license fee; and
- 1083 (iii) if:
- 1084 (A) an applicant:
- 1085 (I) states the applicant's name and address in the application; and
- 1086 (II) provides other information in the application that the commission may require; and
- 1087 (B) the person meets the requirements of this section to be granted a license as
- 1088 determined by the commission;
- 1089 (b) may not be assigned to another person; and
- 1090 (c) is valid:
- 1091 (i) only for the person named on the license; and
- 1092 (ii) until:
- 1093 (A) the person described in Subsection (3)(c)(i):
- 1094 (I) ceases to do business; or
- 1095 (II) changes that person's business address; or
- 1096 (B) the commission revokes the license.
- 1097 (4) The commission shall review an application and determine whether the applicant
- 1098 meets the requirements of this section to be issued a license.
- 1099 (5) (a) An applicant shall post a bond with the commission before the commission may
- 1100 issue the applicant a license.
- 1101 (b) If the commission determines it is necessary to ensure compliance with this part,
- 1102 the commission may require a licensee to increase the amount of a bond posted with the
- 1103 commission.
- 1104 (c) A bond under this Subsection (5) shall be:
- 1105 (i) executed by:
- 1106 (A) for an applicant, the applicant as principal, with a corporate surety; or
- 1107 (B) for a licensee, the licensee as principal, with a corporate surety; and
- 1108 (ii) payable to the commission conditioned upon the faithful performance of all of the
- 1109 requirements of this part including:
- 1110 (A) the payment of all amounts under this part;

- 1111 (B) the payment of any:
- 1112 (I) penalty as provided in Section 59-1-401; or
- 1113 (II) interest as provided in Section 59-1-402; or
- 1114 (C) any other obligation of the:
- 1115 (I) applicant under this part; or
- 1116 (II) licensee under this part.
- 1117 (d) Except as provided in Subsection (5)(f), the commission shall calculate the amount
- 1118 of a bond under this Subsection (5) on the basis of:
- 1119 (i) commission estimates of:
- 1120 (A) an applicant's liability for any amount under this part; or
- 1121 (B) a licensee's liability for any amount under this part; and
- 1122 (ii) the amount of a delinquency described in Subsection (5)(e) if:
- 1123 (A) a license under this section was revoked for a delinquency under this part for:
- 1124 (I) (Aa) an applicant; or
- 1125 (Bb) a licensee;
- 1126 (II) a fiduciary of the:
- 1127 (Aa) applicant; or
- 1128 (Bb) licensee; or
- 1129 (III) a person for which the applicant, licensee, fiduciary of the applicant, or fiduciary
- 1130 of the licensee is required to collect, truthfully account for, and pay over an amount under this
- 1131 part; or
- 1132 (B) there is a delinquency in paying an amount under this part for:
- 1133 (I) (Aa) an applicant; or
- 1134 (Bb) a licensee;
- 1135 (II) a fiduciary of the:
- 1136 (Aa) applicant; or
- 1137 (Bb) licensee; or
- 1138 (III) a person for which the applicant, licensee, fiduciary of the applicant, or fiduciary
- 1139 of the licensee is required to collect, truthfully account for, and pay over an amount under this
- 1140 part.
- 1141 (e) Except as provided in Subsection (5)(f), for purposes of Subsection (5)(d)(ii):

- 1142 (i) for an applicant, the amount of the delinquency is the sum of:
- 1143 (A) the amount of any delinquency that served as a basis for revoking the license under
- 1144 this section of:
- 1145 (I) the applicant;
- 1146 (II) a fiduciary of the applicant; or
- 1147 (III) a person for which the applicant or the fiduciary of the applicant is required to
- 1148 collect, truthfully account for, and pay over an amount under this part; or
- 1149 (B) the amount that any of the following owe under this part:
- 1150 (I) the applicant;
- 1151 (II) a fiduciary of the applicant; and
- 1152 (III) a person for which the applicant or the fiduciary of the applicant is required to
- 1153 collect, truthfully account for, and pay over an amount under this part; or
- 1154 (ii) for a licensee, the amount of the delinquency is the sum of:
- 1155 (A) the amount of any delinquency that served as a basis for revoking the license under
- 1156 this section of:
- 1157 (I) the licensee;
- 1158 (II) a fiduciary of the licensee; or
- 1159 (III) a person for which the licensee or the fiduciary of the licensee is required to
- 1160 collect, truthfully account for, and pay over an amount under this part; or
- 1161 (B) the amount that any of the following owe under this part:
- 1162 (I) the licensee;
- 1163 (II) a fiduciary of the licensee; and
- 1164 (III) a person for which the licensee or the fiduciary of the licensee is required to
- 1165 collect, truthfully account for, and pay over an amount under this part.
- 1166 (f) Notwithstanding Subsection (5)(d) or (e), a bond required by this Subsection (5)
- 1167 may not:
- 1168 (i) be less than \$50,000; or
- 1169 (ii) exceed \$500,000.
- 1170 (6) (a) The commission shall revoke a license under this section if:
- 1171 (i) a licensee violates any provision of this part; and
- 1172 (ii) before the commission revokes the license the commission provides the licensee:

