



30 **Utah Code Sections Affected:**

31 AMENDS:

32 **59-12-103 (Effective 07/01/06)**, as last amended by Chapter 1, Laws of Utah 2005,  
33 First Special Session

34 **72-2-124**, as enacted by Chapter 1, Laws of Utah 2005, First Special Session



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

37 Section 1. Section **59-12-103 (Effective 07/01/06)** is amended to read:

38 **59-12-103 (Effective 07/01/06). Sales and use tax base -- Rates -- Effective dates --**

39 **Use of sales and use tax revenues.**

40 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or  
41 charged for the following transactions:

42 (a) retail sales of tangible personal property made within the state;

43 (b) amounts paid:

44 (i) (A) to a common carrier; or

45 (B) whether the following are municipally or privately owned, to a:

46 (I) telephone service provider; or

47 (II) telegraph corporation as defined in Section 54-2-1; and

48 (ii) for:

49 (A) all transportation;

50 (B) telephone service, other than mobile telecommunications service, that originates  
51 and terminates within the boundaries of this state;

52 (C) mobile telecommunications service that originates and terminates within the  
53 boundaries of one state only to the extent permitted by the Mobile Telecommunications  
54 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

55 (D) telegraph service;

56 (c) sales of the following for commercial use:

57 (i) gas;

- 58 (ii) electricity;
- 59 (iii) heat;
- 60 (iv) coal;
- 61 (v) fuel oil; or
- 62 (vi) other fuels;
- 63 (d) sales of the following for residential use:
- 64 (i) gas;
- 65 (ii) electricity;
- 66 (iii) heat;
- 67 (iv) coal;
- 68 (v) fuel oil; or
- 69 (vi) other fuels;
- 70 (e) sales of prepared food;
- 71 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 72 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 73 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 74 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 75 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 76 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 77 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 78 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 79 exhibition, cultural, or athletic activity;
- 80 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 81 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 82 (i) the tangible personal property; and
- 83 (ii) parts used in the repairs or renovations of the tangible personal property described
- 84 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
- 85 of that tangible personal property;

86 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for  
87 cleaning or washing of tangible personal property;

88 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court  
89 accommodations and services that are regularly rented for less than 30 consecutive days;

90 (j) amounts paid or charged for laundry or dry cleaning services;

91 (k) amounts paid or charged for leases or rentals of tangible personal property if within  
92 this state the tangible personal property is:

93 (i) stored;

94 (ii) used; or

95 (iii) otherwise consumed;

96 (l) amounts paid or charged for tangible personal property if within this state the  
97 tangible personal property is:

98 (i) stored;

99 (ii) used; or

100 (iii) consumed; and

101 (m) amounts paid or charged for prepaid telephone calling cards.

102 (2) (a) Except as provided in Subsection (2)(b), beginning on July 1, 2001, a state tax  
103 and a local tax is imposed on a transaction described in Subsection (1) equal to the sum of:

104 (i) a state tax imposed on the transaction at a rate of 4.75%; and

105 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
106 transaction under this chapter other than this part.

107 (b) Notwithstanding Subsection (2)(a), beginning on July 1, 2001, a state tax and a  
108 local tax is imposed on a transaction described in Subsection (1)(d) equal to the sum of:

109 (i) a state tax imposed on the transaction at a rate of 2%; and

110 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
111 transaction under this chapter other than this part.

112 (c) Subject to Subsections (2)(d) and (e), a tax rate repeal or tax rate change for a tax  
113 rate imposed under the following shall take effect on the first day of a calendar quarter:

- 114 (i) Subsection (2)(a)(i); or
- 115 (ii) Subsection (2)(b)(i).
- 116 (d) (i) For a transaction described in Subsection (2)(d)(iii), a tax rate increase shall take
- 117 effect on the first day of the first billing period:
  - 118 (A) that begins after the effective date of the tax rate increase; and
  - 119 (B) if the billing period for the transaction begins before the effective date of a tax rate
  - 120 increase imposed under:
    - 121 (I) Subsection (2)(a)(i); or
    - 122 (II) Subsection (2)(b)(i).
- 123 (ii) For a transaction described in Subsection (2)(d)(iii), the repeal of a tax or a tax rate
- 124 decrease shall take effect on the first day of the last billing period:
  - 125 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
  - 126 and
  - 127 (B) if the billing period for the transaction begins before the effective date of the repeal
  - 128 of the tax or the tax rate decrease imposed under:
    - 129 (I) Subsection (2)(a)(i); or
    - 130 (II) Subsection (2)(b)(i).
- 131 (iii) Subsections (2)(d)(i) and (ii) apply to transactions subject to a tax under:
  - 132 (A) Subsection (1)(b);
  - 133 (B) Subsection (1)(c);
  - 134 (C) Subsection (1)(d);
  - 135 (D) Subsection (1)(e);
  - 136 (E) Subsection (1)(f);
  - 137 (F) Subsection (1)(g);
  - 138 (G) Subsection (1)(h);
  - 139 (H) Subsection (1)(i);
  - 140 (I) Subsection (1)(j); or
  - 141 (J) Subsection (1)(k).

