

**Representative John Dougall** proposes the following substitute bill:

**PROPERTY TAX EXEMPTION FOR BUSINESS**

**PERSONAL PROPERTY**

2006 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: John Dougall**

Senate Sponsor: John W. Hickman

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**LONG TITLE**

**General Description:**

This bill amends the Property Tax Act relating to exemptions for certain personal property from assessment and taxation.

**Highlighted Provisions:**

This bill:

- ▶ exempts certain personal property of a taxpayer if the tangible personal property has a total value of \$3,500 or less;
- ▶ gives the State Tax Commission rulemaking authority;
- ▶ defines terms; and
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides an effective date.

**Utah Code Sections Affected:**

ENACTS:

**59-2-1115**, Utah Code Annotated 1953



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

Section 1. Section **59-2-1115** is enacted to read:

**59-2-1115. Exemption of certain tangible personal property.**

(1) The taxable tangible personal property of a taxpayer is exempt from taxation if the taxable tangible personal property has a total aggregate fair market value of \$3,500 or less.

(2) (a) For calendar years beginning on or after January 1, 2008, the commission shall increase the dollar amount described in Subsection (1) by a percentage equal to the percentage difference between the consumer price index for the preceding calendar year and the consumer price index for calendar year 2006.

(b) For purposes of this Subsection (2), the commission shall calculate the consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

(c) If the percentage difference under Subsection (2)(a) is zero or a negative percentage, the consumer price index increase for the year is zero.

(3) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may make rules to administer this section and provide for uniform implementation.

Section 2. **Effective date.**

If the constitutional amendment proposed by H.J.R. 1, 2006 General Session is approved by a majority of those voting on it at the next regular general election, this bill takes effect on January 1, 2007.

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**Fiscal Note**  
**Bill Number HB0338S02**

**Property Tax Exemption for Business Personal Property**

*16-Feb-06*

*10:07 AM*

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**State Impact**

Passage of this bill would have no net fiscal impact due to truth in taxation. However, there is a shift in tax burden of approximately \$136,800 from tangible personal property to other tangible and real property.

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**Individual and Business Impact**

There would be a potential shift in tax burden between taxpayers.

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**Office of the Legislative Fiscal Analyst**