1173 (A) reasonable notice; and

1174 (B) a hearing.

1175 (b) If the commission revokes a licensee's license in accordance with Subsection (6)(a),

1176 the commission may not issue another license to that licensee until that licensee complies with

1177 the requirements of this part, including:

1178 (i) paying any:

1179 (A) amounts due under this part;

1180 (B) penalty as provided in Section 59-1-401; or

1181 (C) interest as provided in Section 59-1-402; and

1182 (ii) posting a bond in accordance with Subsection (5).

1183 [~~5~~] (7) (a) If any person ceases to be a supplier within the state by reason of the

1184 discontinuance, sale, or transfer of the person's business, the supplier shall notify the

1185 commission in writing at the time the discontinuance, sale, or transfer takes effect.

1186 (b) The notice shall give the date of discontinuance and, in the event of a sale, the date

1187 of the sale and the name and address of the purchaser or transferee.

1188 (c) Taxes on all special fuel delivery or removal made prior to the discontinuance, sale,

1189 or transfer, shall become due and payable on the date of discontinuance, sale, or transfer.

1190 (d) The supplier shall make a report and pay all taxes, interest, and penalties and

1191 surrender to the commission the license certificate that was issued to the supplier by the

1192 commission.

1193 [~~6~~] (8) (a) The tax imposed by this part shall be a lien upon the property of any

1194 supplier liable for an amount of tax that is required to be collected, if the supplier sells the

1195 business, stock of goods, or quits business, and if the supplier fails to make a final return and

1196 payment within 15 days after the date of selling or quitting business.

1197 (b) The successor or assigns, if any, shall be required to withhold a sufficient amount

1198 of the purchase money to cover the amount of the taxes that are required to be collected and

1199 interest or penalties due and paid under Sections 59-1-401 and 59-1-402 until the former owner

1200 produces a receipt from the commission showing that the taxes have been paid or a certificate

1201 stating that no amount of tax is due. If the purchaser of a business or stock of goods fails to

1202 withhold sufficient purchase money, the purchaser shall be personally liable for the payment of

1203 the amount that is due.

1204 Section 9. Section **59-13-303** is amended to read:

1205 **59-13-303. Special fuel user permits -- Application -- Revocation of permits under**
1206 **certain circumstances.**

1207 [~~(1)~~ The commission may require a user to furnish a bond.]

1208 [~~(2)~~] (1) (a) Except as provided in Subsection [~~(2)~~] (1)(b), each user shall, prior to the
1209 use of the fuel in a qualified motor vehicle, apply to the commission on forms prescribed by the
1210 commission for a special fuel user permit. When the application is approved by the
1211 commission, a single special fuel user permit shall be issued to the user.

1212 (b) In place of the special fuel user permit issued under Subsection [~~(2)~~] (1)(a), a user
1213 may purchase a special fuel user trip permit. A special fuel user trip permit is valid for 96
1214 hours or until the qualified vehicle leaves the state, whichever occurs first.

1215 (c) The fee for the special fuel user trip permit is \$25.

1216 [~~(3)~~] (2) A special fuel user permit number shall be assigned to each licensed user and
1217 is nontransferable and valid until surrendered by the user for nonuse or until revoked by the
1218 commission.

1219 [~~(4)~~] (3) The special fuel user permit expires December 31 of each year. Special fuel
1220 user permits for the calendar year shall be honored until February 28 of the following year. An
1221 application shall be filed with the commission each year for a new special fuel user permit for
1222 vehicles operated by a licensed user.