142 (e) (i) If a tax due under Subsection (2)(a)(i) on a catalogue sale is computed on the  
143 basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax  
144 rate imposed under Subsection (2)(a)(i) takes effect:

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

146 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change  
147 under Subsection (2)(a)(i).

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

150 (3) (a) Except as provided in Subsections (4) through (7), the following state taxes  
151 shall be deposited into the General Fund:

152 (i) the tax imposed by Subsection (2)(a)(i); or

153 (ii) the tax imposed by Subsection (2)(b)(i).

154 (b) The local taxes described in Subsections (2)(a)(ii) and (2)(b)(ii) shall be distributed  
155 to a county, city, or town as provided in this chapter.

156 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
157 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)  
158 through (g):

159 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

160 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

161 (B) for the fiscal year; or

162 (ii) \$17,500,000.

163 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount  
164 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the  
165 Department of Natural Resources to:

166 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to  
167 protect sensitive plant and animal species; or

168 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
169 act, to political subdivisions of the state to implement the measures described in Subsections

170 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

171 (ii) Money transferred to the Department of Natural Resources under Subsection  
172 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other  
173 person to list or attempt to have listed a species as threatened or endangered under the  
174 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

175 (iii) At the end of each fiscal year:

176 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
177 Conservation and Development Fund created in Section 73-10-24;

178 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
179 Program Subaccount created in Section 73-10c-5; and

180 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
181 Program Subaccount created in Section 73-10c-5.

182 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
183 Subsection (4)(b)(i) shall be deposited each year in the Agriculture Resource Development  
184 Fund created in Section 4-18-6.

185 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
186 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water  
187 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of  
188 water rights.

189 (ii) At the end of each fiscal year:

190 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
191 Conservation and Development Fund created in Section 73-10-24;

192 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
193 Program Subaccount created in Section 73-10c-5; and

194 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
195 Program Subaccount created in Section 73-10c-5.

196 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described  
197 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development

198 Fund created in Section 73-10-24 for use by the Division of Water Resources.

199 (ii) In addition to the uses allowed of the Water Resources Conservation and  
200 Development Fund under Section 73-10-24, the Water Resources Conservation and  
201 Development Fund may also be used to:

202 (A) provide a portion of the local cost share, not to exceed in any fiscal year 50% of the  
203 funds made available to the Division of Water Resources under this section, of potential project  
204 features of the Central Utah Project;

205 (B) conduct hydrologic and geotechnical investigations by the Department of Natural  
206 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of  
207 quantifying surface and ground water resources and describing the hydrologic systems of an  
208 area in sufficient detail so as to enable local and state resource managers to plan for and  
209 accommodate growth in water use without jeopardizing the resource;

210 (C) fund state required dam safety improvements; and

211 (D) protect the state's interest in interstate water compact allocations, including the  
212 hiring of technical and legal staff.

213 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
214 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount  
215 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

216 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
217 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount  
218 created in Section 73-10c-5 for use by the Division of Drinking Water to:

219 (i) provide for the installation and repair of collection, treatment, storage, and  
220 distribution facilities for any public water system, as defined in Section 19-4-102;

221 (ii) develop underground sources of water, including springs and wells; and

222 (iii) develop surface water sources.

223 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
224 2003, the lesser of the following amounts shall be used as provided in Subsections (5)(b)  
225 through (d):



226 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

227 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

228 (B) for the fiscal year; or

229 (ii) \$18,743,000.

230 (b) (i) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described

231 in Subsection (5)(a) shall be deposited each year in the Transportation Corridor Preservation

232 Revolving Loan Fund created in Section 72-2-117.

233 (ii) At least 50% of the money deposited in the Transportation Corridor Preservation

234 Revolving Loan Fund under Subsection (5)(b)(i) shall be used to fund loan applications made

235 by the Department of Transportation at the request of local governments.

236 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in

237 Subsection (5)(a) shall be transferred each year as nonlapsing dedicated credits to the

238 Department of Transportation for the State Park Access Highways Improvement Program

239 created in Section 72-3-207.

240 (d) For a fiscal year beginning on or after July 1, 2003, 94% of the amount described in

241 Subsection (5)(a) shall be deposited in the class B and class C roads account to be expended as

242 provided in Title 72, Chapter 2, Transportation Finances Act, for the use of class B and C

243 roads.

244 (6) (a) Notwithstanding Subsection (3)(a) and until Subsection (6)(b) applies,

245 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial

246 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed

247 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable

248 transactions under Subsection (1).

249 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds

250 have been paid off and the highway projects completed that are intended to be paid from

251 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the

252 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of

253 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section

254 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated  
255 by a 1/64% tax rate on the taxable transactions under Subsection (1).

256 (7) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after fiscal  
257 year 2004-05, the commission shall each year on or before the September 30 immediately  
258 following the last day of the fiscal year deposit the difference described in Subsection (7)(b)  
259 into the Remote Sales Restricted Account created in Section 59-12-103.2 if that difference is  
260 greater than \$0.

261 (b) The difference described in Subsection (7)(a) is equal to the difference between:

262 (i) the total amount of the following revenues the commission received from sellers  
263 collecting a tax in accordance with Subsection 59-12-107(1)(b) for the fiscal year immediately  
264 preceding the September 30 described in Subsection (7)(a):

265 (A) revenues under Subsection (2)(a)(i); and

266 (B) revenues under Subsection (2)(b)(i); and

267 (ii) \$7,279,673.

268 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in  
269 Subsection (6)(a), and until Subsection (8)(b) applies, for a fiscal year beginning on or after  
270 July 1, [2005] 2006, the Division of Finance shall deposit [~~\$59,594,700~~] into the Centennial  
271 Highway Fund Restricted Account created by Section 72-2-118 a portion of the taxes listed  
272 under Subsection (3)(a) equal to 8.3% of the revenues [generated by] collected from the taxes  
273 described in Subsections (2)(a)(i) and (2)(b)(i) [into the Centennial Highway Fund Restricted  
274 Account created by Section 72-2-118:], which represents a portion of the approximately 17%  
275 of sales and use tax revenues generated annually by the sales and use tax on vehicles and  
276 vehicle-related products.

277 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under  
278 Subsection (6)(b), when the highway general obligation bonds have been paid off and the  
279 highway projects completed that are intended to be paid from revenues deposited in the  
280 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations  
281 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit

282 [~~\$59,594,700~~] into the Transportation Investment Fund of 2005 created by Section 72-2-124 a  
283 portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the revenues [generated by]  
284 collected from the taxes described in Subsections (2)(a)(i) and (2)(b)(i) [into the Transportation  
285 Investment Fund of 2005 created by Section 72-2-124.], which represents a portion of the  
286 approximately 17% of sales and use tax revenues generated annually by the sales and use tax  
287 on vehicles and vehicle-related products.

288 Section 2. Section **72-2-124** is amended to read:

289 **72-2-124. Transportation Investment Fund of 2005.**

290 (1) There is created a special revenue fund entitled the Transportation Investment Fund  
291 of 2005.

292 (2) The fund consists of monies generated from the following sources:

293 (a) any voluntary contributions received for the maintenance, construction,  
294 reconstruction, or renovation of state and federal highways; and

295 (b) appropriations made to the fund by the Legislature.

296 (3) When the highway general obligation bonds have been paid off and the highway  
297 projects completed that are intended to be paid from revenues deposited in the Centennial  
298 Highway Fund Restricted Account as determined by the Executive Appropriations Committee  
299 under Subsection 72-2-118(6)(d), the fund shall also consist of monies generated from the  
300 following sources:

301 (a) registration fees designated under Subsection 41-1a-1201(6)(a);

302 (b) the clean special fuel tax certificate surcharge under Subsection 59-13-304(3); and

303 (c) the sales and use tax amounts provided for in [~~Subsections~~] Section  
304 59-12-103[~~(6)(b) and (8)(b)~~].

305 (4) (a) The fund shall earn interest.

306 (b) All interest earned on fund monies shall be deposited into the fund.

307 (5) (a) Except as provided in [~~Subsection~~] Subsections (5)(b) and (c), the executive  
308 director may use fund monies only to pay the costs of maintenance, construction,  
309 reconstruction, or renovation to state and federal highways prioritized by the Transportation

310 Commission through the prioritization process for new transportation capacity projects adopted  
311 under Section 72-1-304.

312 (b) The executive director may use fund monies deposited into the fund in fiscal year  
313 2006 only to pay the costs of maintenance, construction, reconstruction, or renovation to state  
314 and federal highways prioritized by the Transportation Commission.

315 (c) The executive director may use fund monies to exchange for an equal or greater  
316 amount of federal transportation funds to be used as provided in Subsection (5)(a).

317 Section 3. **Effective date.**

318 This bill takes effect on July 1, 2006.