1223 [~~(5)~~] (4) (a) The special fuel user permit shall be kept in the passenger compartment of
1224 each vehicle, or as otherwise authorized by the commission.

1225 (b) A user that does not comply with the requirements of this section may be required
1226 to purchase a special fuel user trip permit.

1227 [~~(6)~~] (5) The commission may revoke the special fuel user permit issued under this
1228 section from any person refusing or neglecting to comply with this part.

1229 [~~(7)~~] (6) Any user reporting Utah special fuel tax liability under Part 5, Interstate
1230 Agreements, is exempted from the permit requirements of this section.

1231 Section 10. Section **59-13-305** is amended to read:

1232 **59-13-305. User report required -- Contents of report -- Signature -- Penalties --**
1233 **Exemptions from requirements -- Change of exemption status -- Duty to notify**
1234 **commission.**

1235 (1) Unless exempted by Subsection (5), each user shall file with the commission, on or
1236 before the last day of the month following the end of a reporting period, a report on forms
1237 prescribed by the commission showing:

1238 (a) the amount of fuel purchased and the amount of fuel used during the preceding
1239 reporting period by that user in the state; and

1240 (b) any other information the commission may require to carry out the purposes of this
1241 part.

1242 (2) The report shall be signed by the user or a responsible representative. This
1243 signature need not be notarized, but when signed is considered to have been made under oath.

1244 (3) A penalty is imposed under Section 59-1-401 for failure to file reports as provided
1245 in this section for each report not filed, regardless of the imposition of other penalties under
1246 this part.

1247 (4) (a) Each user that has a registered special fuel-powered motor vehicle other than a
1248 qualified motor vehicle and has facilities for bulk storage of special fuels shall declare special
1249 fuel tax liability for any nonqualified motor vehicle on the user report required by Subsection
1250 (1).

1251 (b) Credit shall be given on the report for any special fuel taxes paid on purchases for
1252 any nonqualified vehicle. Purchase records must be maintained to substantiate the amount of
1253 any credit claimed.

1254 (5) (a) The following users are exempt from the filing requirements of Subsections (1)
1255 and (2) for the motor vehicles specified:

1256 (i) a user who purchases a special fuel user trip permit for all of its operations for
1257 qualified vehicles for the reporting period, except a user having a special fuel user permit under
1258 Subsection 59-13-303[~~(2)~~] (1)(a);

1259 (ii) a user that has a registered special fuel-powered motor vehicle other than a
1260 qualified motor vehicle and does not have facilities for bulk storage of special fuels;

1261 (iii) a user of special fuel, for which the tax imposed by this chapter has already been
1262 paid; or

1263 (iv) a user that has a motor vehicle powered by special fuel for which the tax is paid
1264 under an interstate fuel tax agreement under Section 59-13-502.

1265 (b) (i) The exemption under Subsection (5)(a)(iii) applies only when the user retains

1266 records verifying that all special fuel purchases for the exempt vehicle were taxed as required
1267 under this part.

1268 (ii) The commission may at the time of application or renewal of a special fuel user
1269 permit under Section 59-13-303 require that the user certify:

1270 (A) that the user qualifies for an exemption under Subsection (5)(a)(iii); and

1271 (B) whether the user has facilities for bulk storage of special fuel.

1272 [~~(c) A user of a motor vehicle that qualifies for an exemption under Subsections~~
1273 ~~(5)(a)(ii) and (iii) is also exempt from the requirements of Subsection 59-13-303(1) for that~~
1274 ~~motor vehicle.]~~

1275 Section 11. Section **59-13-308** is amended to read:

1276 **59-13-308. Delinquency -- Penalties -- Interest.**

1277 If any user [~~or supplier~~] becomes delinquent in tax payments under this part, all licenses
1278 or permits issued under this part are automatically revoked. In addition, the commission shall
1279 impose a penalty determined under Section 59-1-401. The amount of the delinquent tax and
1280 the penalty shall bear interest at the rate and in the manner prescribed in Section 59-1-402.

1281 Section 12. **Repealer.**

1282 This bill repeals:

1283 Section **59-13-203, Distributor licensing requirements -- Fees -- Application --**
1284 **Bond requirement or substitute -- Additional bonds.**

Fiscal Note
Bill Number SB0170s01

State Tax Commission Collection and Licensing Practices

26-Feb-05

1:21 PM

State Impact

Passage of this bill could make collections more efficient over time.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst