

SALES AND USE TAX REVISIONS

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: Wayne A. Harper

LONG TITLE

General Description:

This bill amends the Sales and Use Tax Act and provisions relating to sales and use taxation.

Highlighted Provisions:

This bill:

- ▶ amends, enacts, and repeals provisions relating to determining the location of a transaction for sales and use tax purposes;
- ▶ requires the appointment of delegates to enter into multistate discussions relating to the Streamlined Sales and Use Tax Agreement and report to the Legislature;
- ▶ addresses the collection and remittance of sales and use taxes by a seller that does not have sufficient contacts with the state to be required to collect and remit sales and use taxes to the state;
- ▶ addresses the effective date of certain tax rate increases, repeals, or tax rate changes;
- ▶ establishes which state sales and use taxes shall be deposited into the General Fund;
- ▶ modifies and repeals provisions allowing the State Tax Commission to issue a direct pay permit to a seller;
- ▶ addresses the distribution of certain sales and use taxes to counties, cities, and towns;
- ▶ addresses the deposit of revenues into the Remote Sales Restricted Account;
- ▶ modifies provisions relating to a credit for a repossessed motor vehicle that is resold;
- ▶ modifies reporting requirements to the State Tax Commission and related penalty

provisions;

▶ repeals the authority for the State Tax Commission to enter into the Streamlined Sales and Use Tax Agreement and repeals related provisions;

▶ repeals provisions relating to sellers and certified service providers including provisions relating to:

- a certified service providers liability;
- a seller of certified service providers reliance on State Tax Commission information or certain systems; or

- monetary allowances;

▶ repeals provisions relating to amnesty;

▶ repeals requirements that certain returns be filed electronically;

▶ repeals tax collection, remittance, and reporting requirements for certain sellers;

▶ repeals provisions relating to a deduction for bad debt;

▶ repeals provisions establishing what constitutes a reasonable business practice for purposes of a seller collecting sales and use taxes that exceed the amount the seller is required to collect;

▶ repeals obsolete language; and

▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2006.

This bill provides revisor instructions.

Utah Code Sections Affected:

AMENDS:

10-1-307, as last amended by Chapter 255, Laws of Utah 2004

10-1-405, as last amended by Chapter 158, Laws of Utah 2005

59-12-103 (Effective 07/01/06), as last amended by Chapter 1, Laws of Utah 2005,

58 First Special Session

59 **59-12-103.1**, as last amended by Chapter 312, Laws of Utah 2003

60 **59-12-104.3 (Effective 07/01/06)**, as enacted by Chapter 158, Laws of Utah 2005

61 **59-12-105 (Portions Eff 07/01/06 See 59-1-1201)**, as last amended by Chapters 156

62 and 255, Laws of Utah 2004

63 **59-12-107 (Portions Eff 07/01/06 See 59-1-1201)**, as last amended by Chapter 198,

64 Laws of Utah 2005

65 **59-12-107.1 (Effective 07/01/06)**, as last amended by Chapter 255, Laws of Utah 2004

66 **59-12-108**, as last amended by Chapter 255, Laws of Utah 2004

67 **59-12-110**, as last amended by Chapter 255, Laws of Utah 2004

68 **59-12-110.1**, as last amended by Chapter 255, Laws of Utah 2004

69 **59-12-204 (Effective 07/01/06)**, as last amended by Chapters 312 and 337, Laws of

70 Utah 2003

71 **59-12-205 (Effective 07/01/06)**, as last amended by Chapter 158, Laws of Utah 2005

72 **59-12-207.4**, as enacted by Chapter 312, Laws of Utah 2003

73 **59-12-210**, as last amended by Chapter 312, Laws of Utah 2003

74 **59-12-302**, as last amended by Chapter 255, Laws of Utah 2004

75 **59-12-354**, as last amended by Chapter 255, Laws of Utah 2004

76 **59-12-401 (See 59-1-1201 re: Eff)**, as last amended by Chapter 224, Laws of Utah

77 2004

78 **59-12-402 (See 59-1-1201 re: Eff)**, as last amended by Chapters 224 and 255, Laws of

79 Utah 2004

80 **59-12-403**, as last amended by Chapter 255, Laws of Utah 2004

81 **59-12-501 (See 59-1-1201 re: Eff)**, as last amended by Chapters 255 and 336, Laws of

82 Utah 2004

83 **59-12-502 (See 59-1-1201 re: Eff)**, as last amended by Chapter 255, Laws of Utah

84 2004

85 **59-12-504**, as last amended by Chapter 255, Laws of Utah 2004

86 **59-12-603**, as last amended by Chapters 105 and 269, Laws of Utah 2005
87 **59-12-703 (See 59-1-1201 re: Eff)**, as last amended by Chapter 105, Laws of Utah
88 2005
89 **59-12-802 (See 59-1-1201 re: Eff)**, as last amended by Chapter 105, Laws of Utah
90 2005
91 **59-12-804 (See 59-1-1201 re: Eff)**, as last amended by Chapter 105, Laws of Utah
92 2005
93 **59-12-1001 (See 59-1-1201 re: Eff)**, as last amended by Chapter 255, Laws of Utah
94 2004
95 **59-12-1002**, as last amended by Chapter 255, Laws of Utah 2004
96 **59-12-1102 (See 59-1-1201 re: Eff)**, as last amended by Chapter 255, Laws of Utah
97 2004
98 **59-12-1201**, as last amended by Chapter 158, Laws of Utah 2005
99 **59-12-1302 (See 59-1-1201 re: Eff)**, as last amended by Chapter 255, Laws of Utah
100 2004
101 **59-12-1402 (See 59-1-1201 re: Eff)**, as last amended by Chapter 105, Laws of Utah
102 2005
103 **59-12-1503 (See 59-1-1201 re: Eff)**, as last amended by Chapter 105, Laws of Utah
104 2005
105 **59-12-1604**, as enacted by Chapter 296, Laws of Utah 2005
106 **63-51-4**, as last amended by Chapter 5, Laws of Utah 1987
107 **69-2-5**, as last amended by Chapters 255 and 313, Laws of Utah 2004
108 ENACTS:
109 **59-12-102.2**, Utah Code Annotated 1953
110 REPEALS:
111 **17A-2-1064**, as last amended by Chapter 312, Laws of Utah 2003
112 **59-12-102.1**, as enacted by Chapter 312, Laws of Utah 2003
113 **59-12-107.2 (Effective 07/01/06)**, as last amended by Chapter 255, Laws of Utah 2004

114 **59-12-107.3 (Effective 07/01/06)**, as enacted by Chapter 312, Laws of Utah 2003
115 **59-12-107.4**, as enacted by Chapter 255, Laws of Utah 2004
116 **59-12-107.5**, as enacted by Chapter 255, Laws of Utah 2004
117 **59-12-119**, as renumbered and amended by Chapter 5, Laws of Utah 1987
118 **59-12-121**, as last amended by Chapters 158 and 232, Laws of Utah 2005
119 **59-12-122 (Effective 07/01/06)**, as last amended by Chapter 158, Laws of Utah 2005
120 **59-12-207.1 (Effective 07/01/06)**, as last amended by Chapter 255, Laws of Utah 2004
121 **59-12-207.2 (Effective 07/01/06)**, as enacted by Chapter 312, Laws of Utah 2003
122 **59-12-207.3 (Effective 07/01/06)**, as last amended by Chapter 255, Laws of Utah 2004
123 **59-12-207.5**, as last amended by Chapter 255, Laws of Utah 2004
124 **59-12-303**, as enacted by Chapter 255, Laws of Utah 2004
125 **59-12-356**, as last amended by Chapter 255, Laws of Utah 2004
126 **59-12-404**, as last amended by Chapter 255, Laws of Utah 2004
127 **59-12-505**, as last amended by Chapter 255, Laws of Utah 2004
128 **59-12-604**, as last amended by Chapter 255, Laws of Utah 2004
129 **59-12-706**, as last amended by Chapter 255, Laws of Utah 2004
130 **59-12-807**, as last amended by Chapter 255, Laws of Utah 2004
131 **59-12-1003**, as last amended by Chapter 255, Laws of Utah 2004
132 **59-12-1103**, as last amended by Chapter 255, Laws of Utah 2004
133 **59-12-1303**, as last amended by Chapter 255, Laws of Utah 2004
134 **59-12-1404**, as last amended by Chapter 255, Laws of Utah 2004
135 **59-12-1504**, as enacted by Chapter 255, Laws of Utah 2004

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

138 Section 1. Section **10-1-307** is amended to read:

139 **10-1-307. Collection of taxes by commission -- Distribution of revenues -- Charge**
140 **for services -- Collection of taxes by municipality.**

141 (1) Except for the direct payment provisions provided in Subsection (3), the

commission shall collect, enforce, and administer the municipal energy sales and use tax from energy suppliers according to the procedures established in Title 59, Chapter 12, Part 1, Tax Collection, except for ~~Sections~~ Section 59-12-107.1 ~~[through 59-12-107.3]~~.

(2) (a) Except as provided in Subsections 10-1-203(3)(d), 10-1-305(5), and 10-1-310(2), the commission shall pay a municipality the difference between:

(i) the entire amount collected by the commission from the municipal energy sales and use tax authorized by this part based on:

(A) the point of sale of the taxable energy if a taxable sale occurs in a municipality that imposes a municipal energy sales and use tax as provided in this part; or

(B) the point of use of the taxable energy if the use occurs in a municipality that imposes a municipal energy sales and use tax as provided in this part; and

(ii) the administration fee charged in accordance with Subsection (2)(c).

(b) In accordance with Subsection (2)(a), the commission shall transfer to the municipality monthly by electronic transfer the revenues generated by the municipal energy sales and use tax levied by the municipality and collected by the commission.

(c) (i) The commission shall charge a municipality imposing a municipal energy sales and use tax a fee for administering the tax at the percentage provided in Section 59-12-206, except that the commission may not charge a fee for taxes collected by a municipality under Subsection (3).

(ii) The fee charged under Subsection (2)(c)(i) shall be:

(A) deposited in the Sales and Use Tax Administrative Fees Account; and

(B) used for sales tax administration as provided in Subsection 59-12-206(2).

(3) An energy supplier shall pay the municipal energy sales and use tax revenues it collects from its customers under this part directly to each municipality in which the energy supplier has sales of taxable energy if:

(a) the municipality is the energy supplier; or

(b) (i) the energy supplier estimates that the municipal energy sales and use tax collected annually by the energy supplier from its Utah customers equals \$1,000,000 or more;

and

(ii) the energy supplier collects the tax imposed by this part.

(4) An energy supplier paying a tax under this part directly to a municipality may retain the percentage of the tax authorized under Subsection 59-12-108(2) for the energy supplier's costs of collecting and remitting the tax.

(5) An energy supplier paying the tax under this part directly to a municipality shall file an information return with the commission, at least annually, on a form prescribed by the commission.

Section 2. Section **10-1-405** is amended to read:

10-1-405. Collection of taxes by commission -- Uniform interlocal agreement -- Rulemaking authority -- Charge for services.

(1) Subject to the other provisions of this section, the commission shall collect, enforce, and administer any municipal telecommunications license tax imposed under this part pursuant to:

(a) the same procedures used in the administration, collection, and enforcement of the state sales and use tax under:

(i) Title 59, Chapter 1, General Taxation Policies; and

(ii) Title 59, Chapter 12, Part 1, Tax Collection:

(A) except for:

(I) Subsection 59-12-103(2)(e);

(II) Section 59-12-104;

(III) Section 59-12-104.1;

(IV) Section 59-12-104.2; and

(V) ~~[Sections]~~ Section 59-12-107.1 ~~[through 59-12-107.3]~~; and

(B) except that for purposes of Section 59-12-110, the term "taxpayer" may include a customer from whom a municipal telecommunications license tax is recovered in accordance with Subsection 10-1-403(2); and

(b) a uniform interlocal agreement:

(i) between:

(A) the municipality that imposes the municipal telecommunications license tax; and

(B) the commission;

(ii) that is executed under Title 11, Chapter 13, Interlocal Cooperation Act;

(iii) that complies with Subsection (2)(a); and

(iv) that is developed by rule in accordance with Subsection (2)(b).

(2) (a) The uniform interlocal agreement described in Subsection (1) shall provide that the commission shall:

(i) transmit monies collected under this part:

(A) monthly; and

(B) by electronic funds transfer by the commission to the municipality;

(ii) conduct audits of the municipal telecommunications license tax;

(iii) charge the municipality for the commission's services under this section in an amount:

(A) sufficient to reimburse the commission for the cost to the commission in rendering the services; and

(B) that may not exceed an amount equal to 1.5% of the municipal telecommunications license tax imposed by the ordinance of the municipality; and

(iv) collect, enforce, and administer the municipal telecommunications license tax authorized under this part pursuant to the same procedures used in the administration, collection, and enforcement of the state sales and use tax as provided in Subsection (1)(a).

(b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission shall develop a uniform interlocal agreement that meets the requirements of this section.

(3) The administrative fee charged under Subsection (2)(a) shall be:

(a) deposited in the Sales and Use Tax Administrative Fees Account; and

(b) used for administration of municipal telecommunications license taxes under this part.

Section 3. Section **59-12-102.2** is enacted to read:

59-12-102.2. Participation in multistate discussions -- Report to Revenue and Taxation Interim Committee.

(1) As provided in this section, delegates appointed in accordance with Subsection (2) shall enter into multistate discussions to consider whether:

(a) the state should enter into the Streamlined Sales and Use Tax Agreement with one or more states, including whether to:

(i) simplify and modernize sales and use tax administration in order to substantially reduce the burden of tax compliance for all sellers and for all types of commerce;

(ii) establish standards for certification of a:

(A) certified service provider; and

(B) certified automated system; and

(iii) establish performance standards for multistate sellers; and

(b) to amend the Streamlined Sales and Use Tax Agreement.

(2) For purposes of Subsection (1), delegates shall be appointed as follows:

(a) one delegate shall be a member of the House of Representatives appointed by the speaker of the House of Representatives;

(b) one delegate shall be a member of the Senate appointed by the president of the Senate; and

(c) two delegates shall be appointed by the governor, at least one of whom shall be from the Utah State Tax Commission.

(3) The delegates described in Subsection (2) shall:

(a) report to the Revenue and Taxation Interim Committee as requested by the Revenue and Taxation Interim Committee; and

(b) make recommendations to the Revenue and Taxation Interim Committee regarding:

(i) the issues the delegates consider in accordance with Subsection (1); and

(ii) any other issue the Revenue and Taxation Interim Committee requests the delegates to consider.

(4) If the Revenue and Taxation Interim Committee determines that the state should enter into the Streamlined Sales and Use Tax Agreement with one or more states, the Revenue and Taxation Interim Committee shall request that legislation be prepared:

(a) to bring the state into substantial compliance with:

(i) the Streamlined Sales and Use Tax Agreement; and

(ii) any amendments made to the Streamlined Sales and Use Tax Agreement as a result of multistate discussions required by this section; and

(b) for consideration by the:

(i) Revenue and Taxation Interim Committee; and

(ii) Legislature.

Section 4. Section **59-12-103 (Effective 07/01/06)** is amended to read:

59-12-103 (Effective 07/01/06). Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.

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

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

(b) amounts paid:

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

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

(I) telephone service provider; or

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

(ii) for:

(A) all transportation;

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

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

- 282 (D) telegraph service;
- 283 (c) sales of the following for commercial use:
- 284 (i) gas;
- 285 (ii) electricity;
- 286 (iii) heat;
- 287 (iv) coal;
- 288 (v) fuel oil; or
- 289 (vi) other fuels;
- 290 (d) sales of the following for residential use:
- 291 (i) gas;
- 292 (ii) electricity;
- 293 (iii) heat;
- 294 (iv) coal;
- 295 (v) fuel oil; or
- 296 (vi) other fuels;
- 297 (e) sales of prepared food;
- 298 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 299 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 300 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 301 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 302 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 303 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 304 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 305 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 306 exhibition, cultural, or athletic activity;
- 307 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 308 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 309 (i) the tangible personal property; and

(ii) parts used in the repairs or renovations of the tangible personal property described in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations of that tangible personal property;

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

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

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

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

(i) stored;

(ii) used; or

(iii) otherwise consumed;

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

(i) stored;

(ii) used; or

(iii) consumed; and

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

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

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

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

(b) Notwithstanding Subsection (2)(a), beginning on July 1, 2001[;]:

(i) a state tax and a local tax is imposed on a transaction described in Subsection (1)(d) equal to the sum of:

~~[(i)]~~ (A) a state tax imposed on the transaction at a rate of 2%; and

[~~(i)~~] (B) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part~~[-]; or~~

(ii) if a seller collects a tax in accordance with Subsection 59-12-107(1)(b) on a transaction described in Subsection (1), a state tax and a local tax is imposed on the transaction equal to the sum of:

(A) a state tax imposed on the transaction at a rate of:

(I) 4.75% for a transaction other than a transaction described in Subsection (1)(d); or

(II) 2% for a transaction described in Subsection (1)(d); and

(B) a local tax imposed on the transaction at a rate equal to the sum of the following rates:

(I) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities, and towns in the state impose the tax under Section 59-12-204; and

(II) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the state impose the tax under Section 59-12-1102.

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

(i) Subsection (2)(a)(i); [~~or~~]

(ii) Subsection (2)(b)(i)(A); or

(iii) Subsection (2)(b)(ii)(A).

(d) (i) For a transaction described in Subsection (2)(d)(iii), a tax rate increase shall take effect on the first day of the first billing period:

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

(B) if the billing period for the transaction begins before the effective date of a tax rate increase imposed under:

(I) Subsection (2)(a)(i); [~~or~~]

(II) Subsection (2)(b)(i)(A); or

(III) Subsection (2)(b)(ii)(A).

(ii) For a transaction described in Subsection (2)(d)(iii), the repeal of a tax or a tax rate

decrease shall take effect on the first day of the last billing period:

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

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

(I) Subsection (2)(a)(i); ~~[or]~~

(II) Subsection (2)(b)(i)(A); or

(III) Subsection (2)(b)(ii)(A).

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

(A) Subsection (1)(b);

(B) Subsection (1)(c);

(C) Subsection (1)(d);

(D) Subsection (1)(e);

(E) Subsection (1)(f);

(F) Subsection (1)(g);

(G) Subsection (1)(h);

(H) Subsection (1)(i);

(I) Subsection (1)(j); or

(J) Subsection (1)(k).

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

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

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

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

(3) (a) Except as provided in Subsections (4) through (7), the following state taxes

shall be deposited into the General Fund:

(i) the tax imposed by Subsection (2)(a)(i); ~~[or]~~

(ii) the tax imposed by Subsection (2)(b)(i)(A); or

(iii) the tax imposed by Subsection (2)(b)(ii)(A).

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

(c) (i) Notwithstanding any provision of this chapter, each county, city, or town in the state shall receive the county's, city's, or town's proportionate share of the revenues generated by the local tax described in Subsection (2)(b)(ii)(B) as provided in Subsection (3)(c)(ii).

(ii) The commission shall determine a county's, city's, or town's proportionate share of the revenues under Subsection (3)(c)(i) by:

(A) calculating an amount equal to the population of the unincorporated area of the county, city, or town divided by the total population of the state; and

(B) multiplying the amount determined under Subsection (3)(c)(ii)(A) by the total amount of revenues generated by the local tax under Subsection (2)(b)(ii)(B) for all counties, cities, and towns.

(iii) (A) Except as provided in Subsection (3)(c)(iii)(B), population figures for purposes of this section shall be derived from the most recent official census or census estimate of the United States Census Bureau.

(B) If a needed population estimate is not available from the United States Census Bureau, population figures shall be derived from the estimate from the Utah Population Estimates Committee created by executive order of the governor.

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

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

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

(B) for the fiscal year; or

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

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

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

428 (B) award grants, up to the amount authorized by the Legislature in an appropriations
429 act, to political subdivisions of the state to implement the measures described in Subsections
430 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

(e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

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

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

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

(C) fund state required dam safety improvements; and

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

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

(g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount

created in Section 73-10c-5 for use by the Division of Drinking Water to:

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

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

(iii) develop surface water sources.

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

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

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

(B) for the fiscal year; or

(ii) \$18,743,000.

(b) (i) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (5)(a) shall be deposited each year in the Transportation Corridor Preservation Revolving Loan Fund created in Section 72-2-117.

(ii) At least 50% of the money deposited in the Transportation Corridor Preservation Revolving Loan Fund under Subsection (5)(b)(i) shall be used to fund loan applications made by the Department of Transportation at the request of local governments.

(c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (5)(a) shall be transferred each year as nonlapsing dedicated credits to the Department of Transportation for the State Park Access Highways Improvement Program created in Section 72-3-207.

(d) For a fiscal year beginning on or after July 1, 2003, 94% of the amount described in Subsection (5)(a) shall be deposited in the class B and class C roads account to be expended as provided in Title 72, Chapter 2, Transportation Finances Act, for the use of class B and C roads.

(6) (a) Notwithstanding Subsection (3)(a) and until Subsection (6)(b) applies, beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial

Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable transactions under Subsection (1).

(b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds have been paid off and the highway projects completed that are intended to be paid from revenues deposited in the Centennial Highway Fund Restricted Account as determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable transactions under Subsection (1).

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

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

(i) the total amount of the ~~[following]~~ revenues under Subsection (2)(b)(ii)(A) the commission received from sellers collecting a tax in accordance with Subsection 59-12-107(1)(b) for the fiscal year immediately preceding the September 30 described in Subsection (7)(a) ~~[:]; and~~

~~[(A) revenues under Subsection (2)(a)(i); and]~~

~~[(B) revenues under Subsection (2)(b)(i); and]~~

(ii) \$7,279,673.

(8) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in Subsection (6)(a), and until Subsection (8)(b) applies, for a fiscal year beginning on or after July 1, 2005, the Division of Finance shall deposit \$59,594,700 of the revenues generated by the taxes described in Subsections (2)(a)(i) and (2)(b)(i) into the Centennial Highway Fund Restricted Account created by Section 72-2-118.

(b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under Subsection (6)(b), when the highway general obligation bonds have been paid off and the highway projects completed that are intended to be paid from revenues deposited in the Centennial Highway Fund Restricted Account as determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit \$59,594,700 of the revenues generated by the taxes described in Subsections (2)(a)(i) and (2)(b)(i) into the Transportation Investment Fund of 2005 created by Section 72-2-124.

Section 5. Section **59-12-103.1** is amended to read:

59-12-103.1. Action by Supreme Court of the United States authorizing or action by Congress permitting a state to require certain sellers to collect a sales or use tax -- Collection of tax by commission -- Commission report to Utah Tax Review Commission -- Utah Tax Review Commission study.

(1) Except as provided in ~~[Sections]~~ Section 59-12-107.1 ~~[through 59-12-107.3]~~, a seller shall remit a tax to the commission ~~[a tax]~~ as provided in Section 59-12-107 if:

(a) the Supreme Court of the United States issues a decision authorizing a state to require a seller that does not meet one or more of the criteria described in Subsection 59-12-107(1)(a) to collect a sales or use tax; or

(b) Congress permits the state to require a seller that does not meet one or more of the criteria described in Subsection 59-12-107(1)(a) to collect a sales or use tax.

(2) The commission shall:

(a) collect the tax described in Subsection (1) from the seller:

(i) to the extent:

(A) authorized by the Supreme Court of the United States; or

(B) permitted by Congress; and

(ii) beginning on the first day of a calendar quarter as prescribed by the Utah Tax Review Commission; and

(b) make a report to the Utah Tax Review Commission:

(i) regarding the actions taken by:

(A) the Supreme Court of the United States; or
(B) Congress; and
(ii) at the Utah Tax Review Commission meeting immediately following the day on which the Supreme Court of the United States' or Congress' actions become effective.

(3) The Utah Tax Review Commission shall after hearing the commission's report under Subsection (2)(b):

(a) review the actions taken by:
(i) the Supreme Court of the United States; or
(ii) Congress;
(b) direct the commission regarding the day on which the commission is required to collect the tax described in Subsection (1); and

(c) make recommendations to the Revenue and Taxation Interim Committee:
(i) regarding whether as a result of the Supreme Court of the United States' or Congress' actions any provisions of this chapter should be amended or repealed; and
(ii) within a one-year period after the day on which the commission makes a report under Subsection (2)(b).

Section 6. Section **59-12-104.3 (Effective 07/01/06)** is amended to read:

59-12-104.3 (Effective 07/01/06). Credit for certain repossessions of a motor vehicle.

(1) (a) Subject to [Subsection] Subsections (2) and (3), a seller that collects a tax under this chapter on the sale of a motor vehicle may claim a credit for a tax under this chapter[:(a) that the seller collected; and (b) on] for a motor vehicle that:

(i) has been repossessed; and
(ii) that the seller resells.

(b) A seller of a motor vehicle other than the seller that collects a tax under this chapter on the sale of that motor vehicle may claim a credit for a tax under this chapter:

(i) for a motor vehicle that the seller:
(A) repossessed; and

(B) resells; and

(ii) if the seller that collected the tax under this chapter on that motor vehicle:

(A) is no longer doing business in this state; and

(B) does not owe a tax under this chapter.

(2) The amount of the credit allowed by Subsection (1) is equal to the product of:

(a) the portion of the motor vehicle's purchase price that:

(i) was subject to a tax under this chapter; and

(ii) remains unpaid [~~at the time of the repossession of~~] after the motor vehicle is resold;

and

(b) the tax rate [~~imposed by~~];

(i) (A) for a seller that collects a tax in accordance with Subsection 59-12-107(1)(b),
described in Subsection 59-12-103(2)(b)(ii); or

(B) for a seller other than a seller described in Subsection (2)(b)(i)(A), described in
Subsection 59-12-103(2)(a)[~~;~~];

[~~(i)~~] (ii) imposed on the motor vehicle's purchase price; and

[~~(ii)~~] (iii) imposed on the date the motor vehicle was purchased by the person that owns
the motor vehicle at the time of the repossession.

(3) If a seller recovers any portion of a motor vehicle's unpaid purchase price that is
used to calculate a credit allowed by Subsection (1)(b), the seller shall report and remit a tax
under this chapter to the commission:

(a) on the portion of the motor vehicle's unpaid purchase price that:

(i) the seller recovers; and

(ii) is used to calculate the credit allowed by Subsection (1)(b); and

(b) on a return filed for the time period for which the portion of the motor vehicle's
unpaid purchase price is recovered.

Section 7. Section **59-12-105 (Portions Eff 07/01/06 See 59-1-1201)** is amended to
read:

59-12-105 (Portions Eff 07/01/06 See 59-1-1201). Certain exempt sales to be

reported -- Penalties.

(1) An owner or purchaser shall report to the commission the amount of sales or uses exempt under Subsection 59-12-104(14) or (50).

~~[(2) (a) A seller that files a simplified electronic return with the commission shall file a report containing the information described in Subsection (2)(b).]~~

~~[(b) The report required by Subsection (2)(a) shall contain the following amounts:]~~

~~[(i) for each store location that the seller has within the state:]~~

~~[(A) the total amount of sales;]~~

~~[(B) the total amount of sales that are exempt from a tax imposed by this chapter; and]~~

~~[(C) the difference between the amount described in Subsection (2)(b)(i)(A) and the amount described in Subsection (2)(b)(i)(B);]~~

~~[(ii) for the total amount of sales that the seller makes from a location in the state other than a fixed place of business in the state:]~~

~~[(A) the total amount of sales;]~~

~~[(B) the total amount of sales that are exempt from a tax imposed by this chapter; and]~~

~~[(C) the difference between the amount described in Subsection (2)(b)(ii)(A) and the amount described in Subsection (2)(b)(ii)(B); and]~~

~~[(iii) for the total amount of sales that the seller makes where inventory is shipped from a location outside the state:]~~

~~[(A) the total amount of sales;]~~

~~[(B) the total amount of sales that are exempt from a tax imposed by this chapter; and]~~

~~[(C) the difference between the amount described in Subsection (2)(b)(iii)(A) and the amount described in Subsection (2)(b)(iii)(B).]~~

~~[(3) (a)]~~ (2) A report required by Subsection (1) ~~[or (2)]~~ shall be filed:

~~[(i)]~~ (a) with the commission; and

~~[(ii)]~~ (b) on a form prescribed by the commission.

~~[(b) A report required by Subsection (2) shall be filed electronically.]~~

~~[(c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,~~

the commission shall make rules providing:]

~~[(i) the information required to be included in the reports described in Subsections (1) and (2); and]~~

~~[(ii) one or more due dates for filing the reports described in:]~~

~~[(A) Subsection (1); and]~~

~~[(B) Subsection (2).]~~

~~[(4)]~~ (3) (a) Notwithstanding Section 59-1-401, and except as provided in Subsections ~~[(4)]~~ (3)(b) and ~~[(6)]~~ (4), if the owner or purchaser fails to report the full amount of the exemptions granted under Subsection 59-12-104(14) or (50) on the report required by Subsection (1), the commission shall impose a penalty equal to the lesser of:

(i) 10% of the sales and use tax that would have been imposed if the exemption had not applied; or

(ii) \$1,000.

(b) Notwithstanding Subsection ~~[(4)]~~ (3)(a)(i), the commission may not impose a penalty under Subsection ~~[(4)]~~ (3)(a)(i) if the owner or purchaser files an amended report:

(i) containing the amount of the exemption; and

(ii) before the owner or purchaser receives a notice of audit from the commission.

~~[(5) Notwithstanding Section 59-1-401, and except as provided in Subsection (6), if a seller fails to report the amounts required by Subsection (2), the commission shall impose a penalty of \$1,000.]~~

~~[(6)]~~ (4) (a) ~~[Notwithstanding Subsection (4)(a) or (5), the]~~ The commission may waive, reduce, or compromise a penalty imposed under this section if the commission finds there are reasonable grounds for the waiver, reduction, or compromise.

(b) If the commission waives, reduces, or compromises a penalty under Subsection ~~[(6)]~~ (4)(a), the commission shall make a record of the grounds for waiving, reducing, or compromising the penalty.

Section 8. Section **59-12-107 (Portions Eff 07/01/06 See 59-1-1201)** is amended to read:

59-12-107 (Portions Eff 07/01/06 See 59-1-1201). Collection, remittance, and payment of tax by sellers or other persons -- Returns -- Direct payment by purchaser of vehicle -- Other liability for collection -- Rulemaking authority -- Credits -- Treatment of bad debt -- Penalties.

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

(i) has or utilizes:

(A) an office;

(B) a distribution house;

(C) a sales house;

(D) a warehouse;

(E) a service enterprise; or

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

(ii) maintains a stock of goods;

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

(A) advertising; or

(B) solicitation by:

(I) direct mail;

(II) electronic mail;

(III) the Internet;

(IV) telephone; or

(V) a means similar to Subsection (1)(a)(iii)(A) or (B);

(iv) regularly engages in the delivery of property in the state other than by:

(A) common carrier; or

(B) United States mail; or

(v) regularly engages in an activity directly related to the leasing or servicing of

property located within the state.

(b) A seller that does not meet one or more of the criteria provided for in Subsection (1)(a):

(i) except as provided in Subsection (1)(b)(ii), may voluntarily:

(A) collect a tax on a transaction described in Subsection 59-12-103(1); and

(B) remit the tax to the commission as provided in this part; or

(ii) notwithstanding Subsection (1)(b)(i), shall collect a tax on a transaction described in Subsection 59-12-103(1) if Section 59-12-103.1 requires the seller to collect the tax.

~~[(c) The collection and remittance of a tax under this chapter by a seller that is registered under the agreement may not be used as a factor in determining whether that seller is required by Subsection (1)(a) to:]~~

~~[(i) pay a tax, fee, or charge under:]~~

~~[(A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;]~~

~~[(B) Section 19-6-716;]~~

~~[(C) Section 19-6-805;]~~

~~[(D) Section 69-2-5.5; or]~~

~~[(E) this title; or]~~

~~[(ii) collect and remit a tax, fee, or charge under:]~~

~~[(A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;]~~

~~[(B) Section 19-6-716;]~~

~~[(C) Section 19-6-805;]~~

~~[(D) Section 69-2-5.5; or]~~

~~[(E) this title;]~~

~~[(d)]~~ (c) A person shall pay a use tax imposed by this chapter on a transaction described in Subsection 59-12-103(1) if:

(i) the seller did not collect a tax imposed by this chapter on the transaction; and

(ii) the person:

(A) stores the tangible personal property in the state;

(B) uses the tangible personal property in the state; or

(C) consumes the tangible personal property in the state.

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

~~[(f)] (e)~~ (i) As used in this Subsection (1)~~[(f)] (e)~~:

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

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

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

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

(II) is:

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

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

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

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

(A) if the seller is a related seller;

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

- (I) advertising;
- (II) marketing;
- (III) sales; or
- (IV) other services; and

(C) if the seller to which the related seller is related accepts the return of an item sold by the related seller, the seller to which the related seller is related accepts the return of that item:

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

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

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

(c) (i) Each seller shall:

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

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

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

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

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

(f) If any seller, during any reporting period, collects as a tax an amount in excess of the lawful state and local percentage of total taxable sales allowed under this chapter, the seller

shall remit to the commission the full amount of the tax imposed under this chapter, plus any excess.

(g) If the accounting methods regularly employed by the seller in the transaction of the seller's business are such that reports of sales made during a calendar month or quarterly period will impose unnecessary hardships, the commission may accept reports at intervals that will, in the commission's opinion, better suit the convenience of the taxpayer or seller and will not jeopardize collection of the tax.

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

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

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

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

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

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

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

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

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

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

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

~~[(A) to the commission;]~~

~~[(B) annually; and]~~

~~[(C) on or before the last day of the month immediately following the last day of each calendar year:]~~

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

~~[(A) to the commission; and]~~

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

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

~~[(A) contains information prescribed by the commission;]~~

~~[(B) is in a form prescribed by the commission; and]~~

~~[(C) notwithstanding Subsection (3)(c)(i), is filed electronically as required by Subsection (3)(c)(ii):]~~

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

~~[(A) the information required to be contained in a return described in Subsection (4)(b)(i); and]~~

~~[(B) the form of the return described in Subsection (4)(b)(i):]~~

~~[(c) The tax collected in accordance with this Subsection (4) calculated in the return]~~

described in Subsection (4)(b) shall be calculated on the basis of the total amount of taxable transactions described in Subsection 59-12-103(1) conducted by a seller described in Subsection (4)(d), including:]

[~~(i) a cash transaction; and~~]

[~~(ii) a charge transaction.~~]

[~~(d) This Subsection (4) applies to a seller that is:~~]

[~~(i) registered under the agreement;~~]

[~~(ii) described in Subsection (1)(b); and~~]

[~~(iii) not a:~~]

[~~(A) model 1 seller;~~]

[~~(B) model 2 seller; or~~]

[~~(C) model 3 seller.~~]

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

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

[~~(ii) for the month for which the seller collects a tax under this chapter.~~]

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

[~~(6)~~] (4) (a) [~~Notwithstanding Subsection (3), on~~] On each vehicle sale made by other than a regular licensed vehicle dealer, the purchaser shall pay the sales or use tax directly to the commission if the vehicle is subject to titling or registration under the laws of this state.

(b) The commission shall collect the tax described in Subsection [~~(6)~~] (4)(a) when the vehicle is titled or registered.

[~~(7)~~] (5) If any sale of tangible personal property or any other taxable transaction under Subsection 59-12-103(1), is made by a wholesaler to a retailer, the wholesaler is not

responsible for the collection or payment of the tax imposed on the sale and the retailer is responsible for the collection or payment of the tax imposed on the sale if:

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

(b) the personal property is not subsequently resold.

~~[(8)]~~ (6) If any sale of property or service subject to the tax is made to a person prepaying sales or use tax in accordance with Title 63, Chapter 51, Resource Development, or to a contractor or subcontractor of that person, the person to whom such payment or consideration is payable is not responsible for the collection or payment of the sales or use tax and the person prepaying the sales or use tax is responsible for the collection or payment of the sales or use tax if the person prepaying the sales or use tax represents that the amount prepaid as sales or use tax has not been fully credited against sales or use tax due and payable under the rules promulgated by the commission.

~~[(9)]~~ (7) (a) For purposes of this Subsection ~~[(9)]~~ (7):

(i) Except as provided in Subsection ~~[(9)]~~ (7)(a)(ii), "bad debt" is as defined in Section 166, Internal Revenue Code.

(ii) Notwithstanding Subsection ~~[(9)]~~ (7)(a)(i), "bad debt" does not include:

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

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

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

(B) a financing charge;

(C) interest;

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

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

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

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

- 898 (F) an expense incurred in attempting to collect any debt; or
- 899 (G) an amount that a seller does not collect on repossessed property.
- 900 (b) A seller may deduct bad debt from the total amount from which a tax under this
- 901 chapter is calculated on a return.
- 902 (c) A seller may file a refund claim with the commission if:
- 903 (i) the amount of bad debt for the time period described in Subsection [~~(9)~~] (7)(e)
- 904 exceeds the amount of the seller's sales that are subject to a tax under this chapter for that same
- 905 time period; and
- 906 (ii) as provided in Section 59-12-110.
- 907 (d) A bad debt deduction under this section may not include interest.
- 908 (e) A bad debt may be deducted under this Subsection [~~(9)~~] (7) on a return for the time
- 909 period during which the bad debt:
- 910 (i) is written off as uncollectible in the seller's books and records; and
- 911 (ii) would be eligible for a bad debt deduction:
- 912 (A) for federal income tax purposes; and
- 913 (B) if the seller were required to file a federal income tax return.
- 914 (f) If a seller recovers any portion of bad debt for which the seller makes a deduction or
- 915 claims a refund under this Subsection [~~(9)~~] (7), the seller shall report and remit a tax under this
- 916 chapter:
- 917 (i) on the portion of the bad debt the seller recovers; and
- 918 (ii) on a return filed for the time period for which the portion of the bad debt is
- 919 recovered.
- 920 (g) For purposes of reporting a recovery of a portion of bad debt under Subsection [~~(9)~~]
- 921 (7)(f), a seller shall apply amounts received on the bad debt in the following order:
- 922 (i) in a proportional amount:
- 923 (A) to the purchase price of the tangible personal property or service; and
- 924 (B) to the tax due under this chapter on the tangible personal property or service; and
- 925 (ii) to:

(A) interest charges;

(B) service charges; and

(C) other charges.

~~[(h) A seller's certified service provider may make a deduction or claim a refund for bad debt on behalf of the seller.]~~

~~[(i) in accordance with this Subsection (9); and]~~

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

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

~~[(10)]~~ (8) (a) A seller may not, with intent to evade any tax, fail to timely remit the full amount of tax required by this chapter.

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

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

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

Section 9. Section **59-12-107.1 (Effective 07/01/06)** is amended to read:

59-12-107.1 (Effective 07/01/06). Direct payment permit.

(1) The commission may issue a direct payment permit to a seller that:

(a) obtains a license under Section 59-12-106;

(b) is required to remit taxes under this chapter by electronic funds transfer in accordance with Subsection 59-12-108(1);

(c) has a record of timely payment of taxes under this chapter as determined by the

954 commission; and

955 (d) demonstrates to the commission that the seller has the ability to determine the
956 appropriate location of a transaction[: ~~(i) under: (A) Section 59-12-205; (B) Section~~
957 ~~59-12-207.1; and (C) Section 59-12-207.3; and (ii)] under Section 59-12-207 for each
958 transaction for which the seller makes a purchase using the direct payment permit.~~

959 (2) A direct payment permit may not be used in connection with the following
960 transactions:

961 (a) a purchase of the following purchased in the same transaction:

962 (i) prepared food; and

963 (ii) food and food ingredients;

964 (b) amounts paid or charged for accommodations and services described in Subsection
965 59-12-103(1)(i);

966 (c) amounts paid or charged for admission or user fees under Subsection
967 59-12-103(1)(f);

968 (d) a purchase of:

969 (i) a motor vehicle;

970 (ii) an aircraft;

971 (iii) a watercraft;

972 (iv) a modular home;

973 (v) a manufactured home; or

974 (vi) a mobile home;

975 (e) amounts paid under Subsection 59-12-103(1)(b); or

976 (f) sales under Subsection 59-12-103(1)(c).

977 (3) The holder of a direct payment permit shall:

978 (a) present evidence of the direct payment permit to a seller at the time the holder of
979 the direct payment permit makes a purchase using the direct payment permit;

980 (b) determine the appropriate location of a transaction[: ~~(i) under: (A) Section~~
981 ~~59-12-205; (B) Section 59-12-207.1; or (C) Section 59-12-207.3; and (ii)] under Section~~

59-12-207 for each transaction for which the holder of the direct payment permit makes a purchase using the direct payment permit;

(c) notwithstanding Section 59-12-107 [~~and subject to Subsection 59-12-107.2(4)~~], determine the amount of any [~~agreement~~] sales and use tax due on each transaction for which the holder of the direct payment permit uses the direct payment permit;

(d) report and remit to the commission the [~~agreement~~] sales and use tax described in Subsection (3)(c) at the same time and in the same manner as the holder of the direct payment permit reports and remits a tax under this chapter; and

(e) maintain records:

(i) that indicate the appropriate location of a transaction[~~:(A) under: (I) Section 59-12-205; (H) Section 59-12-207.1; or (II) Section 59-12-207.3; and (B)~~] under Section 59-12-207 for each transaction for which a purchase is made using the direct payment permit; and

(ii) necessary to determine the amount described in Subsection (3)(c) for each transaction for which the holder of the direct payment permit uses the direct payment permit.

(4) A seller that is presented evidence of a direct payment permit at the time of a transaction:

(a) notwithstanding Section 59-12-107, may not collect [~~agreement~~] sales and use tax on the transaction;

(b) shall, for a period of three years from the date the seller files a return with the commission reporting the transaction, retain records to verify that the transaction was made using a direct payment permit; and

(c) notwithstanding Section 59-12-107, is not liable for [~~agreement~~] sales and use tax on the transaction.

(5) The holder of a direct payment permit may calculate the amount the holder of the direct payment permit may retain under Section 59-12-108 on the amount described in Subsection (3)(c):

(a) for each transaction for which the holder of the direct payment permit uses the

1010 direct payment permit; and

1011 (b) that the holder of the direct payment permit remits to the commission under this
1012 section.

1013 (6) The commission may revoke a direct payment permit issued under this section at
1014 any time if the holder of the direct payment permit fails to comply with any provision of this
1015 chapter.

1016 (7) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
1017 commission may make rules to administer this section.

1018 Section 10. Section **59-12-108** is amended to read:

1019 **59-12-108. Monthly payment -- Penalty -- Amount of tax a seller may retain --**
1020 **Certain amounts allocated to counties, cities, and towns.**

1021 (1) (a) Notwithstanding Section 59-12-107, a seller that has a tax liability under this
1022 chapter of \$50,000 or more for the previous calendar year shall:

1023 (i) file a return with the commission:

1024 (A) monthly on or before the last day of the month immediately following the month
1025 for which the seller collects a tax under this chapter; and

1026 (B) for the month for which the seller collects a tax under this chapter; and

1027 (ii) ~~[(A) except as provided in Subsection (1)(a)(ii)(B) or (1)(c);]~~ remit with the return
1028 required by Subsection (1)(a)(i) the amount the person is required to remit to the commission
1029 for each tax, fee, or charge described in Subsection (1)(b):

1030 ~~[(H)]~~ (A) if that seller's tax liability under this chapter for the previous calendar year is
1031 less than \$96,000, by any method permitted by the commission; or

1032 ~~[(H)]~~ (B) if that seller's tax liability under this chapter for the previous calendar year is
1033 \$96,000 or more, by electronic funds transfer~~[-or]~~.

1034 ~~[(B) notwithstanding Subsection (1)(a)(ii)(A), a seller shall remit electronically with~~
1035 ~~the return required by Subsection (1)(a)(i) the amount the person is required to remit to the~~
1036 ~~commission for each tax, fee, or charge described in Subsection (1)(b) if that seller:]~~

1037 ~~[(F) is required by Section 59-12-107 to file the return electronically; or]~~

1038 ~~[(H) (Aa) is required to collect and remit a tax under Subsection 59-12-107(1)(a); and]~~
1039 ~~[(Bb) files a simplified electronic return.]~~

1040 (b) Subsections (1)(a)(i) and (ii) apply to the following taxes, fees, or charges:

1041 (i) a tax under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

1042 (ii) a fee under Section 19-6-716;

1043 (iii) a fee under Section 19-6-805;

1044 (iv) a charge under Section 69-2-5.5; or

1045 (v) a tax under this chapter.

1046 (c) Notwithstanding Subsection (1)(a)(ii) and in accordance with Title 63, Chapter 46a,
1047 Utah Administrative Rulemaking Act, the commission shall make rules providing for a method
1048 for making same-day payments other than by electronic funds transfer if making payments by
1049 electronic funds transfer fails.

1050 (d) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
1051 commission shall establish by rule procedures and requirements for determining the amount a
1052 seller is required to remit to the commission under this Subsection (1).

1053 (2) (a) Except as provided in Subsection (2)(b), a seller subject to Subsection (1) or a
1054 seller described in Subsection (3) may retain each month an amount not to exceed:

1055 (i) 1.31% of any amounts the seller is required to remit to the commission for:

1056 (A) the month for which the seller is filing a return in accordance with Subsection (1);

1057 and

1058 (B) an agreement sales and use tax; and

1059 (ii) 1% of any amounts the seller is required to remit to the commission:

1060 (A) for the month for which the seller is filing a return in accordance with Subsection

1061 (1); and

1062 (B) under:

1063 (I) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

1064 (II) Subsection 59-12-603(1)(a)(i); or

1065 (III) Subsection 59-12-603(1)(a)(ii).

(b) Notwithstanding Subsection (2)(a), a state government entity that is required to remit taxes monthly in accordance with Subsection (1) may not retain any amount under Subsection (2)(a).

(3) A seller that has a tax liability under this chapter for the previous calendar year of less than \$50,000 may:

(a) voluntarily meet the requirements of Subsection (1); and

(b) if the seller voluntarily meets the requirements of Subsection (1), retain the amounts allowed by Subsection (2)(a).

(4) Penalties for late payment shall be as provided in Section 59-1-401.

(5) (a) For any amounts required to be remitted to the commission under this part, the commission shall each month calculate an amount equal to the difference between:

(i) the total amount retained for that month by all sellers had the percentage listed under Subsection (2)(a)(i) been 1.5%; and

(ii) the total amount retained for that month by all sellers at the percentage listed under Subsection (2)(a)(i).

(b) The commission shall each month allocate the amount calculated under Subsection (5)(a) to each ~~[local taxing jurisdiction]~~ county, city, and town on the basis of the proportion of agreement sales and use tax that the commission distributes to each ~~[local taxing jurisdiction]~~ county, city, and town for that month compared to the total agreement sales and use tax that the commission distributes for that month to all ~~[local taxing jurisdictions]~~ counties, cities, and towns.

Section 11. Section **59-12-110** is amended to read:

59-12-110. Overpayments, deficiencies, and refunds procedures.

(1) (a) As soon as practicable after a return is filed, the commission shall examine the return.

(b) If the commission determines that the correct amount of tax to be remitted is greater or less than the amount shown to be due on the return, the commission shall recompute the tax.

(c) If the amount paid exceeds the amount due, the excess, plus interest as provided in Section 59-1-402, shall be credited or refunded to the taxpayer as provided in Subsection (2).

(d) The commission may not credit or refund to the taxpayer interest on an overpayment under Subsection (1)(c) if the commission determines that the overpayment was made for the purpose of investment.

(2) (a) If a taxpayer pays a tax, penalty, or interest more than once or the commission erroneously receives, collects, or computes any tax, penalty, or interest, including an overpayment described in Subsection (1)(c), the commission shall:

(i) credit the amount of tax, penalty, or interest paid by the taxpayer against any amounts of tax, penalties, or interest the taxpayer owes; and

(ii) refund any balance to the taxpayer or the taxpayer's successors, administrators, executors, or assigns.

(b) Except as provided in Subsections (2)(c) and (d) or Section 19-2-124, a taxpayer shall file a claim with the commission to obtain a refund or credit under this Subsection (2) within three years from the day on which the taxpayer overpaid the tax, penalty, or interest.

(c) Notwithstanding Subsection (2)(b), beginning on July 1, 1998, the commission shall extend the period for a taxpayer to file a claim under Subsection (2)(b) if:

(i) the three-year period under Subsection (2)(b) has not expired; and

(ii) the commission and the taxpayer sign a written agreement:

(A) authorizing the extension; and

(B) providing for the length of the extension.

(d) Notwithstanding Subsection (2)(b), a seller that files a claim for a refund under Subsection 59-12-107[(9)] (7)(c) for bad debt shall file the claim with the commission within three years from the date on which the seller could first claim the refund for the bad debt.

(e) A taxpayer may file a claim to obtain a refund or credit under this Subsection (2) regardless of whether the taxpayer received or objected to a notice of deficiency or a notice of assessment as provided in Subsection 59-12-114(1).

(f) A taxpayer may obtain a refund under this Subsection (2) of a tax paid under this

chapter on a transaction that is taxable under Section 59-12-103 if:

(i) the sale or use was exempt from sales and use taxes under Section 59-12-104 on the date of purchase; and

(ii) except as provided in Subsection (2)(c), the taxpayer files a claim for a refund with the commission as provided in Subsections (2)(b) through (e).

(g) If the commission denies a claim for a refund or credit under this Subsection (2), the taxpayer may request a redetermination of the denial by filing a petition or request for agency action with the commission as provided in Title 63, Chapter 46b, Administrative Procedures Act.

(3) If the commission erroneously determines an amount to be due from a taxpayer, the commission shall authorize the amounts to be cancelled upon its records.

(4) (a) Subject to the provisions of Subsection (4)(b), the commission may impose on a deficiency under this section:

(i) a penalty as provided in Section 59-1-401; and

(ii) interest as provided in Section 59-1-402.

(b) The commission may impose a penalty and interest on the entire deficiency if any part of the deficiency is due to:

(i) negligence;

(ii) intentional disregard of law or rule; or

(iii) fraud with intent to evade the tax.

(5) (a) Except as provided in Subsection (5)(b), a taxpayer shall pay a tax deficiency, including penalties or interest under this section, within ten days after the commission provides the taxpayer notice and demand of the deficiency, penalty, or interest.

(b) Notwithstanding Subsection (5)(a), a taxpayer may pay a tax deficiency, penalty, or interest within 30 days after the commission provides the taxpayer notice and demand of the deficiency, penalty, or interest if the commission determines:

(i) that a greater amount was due than was shown on the return; and

(ii) the tax is not in jeopardy.

1150 (6) (a) Except as provided in Subsections (6)(c) through (f), the commission shall
1151 assess the amount of taxes imposed by this chapter, and any penalties and interest, within three
1152 years after a taxpayer files a return.

1153 (b) Except as provided in Subsections (6)(c) through (f), if the commission does not
1154 make an assessment under Subsection (6)(a) within three years, the commission may not
1155 commence a proceeding for the collection of the taxes after the expiration of the three-year
1156 period.

1157 (c) Notwithstanding Subsections (6)(a) and (b), the commission may make an
1158 assessment or commence a proceeding to collect a tax at any time if a deficiency is due to:

1159 (i) fraud; or

1160 (ii) failure to file a return.

1161 (d) Notwithstanding Subsections (6)(a) and (b), beginning on July 1, 1998, the
1162 commission may extend the period to make an assessment or to commence a proceeding to
1163 collect the tax under this chapter if:

1164 (i) the three-year period under this Subsection (6) has not expired; and

1165 (ii) the commission and the taxpayer sign a written agreement:

1166 (A) authorizing the extension; and

1167 (B) providing for the length of the extension.

1168 (e) If the commission delays an audit at the request of a taxpayer, the commission may
1169 make an assessment as provided in Subsection (6)(f) if:

1170 (i) the taxpayer subsequently refuses to agree to an extension request by the
1171 commission; and

1172 (ii) the three-year period under this Subsection (6) expires before the commission
1173 completes the audit.

1174 (f) An assessment under Subsection (6)(e) shall be:

1175 (i) for the time period for which the commission could not make an assessment
1176 because of the expiration of the three-year period; and

1177 (ii) in an amount equal to the difference between:

1178 (A) the commission's estimate of the amount of taxes the taxpayer would have been
1179 assessed for the time period described in Subsection (6)(f)(i); and

1180 (B) the amount of taxes the taxpayer actually paid for the time period described in
1181 Subsection (6)(f)(i).

1182 Section 12. Section **59-12-110.1** is amended to read:

1183 **59-12-110.1. Refund or credit for taxes overpaid by a purchaser.**

1184 (1) Subject to the other provisions of this section, a purchaser may request from a seller
1185 a refund or credit of any amount that:

1186 (a) the purchaser overpaid in taxes under this chapter; and

1187 (b) was collected by the seller.

1188 (2) (a) Except as provided in Subsection (2)(b), the procedure described in Subsection
1189 (1) is in addition to the process for a taxpayer to file a claim for a refund or credit with the
1190 commission under Section 59-12-110.

1191 (b) Notwithstanding Subsection (2)(a):

1192 (i) the commission is not required to make a refund or credit of an amount for which as
1193 of the date the refund or credit is to be given the purchaser has requested or received a refund
1194 or credit from the seller; and

1195 (ii) a seller is not required to refund or credit an amount for which as of the date the
1196 refund is to be given the purchaser has requested or received a refund or credit from the
1197 commission.

1198 (3) A purchaser may not bring a cause of action against a seller for a refund or credit
1199 described in Subsection (1):

1200 (a) unless the purchaser provided the seller written notice that:

1201 (i) the purchaser requests the refund or credit described in Subsection (1); and

1202 (ii) contains the information necessary for the seller to determine the validity of the
1203 request; and

1204 (b) sooner than 60 days after the day on which the seller receives the written notice
1205 described in Subsection (3)(a).

~~[(4) A seller that has collected a tax under this chapter that exceeds the amount the seller is required to collect under this chapter is presumed to have a reasonable business practice if the seller:]~~

~~[(a) collected a tax under this chapter that exceeds the amount the seller is required to collect under this chapter through the use of:]~~

~~[(i) a provider certified by the state; or]~~

~~[(ii) a system certified by the state, including a proprietary system certified by the state; and]~~

~~[(b) has remitted to the commission all taxes that the seller is required to remit to the commission under this chapter.]~~

Section 13. Section **59-12-204 (Effective 07/01/06)** is amended to read:

59-12-204 (Effective 07/01/06). Sales and use tax ordinance provisions -- Tax rate -- Distribution of tax revenues.

(1) The tax ordinance adopted pursuant to this part shall impose a tax upon those transactions listed in Subsection 59-12-103(1).

(2) (a) ~~[Except as provided in Subsections (2)(b) and 59-12-207.1(7)(c), the]~~ The tax ordinance under Subsection (1) shall include a provision imposing a tax upon every transaction listed in Subsection 59-12-103(1) made within a county, including areas contained within the cities and towns located in the county:

(i) at the rate of 1% of the purchase price paid or charged; and

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

(b) Notwithstanding Subsection (2)(a), a tax ordinance under this Subsection (2) shall include a provision prohibiting a county, city, or town from imposing a tax under this section on:

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

(ii) any amounts paid or charged by a seller that collects a tax in accordance with

1234 Subsection 59-12-107(1)(b) unless all of the counties, cities, and towns in the state impose the
1235 tax under this section.

1236 (3) Such tax ordinance shall include provisions substantially the same as those
1237 contained in Part 1, Tax Collection, insofar as they relate to sales or use tax, except that the
1238 name of the county as the taxing agency shall be substituted for that of the state where
1239 necessary for the purpose of this part and that an additional license is not required if one has
1240 been or is issued under Section 59-12-106.

1241 (4) Such tax ordinance shall include a provision that the county shall contract, prior to
1242 the effective date of the ordinance, with the commission to perform all functions incident to the
1243 administration or operation of the ordinance.

1244 (5) Such tax ordinance shall include a provision that the sale, storage, use, or other
1245 consumption of tangible personal property, the purchase price or the cost of which has been
1246 subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this
1247 part by any county, city, or town in any other county in this state, shall be exempt from the tax
1248 due under this ordinance.

1249 (6) Such tax ordinance shall include a provision that any person subject to the
1250 provisions of a city or town sales and use tax shall be exempt from the county sales and use tax
1251 if the city or town sales and use tax is levied under an ordinance including provisions in
1252 substance as follows:

1253 (a) a provision imposing a tax upon every transaction listed in Section 59-12-103 made
1254 within the city or town at the rate imposed by the county in which it is situated pursuant to
1255 Subsection (2);

1256 (b) notwithstanding Subsection (2)(a), a provision prohibiting the city or town from
1257 imposing a tax under this section on any amounts paid or charged by a seller that collects a tax
1258 in accordance with Subsection 59-12-107(1)(b) unless all of the counties, cities, and towns in
1259 the state impose a tax under this section;

1260 ~~[(b)]~~ (c) provisions substantially the same as those contained in Part 1, Tax Collection,
1261 insofar as they relate to sales and use taxes, except that the name of the city or town as the

1262 taxing agency shall be substituted for that of the state where necessary for the purposes of this
1263 part;

1264 ~~[(c)]~~ (d) a provision that the city or town shall contract prior to the effective date of the
1265 city or town sales and use tax ordinance with the commission to perform all functions incident
1266 to the administration or operation of the sales and use tax ordinance of the city or town;

1267 ~~[(d)]~~ (e) a provision that the sale, storage, use, or other consumption of tangible
1268 personal property, the gross receipts from the sale of or the cost of which has been subject to
1269 sales or use tax under a sales and use tax ordinance enacted in accordance with this part by any
1270 county other than the county in which the city or town is located, or city or town in this state,
1271 shall be exempt from the tax; and

1272 ~~[(e)]~~ (f) a provision that the amount of any tax paid under Part 1, Tax Collection, shall
1273 not be included as a part of the purchase price paid or charged for a taxable item.

1274 ~~[(7) (a) Notwithstanding any other provision of this section, beginning on July 1, 1999,~~
1275 ~~through May 5, 2003, the commission shall:]~~

1276 ~~[(i) determine and retain the portion of the sales and use tax imposed under this~~
1277 ~~section:]~~

1278 ~~[(A) by a city or town that will have constructed within its boundaries the Airport to~~
1279 ~~University of Utah Light Rail described in the Transportation Equity Act for the 21st Century,~~
1280 ~~Pub. L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107; and]~~

1281 ~~[(B) that is equal to the revenues generated by a 1/64% tax rate; and]~~

1282 ~~[(ii) deposit the revenues described in Subsection (7) (a)(i) in the Airport to University~~
1283 ~~of Utah Light Rail Restricted Account created in Section 17A-2-1064 for the purposes~~
1284 ~~described in Section 17A-2-1064.]~~

1285 ~~[(b)]~~ (7) Notwithstanding any other provision of this section, beginning July 1, 2000,
1286 the commission shall:

1287 ~~[(i)]~~ (a) determine and retain the portion of sales and use tax imposed under this
1288 section:

1289 ~~[(A)]~~ (i) by each county and by each city and town within that county whose legislative

1290 body consents by resolution to the commission's retaining and depositing sales and use tax
1291 revenues as provided in this Subsection (7)[~~(b)~~]; and
1292 [~~(B)~~] (ii) that is equal to the revenues generated by a 1/64% tax rate;
1293 [~~(ii)~~] (b) deposit the revenues described in Subsection (7) [~~(b)~~](i) (a) into a special fund
1294 of the county, or a city, town, or other political subdivision of the state located within that
1295 county, that has issued bonds to finance sports or recreational facilities or that is leasing sports
1296 or recreational facilities, in order to repay those bonds or to pay the lease payments; and
1297 [~~(iii)~~] (c) continue to deposit those revenues into the special fund only as long as the
1298 bonds or leases are outstanding.

1299 Section 14. Section **59-12-205 (Effective 07/01/06)** is amended to read:

1300 **59-12-205 (Effective 07/01/06). Ordinances to conform with statutory**
1301 **amendments -- Distribution of tax revenues -- Determination of population.**

1302 (1) Each county, city, and town, in order to maintain in effect sales and use tax
1303 ordinances adopted pursuant to Section 59-12-204, shall, within 30 days of any amendment of
1304 any applicable provisions of Part 1, Tax Collection, adopt amendments of their respective sales
1305 and use tax ordinances to conform with the amendments to Part 1, Tax Collection, insofar as
1306 they relate to sales and use taxes.

1307 (2) Except as provided in Subsection [~~(7)~~] (3) or (4):

1308 (a) 50% of each dollar collected from the sales and use tax authorized by this part shall
1309 be paid to each county, city, and town on the basis of the percentage that the population of the
1310 county, city, or town bears to the total population of all counties, cities, and towns in the state;
1311 and

1312 (b) [~~notwithstanding Sections 59-12-207.1 through 59-12-207.3,~~] 50% of each dollar
1313 collected from the sales and use tax authorized by this part shall be paid to each county, city,
1314 and town on the basis of the location where the transaction is consummated as determined
1315 under [~~this section~~] Section 59-12-207.

1316 [~~(3) For purposes of Subsection (2)(b), the location where a transaction is~~
1317 ~~consummated is determined in accordance with Subsections (4) through (6).]~~

~~[(4) (a) For a transaction that is reported to the commission on a return other than a simplified electronic return, the location where the transaction is consummated is determined in accordance with Subsections (4)(b) through (h).]~~

~~[(b) (i) Except as provided in Subsections (4)(c) through (h), for a transaction described in Subsection (4)(b)(ii), the location where the transaction is consummated is the place of business of the seller.]~~

~~[(ii) Subsection (4)(b)(i) applies to a transaction other than a transaction described in:]~~

~~[(A) Subsection (4)(c)(ii);]~~

~~[(B) Subsection (4)(d)(ii);]~~

~~[(C) Subsection (4)(e)(ii);]~~

~~[(D) Subsection (4)(f)(ii);]~~

~~[(E) Subsection (4)(g)(ii); or]~~

~~[(F) Subsection (4)(h).]~~

~~[(c) (i) Notwithstanding Subsection (4)(b), for a transaction described in Subsection (4)(c)(ii), the location where the transaction is consummated is determined by allocating the total revenues remitted to the commission each month that are generated by the tax imposed under this section on the transactions described in Subsection (4)(c)(ii):]~~

~~[(A) to each local taxing jurisdiction; and]~~

~~[(B) on the basis of the population of each local taxing jurisdiction as compared to the population of the state.]~~

~~[(ii) Subsection (4)(c)(i) applies to a transaction:]~~

~~[(A) made by a seller described in Subsection 59-12-107(1)(b); and]~~

~~[(B) involving tangible personal property that is shipped from outside the state.]~~

~~[(d) (i) Notwithstanding Subsection (4)(b), for a transaction described in Subsection (4)(d)(ii), the location where the transaction is consummated is determined by allocating the total revenues reported to the commission each month that are generated by the tax imposed under this section on the transactions described in Subsection (4)(d)(ii):]~~

~~[(A) to local taxing jurisdictions within a county; and]~~

1346 ~~[(B) on the basis of the proportion of total revenues generated by the transactions~~
1347 ~~described in Subsection (4)(b)(ii) that are reported to the commission for that month within a~~
1348 ~~local taxing jurisdiction within that county as compared to the total revenues generated by the~~
1349 ~~transactions described in Subsection (4)(b)(ii) that are reported to the commission for that~~
1350 ~~month within all local taxing jurisdictions within that county.]~~

1351 ~~[(ii) Subsection (4)(d)(i) applies to a transaction:]~~

1352 ~~[(A) made from a location in the state other than a fixed place of business in the state;~~
1353 ~~or]~~

1354 ~~[(B) (I) made by a seller described in Subsection 59-12-107(1)(a); and]~~

1355 ~~[(H) involving tangible personal property that is shipped from outside the state.]~~

1356 ~~[(e) (i) Notwithstanding Subsection (4)(b), for a transaction described in Subsection~~
1357 ~~(4)(e)(ii), the location where the transaction is consummated is determined by allocating the~~
1358 ~~total revenues reported to the commission each month that are generated by the tax imposed~~
1359 ~~under this section on the transactions described in Subsection (4)(e)(ii):]~~

1360 ~~[(A) to local taxing jurisdictions; and]~~

1361 ~~[(B) on the basis of the proportion of the total revenues generated by the transactions~~
1362 ~~described in Subsection (4)(b)(ii) that are reported to the commission for that month within~~
1363 ~~each local taxing jurisdiction as compared to the total revenues generated by the transactions~~
1364 ~~described in Subsection (4)(b)(ii) that are reported to the commission for that month within the~~
1365 ~~state:]~~

1366 ~~[(ii) Subsection (4)(e)(i) applies to a transaction involving tangible personal property~~
1367 ~~purchased with a direct payment permit in accordance with Section 59-12-107.1:]~~

1368 ~~[(f) (i) Notwithstanding Subsection (4)(b), for a transaction described in Subsection~~
1369 ~~(4)(f)(ii), the location where the transaction is consummated is each location where the good or~~
1370 ~~service described in Subsection 59-12-107.2(1)(b) is used:]~~

1371 ~~[(ii) Subsection (4)(f)(i) applies to a transaction involving a good or service:]~~

1372 ~~[(A) described in Subsection 59-12-107.2(1)(b);]~~

1373 ~~[(B) that is concurrently available for use in more than one location; and]~~

1374 ~~[(C) is purchased using the form described in Section 59-12-107.2.]~~

1375 ~~[(g) (i) Notwithstanding Subsection (4)(b), for a transaction described in Subsection~~
1376 ~~(4)(g)(ii), the location where the transaction is consummated is determined by allocating the~~
1377 ~~total revenues reported to the commission each month that are generated by the tax imposed~~
1378 ~~under this section on the transactions described in Subsection (4)(g)(ii):]~~

1379 ~~[(A) to local taxing jurisdictions; and]~~

1380 ~~[(B) on the basis of the proportion of the total revenues generated by the transactions~~
1381 ~~described in Subsection (4)(b)(ii) that are reported to the commission for that month within~~
1382 ~~each local taxing jurisdiction as compared to the total revenues generated by the transactions~~
1383 ~~described in Subsection (4)(b)(ii) that are reported to the commission for that month within the~~
1384 ~~state:]~~

1385 ~~[(ii) Subsection (4)(g)(i) applies to a transaction involving a purchase of direct mail if~~
1386 ~~the purchaser of the direct mail provides to the seller the form described in Subsection~~
1387 ~~59-12-107.3(1)(a) at the time of the purchase of the direct mail.]~~

1388 ~~[(h) Notwithstanding Subsection (4)(b), for a transaction involving the sale of a service~~
1389 ~~described in Section 59-12-207.4, the location where the transaction is consummated is the~~
1390 ~~same as the location of the transaction determined under Section 59-12-207.4.]~~

1391 ~~[(5) (a) For a transaction that is reported to the commission on a simplified electronic~~
1392 ~~return, the location where the transaction is consummated is determined in accordance with~~
1393 ~~Subsections (5)(b) through (e).]~~

1394 ~~[(b) (i) Except as provided in Subsections (5)(c) through (e), the location where a~~
1395 ~~transaction is consummated is determined by allocating the total revenues reported to the~~
1396 ~~commission each month on the simplified electronic return:]~~

1397 ~~[(A) to local taxing jurisdictions; and]~~

1398 ~~[(B) on the basis of the proportion of the total revenues generated by the transactions~~
1399 ~~described in Subsection (4)(b)(ii) that are reported to the commission in accordance with~~
1400 ~~Subsection (5)(b)(ii) for that month within each local taxing jurisdiction as compared to the~~
1401 ~~total revenues generated by the transactions described in Subsection (4)(b)(ii) that are reported~~

to the commission in accordance with Subsection (5)(b)(ii) for that month within the state.]

~~[(ii) In making the allocations required by Subsection (5)(b)(i), the commission shall use the total revenues generated by the transactions described in Subsection (4)(b)(ii) reported to the commission:]~~

~~[(A) in the report required by Subsection 59-12-105(2); and]~~

~~[(B) if a local taxing jurisdiction reports revenues to the commission in accordance with Subsection (5)(b)(iii), in the report made in accordance with Subsection (5)(b)(iii).]~~

~~[(iii) (A) For purposes of this Subsection (5)(b), a local taxing jurisdiction may report to the commission the revenues generated by a tax imposed by this chapter within the local taxing jurisdiction if a seller:]~~

~~[(F) opens an additional place of business within the local taxing jurisdiction after the seller makes an initial application for a license under Section 59-12-106; and]~~

~~[(H) estimates that the additional place of business will increase by 5% or more the revenues generated by a tax imposed by this chapter within the local taxing jurisdiction.]~~

~~[(B) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may make rules providing procedures and requirements for making the report described in this Subsection (5)(b).]~~

~~[(c) (i) Notwithstanding Subsection (5)(b), for a transaction described in Subsection (5)(c)(ii), the location where the transaction is consummated is determined by allocating the total revenues reported to the commission each month that are generated by the tax imposed under this section on the transactions described in Subsection (5)(c)(ii):]~~

~~[(A) to local taxing jurisdictions within a county; and]~~

~~[(B) on the basis of the proportion of the total revenues generated by the transactions described in Subsection (4)(b)(ii) that are reported to the commission for that month within a local taxing jurisdiction within that county as compared to the total revenues generated by the transactions described in Subsection (4)(b)(ii) that are reported to the commission for that month within all local taxing jurisdictions within that county.]~~

~~[(ii) Subsection (5)(c)(i) applies to a transaction:]~~

1430 ~~[(A) made from a location in the state other than a fixed place of business in the state;~~
1431 or]

1432 ~~[(B) (I) made by a seller described in Subsection 59-12-107(1)(a); and]~~
1433 ~~[(H) involving tangible personal property that is shipped from outside the state.]~~

1434 ~~[(d) Notwithstanding Subsection (5)(b), for a transaction made by a seller described in~~
1435 ~~Subsection 59-12-107(1)(b), the location where the transaction is consummated is determined~~
1436 ~~by allocating the total revenues remitted to the commission each month that are generated by~~
1437 ~~the tax imposed under this section on the transactions made by a seller described in Subsection~~
1438 ~~59-12-107(1)(b):]~~

1439 ~~[(i) to each local taxing jurisdiction; and]~~
1440 ~~[(ii) on the basis of the population of each local taxing jurisdiction as compared to the~~
1441 ~~population of the state:]~~

1442 ~~[(e) (i) Notwithstanding Subsection (5)(b), for a transaction described in Subsection~~
1443 ~~(5)(e)(ii), the location where the transaction is consummated is determined by allocating the~~
1444 ~~total revenues reported to the commission each month that are generated by the tax imposed~~
1445 ~~under this section on the transactions described in Subsection (5)(e)(ii):]~~

1446 ~~[(A) to local taxing jurisdictions; and]~~
1447 ~~[(B) on the basis of the proportion of the total revenues generated by the transactions~~
1448 ~~described in Subsection (4)(b)(ii) that are reported to the commission for that month within~~
1449 ~~each local taxing jurisdiction as compared to the total revenues generated by the transactions~~
1450 ~~described in Subsection (4)(b)(ii) that are reported to the commission for that month within the~~
1451 ~~state:]~~

1452 ~~[(ii) Subsection (5)(e)(i) applies to a transaction involving tangible personal property~~
1453 ~~purchased with a direct payment permit in accordance with Section 59-12-107.1:]~~

1454 ~~[(6) For purposes of Subsections (4) and (5) and in accordance with Title 63, Chapter~~
1455 ~~46a, Utah Administrative Rulemaking Act, the commission may make rules defining what~~
1456 ~~constitutes a fixed place of business in the state:]~~

1457 ~~[(7)]~~ (3) (a) ~~[Notwithstanding Subsection (2), a]~~ A county, city, or town may not

1458 receive a tax revenue distribution less than .75% of the taxable sales within the boundaries of
1459 the county, city, or town.

1460 (b) The commission shall proportionally reduce [~~quarterly~~] monthly distributions to
1461 any county, city, or town that, but for the reduction, would receive a distribution in excess of
1462 1% of the sales and use tax revenue collected within the boundaries of the county, city, or
1463 town.

1464 (4) Notwithstanding Subsection (2), if a county, city, or town imposes a tax authorized
1465 by this part on any amounts paid or charged by a seller that collects a tax in accordance with
1466 Subsection 59-12-107(1)(b), the revenues generated by the tax shall be distributed as provided
1467 in Subsection 59-12-103(3)(c).

1468 [~~(8)~~] (5) (a) Population figures for purposes of this section shall be based on the most
1469 recent official census or census estimate of the United States Census Bureau.

1470 (b) If a needed population estimate is not available from the United States Census
1471 Bureau, population figures shall be derived from the estimate from the Utah Population
1472 Estimates Committee created by executive order of the governor.

1473 [~~(9)~~] (6) The population of a county for purposes of this section shall be determined
1474 solely from the unincorporated area of the county.

1475 Section 15. Section **59-12-207.4** is amended to read:

1476 **59-12-207.4. Location of transaction involving telephone service or other**
1477 **communication service.**

1478 (1) As used in this section:

1479 (a) "Air-to-ground radiotelephone service" means a radio service:

1480 (i) as defined in 47 C.F.R. Sec. 22.99; and

1481 (ii) for which a common carrier is authorized to offer and provide radio
1482 telecommunications service:

1483 (A) for hire; and

1484 (B) to a subscriber in an aircraft.

1485 (b) "Call-by-call basis" means a method of charging for telephone service that is

1486 measured by individual calls.

1487 (c) "Communications channel" means a physical or virtual path of communications
1488 over which a signal is transmitted between or among customer channel termination points.

1489 (d) (i) Subject to Subsection (1)(d)(ii), "customer" means:

1490 (A) a person that is obligated under a contract with a telephone service provider to pay
1491 for telephone service received under the contract; or

1492 (B) if the end user is not the person described in Subsection (1)(d)(i)(A), the end user
1493 of telephone service.

1494 (ii) "Customer" does not include a reseller:

1495 (A) of telephone service; or

1496 (B) for mobile telecommunications service, of a serving carrier under an agreement to
1497 serve a customer outside the home service provider's licensed service area.

1498 (e) "Customer channel termination point" means the location where a customer:

1499 (i) inputs communications; or

1500 (ii) receives communications.

1501 (f) "End user" means:

1502 (i) an individual who uses a telephone service; or

1503 (ii) for telephone service provided to a person who is not an individual, an individual
1504 who uses a telephone service on behalf of the person who is provided the telephone service.

1505 (g) "Home service provider" is as defined in the Mobile Telecommunications Sourcing
1506 Act, 4 U.S.C. Sec. 124.

1507 (h) "Place of primary use":

1508 (i) for telephone service other than mobile telecommunications service, means the
1509 street address representative of where a customer's use of the telephone service primarily
1510 occurs, which shall be:

1511 (A) the residential street address of the customer; or

1512 (B) the primary business street address of the customer; or

1513 (ii) for mobile telecommunications service, is as defined in the Mobile

1514 Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

1515 (i) (i) "Postpaid calling service" means a telephone service obtained by making a
1516 payment on a call-by-call basis:

1517 (A) through the use of a:

1518 (I) credit card;

1519 (II) bank card;

1520 (III) travel card; or

1521 (IV) debit card; or

1522 (B) by a charge made to a telephone number that is not associated with the origination
1523 or termination of the telephone service.

1524 (ii) "Postpaid calling service" includes a telephone service that would be a prepaid
1525 calling service if the service were exclusively a telephone service.

1526 (j) "Prepaid calling service" means a telephone service:

1527 (i) that allows a purchaser access to exclusively telephone service;

1528 (ii) that:

1529 (A) must be paid for in advance; and

1530 (B) enables the origination of calls using an:

1531 (I) access number; or

1532 (II) authorization code;

1533 (iii) dialed:

1534 (A) manually; or

1535 (B) electronically; and

1536 (iv) sold in predetermined units or dollars that decline:

1537 (A) by a known amount; and

1538 (B) with use.

1539 (k) (i) (A) Subject to Subsection (1)(k)(i)(B), "private communication service" means a
1540 telephone service that entitles a customer to exclusive or priority use of a communications
1541 channel or group of communications channels between or among termination points.

1542 (B) The determination of whether a telephone service is a private communication
1543 service may not be based on the manner in which the communications channels or group of
1544 communications channels are connected.

1545 (ii) "Private communication service" includes the following services provided in
1546 connection with the use of a communications channel or group of communications channels:

1547 (A) switching capacity;

1548 (B) an extension line; or

1549 (C) a station.

1550 (l) Notwithstanding where a call is billed or paid, "service address" means:

1551 (i) if the location of where a call is billed or paid is known, the location of the
1552 telecommunications equipment:

1553 (A) to which a customer's call is charged; and

1554 (B) from which the call:

1555 (I) originates; or

1556 (II) terminates;

1557 (ii) if the location of where a call is billed or paid is not known but the location of the
1558 origination point of the signal of the telephone service is known, the location of the origination
1559 point of the signal of the telephone service first identified by:

1560 (A) the telecommunications system of the telephone service provider; or

1561 (B) if the system used to transport the signal of the telephone service is not a system of
1562 the telephone service provider, information received by the telephone service provider from the
1563 telephone service provider's telephone service provider; or

1564 (iii) if the following are not known, the location of a customer's place of primary use:

1565 (A) the location of where a call is billed or paid; and

1566 (B) the location of the origination point of the signal of the telephone service.

1567 (2) Except as provided in Subsection (4) [~~and subject to Subsection 59-12-207.1(7)~~],
1568 the location of a sale of a telephone service sold on a call-by-call basis is:

1569 (a) the location at which the call originates and terminates; or

1570 (b) the location at which:

1571 (i) the call:

1572 (A) originates; or

1573 (B) terminates; and

1574 (ii) the service address is located.

1575 (3) Except as provided in Subsection (4), ~~[and subject to Subsection 59-12-207.1(7);]~~

1576 the location of a sale of a telephone service sold on a basis other than a call-by-call basis is the
1577 customer's place of primary use.

1578 (4) Notwithstanding Subsection (2) or (3) ~~[; and subject to Subsection 59-12-207.1(7)]~~:

1579 (a) the location of a sale of a mobile telecommunications service, other than an
1580 air-to-ground radiotelephone service or a prepaid calling service, is the location required by the
1581 Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; and

1582 (b) the location of a sale of a postpaid calling service is the origination point of the
1583 telecommunications signal as first identified by:

1584 (i) the seller's telecommunications system; or

1585 (ii) if the system used to transport the telecommunications signal is not that of the
1586 seller, information received by the seller from the seller's telephone service provider ~~[; and]~~.

1587 ~~[(c)(i) except as provided in Subsection (4)(c)(ii), the location of a sale of a prepaid~~
1588 ~~calling service is the location determined under Section 59-12-207.1; and]~~

1589 ~~[(ii) notwithstanding Subsection (4)(c)(i), for purposes of Subsection 59-12-207.1(5);~~
1590 ~~the location of a sale of a prepaid calling service that is a mobile telecommunications service~~
1591 ~~shall include the location of the mobile telephone number.]~~

1592 (5) ~~[Subject to Subsection 59-12-207.1(7), the]~~ The location of a sale of a private
1593 communication service is:

1594 (a) if all of the customer channel termination points are located entirely within one

1595 ~~[local taxing jurisdiction]~~ county, city, or town, the location of the sale is the ~~[local taxing~~

1596 ~~jurisdiction]~~ county, city, or town in which all of the customer channel termination points are
1597 located;

(b) if a charge for a service related to a customer channel termination point is separately stated, the location of the sale is the location in which the customer channel termination point is located;

(c) if a charge for service for a segment of a channel between two customer channel termination points located in different ~~[local taxing jurisdictions]~~ counties, cities, or towns is separately stated, the location of the sale is each ~~[local taxing jurisdiction]~~ county, city, or town:

(i) in which the customer channel termination points are located; and

(ii) in equal proportions; and

(d) if a charge for service for a segment of a channel located in more than one ~~[taxing jurisdiction]~~ county, city, or town is not separately stated, the location of the sale is:

(i) each ~~[local taxing jurisdiction]~~ county, city, or town in which a segment of the channel is located; and

(ii) in proportion to the percentage of customer channel termination points in each ~~[local taxing jurisdiction]~~ county, city, or town compared to the total customer channel termination points in all ~~[local taxing jurisdictions]~~ counties, cities, and towns.

Section 16. Section **59-12-210** is amended to read:

59-12-210. Commission to provide data to counties.

(1) (a) The commission shall provide to each county the sales and use tax collection data necessary to verify that the local sales and use tax revenues collected by the commission are distributed to each county, city, and town in accordance with Sections 59-12-205, 59-12-206, 59-12-207, and ~~[59-12-207.1 through]~~ 59-12-207.4.

(b) The data described in Subsection (1)(a) shall include the commission's reports of seller sales, sales and use tax distribution reports, and a breakdown of local revenues.

(2) (a) In addition to the access to information provided in Subsection (1) and Section 59-12-109, the commission shall provide a county, city, or town with copies of returns and other information required by this chapter relating to a tax under this chapter.

(b) The information described in Subsection (2)(a) is available only in official matters

and must be requested in writing by the chief executive officer or the chief executive officer's designee.

(c) The request described in Subsection (2)(b) shall specifically indicate the information being sought and how the information will be used.

(d) Information received pursuant to the request described in Subsection (2)(b) shall be:

(i) classified as private or protected under Section 63-2-302 or 63-2-304; and

(ii) subject to the confidentiality provisions of Section 59-1-403.

Section 17. Section **59-12-302** is amended to read:

59-12-302. Collection of tax -- Administrative fee -- Penalties -- Commission to interpret, audit, and adjudicate transient room tax.

(1) (a) Except as provided in Subsection (1)(b) or (c), the tax authorized under this part shall be administered, collected, and enforced in accordance with:

(i) the same procedures used to administer, collect, and enforce the tax under:

(A) Part 1, Tax Collection; or

(B) Part 2, Local Sales and Use Tax Act; and

(ii) Chapter 1, General Taxation Policies.

(b) (i) Notwithstanding Section 59-12-206, each county may collect the tax imposed by the county and need not transmit the tax to the commission or contract with the commission to collect the tax.

(ii) The amount of tax collected shall be reported to the commission as provided in ~~[Subsection 59-12-207.1(13)]~~ Section 59-12-207.

(c) ~~[Notwithstanding Subsection (1)(a), a]~~ A tax under this part is not subject to ~~[(i) Sections 59-12-107.1 through 59-12-107.3; (ii) Sections 59-12-207.1 through 59-12-207.4;] or [(iii)]~~ Subsections 59-12-205(2) through ~~[(9)]~~ (6).

(d) (i) If the commission collects a tax under this part, the commission:

(A) except as provided in Subsection (1)(d)(i)(B), shall distribute the revenues generated by the tax to the county within which the revenues were generated; and

1654 (B) notwithstanding Subsection (1)(d)(i)(A), may retain an amount of tax collected
1655 under this part of not to exceed the lesser of:

1656 (I) 1.5%; or

1657 (II) an amount equal to the cost to the commission of administering this part.

1658 (ii) Any amount the commission retains under Subsection (1)(d)(i)(B) shall be:

1659 (A) placed in the Sales and Use Tax Administrative Fees Account; and

1660 (B) used as provided in Subsection 59-12-206(2).

1661 (2) (a) The tax ordinance adopted by a county pursuant to Section 59-12-301 may
1662 include provisions for the imposition of penalties and interest if a person or entity required to
1663 pay a tax under this part fails to timely remit the tax to the collecting agent.

1664 (b) A county legislative body may not establish penalties and interest by ordinance that
1665 exceed the penalties and interest rates authorized for the commission in Sections 59-1-401 and
1666 59-1-402.

1667 (3) A county may adopt an ordinance imposing penalties and interest under Subsection
1668 (2) only if the county does not contract with the commission to collect the tax.

1669 (4) If a county elects to collect the tax as provided in Subsection (1), the commission
1670 shall interpret, audit, and adjudicate the tax imposed under this part.

1671 Section 18. Section **59-12-354** is amended to read:

1672 **59-12-354. Collection of tax -- Administrative fee -- Penalties -- Commission to**
1673 **interpret, audit, and adjudicate transient room tax.**

1674 (1) Except as provided in Subsections (2) and (3), the tax authorized under this part
1675 shall be administered, collected, and enforced in accordance with:

1676 (a) the same procedures used to administer, collect, and enforce the tax under:

1677 (i) Part 1, Tax Collection; or

1678 (ii) Part 2, Local Sales and Use Tax Act; and

1679 (b) Chapter 1, General Taxation Policies.

1680 (2) Notwithstanding Section 59-12-206, a municipality imposing a tax under this part:

1681 (a) may collect the tax and is not required to:

1682 (i) transmit revenues generated by the tax to the commission; or
1683 (ii) contract with the commission to collect the tax;
1684 (b) shall report the revenues it collects to the commission as provided in [Subsection
1685 ~~59-12-207.1(13)] Section 59-12-207; and~~
1686 (c) subject to the limitations of Subsections (4) and (5), may adopt an ordinance
1687 imposing penalties and interest on a person who:
1688 (i) is required to pay the tax under this part; and
1689 (ii) does not remit the tax to the collecting agent in a timely manner.
1690 (d) (i) If the commission collects a tax under this part, the commission:
1691 (A) except as provided in Subsection (2)(d)(i)(B), shall distribute the revenues
1692 generated by the tax to the municipality within which the revenues were generated; and
1693 (B) notwithstanding Subsection (2)(d)(i)(A), may retain an amount of tax collected
1694 under this part of not to exceed the lesser of:
1695 (I) 1.5%; or
1696 (II) an amount equal to the cost to the commission of administering this part.
1697 (ii) Any amount the commission retains under Subsection (2)(d)(i)(B) shall be:
1698 (A) placed in the Sales and Use Tax Administrative Fees Account; and
1699 (B) used as provided in Subsection 59-12-206(2).
1700 (3) [~~Notwithstanding Subsection (1)(a), the~~] A tax under this part is not subject to [~~:(a)-~~
1701 ~~Sections] Section 59-12-107.1 [through 59-12-107.3; (b)] or Subsections 59-12-205(2) through~~
1702 ~~[(9); or (c) Sections 59-12-207.1 through 59-12-207.4] (6).~~
1703 (4) A governing body of a municipality adopting an ordinance imposing penalties and
1704 interest under Subsection (2)(c) may impose penalties and interest in amounts that are less than
1705 or equal to the penalties and interest rates authorized for the commission under Sections
1706 59-1-401 and 59-1-402.
1707 (5) A municipality may adopt an ordinance imposing penalties and interest under
1708 Subsection (2)(c) only if the municipality does not contract with the commission to collect the
1709 tax.

(6) If a municipality elects to collect the tax as provided in Subsection (2), the commission shall interpret, audit, and adjudicate the tax imposed under this part.

Section 19. Section **59-12-401** (See **59-1-1201 re: Eff**) is amended to read:

59-12-401 (See 59-1-1201 re: Eff). Resort communities tax -- Base -- Rate -- Collection fees.

(1) (a) [~~Except as provided in Subsections (1)(b) and 59-12-207.1(7)(c), and in~~] In addition to other sales and use taxes, a city or town in which the transient room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the municipality's permanent census population may impose a sales and use tax of up to 1% on the transactions described in Subsection 59-12-103(1) located within the city or town.

(b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this section on:

(i) the sale of:

(A) a motor vehicle;

(B) an aircraft;

(C) a watercraft;

(D) a modular home;

(E) a manufactured home; or

(F) a mobile home; [~~or~~]

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

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

(c) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with [~~Sections 59-12-207.1 through 59-12-207.4~~] Section 59-12-207.

(2) (a) An amount equal to the total of any costs incurred by the state in connection with the implementation of Subsection (1) which exceed, in any year, the revenues received by the state from its collection fees received in connection with the implementation of Subsection

(1) shall be paid over to the state General Fund by the cities and towns which impose the tax provided for in Subsection (1).

(b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among those cities and towns according to the amount of revenue the respective cities and towns generate in that year through imposition of that tax.

Section 20. Section **59-12-402** (See **59-1-1201 re: Eff**) is amended to read:

59-12-402 (See **59-1-1201 re: Eff**). **Additional resort communities sales and use tax -- Base -- Rate -- Collection fees -- Resolution and voter approval requirements -- Election requirements -- Notice requirements -- Ordinance requirements.**

(1) (a) [~~Except as provided in Subsections (1)(b) and 59-12-207.1(7)(c), and subject to the limitations of~~] Subject to Subsections (2) through (6), the governing body of a municipality in which the transient room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the municipality's permanent census population may, in addition to the sales tax authorized under Section 59-12-401, impose an additional resort communities sales tax in an amount that is less than or equal to .5% on the transactions described in Subsection 59-12-103(1) located within the municipality.

(b) Notwithstanding Subsection (1)(a), the governing body of a municipality may not impose a tax under this section on:

(i) the sale of:

(A) a motor vehicle;

(B) an aircraft;

(C) a watercraft;

(D) a modular home;

(E) a manufactured home; or

(F) a mobile home; [~~or~~]

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

(iii) any amounts paid or charged by a seller that collects a tax under Subsection

1766 59-12-107(1)(b).

1767 (c) For purposes of this Subsection (1), the location of a transaction shall be
1768 determined in accordance with [~~Sections 59-12-207.1 through 59-12-207.4~~] Section 59-12-207.

1769 (2) (a) An amount equal to the total of any costs incurred by the state in connection
1770 with the implementation of Subsection (1) which exceed, in any year, the revenues received by
1771 the state from its collection fees received in connection with the implementation of Subsection
1772 (1) shall be paid over to the state General Fund by the cities and towns which impose the tax
1773 provided for in Subsection (1).

1774 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among
1775 those cities and towns according to the amount of revenue the respective cities and towns
1776 generate in that year through imposition of that tax.

1777 (3) To impose an additional resort communities sales tax under this section, the
1778 governing body of the municipality shall:

1779 (a) pass a resolution approving the tax; and

1780 (b) except as provided in Subsection (6), obtain voter approval for the tax as provided
1781 in Subsection (4).

1782 (4) To obtain voter approval for an additional resort communities sales tax under
1783 Subsection (3)(b), a municipality shall:

1784 (a) hold the additional resort communities sales tax election during:

1785 (i) a regular general election; or

1786 (ii) a municipal general election; and

1787 (b) publish notice of the election:

1788 (i) 15 days or more before the day on which the election is held; and

1789 (ii) in a newspaper of general circulation in the municipality.

1790 (5) An ordinance approving an additional resort communities sales tax under this
1791 section shall provide an effective date for the tax as provided in Section 59-12-403.

1792 (6) (a) Except as provided in Subsection (6)(b), a municipality is not subject to the
1793 voter approval requirements of Subsection (3)(b) if, on or before January 1, 1996, the

1794 municipality imposed a license fee or tax on businesses based on gross receipts pursuant to
1795 Section 10-1-203.

1796 (b) The exception from the voter approval requirements in Subsection (6)(a) does not
1797 apply to a municipality that, on or before January 1, 1996, imposed a license fee or tax on only
1798 one class of businesses based on gross receipts pursuant to Section 10-1-203.

1799 Section 21. Section **59-12-403** is amended to read:

1800 **59-12-403. Enactment or repeal of tax -- Tax rate change -- Effective date --**

1801 **Notice requirements -- Administration, collection, and enforcement of tax.**

1802 (1) For purposes of this section:

1803 (a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
1804 4, Annexation.

1805 (b) "Annexing area" means an area that is annexed into a city or town.

1806 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after July 1, 2004, a city
1807 or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
1808 repeal, or change shall take effect:

1809 (i) on the first day of a calendar quarter; and

1810 (ii) after a 90-day period beginning on the date the commission receives notice meeting
1811 the requirements of Subsection (2)(b) from the city or town.

1812 (b) The notice described in Subsection (2)(a)(ii) shall state:

1813 (i) that the city or town will enact or repeal a tax or change the rate of a tax under this
1814 part;

1815 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);

1816 (iii) the effective date of the tax described in Subsection (2)(b)(i); and

1817 (iv) if the city or town enacts the tax or changes the rate of the tax described in
1818 Subsection (2)(b)(i), the rate of the tax.

1819 (c) (i) Notwithstanding Subsection (2)(a), for a transaction described in Subsection
1820 (2)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
1821 first billing period:

1822 (A) that begins after the effective date of the enactment of the tax or the tax rate
1823 increase; and

1824 (B) if the billing period for the transaction begins before the effective date of the
1825 enactment of the tax or the tax rate increase imposed under:

1826 (I) Section 59-12-401; or
1827 (II) Section 59-12-402.

1828 (ii) Notwithstanding Subsection (2)(a), for a transaction described in Subsection
1829 (2)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
1830 billing period:

1831 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
1832 and

1833 (B) if the billing period for the transaction begins before the effective date of the repeal
1834 of the tax or the tax rate decrease imposed under:

1835 (I) Section 59-12-401; or
1836 (II) Section 59-12-402.

1837 (iii) Subsections (2)(c)(i) and (ii) apply to transactions subject to a tax under:

1838 (A) Subsection 59-12-103(1)(b);
1839 (B) Subsection 59-12-103(1)(c);
1840 (C) Subsection 59-12-103(1)(d);
1841 (D) Subsection 59-12-103(1)(e);
1842 (E) Subsection 59-12-103(1)(f);
1843 (F) Subsection 59-12-103(1)(g);
1844 (G) Subsection 59-12-103(1)(h);
1845 (H) Subsection 59-12-103(1)(i);
1846 (I) Subsection 59-12-103(1)(j); or
1847 (J) Subsection 59-12-103(1)(k).

1848 (d) (i) Notwithstanding Subsection (2)(a), if a tax due under this chapter on a catalogue
1849 sale is computed on the basis of sales and use tax rates published in the catalogue, an

1850 enactment, repeal, or change in the rate of a tax described in Subsection (2)(a) takes effect:
1851 (A) on the first day of a calendar quarter; and
1852 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
1853 rate of the tax under Subsection (2)(a).
1854 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1855 the commission may by rule define the term "catalogue sale."
1856 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs
1857 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
1858 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
1859 effect:
1860 (i) on the first day of a calendar quarter; and
1861 (ii) after a 90-day period beginning on the date the commission receives notice meeting
1862 the requirements of Subsection (3)(b) from the city or town that annexes the annexing area.
1863 (b) The notice described in Subsection (3)(a)(ii) shall state:
1864 (i) that the annexation described in Subsection (3)(a) will result in an enactment,
1865 repeal, or change in the rate of a tax under this part for the annexing area;
1866 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);
1867 (iii) the effective date of the tax described in Subsection (3)(b)(i); and
1868 (iv) if the city or town enacts the tax or changes the rate of the tax described in
1869 Subsection (3)(b)(i), the rate of the tax.
1870 (c) (i) Notwithstanding Subsection (3)(a), for a transaction described in Subsection
1871 (3)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
1872 first billing period:
1873 (A) that begins after the effective date of the enactment of the tax or the tax rate
1874 increase; and
1875 (B) if the billing period for the transaction begins before the effective date of the
1876 enactment of the tax or the tax rate increase imposed under:
1877 (I) Section 59-12-401; or

1878 (II) Section 59-12-402.

1879 (ii) Notwithstanding Subsection (3)(a), for a transaction described in Subsection

1880 (3)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last

1881 billing period:

1882 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;

1883 and

1884 (B) if the billing period for the transaction begins before the effective date of the repeal

1885 of the tax or the tax rate decrease imposed under:

1886 (I) Section 59-12-401; or

1887 (II) Section 59-12-402.

1888 (iii) Subsections (3)(c)(i) and (ii) apply to transactions subject to a tax under:

1889 (A) Subsection 59-12-103(1)(b);

1890 (B) Subsection 59-12-103(1)(c);

1891 (C) Subsection 59-12-103(1)(d);

1892 (D) Subsection 59-12-103(1)(e);

1893 (E) Subsection 59-12-103(1)(f);

1894 (F) Subsection 59-12-103(1)(g);

1895 (G) Subsection 59-12-103(1)(h);

1896 (H) Subsection 59-12-103(1)(i);

1897 (I) Subsection 59-12-103(1)(j); or

1898 (J) Subsection 59-12-103(1)(k).

1899 (d) (i) Notwithstanding Subsection (3)(a), if a tax due under this chapter on a catalogue

1900 sale is computed on the basis of sales and use tax rates published in the catalogue, an

1901 enactment, repeal, or change in the rate of a tax described in Subsection (3)(a) takes effect:

1902 (A) on the first day of a calendar quarter; and

1903 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the

1904 rate of the tax under Subsection (3)(a).

1905 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,

1906 the commission may by rule define the term "catalogue sale."

1907 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be
1908 administered, collected, and enforced in accordance with:

1909 (i) the same procedures used to administer, collect, and enforce the tax under:

1910 (A) Part 1, Tax Collection; or

1911 (B) Part 2, Local Sales and Use Tax Act; and

1912 (ii) Chapter 1, General Taxation Policies.

1913 (b) Notwithstanding Subsection (4)(a), a tax under this part is not subject to

1914 Subsections 59-12-205(2) through ~~(4)~~ (6).

1915 Section 22. Section **59-12-501 (See 59-1-1201 re: Eff)** is amended to read:

1916 **59-12-501 (See 59-1-1201 re: Eff). Public transit tax -- Base -- Rate -- Voter**
1917 **approval.**

1918 (1) (a) (i) ~~[Except as provided in Subsections (1)(a)(ii) and 59-12-207.1(7)(c), in]~~ In

1919 addition to other sales and use taxes, any county, city, or town within a transit district

1920 organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act, may impose a

1921 sales and use tax of up to .25% on the transactions described in Subsection 59-12-103(1)

1922 located within the county, city, or town, to fund a public transportation system.

1923 (ii) Notwithstanding Subsection (1)(a)(i), a county, city, or town may not impose a tax
1924 under this section on:

1925 (A) the sales and uses described in Section 59-12-104 to the extent the sales and uses
1926 are exempt from taxation under Section 59-12-104[-]; and

1927 (B) any amounts paid or charged by a seller that collects a tax under Subsection
1928 59-12-107(1)(b).

1929 (b) For purposes of this Subsection (1), the location of a transaction shall be

1930 determined in accordance with ~~[Sections 59-12-207.1 through 59-12-207.4]~~ Section 59-12-207.

1931 (c) (i) A county, city, or town may impose a tax under this section only if the governing

1932 body of the county, city, or town, by resolution, submits the proposal to all the qualified voters

1933 within the county, city, or town for approval at a general or special election conducted in the

1934 manner provided by statute.

1935 (ii) An election under Subsection 17B-2-512(3)(a)(ii) approving the annexation of an
1936 area to a public transit district or local district and approving for that annexed area the sales and
1937 use tax authorized by this section satisfies the election requirement of Subsection (1)(c)(i) for
1938 the area to be annexed to the public transit district or local district.

1939 (2) (a) If only a portion of a county is included within a public transit district, the
1940 proposal may be submitted only to the qualified voters residing within the boundaries of the
1941 proposed or existing public transit district.

1942 (b) Notice of any such election shall be given by the county, city, or town governing
1943 body 15 days in advance in the manner prescribed by statute.

1944 (c) If a majority of the voters voting in such election approve the proposal, it shall
1945 become effective on the date provided by the county, city, or town governing body.

1946 (3) This section may not be construed to require an election in jurisdictions where
1947 voters have previously approved a public transit sales or use tax.

1948 Section 23. Section **59-12-502 (See 59-1-1201 re: Eff)** is amended to read:

1949 **59-12-502 (See 59-1-1201 re: Eff). Additional public transit tax for expanded**
1950 **system and fixed guideway and interstate improvements -- Base -- Rate -- Voter approval.**

1951 (1) (a) (i) [~~Except as provided in Subsections (1)(a)(ii) and 59-12-207.1(7)(c), and in~~]
1952 In addition to other sales and use taxes, including the public transit district tax authorized by
1953 Section 59-12-501, a county, city, or town within a transit district organized under Title 17A,
1954 Chapter 2, Part 10, Utah Public Transit District Act, may impose a sales and use tax of .25% on
1955 the transactions described in Subsection 59-12-103(1) located within the county, city, or town,
1956 to fund a fixed guideway and expanded public transportation system.

1957 (ii) Notwithstanding Subsection (1)(a)(i), a county, city, or town may not impose a tax
1958 under this section on:

1959 (A) the sales and uses described in Section 59-12-104 to the extent the sales and uses
1960 are exempt from taxation under Section 59-12-104[-]; and

1961 (B) any amounts paid or charged by a seller that collects a tax under Subsection

1962 59-12-107(1)(b).

1963 (b) For purposes of this Subsection (1), the location of a transaction shall be
1964 determined in accordance with [~~Sections 59-12-207.1 through 59-12-207.4~~] Section 59-12-207.

1965 (c) (i) A county, city, or town may impose the tax under this section only if the
1966 governing body of the county, city, or town submits, by resolution, the proposal to all the
1967 qualified voters within the county, city, or town for approval at a general or special election
1968 conducted in the manner provided by statute.

1969 (ii) Notice of the election under Subsection (1)(c)(i) shall be given by the county, city,
1970 or town governing body 15 days in advance in the manner prescribed by statute.

1971 (2) If the majority of the voters voting in this election approve the proposal, it shall
1972 become effective on the date provided by the county, city, or town governing body.

1973 (3) (a) This section may not be construed to require an election in jurisdictions where
1974 voters have previously approved a public transit sales or use tax.

1975 (b) This section shall be construed to require an election to impose the sales and use
1976 tax authorized by this section, including jurisdictions where the voters have previously
1977 approved the sales and use tax authorized by Section 59-12-501, but this section may not be
1978 construed to affect the sales and use tax authorized by Section 59-12-501.

1979 (4) No public funds shall be spent to promote the required election.

1980 (5) Notwithstanding the designated use of revenues in Subsection (1), of the revenues
1981 generated by the tax imposed under this section by any county of the first class:

1982 (a) 75% shall be allocated to fund a fixed guideway and expanded public transportation
1983 system; and

1984 (b) 25% shall be allocated to fund new construction, major renovations, and
1985 improvements to Interstate 15 and state highways within the county and to pay any debt service
1986 and bond issuance costs related to those projects.

1987 (6) A county of the first class may, through an interlocal agreement, authorize the
1988 deposit or transfer of the portion of the revenues described in Subsection (5)(b) to the Public
1989 Transportation System Tax Highway Fund created in Section 72-2-121.

1990 Section 24. Section **59-12-504** is amended to read:

1991 **59-12-504. Enactment or repeal of tax -- Effective date -- Notice requirements --**
1992 **Administration, collection, and enforcement of tax.**

1993 (1) For purposes of this section:

1994 (a) "Annexation" means an annexation to:

1995 (i) a county under Title 17, Chapter 2, Annexation to County; or

1996 (ii) a city or town under Title 10, Chapter 2, Part 4, Annexation.

1997 (b) "Annexing area" means an area that is annexed into a county, city, or town.

1998 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after July 1, 2004, a
1999 county, city, or town enacts or repeals a tax under this part, the enactment or repeal shall take
2000 effect:

2001 (i) on the first day of a calendar quarter; and

2002 (ii) after a 90-day period beginning on the date the commission receives notice meeting
2003 the requirements of Subsection (2)(b) from the county, city, or town.

2004 (b) The notice described in Subsection (2)(a)(ii) shall state:

2005 (i) that the county, city, or town will enact or repeal a tax under this part;

2006 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);

2007 (iii) the effective date of the tax described in Subsection (2)(b)(i); and

2008 (iv) if the county, city, or town enacts the tax described in Subsection (2)(b)(i), the rate
2009 of the tax.

2010 (c) (i) Notwithstanding Subsection (2)(a), for a transaction described in Subsection
2011 (2)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

2012 (A) that begins after the effective date of the enactment of the tax; and

2013 (B) if the billing period for the transaction begins before the effective date of the
2014 enactment of the tax under:

2015 (I) Section 59-12-501; or

2016 (II) Section 59-12-502.

2017 (ii) Notwithstanding Subsection (2)(a), for a transaction described in Subsection

2018 (2)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:
2019 (A) that began before the effective date of the repeal of the tax; and
2020 (B) if the billing period for the transaction begins before the effective date of the repeal
2021 of the tax imposed under:
2022 (I) Section 59-12-501; or
2023 (II) Section 59-12-502.
2024 (iii) Subsections (2)(c)(i) and (ii) apply to transactions subject to a tax under:
2025 (A) Subsection 59-12-103(1)(b);
2026 (B) Subsection 59-12-103(1)(c);
2027 (C) Subsection 59-12-103(1)(d);
2028 (D) Subsection 59-12-103(1)(e);
2029 (E) Subsection 59-12-103(1)(f);
2030 (F) Subsection 59-12-103(1)(g);
2031 (G) Subsection 59-12-103(1)(h);
2032 (H) Subsection 59-12-103(1)(i);
2033 (I) Subsection 59-12-103(1)(j); or
2034 (J) Subsection 59-12-103(1)(k).
2035 (d) (i) Notwithstanding Subsection (2)(a), if a tax due under this chapter on a catalogue
2036 sale is computed on the basis of sales and use tax rates published in the catalogue, an
2037 enactment or repeal of a tax described in Subsection (2)(a) takes effect:
2038 (A) on the first day of a calendar quarter; and
2039 (B) beginning 60 days after the effective date of the enactment or repeal under
2040 Subsection (2)(a).
2041 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2042 the commission may by rule define the term "catalogue sale."
2043 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs
2044 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
2045 part for an annexing area, the enactment or repeal shall take effect:

2046 (i) on the first day of a calendar quarter; and
2047 (ii) after a 90-day period beginning on the date the commission receives notice meeting
2048 the requirements of Subsection (3)(b) from the county, city, or town that annexes the annexing
2049 area.

2050 (b) The notice described in Subsection (3)(a)(ii) shall state:
2051 (i) that the annexation described in Subsection (3)(a) will result in an enactment or
2052 repeal of a tax under this part for the annexing area;
2053 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);
2054 (iii) the effective date of the tax described in Subsection (3)(b)(i); and
2055 (iv) the rate of the tax described in Subsection (3)(b)(i).

2056 (c) (i) Notwithstanding Subsection (3)(a), for a transaction described in Subsection
2057 (3)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing period:
2058 (A) that begins after the effective date of the enactment of the tax; and
2059 (B) if the billing period for the transaction begins before the effective date of the
2060 enactment of the tax under:
2061 (I) Section 59-12-501; or
2062 (II) Section 59-12-502.

2063 (ii) Notwithstanding Subsection (3)(a), for a transaction described in Subsection
2064 (3)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:
2065 (A) that began before the effective date of the repeal of the tax; and
2066 (B) if the billing period for the transaction begins before the effective date of the repeal
2067 of the tax imposed under:
2068 (I) Section 59-12-501; or
2069 (II) Section 59-12-502.

2070 (iii) Subsections (3)(c)(i) and (ii) apply to transactions subject to a tax under:
2071 (A) Subsection 59-12-103(1)(b);
2072 (B) Subsection 59-12-103(1)(c);
2073 (C) Subsection 59-12-103(1)(d);

2074 (D) Subsection 59-12-103(1)(e);
2075 (E) Subsection 59-12-103(1)(f);
2076 (F) Subsection 59-12-103(1)(g);
2077 (G) Subsection 59-12-103(1)(h);
2078 (H) Subsection 59-12-103(1)(i);
2079 (I) Subsection 59-12-103(1)(j); or
2080 (J) Subsection 59-12-103(1)(k).

2081 (d) (i) Notwithstanding Subsection (3)(a), if a tax due under this chapter on a catalogue
2082 sale is computed on the basis of sales and use tax rates published in the catalogue, an
2083 enactment or repeal of a tax described in Subsection (3)(a) takes effect:

2084 (A) on the first day of a calendar quarter; and
2085 (B) beginning 60 days after the effective date of the enactment or repeal under
2086 Subsection (3)(a).

2087 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2088 the commission may by rule define the term "catalogue sale."

2089 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be
2090 administered, collected, and enforced in accordance with:

2091 (i) the same procedures used to administer, collect, and enforce the tax under:
2092 (A) Part 1, Tax Collection; or
2093 (B) Part 2, Local Sales and Use Tax Act; and
2094 (ii) Chapter 1, General Taxation Policies.

2095 (b) Notwithstanding Subsection (4)(a), a tax under this part is not subject to
2096 Subsections 59-12-205(2) through ~~(4)~~ (6).

2097 Section 25. Section **59-12-603** is amended to read:

2098 **59-12-603. County tax -- Bases -- Rates -- Use of revenues -- Collection --**
2099 **Adoption of ordinance required -- Administration -- Distribution -- Enactment or repeal**
2100 **of tax or tax rate change -- Effective date -- Notice requirements.**

2101 (1) In addition to any other taxes, a county legislative body may, as provided in this

2102 part, impose a tax as follows:

2103 (a) (i) a county legislative body of any county may impose a tax of not to exceed 3% on
2104 all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases and
2105 rentals of motor vehicles made for the purpose of temporarily replacing a person's motor
2106 vehicle that is being repaired pursuant to a repair or an insurance agreement; and

2107 (ii) beginning on or after January 1, 1999, a county legislative body of any county
2108 imposing a tax under Subsection (1)(a)(i) may, in addition to imposing the tax under
2109 Subsection (1)(a)(i), impose a tax of not to exceed 4% on all short-term leases and rentals of
2110 motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made for
2111 the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to
2112 a repair or an insurance agreement;

2113 (b) a county legislative body of any county may impose a tax of not to exceed 1% of all
2114 sales of prepared foods and beverages that are sold by restaurants; and

2115 (c) a county legislative body of any county may impose a tax of not to exceed .5% on
2116 charges for the accommodations and services described in Subsection 59-12-103(1)(i).

2117 (2) (a) Subject to Subsection (2)(b), revenue from the imposition of the taxes provided
2118 for in Subsections (1)(a) through (c) may be used for the purposes of:

2119 (i) financing tourism promotion; and

2120 (ii) the development, operation, and maintenance of tourist, recreation, cultural, and
2121 convention facilities as defined in Section 59-12-602.

2122 (b) A county of the first class shall expend at least \$450,000 each year of the revenues
2123 from the imposition of a tax authorized by Subsection (1)(c) within the county to fund a
2124 marketing and ticketing system designed to:

2125 (i) promote tourism in ski areas within the county by persons that do not reside within
2126 the state; and

2127 (ii) combine the sale of:

2128 (A) ski lift tickets; and

2129 (B) accommodations and services described in Subsection 59-12-103(1)(i).

(3) The tax imposed under Subsection (1)(c) shall be in addition to the tax imposed under Part 3, Transient Room Tax, and may be imposed only by a county of the first class.

(4) A tax imposed under this part may be pledged as security for bonds, notes, or other evidences of indebtedness incurred by a county under Title 11, Chapter 14, Local Government Bonding Act, to finance tourism, recreation, cultural, and convention facilities.

(5) (a) In order to impose the tax under Subsection (1), each county legislative body shall annually adopt an ordinance imposing the tax.

(b) The ordinance under Subsection (5)(a) shall include provisions substantially the same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on those items and sales described in Subsection (1).

(c) The name of the county as the taxing agency shall be substituted for that of the state where necessary, and an additional license is not required if one has been or is issued under Section 59-12-106.

(6) In order to maintain in effect its tax ordinance adopted under this part, each county legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1, Tax Collection, adopt amendments to its tax ordinance to conform with the applicable amendments to Part 1, Tax Collection.

(7) (a) (i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part shall be administered, collected, and enforced in accordance with:

(A) the same procedures used to administer, collect, and enforce the tax under:

(I) Part 1, Tax Collection; or

(II) Part 2, Local Sales and Use Tax Act; and

(B) Chapter 1, General Taxation Policies.

(ii) ~~[Notwithstanding Subsection (7)(a)(i), a]~~ A tax under this part is not subject to ~~[(A) Sections 59-12-107.1 through 59-12-107.3; (B)]~~ or Subsections 59-12-205(2) through ~~[(9); or (C) Sections 59-12-207.1 through 59-12-207.4]~~ (6).

(b) Except as provided in Subsection (7)(c):

(i) for a tax under this part other than the tax under Subsection (1)(a)(ii), the

2158 commission shall distribute the revenues to the county imposing the tax; and

2159 (ii) for a tax under Subsection (1)(a)(ii), the commission shall distribute the revenues
2160 according to the distribution formula provided in Subsection (8).

2161 (c) Notwithstanding Subsection (7)(b), the commission shall deduct from the
2162 distributions under Subsection (7)(b) an administrative charge for collecting the tax as provided
2163 in Section 59-12-206.

2164 (8) The commission shall distribute the revenues generated by the tax under Subsection
2165 (1)(a)(ii) to each county collecting a tax under Subsection (1)(a)(ii) according to the following
2166 formula:

2167 (a) the commission shall distribute 70% of the revenues based on the percentages
2168 generated by dividing the revenues collected by each county under Subsection (1)(a)(ii) by the
2169 total revenues collected by all counties under Subsection (1)(a)(ii); and

2170 (b) the commission shall distribute 30% of the revenues based on the percentages
2171 generated by dividing the population of each county collecting a tax under Subsection (1)(a)(ii)
2172 by the total population of all counties collecting a tax under Subsection (1)(a)(ii).

2173 (9) (a) For purposes of this Subsection (9):

2174 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2,
2175 Annexation to County.

2176 (ii) "Annexing area" means an area that is annexed into a county.

2177 (b) (i) Except as provided in Subsection (9)(c), if, on or after July 1, 2004, a county
2178 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
2179 change shall take effect:

2180 (A) on the first day of a calendar quarter; and

2181 (B) after a 90-day period beginning on the date the commission receives notice meeting
2182 the requirements of Subsection (9)(b)(ii) from the county.

2183 (ii) The notice described in Subsection (9)(b)(i)(B) shall state:

2184 (A) that the county will enact or repeal a tax or change the rate of a tax under this part;

2185 (B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);

2186 (C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and
2187 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
2188 (9)(b)(ii)(A), the rate of the tax.

2189 (c) (i) Notwithstanding Subsection (9)(b)(i), for a transaction described in Subsection
2190 (9)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
2191 first billing period:

2192 (A) that begins after the effective date of the enactment of the tax or the tax rate
2193 increase; and

2194 (B) if the billing period for the transaction begins before the effective date of the
2195 enactment of the tax or the tax rate increase imposed under Subsection (1).

2196 (ii) Notwithstanding Subsection (9)(b)(i), for a transaction described in Subsection
2197 (9)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
2198 billing period:

2199 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
2200 and

2201 (B) if the billing period for the transaction begins before the effective date of the repeal
2202 of the tax or the tax rate decrease imposed under Subsection (1).

2203 (iii) Subsections (9)(c)(i) and (ii) apply to transactions subject to a tax under:

2204 (A) Subsection 59-12-103(1)(e);
2205 (B) Subsection 59-12-103(1)(i); or
2206 (C) Subsection 59-12-103(1)(k).

2207 (d) (i) Except as provided in Subsection (9)(e), if, for an annexation that occurs on or
2208 after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a
2209 tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

2210 (A) on the first day of a calendar quarter; and
2211 (B) after a 90-day period beginning on the date the commission receives notice meeting
2212 the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

2213 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:

2214 (A) that the annexation described in Subsection (9)(d)(i) will result in an enactment,
2215 repeal, or change in the rate of a tax under this part for the annexing area;

2216 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

2217 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

2218 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
2219 (9)(d)(ii)(A), the rate of the tax.

2220 (e) (i) Notwithstanding Subsection (9)(d)(i), for a transaction described in Subsection
2221 (9)(e)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
2222 first billing period:

2223 (A) that begins after the effective date of the enactment of the tax or the tax rate
2224 increase; and

2225 (B) if the billing period for the transaction begins before the effective date of the
2226 enactment of the tax or the tax rate increase imposed under Subsection (1).

2227 (ii) Notwithstanding Subsection (9)(d)(i), for a transaction described in Subsection
2228 (9)(e)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
2229 billing period:

2230 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
2231 and

2232 (B) if the billing period for the transaction begins before the effective date of the repeal
2233 of the tax or the tax rate decrease imposed under Subsection (1).

2234 (iii) Subsections (9)(e)(i) and (ii) apply to transactions subject to a tax under:

2235 (A) Subsection 59-12-103(1)(e);

2236 (B) Subsection 59-12-103(1)(i); or

2237 (C) Subsection 59-12-103(1)(k).

2238 Section 26. Section **59-12-703 (See 59-1-1201 re: Eff)** is amended to read:

2239 **59-12-703 (See 59-1-1201 re: Eff). Opinion question election -- Base -- Rate --**

2240 **Imposition of tax -- Uses of tax monies -- Enactment or repeal of tax -- Effective date --**

2241 **Notice requirements.**

(1) (a) (i) ~~[Except as provided in Subsections (1)(a)(ii) and 59-12-207.1(7)(c), a]~~ A
county legislative body may submit an opinion question to the residents of that county, by
majority vote of all members of the legislative body, so that each resident of the county, except
residents in municipalities that have already imposed a sales and use tax under Part 14, City or
Town Option Funding For Botanical, Cultural, Recreational, and Zoological Organizations or
Facilities, has an opportunity to express the resident's opinion on the imposition of a local sales
and use tax of .1% on the transactions described in Subsection 59-12-103(1) located within the
county, to fund recreational and zoological facilities, botanical, cultural, and zoological
organizations, and rural radio stations, in that county.

(ii) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a
tax under this section on:

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

(B) sales and uses within municipalities that have already imposed a sales and use tax
under Part 14, City or Town Option Funding For Botanical, Cultural, Recreational, and
Zoological Organizations or Facilities~~[-]; and~~

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

(b) For purposes of this Subsection (1), the location of a transaction shall be
determined in accordance with ~~[Sections 59-12-207.1 through 59-12-207.4]~~ Section 59-12-207.

(c) The election shall follow the procedures outlined in Title 11, Chapter 14, Local
Government Bonding Act.

(2) (a) If the county legislative body determines that a majority of the county's
registered voters voting on the imposition of the tax have voted in favor of the imposition of
the tax as prescribed in Subsection (1)(a), the county legislative body may impose the tax by a
majority vote of all members of the legislative body on the transactions:

(i) described in Subsection (1); and

(ii) within the county, including the cities and towns located in the county, except those

2270 cities and towns that have already imposed a sales and use tax under Part 14, City or Town
2271 Option Funding For Botanical, Cultural, Recreational, and Zoological Organizations or
2272 Facilities.

2273 (b) A county legislative body may revise county ordinances to reflect statutory changes
2274 to the distribution formula or eligible recipients of revenues generated from a tax imposed
2275 under Subsection (2)(a):

2276 (i) after the county legislative body submits an opinion question to residents of the
2277 county in accordance with Subsection (1) giving them the opportunity to express their opinion
2278 on the proposed revisions to county ordinances; and

2279 (ii) if the county legislative body determines that a majority of those voting on the
2280 opinion question have voted in favor of the revisions.

2281 (3) The monies generated from any tax imposed under Subsection (2) shall be used for
2282 funding:

2283 (a) recreational and zoological facilities located within the county or a city or town
2284 located in the county, except a city or town that has already imposed a sales and use tax under
2285 Part 14, City or Town Option Funding For Botanical, Cultural, Recreational, and Zoological
2286 Organizations or Facilities; and

2287 (b) ongoing operating expenses of:

2288 (i) recreational facilities described in Subsection (3)(a);

2289 (ii) botanical, cultural, and zoological organizations within the county; and

2290 (iii) rural radio stations within the county.

2291 (4) (a) A tax authorized under this part shall be:

2292 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
2293 accordance with:

2294 (A) the same procedures used to administer, collect, and enforce the tax under:

2295 (I) Part 1, Tax Collection; or

2296 (II) Part 2, Local Sales and Use Tax Act; and

2297 (B) Chapter 1, General Taxation Policies; and

2298 (ii) levied for a period of ten years and may be reauthorized at the end of the ten-year
2299 period in accordance with this section.

2300 (b) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to
2301 Subsections 59-12-205(2) through ~~[(9)]~~ (6).

2302 (5) (a) For purposes of this Subsection (5):

2303 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2,
2304 Annexation to County.

2305 (ii) "Annexing area" means an area that is annexed into a county.

2306 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
2307 county enacts or repeals a tax under this part, the enactment or repeal shall take effect:

2308 (A) on the first day of a calendar quarter; and

2309 (B) after a 90-day period beginning on the date the commission receives notice meeting
2310 the requirements of Subsection (5)(b)(ii) from the county.

2311 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

2312 (A) that the county will enact or repeal a tax under this part;

2313 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

2314 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

2315 (D) if the county enacts the tax described in Subsection (5)(b)(ii)(A), the rate of the
2316 tax.

2317 (c) (i) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
2318 (5)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

2319 (A) that begins after the effective date of the enactment of the tax; and

2320 (B) if the billing period for the transaction begins before the effective date of the
2321 enactment of the tax under this section.

2322 (ii) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
2323 (5)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

2324 (A) that began before the effective date of the repeal of the tax; and

2325 (B) if the billing period for the transaction begins before the effective date of the repeal

2326 of the tax imposed under this section.

2327 (iii) Subsections (5)(c)(i) and (ii) apply to transactions subject to a tax under:

2328 (A) Subsection 59-12-103(1)(b);

2329 (B) Subsection 59-12-103(1)(c);

2330 (C) Subsection 59-12-103(1)(d);

2331 (D) Subsection 59-12-103(1)(e);

2332 (E) Subsection 59-12-103(1)(f);

2333 (F) Subsection 59-12-103(1)(g);

2334 (G) Subsection 59-12-103(1)(h);

2335 (H) Subsection 59-12-103(1)(i);

2336 (I) Subsection 59-12-103(1)(j); or

2337 (J) Subsection 59-12-103(1)(k).

2338 (d) (i) Notwithstanding Subsection (5)(b)(i), if a tax due under this chapter on a
2339 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
2340 enactment or repeal of a tax described in Subsection (5)(b)(i) takes effect:

2341 (A) on the first day of a calendar quarter; and

2342 (B) beginning 60 days after the effective date of the enactment or repeal under
2343 Subsection (5)(b)(i).

2344 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2345 the commission may by rule define the term "catalogue sale."

2346 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
2347 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
2348 part for an annexing area, the enactment or repeal shall take effect:

2349 (A) on the first day of a calendar quarter; and

2350 (B) after a 90-day period beginning on the date the commission receives notice meeting
2351 the requirements of Subsection (5)(e)(ii) from the county that annexes the annexing area.

2352 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

2353 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or

2354 repeal of a tax under this part for the annexing area;

2355 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

2356 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

2357 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

2358 (f) (i) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection

2359 (5)(f)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

2360 (A) that begins after the effective date of the enactment of the tax; and

2361 (B) if the billing period for the transaction begins before the effective date of the

2362 enactment of the tax under this section.

2363 (ii) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection

2364 (5)(f)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

2365 (A) that began before the effective date of the repeal of the tax; and

2366 (B) if the billing period for the transaction begins before the effective date of the repeal

2367 of the tax imposed under this section.

2368 (iii) Subsections (5)(f)(i) and (ii) apply to transactions subject to a tax under:

2369 (A) Subsection 59-12-103(1)(b);

2370 (B) Subsection 59-12-103(1)(c);

2371 (C) Subsection 59-12-103(1)(d);

2372 (D) Subsection 59-12-103(1)(e);

2373 (E) Subsection 59-12-103(1)(f);

2374 (F) Subsection 59-12-103(1)(g);

2375 (G) Subsection 59-12-103(1)(h);

2376 (H) Subsection 59-12-103(1)(i);

2377 (I) Subsection 59-12-103(1)(j); or

2378 (J) Subsection 59-12-103(1)(k).

2379 (g) (i) Notwithstanding Subsection (5)(e)(i), if a tax due under this chapter on a

2380 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an

2381 enactment or repeal of a tax described in Subsection (5)(e)(i) takes effect:

2382 (A) on the first day of a calendar quarter; and

2383 (B) beginning 60 days after the effective date of the enactment or repeal under
2384 Subsection (5)(e)(i).

2385 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2386 the commission may by rule define the term "catalogue sale."

2387 Section 27. Section **59-12-802 (See 59-1-1201 re: Eff)** is amended to read:

2388 **59-12-802 (See 59-1-1201 re: Eff). Imposition of rural county health care facilities**
2389 **tax -- Base -- Rate -- Administration, collection, and enforcement of tax.**

2390 (1) (a) A county legislative body may impose a sales and use tax of up to 1%:

2391 (i) ~~[except as provided in Subsections (1)(b) and 59-12-207.1(7)(c),]~~ on the
2392 transactions described in Subsection 59-12-103(1) located within the county; and

2393 (ii) to fund rural county health care facilities in that county.

2394 (b) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a
2395 tax under this section on:

2396 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
2397 are exempt from taxation under Section 59-12-104; ~~[or]~~

2398 (ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in
2399 a city that imposes a tax under Section 59-12-804~~[-]; and~~

2400 (iii) any amounts paid or charged by a seller that collects a tax under Subsection
2401 59-12-107(1)(b).

2402 (c) For purposes of this Subsection (1), the location of a transaction shall be
2403 determined in accordance with ~~[Sections 59-12-207.1 through 59-12-207.4]~~ Section 59-12-207.

2404 (2) (a) Before imposing a tax under Subsection (1)(a), a county legislative body shall
2405 obtain approval to impose the tax from a majority of the:

2406 (i) members of the county's legislative body; and

2407 (ii) county's registered voters voting on the imposition of the tax.

2408 (b) The county legislative body shall conduct the election according to the procedures
2409 and requirements of Title 11, Chapter 14, Local Government Bonding Act.

2410 (3) The monies generated by a tax imposed under Subsection (1) may only be used for
2411 the financing of:

2412 (a) ongoing operating expenses of a rural county health care facility;

2413 (b) the acquisition of land for a rural county health care facility; or

2414 (c) the design, construction, equipping, or furnishing of a rural county health care
2415 facility.

2416 (4) (a) A tax under this section shall be:

2417 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
2418 accordance with:

2419 (A) the same procedures used to administer, collect, and enforce the tax under:

2420 (I) Part 1, Tax Collection; or

2421 (II) Part 2, Local Sales and Use Tax Act; and

2422 (B) Chapter 1, General Taxation Policies; and

2423 (ii) levied for a period of ten years and may be reauthorized at the end of the ten-year
2424 period by the county legislative body as provided in Subsection (1).

2425 (b) Notwithstanding Subsection (4)(a)(i), a tax under this section is not subject to
2426 Subsections 59-12-205(2) through ~~[(9)]~~ (6).

2427 (5) The commission may retain an amount not to exceed 1-1/2% of the tax collected
2428 under this section for the cost of administering this tax.

2429 Section 28. Section **59-12-804** (See **59-1-1201 re: Eff**) is amended to read:

2430 **59-12-804 (See 59-1-1201 re: Eff). Imposition of rural city hospital tax -- Base --**
2431 **Rate -- Administration, collection, and enforcement of tax.**

2432 (1) (a) A city legislative body may impose a sales and use tax of up to 1%:

2433 (i) ~~[except as provided in Subsections (1)(b) and 59-12-207.1(7)(c),]~~ on the
2434 transactions described in Subsection 59-12-103(1) located within the city; and

2435 (ii) to fund rural city hospitals in that city.

2436 (b) Notwithstanding Subsection (1)(a)(i), a city legislative body may not impose a tax
2437 under this section on:

2438 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
2439 are exempt from taxation under Section 59-12-104[-]; and

2440 (ii) any amounts paid or charged by a seller that collects a tax under Subsection
2441 59-12-107(1)(b).

2442 (c) For purposes of this Subsection (1), the location of a transaction shall be
2443 determined in accordance with [~~Sections 59-12-207.1 through 59-12-207.4~~] Section 59-12-207.

2444 (2) (a) Before imposing a tax under Subsection (1)(a), a city legislative body shall
2445 obtain approval to impose the tax from a majority of the:

2446 (i) members of the city legislative body; and

2447 (ii) city's registered voters voting on the imposition of the tax.

2448 (b) The city legislative body shall conduct the election according to the procedures and
2449 requirements of Title 11, Chapter 14, Local Government Bonding Act.

2450 (3) The monies generated by a tax imposed under Subsection (1) may only be used for
2451 the financing of:

2452 (a) ongoing operating expenses of a rural city hospital;

2453 (b) the acquisition of land for a rural city hospital; or

2454 (c) the design, construction, equipping, or furnishing of a rural city hospital.

2455 (4) (a) A tax under this section shall be:

2456 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
2457 accordance with:

2458 (A) the same procedures used to administer, collect, and enforce the tax under:

2459 (I) Part 1, Tax Collection; or

2460 (II) Part 2, Local Sales and Use Tax Act; and

2461 (B) Chapter 1, General Taxation Policies; and

2462 (ii) levied for a period of ten years and may be reauthorized at the end of the ten-year
2463 period by the city legislative body as provided in Subsection (1).

2464 (b) Notwithstanding Subsection (4)(a)(i), a tax under this section is not subject to
2465 Subsections 59-12-205(2) through [~~(9)~~] (6).

2466 (5) The commission may retain an amount not to exceed 1-1/2% of the tax collected
2467 under this section for the cost of administering the tax.

2468 Section 29. Section **59-12-1001** (See **59-1-1201 re: Eff**) is amended to read:

2469 **59-12-1001** (See **59-1-1201 re: Eff**). **Authority to impose tax for highways or to**
2470 **fund a system for public transit -- Base -- Rate -- Ordinance requirements -- Voter**
2471 **approval requirements -- Election requirements -- Notice of election requirements --**
2472 **Exceptions to voter approval requirements -- Enactment or repeal of tax -- Effective date**
2473 **-- Notice requirements.**

2474 (1) (a) [~~Except as provided in Subsections (1)(b) and 59-12-207.1(7)(c), a~~] A city or
2475 town in which the transactions described in Subsection 59-12-103(1) are not subject to a sales
2476 and use tax under Section 59-12-501 may as provided in this part impose a sales and use tax of
2477 .25% on the transactions described in Subsection 59-12-103(1) located within the city or town.

2478 (b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this
2479 section on;

2480 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
2481 are exempt from taxation under Section 59-12-104[-]; and

2482 (ii) any amounts paid or charged by a seller that collects a tax under Subsection
2483 59-12-107(1)(b).

2484 (c) For purposes of this Subsection (1), the location of a transaction shall be
2485 determined in accordance with [~~Sections 59-12-207.1 through 59-12-207.4~~] Section 59-12-207.

2486 (2) (a) A city or town imposing a tax under this part may use the revenues generated by
2487 the tax:

2488 (i) for the construction and maintenance of highways under the jurisdiction of the city
2489 or town imposing the tax;

2490 (ii) subject to Subsection (2)(b), to fund a system for public transit; or

2491 (iii) for a combination of the purposes described in Subsections (2)(a)(i) and (ii).

2492 (b) (i) For purposes of Subsection (2)(a)(ii) and except as provided in Subsection
2493 (2)(b)(ii), "public transit" is as defined in Section 17A-2-1004.

2494 (ii) Notwithstanding Subsection (2)(b)(i), "public transit" does not include a fixed
2495 guideway system.

2496 (3) To impose a tax under this part, the governing body of the city or town shall:

2497 (a) pass an ordinance approving the tax; and

2498 (b) except as provided in Subsection (7), obtain voter approval for the tax as provided
2499 in Subsection (4).

2500 (4) To obtain voter approval for a tax under Subsection (3)(b), a city or town shall:

2501 (a) hold an election during:

2502 (i) a regular general election; or

2503 (ii) a municipal general election; and

2504 (b) publish notice of the election:

2505 (i) 15 days or more before the day on which the election is held; and

2506 (ii) in a newspaper of general circulation in the city or town.

2507 (5) An ordinance approving a tax under this part shall provide an effective date for the
2508 tax as provided in Subsection (6).

2509 (6) (a) For purposes of this Subsection (6):

2510 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
2511 4, Annexation.

2512 (ii) "Annexing area" means an area that is annexed into a city or town.

2513 (b) (i) Except as provided in Subsection (6)(c) or (d), if, on or after July 1, 2004, a city
2514 or town enacts or repeals a tax under this part, the enactment or repeal shall take effect:

2515 (A) on the first day of a calendar quarter; and

2516 (B) after a 90-day period beginning on the date the commission receives notice meeting
2517 the requirements of Subsection (6)(b)(ii) from the city or town.

2518 (ii) The notice described in Subsection (6)(b)(i)(B) shall state:

2519 (A) that the city or town will enact or repeal a tax under this part;

2520 (B) the statutory authority for the tax described in Subsection (6)(b)(ii)(A);

2521 (C) the effective date of the tax described in Subsection (6)(b)(ii)(A); and

2522 (D) if the city or town enacts the tax described in Subsection (6)(b)(ii)(A), the rate of
2523 the tax.

2524 (c) (i) Notwithstanding Subsection (6)(b)(i), for a transaction described in Subsection
2525 (6)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing period:
2526 (A) that begins after the effective date of the enactment of the tax; and
2527 (B) if the billing period for the transaction begins before the effective date of the
2528 enactment of the tax under Subsection (1).

2529 (ii) Notwithstanding Subsection (6)(b)(i), for a transaction described in Subsection
2530 (6)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:
2531 (A) that began before the effective date of the repeal of the tax; and
2532 (B) if the billing period for the transaction begins before the effective date of the repeal
2533 of the tax imposed under Subsection (1).

2534 (iii) Subsections (6)(c)(i) and (ii) apply to transactions subject to a tax under:
2535 (A) Subsection 59-12-103(1)(b);
2536 (B) Subsection 59-12-103(1)(c);
2537 (C) Subsection 59-12-103(1)(d);
2538 (D) Subsection 59-12-103(1)(e);
2539 (E) Subsection 59-12-103(1)(f);
2540 (F) Subsection 59-12-103(1)(g);
2541 (G) Subsection 59-12-103(1)(h);
2542 (H) Subsection 59-12-103(1)(i);
2543 (I) Subsection 59-12-103(1)(j); or
2544 (J) Subsection 59-12-103(1)(k).

2545 (d) (i) Notwithstanding Subsection (6)(b)(i), if a tax due under this chapter on a
2546 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
2547 enactment or repeal of a tax described in Subsection (6)(b)(i) takes effect:
2548 (A) on the first day of a calendar quarter; and
2549 (B) beginning 60 days after the effective date of the enactment or repeal under

2550 Subsection (6)(b)(i).

2551 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2552 the commission may by rule define the term "catalogue sale."

2553 (e) (i) Except as provided in Subsection (6)(f) or (g), if, for an annexation that occurs
2554 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
2555 part for an annexing area, the enactment or repeal shall take effect:

2556 (A) on the first day of a calendar quarter; and

2557 (B) after a 90-day period beginning on the date the commission receives notice meeting
2558 the requirements of Subsection (6)(e)(ii) from the city or town that annexes the annexing area.

2559 (ii) The notice described in Subsection (6)(e)(i)(B) shall state:

2560 (A) that the annexation described in Subsection (6)(e)(i) will result in an enactment or
2561 repeal of a tax under this part for the annexing area;

2562 (B) the statutory authority for the tax described in Subsection (6)(e)(ii)(A);

2563 (C) the effective date of the tax described in Subsection (6)(e)(ii)(A); and

2564 (D) the rate of the tax described in Subsection (6)(e)(ii)(A).

2565 (f) (i) Notwithstanding Subsection (6)(e)(i), for a transaction described in Subsection
2566 (6)(f)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

2567 (A) that begins after the effective date of the enactment of the tax; and

2568 (B) if the billing period for the transaction begins before the effective date of the
2569 enactment of the tax under Subsection (1).

2570 (ii) Notwithstanding Subsection (6)(e)(i), for a transaction described in Subsection
2571 (6)(f)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

2572 (A) that began before the effective date of the repeal of the tax; and

2573 (B) if the billing period for the transaction begins before the effective date of the repeal
2574 of the tax imposed under Subsection (1).

2575 (iii) Subsections (6)(f)(i) and (ii) apply to transactions subject to a tax under:

2576 (A) Subsection 59-12-103(1)(b);

2577 (B) Subsection 59-12-103(1)(c);

2578 (C) Subsection 59-12-103(1)(d);
2579 (D) Subsection 59-12-103(1)(e);
2580 (E) Subsection 59-12-103(1)(f);
2581 (F) Subsection 59-12-103(1)(g);
2582 (G) Subsection 59-12-103(1)(h);
2583 (H) Subsection 59-12-103(1)(i);
2584 (I) Subsection 59-12-103(1)(j); or
2585 (J) Subsection 59-12-103(1)(k).
2586 (g) (i) Notwithstanding Subsection (6)(e)(i), if a tax due under this chapter on a
2587 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
2588 enactment or repeal of a tax described in Subsection (6)(e)(i) takes effect:
2589 (A) on the first day of a calendar quarter; and
2590 (B) beginning 60 days after the effective date of the enactment or repeal under
2591 Subsection (6)(e)(i).
2592 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2593 the commission may by rule define the term "catalogue sale."
2594 (7) (a) Except as provided in Subsection (7)(b), a city or town is not subject to the
2595 voter approval requirements of Subsection (3)(b) if:
2596 (i) on or before January 1, 1996, the city or town imposed a license fee or tax on
2597 businesses based on gross receipts pursuant to Section 10-1-203; or
2598 (ii) the city or town:
2599 (A) on or before June 30, 2002, obtained voter approval in accordance with Subsection
2600 (3)(b) to impose a tax under this part for a purpose described in Subsection (2)(a)(i); and
2601 (B) on or after July 1, 2002, uses the revenues generated by a tax under this part for a
2602 purpose described in Subsection (2)(a).
2603 (b) Notwithstanding Subsection (7)(a), the exception from the voter approval
2604 requirements in Subsection (7)(a)(i) does not apply to a city or town that, on or before January
2605 1, 1996, imposed a license fee or tax on only one class of businesses based on gross receipts

2606 pursuant to Section 10-1-203.

2607 Section 30. Section **59-12-1002** is amended to read:

2608 **59-12-1002. Collection of taxes by commission -- Administration, collection, and**
2609 **enforcement of tax -- Charge for service.**

2610 (1) The commission shall:

2611 (a) collect the tax imposed by a city or town under this part; and

2612 (b) subject to Subsection (3), transmit to the city or town monthly by electronic funds
2613 transfer the revenues generated by the tax imposed by the city or town.

2614 (2) (a) Except as provided in Subsection (2)(b), a tax authorized under this part shall be
2615 administered, collected, and enforced in accordance with:

2616 (i) the same procedures used to administer, collect, and enforce the tax under:

2617 (A) Part 1, Tax Collection; or

2618 (B) Part 2, Local Sales and Use Tax Act; and

2619 (ii) Chapter 1, General Taxation Policies.

2620 (b) Notwithstanding Subsection (2)(a), a tax under this part is not subject to
2621 Subsections 59-12-205(2) through ~~(4)~~ (6).

2622 (3) (a) The commission shall charge a city or town imposing a tax under this part a fee
2623 for administering the tax as provided in Subsections (3)(b) and (c).

2624 (b) The fee shall be in an amount equal to the costs of administering the tax under this
2625 part, except that the fee may not exceed 1-1/2% of the revenues generated in the city or town
2626 by the tax under this part.

2627 (c) Fees under this Subsection (3) shall be:

2628 (i) placed in the Sales and Use Tax Administrative Fees Account; and

2629 (ii) used for sales tax administration as provided in Subsection 59-12-206(2).

2630 Section 31. Section **59-12-1102** (See **59-1-1201 re: Eff**) is amended to read:

2631 **59-12-1102 (See 59-1-1201 re: Eff). Base -- Rate -- Imposition of tax --**

2632 **Distribution of revenue -- Administration -- Enactment or repeal of tax -- Effective date --**

2633 **Notice requirements.**

(1) (a) (i) ~~[Except as provided in Subsections (1)(a)(ii) and 59-12-207.1(7)(c), subject to the provisions of]~~ Subject to Subsections (2) through (5), and in addition to any other tax authorized by this chapter, a county may impose by ordinance a county option sales and use tax of .25% upon the transactions described in Subsection 59-12-103(1).

(ii) Notwithstanding Subsection (1)(a)(i), a county may not impose a tax under this section on:

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

(B) any amounts paid or charged by a seller that collects a tax under Subsection 59-12-107(1)(b) unless all of the counties in the state impose a tax under this section.

(b) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with ~~[Sections 59-12-207.1 through 59-12-207.4]~~ Section 59-12-207.

(c) The county option sales and use tax under this section shall be imposed:

(i) upon transactions that are located within the county, including transactions that are located within municipalities in the county; and

(ii) except as provided in Subsection (1)(d) or (5), beginning on the first day of January:

(A) of the next calendar year after adoption of the ordinance imposing the tax if the ordinance is adopted on or before May 25; or

(B) of the second calendar year after adoption of the ordinance imposing the tax if the ordinance is adopted after May 25.

(d) Notwithstanding Subsection (1)(c)(ii), the county option sales and use tax under this section shall be imposed:

(i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before September 4, 1997; or

(ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during 1997 but after September 4, 1997.

(2) (a) Before imposing a county option sales and use tax under Subsection (1), a

2662 county shall hold two public hearings on separate days in geographically diverse locations in
2663 the county.

2664 (b) (i) At least one of the hearings required by Subsection (2)(a) shall have a starting
2665 time of no earlier than 6 p.m.

2666 (ii) The earlier of the hearings required by Subsection (2)(a) shall be no less than seven
2667 days after the day the first advertisement required by Subsection (2)(c) is published.

2668 (c) (i) Before holding the public hearings required by Subsection (2)(a), the county
2669 shall advertise in a newspaper of general circulation in the county:

2670 (A) its intent to adopt a county option sales and use tax;

2671 (B) the date, time, and location of each public hearing; and

2672 (C) a statement that the purpose of each public hearing is to obtain public comments
2673 regarding the proposed tax.

2674 (ii) The advertisement shall be published once each week for the two weeks preceding
2675 the earlier of the two public hearings.

2676 (iii) The advertisement shall be no less than 1/8 page in size, and the type used shall be
2677 no smaller than 18 point and surrounded by a 1/4-inch border.

2678 (iv) The advertisement may not be placed in that portion of the newspaper where legal
2679 notices and classified advertisements appear.

2680 (v) Whenever possible:

2681 (A) the advertisement shall appear in a newspaper that is published at least five days a
2682 week, unless the only newspaper in the county is published less than five days a week; and

2683 (B) the newspaper selected shall be one of general interest and readership in the
2684 community, and not one of limited subject matter.

2685 (d) The adoption of an ordinance imposing a county option sales and use tax is subject
2686 to a local referendum election as provided in Title 20A, Chapter 7, Part 6, Local Referenda -
2687 Procedures, except that:

2688 (i) notwithstanding Subsection 20A-7-609(2)(a), the county clerk shall hold a
2689 referendum election that qualifies for the ballot on the earlier of the next regular general

2690 election date or the next municipal general election date more than 155 days after adoption of
2691 an ordinance under this section;

2692 (ii) for 1997 only, the 120-day period in Subsection 20A-7-606(1) shall be 30 days; and

2693 (iii) the deadlines in Subsections 20A-7-606(2) and (3) do not apply, and the clerk shall
2694 take the actions required by those subsections before the referendum election.

2695 (3) (a) If the aggregate population of the counties imposing a county option sales and
2696 use tax under Subsection (1) is less than 75% of the state population, the tax levied under
2697 Subsection (1) shall be distributed to the county in which the tax was collected.

2698 (b) If the aggregate population of the counties imposing a county option sales and use
2699 tax under Subsection (1) is greater than or equal to 75% of the state population:

2700 (i) 50% of the tax collected under Subsection (1) in each county shall be distributed to
2701 the county in which the tax was collected; and

2702 (ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection
2703 (1) in each county shall be distributed proportionately among all counties imposing the tax,
2704 based on the total population of each county.

2705 (c) If the amount to be distributed annually to a county under Subsection (3)(b)(ii),
2706 when combined with the amount distributed to the county under Subsection (3)(b)(i), does not
2707 equal at least \$75,000, then:

2708 (i) the amount to be distributed annually to that county under Subsection (3)(b)(ii) shall
2709 be increased so that, when combined with the amount distributed to the county under
2710 Subsection (3)(b)(i), the amount distributed annually to the county is \$75,000; and

2711 (ii) the amount to be distributed annually to all other counties under Subsection
2712 (3)(b)(ii) shall be reduced proportionately to offset the additional amount distributed under
2713 Subsection (3)(c)(i).

2714 (d) The commission shall establish rules to implement the distribution of the tax under
2715 Subsections (3)(a), (b), and (c).

2716 (e) Notwithstanding Subsections (3)(a) and (b), if a county imposes a tax under this
2717 section on any amounts paid or charged by a seller that collects a tax in accordance with

2718 Subsection 59-12-107(1)(b), the revenues generated by the tax shall be distributed as provided
2719 in Subsection 59-12-103(3)(c).

2720 (4) (a) Except as provided in Subsection (4)(b) or (c), a tax authorized under this part
2721 shall be administered, collected, and enforced in accordance with:

2722 (i) the same procedures used to administer, collect, and enforce the tax under:

2723 (A) Part 1, Tax Collection; or

2724 (B) Part 2, Local Sales and Use Tax Act; and

2725 (ii) Chapter 1, General Taxation Policies.

2726 (b) Notwithstanding Subsection (4)(a), a tax under this part is not subject to
2727 Subsections 59-12-205(2) through ~~(4)~~ (6).

2728 (c) Notwithstanding Subsection (4)(a), the fee charged by the commission under
2729 Section 59-12-206 shall be based on the distribution amounts resulting after all the applicable
2730 distribution calculations under Subsection (3) have been made.

2731 (5) (a) For purposes of this Subsection (5):

2732 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2,
2733 Annexation to County.

2734 (ii) "Annexing area" means an area that is annexed into a county.

2735 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
2736 county enacts or repeals a tax under this part:

2737 (A) (I) the enactment shall take effect as provided in Subsection (1)(c); or

2738 (II) the repeal shall take effect on the first day of a calendar quarter; and

2739 (B) after a 90-day period beginning on the date the commission receives notice meeting
2740 the requirements of Subsection (5)(b)(ii) from the county.

2741 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

2742 (A) that the county will enact or repeal a tax under this part;

2743 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

2744 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

2745 (D) if the county enacts the tax described in Subsection (5)(b)(ii)(A), the rate of the

2746 tax.

2747 (c) (i) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
2748 (5)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

2749 (A) that begins after the effective date of the enactment of the tax; and

2750 (B) if the billing period for the transaction begins before the effective date of the
2751 enactment of the tax under Subsection (1).

2752 (ii) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
2753 (5)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

2754 (A) that began before the effective date of the repeal of the tax; and

2755 (B) if the billing period for the transaction begins before the effective date of the repeal
2756 of the tax imposed under Subsection (1).

2757 (iii) Subsections (5)(c)(i) and (ii) apply to transactions subject to a tax under:

2758 (A) Subsection 59-12-103(1)(b);

2759 (B) Subsection 59-12-103(1)(c);

2760 (C) Subsection 59-12-103(1)(d);

2761 (D) Subsection 59-12-103(1)(e);

2762 (E) Subsection 59-12-103(1)(f);

2763 (F) Subsection 59-12-103(1)(g);

2764 (G) Subsection 59-12-103(1)(h);

2765 (H) Subsection 59-12-103(1)(i);

2766 (I) Subsection 59-12-103(1)(j); or

2767 (J) Subsection 59-12-103(1)(k).

2768 (d) (i) Notwithstanding Subsection (5)(b)(i), if a tax due under this chapter on a
2769 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
2770 enactment or repeal of a tax described in Subsection (5)(b)(i) takes effect:

2771 (A) on the first day of a calendar quarter; and

2772 (B) beginning 60 days after the effective date of the enactment or repeal under
2773 Subsection (5)(b)(i).

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

(e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this part for an annexing area, the enactment or repeal shall take effect:

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

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(e)(ii) from the county that annexes the annexing area.

(ii) The notice described in Subsection (5)(e)(i)(B) shall state:

(A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or repeal of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

(C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

(D) the rate of the tax described in Subsection (5)(e)(ii)(A).

(f) (i) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection (5)(f)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

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

(B) if the billing period for the transaction begins before the effective date of the enactment of the tax under Subsection (1).

(ii) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection (5)(f)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

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

(B) if the billing period for the transaction begins before the effective date of the repeal of the tax imposed under Subsection (1).

(iii) Subsections (5)(f)(i) and (ii) apply to transactions subject to a tax under:

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

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

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

2802 (D) Subsection 59-12-103(1)(e);

2803 (E) Subsection 59-12-103(1)(f);

2804 (F) Subsection 59-12-103(1)(g);

2805 (G) Subsection 59-12-103(1)(h);

2806 (H) Subsection 59-12-103(1)(i);

2807 (I) Subsection 59-12-103(1)(j); or

2808 (J) Subsection 59-12-103(1)(k).

2809 (g) (i) Notwithstanding Subsection (5)(e)(i), if a tax due under this chapter on a
2810 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
2811 enactment or repeal of a tax described in Subsection (5)(e)(i) takes effect:

2812 (A) on the first day of a calendar quarter; and

2813 (B) beginning 60 days after the effective date of the enactment or repeal under
2814 Subsection (5)(e)(i).

2815 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2816 the commission may by rule define the term "catalogue sale."

2817 Section 32. Section **59-12-1201** is amended to read:

2818 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**
2819 **collection, and enforcement of tax -- Administrative fee -- Deposits.**

2820 (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all
2821 short-term leases and rentals of motor vehicles not exceeding 30 days.

2822 (b) The tax imposed in this section is in addition to all other state, county, or municipal
2823 fees and taxes imposed on rentals of motor vehicles.

2824 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax
2825 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

2826 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall
2827 take effect on the first day of the first billing period:

2828 (A) that begins after the effective date of the tax rate increase; and

2829 (B) if the billing period for the transaction begins before the effective date of a tax rate

2830 increase imposed under Subsection (1).

2831 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax
2832 rate decrease shall take effect on the first day of the last billing period:

2833 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
2834 and

2835 (B) if the billing period for the transaction begins before the effective date of the repeal
2836 of the tax or the tax rate decrease imposed under Subsection (1).

2837 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

2838 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

2839 (b) the motor vehicle is rented as a personal household goods moving van; or

2840 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
2841 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an
2842 insurance agreement.

2843 (4) (a) (i) [~~Except as provided in Subsection (4)(a)(ii), the~~] The tax authorized under
2844 this section shall be administered, collected, and enforced in accordance with:

2845 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,
2846 Tax Collection; and

2847 (B) Chapter 1, General Taxation Policies.

2848 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to[~~:(A)~~]
2849 Subsections 59-12-103(4) through [~~(7);~~] (8) or [~~(B) Sections~~] Section 59-12-107.1 [~~through~~
2850 ~~59-12-107.3~~].

2851 (b) The commission may retain a maximum of 1-1/2% of the tax collected under this
2852 section for the costs of rendering its services under this section.

2853 (c) Except as provided under Subsection (4)(b), all revenue received by the
2854 commission under this section shall be deposited daily with the state treasurer and credited
2855 monthly to the Transportation Corridor Preservation Revolving Loan Fund under Section
2856 72-2-117.

2857 Section 33. Section **59-12-1302** (See **59-1-1201 re: Eff**) is amended to read:

**59-12-1302 (See 59-1-1201 re: Eff). Authority to impose -- Base -- Rate --
Enactment or repeal of tax -- Tax rate change -- Effective date -- Notice requirements.**

(1) ~~[Except as provided in Subsection 59-12-207.1(7)(c), beginning]~~ Beginning on or after January 1, 1998, the governing body of a town may impose a tax as provided in this part in an amount that does not exceed 1%.

(2) A town may impose a tax as provided in this part if the town imposed a license fee or tax on businesses based on gross receipts under Section 10-1-203 on or before January 1, 1996.

(3) A town imposing a tax under this section shall:

(a) except as provided in Subsection (4), impose the tax on the transactions described in Subsection 59-12-103(1) located within the town; and

(b) provide an effective date for the tax as provided in Subsection (5).

(4) (a) Notwithstanding Subsection (3)(a), a town may not impose a tax under this section on:

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

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

(b) For purposes of this Subsection (4), the location of a transaction shall be determined in accordance with ~~[Sections 59-12-207.1 through 59-12-207.4]~~ Section 59-12-207.

(5) (a) For purposes of this Subsection (5):

(i) "Annexation" means an annexation to a town under Title 10, Chapter 2, Part 4, Annexation.

(ii) "Annexing area" means an area that is annexed into a town.

(b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:

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

2886 (B) after a 90-day period beginning on the date the commission receives notice meeting
2887 the requirements of Subsection (5)(b)(ii) from the town.

2888 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

2889 (A) that the town will enact or repeal a tax or change the rate of a tax under this part;

2890 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

2891 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

2892 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
2893 (5)(b)(ii)(A), the rate of the tax.

2894 (c) (i) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
2895 (5)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
2896 first billing period:

2897 (A) that begins after the effective date of the enactment of the tax or the tax rate
2898 increase; and

2899 (B) if the billing period for the transaction begins before the effective date of the
2900 enactment of the tax or the tax rate increase imposed under Subsection (1).

2901 (ii) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
2902 (5)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
2903 billing period:

2904 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
2905 and

2906 (B) if the billing period for the transaction begins before the effective date of the repeal
2907 of the tax or the tax rate decrease imposed under Subsection (1).

2908 (iii) Subsections (5)(c)(i) and (ii) apply to transactions subject to a tax under:

2909 (A) Subsection 59-12-103(1)(b);

2910 (B) Subsection 59-12-103(1)(c);

2911 (C) Subsection 59-12-103(1)(d);

2912 (D) Subsection 59-12-103(1)(e);

2913 (E) Subsection 59-12-103(1)(f);

2914 (F) Subsection 59-12-103(1)(g);
2915 (G) Subsection 59-12-103(1)(h);
2916 (H) Subsection 59-12-103(1)(i);
2917 (I) Subsection 59-12-103(1)(j); or
2918 (J) Subsection 59-12-103(1)(k).
2919 (d) (i) Notwithstanding Subsection (5)(b)(i), if a tax due under this chapter on a
2920 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
2921 enactment, repeal, or change in the rate of a tax described in Subsection (5)(b)(i) takes effect:
2922 (A) on the first day of a calendar quarter; and
2923 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
2924 rate of the tax under Subsection (5)(b)(i).
2925 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2926 the commission may by rule define the term "catalogue sale."
2927 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
2928 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
2929 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
2930 effect:
2931 (A) on the first day of a calendar quarter; and
2932 (B) after a 90-day period beginning on the date the commission receives notice meeting
2933 the requirements of Subsection (5)(e)(ii) from the town that annexes the annexing area.
2934 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:
2935 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment,
2936 repeal, or change in the rate of a tax under this part for the annexing area;
2937 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);
2938 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and
2939 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
2940 (5)(e)(ii)(A), the rate of the tax.
2941 (f) (i) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection

2942 (5)(f)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
2943 first billing period:

2944 (A) that begins after the effective date of the enactment of the tax or the tax rate
2945 increase; and

2946 (B) if the billing period for the transaction begins before the effective date of the
2947 enactment of the tax or the tax rate increase imposed under Subsection (1).

2948 (ii) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection
2949 (5)(f)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
2950 billing period:

2951 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
2952 and

2953 (B) if the billing period for the transaction begins before the effective date of the repeal
2954 of the tax or the tax rate decrease imposed under Subsection (1).

2955 (iii) Subsections (5)(f)(i) and (ii) apply to transactions subject to a tax under:

2956 (A) Subsection 59-12-103(1)(b);

2957 (B) Subsection 59-12-103(1)(c);

2958 (C) Subsection 59-12-103(1)(d);

2959 (D) Subsection 59-12-103(1)(e);

2960 (E) Subsection 59-12-103(1)(f);

2961 (F) Subsection 59-12-103(1)(g);

2962 (G) Subsection 59-12-103(1)(h);

2963 (H) Subsection 59-12-103(1)(i);

2964 (I) Subsection 59-12-103(1)(j); or

2965 (J) Subsection 59-12-103(1)(k).

2966 (g) (i) Notwithstanding Subsection (5)(e)(i), if a tax due under this chapter on a
2967 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
2968 enactment, repeal, or change in the rate of a tax described in Subsection (5)(e)(i) takes effect:

2969 (A) on the first day of a calendar quarter; and

2970 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
2971 rate of the tax under Subsection (5)(e)(i).

2972 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2973 the commission may by rule define the term "catalogue sale."

2974 (6) The commission shall:

2975 (a) except as provided in Subsection (6)(c), distribute the revenues generated by the tax
2976 under this section to the town imposing the tax;

2977 (b) except as provided in Subsection (7), administer, collect, and enforce the tax
2978 authorized under this section in accordance with:

2979 (i) the same procedures used to administer, collect, and enforce the tax under:

2980 (A) Part 1, Tax Collection; or

2981 (B) Part 2, Local Sales and Use Tax Act; and

2982 (ii) Chapter 1, General Taxation Policies; and

2983 (c) deduct from the distribution under Subsection (6)(a) an administrative charge for
2984 collecting the tax as provided in Section 59-12-206.

2985 (7) Notwithstanding Subsection (6)(b), a tax under this section is not subject to
2986 Subsections 59-12-205(2) through ~~[(9)]~~ (6).

2987 Section 34. Section **59-12-1402** (See **59-1-1201 re: Eff**) is amended to read:

2988 **59-12-1402** (See **59-1-1201 re: Eff**). **Opinion question election -- Base -- Rate --**
2989 **Imposition of tax -- Uses of tax monies -- Enactment or repeal of tax -- Effective date --**
2990 **Notice requirements.**

2991 (1) (a) (i) ~~[Except as provided in Subsections (1)(a)(ii) and 59-12-207.1(7)(c), and~~
2992 ~~subject]~~ Subject to Subsection (6), beginning on January 1, 2003, a city or town legislative
2993 body subject to this part may submit an opinion question to the residents of that city or town,
2994 by majority vote of all members of the legislative body, so that each resident of the city or town
2995 has an opportunity to express the resident's opinion on the imposition of a local sales and use
2996 tax of .1% on the transactions described in Subsection 59-12-103(1) located within the city or
2997 town, to fund recreational and zoological facilities and botanical, cultural, and zoological

2998 organizations in that city or town.

2999 (ii) Notwithstanding Subsection (1)(a)(i), a city or town legislative body may not
3000 impose a tax under this section:

3001 (A) if the county in which the city or town is located imposes a tax under Part 7,
3002 County Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or
3003 Facilities; ~~[or]~~

3004 (B) on the sales and uses described in Section 59-12-104 to the extent the sales and
3005 uses are exempt from taxation under Section 59-12-104~~[-]; and~~

3006 (C) on any amounts paid or charged by a seller that collects a tax under Subsection
3007 59-12-107(1)(b).

3008 (b) For purposes of this Subsection (1), the location of a transaction shall be
3009 determined in accordance with ~~[Sections 59-12-207.1 through 59-12-207.4]~~ Section 59-12-207.

3010 (c) The election shall be held at a regular general election or a municipal general
3011 election, as those terms are defined in Section 20A-1-102, and shall follow the procedures
3012 outlined in Title 11, Chapter 14, Local Government Bonding Act, except as provided in
3013 Subsection (6).

3014 (2) If the city or town legislative body determines that a majority of the city's or town's
3015 registered voters voting on the imposition of the tax have voted in favor of the imposition of
3016 the tax as prescribed in Subsection (1)(a), the city or town legislative body may impose the tax
3017 by a majority vote of all members of the legislative body.

3018 (3) The monies generated from any tax imposed under Subsection (2) shall be used for
3019 financing:

3020 (a) recreational and zoological facilities within the city or town or within the
3021 geographic area of entities that are parties to an interlocal agreement, to which the city or town
3022 is a party, providing for recreational or zoological facilities; and

3023 (b) ongoing operating expenses of botanical, cultural, and zoological organizations
3024 within the city or town or within the geographic area of entities that are parties to an interlocal
3025 agreement, to which the city or town is a party, providing for the support of botanical, cultural,

3026 or zoological organizations.

3027 (4) (a) A tax authorized under this part shall be:

3028 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
3029 accordance with:

3030 (A) the same procedures used to administer, collect, and enforce the tax under:

3031 (I) Part 1, Tax Collection; or

3032 (II) Part 2, Local Sales and Use Tax Act; and

3033 (B) Chapter 1, General Taxation Policies; and

3034 (ii) (A) levied for a period of eight years; and

3035 (B) may be reauthorized at the end of the eight-year period in accordance with this
3036 section.

3037 (b) Notwithstanding Subsection (4)(a)(i), a tax under this section is not subject to
3038 Subsections 59-12-205(2) through ~~[(9)]~~ (6).

3039 (5) (a) For purposes of this Subsection (5):

3040 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
3041 4, Annexation.

3042 (ii) "Annexing area" means an area that is annexed into a city or town.

3043 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a city
3044 or town enacts or repeals a tax under this part, the enactment or repeal shall take effect:

3045 (A) on the first day of a calendar quarter; and

3046 (B) after a 90-day period beginning on the date the commission receives notice meeting
3047 the requirements of Subsection (5)(b)(ii) from the city or town.

3048 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

3049 (A) that the city or town will enact or repeal a tax under this part;

3050 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

3051 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

3052 (D) if the city or town enacts the tax described in Subsection (5)(b)(ii)(A), the rate of
3053 the tax.

3054 (c) (i) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
3055 (5)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

3056 (A) that begins after the effective date of the enactment of the tax; and

3057 (B) if the billing period for the transaction begins before the effective date of the
3058 enactment of the tax under this section.

3059 (ii) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
3060 (5)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

3061 (A) that began before the effective date of the repeal of the tax; and

3062 (B) if the billing period for the transaction begins before the effective date of the repeal
3063 of the tax imposed under this section.

3064 (iii) Subsections (5)(c)(i) and (ii) apply to transactions subject to a tax under:

3065 (A) Subsection 59-12-103(1)(b);

3066 (B) Subsection 59-12-103(1)(c);

3067 (C) Subsection 59-12-103(1)(d);

3068 (D) Subsection 59-12-103(1)(e);

3069 (E) Subsection 59-12-103(1)(f);

3070 (F) Subsection 59-12-103(1)(g);

3071 (G) Subsection 59-12-103(1)(h);

3072 (H) Subsection 59-12-103(1)(i);

3073 (I) Subsection 59-12-103(1)(j); or

3074 (J) Subsection 59-12-103(1)(k).

3075 (d) (i) Notwithstanding Subsection (5)(b)(i), if a tax due under this chapter on a
3076 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
3077 enactment or repeal of a tax described in Subsection (5)(b)(i) takes effect:

3078 (A) on the first day of a calendar quarter; and

3079 (B) beginning 60 days after the effective date of the enactment or repeal under
3080 Subsection (5)(b)(i).

3081 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,

the commission may by rule define the term "catalogue sale."

(e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this part for an annexing area, the enactment or repeal shall take effect:

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

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(e)(ii) from the city or town that annexes the annexing area.

(ii) The notice described in Subsection (5)(e)(i)(B) shall state:

(A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or repeal a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

(C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

(D) the rate of the tax described in Subsection (5)(e)(ii)(A).

(f) (i) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection (5)(f)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

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

(B) if the billing period for the transaction begins before the effective date of the enactment of the tax under this section.

(ii) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection (5)(f)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

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

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

(iii) Subsections (5)(f)(i) and (ii) apply to transactions subject to a tax under:

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

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

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

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

- 3110 (E) Subsection 59-12-103(1)(f);
3111 (F) Subsection 59-12-103(1)(g);
3112 (G) Subsection 59-12-103(1)(h);
3113 (H) Subsection 59-12-103(1)(i);
3114 (I) Subsection 59-12-103(1)(j); or
3115 (J) Subsection 59-12-103(1)(k).
- 3116 (g) (i) Notwithstanding Subsection (5)(e)(i), if a tax due under this chapter on a
3117 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
3118 enactment or repeal of a tax described in Subsection (5)(e)(i) takes effect:
- 3119 (A) on the first day of a calendar quarter; and
3120 (B) beginning 60 days after the effective date of the enactment or repeal under
3121 Subsection (5)(e)(i).
- 3122 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
3123 the commission may by rule define the term "catalogue sale."
- 3124 (6) (a) Before a city or town legislative body submits an opinion question to the
3125 residents of the city or town under Subsection (1)(a)(i), the city or town legislative body shall:
- 3126 (i) submit to the county legislative body in which the city or town is located a written
3127 notice of the intent to submit the opinion question to the residents of the city or town; and
3128 (ii) receive from the county legislative body:
- 3129 (A) a written resolution passed by the county legislative body stating that the county
3130 legislative body is not seeking to impose a tax under Part 7, County Option Funding for
3131 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities; or
3132 (B) a written statement that in accordance with Subsection (6)(b) the results of a county
3133 opinion question submitted to the residents of the county under Part 7, County Option Funding
3134 for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, permit the city
3135 or town legislative body to submit the opinion question to the residents of the city or town in
3136 accordance with this part.
- 3137 (b) (i) Within 60 days after the day the county legislative body receives from a city or

3138 town legislative body described in Subsection (6)(a) the notice of the intent to submit an
3139 opinion question to the residents of the city or town, the county legislative body shall provide
3140 the city or town legislative body:

3141 (A) the written resolution described in Subsection (6)(a)(ii)(A); or

3142 (B) written notice that the county legislative body will submit an opinion question to
3143 the residents of the county under Part 7, County Option Funding for Botanical, Cultural,
3144 Recreational, and Zoological Organizations or Facilities, for the county to impose a tax under
3145 that part.

3146 (ii) If the county legislative body provides the city or town legislative body the written
3147 notice that the county legislative body will submit an opinion question as provided in
3148 Subsection (6)(b)(i)(B), the county legislative body shall submit the opinion question by no
3149 later than, from the date the county legislative body sends the written notice, the later of:

3150 (A) a 12-month period;

3151 (B) the next regular primary election; or

3152 (C) the next regular general election.

3153 (iii) Within 30 days of the date of the canvass of the election at which the opinion
3154 question under Subsection (6)(b)(ii) is voted on, the county legislative body shall provide the
3155 city or town legislative body described in Subsection (6)(a) written results of the opinion
3156 question submitted by the county legislative body under Part 7, County Option Funding for
3157 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, indicating that:

3158 (A) (I) the city or town legislative body may not impose a tax under this part because a
3159 majority of the county's registered voters voted in favor of the county imposing the tax and the
3160 county legislative body by a majority vote approved the imposition of the tax; or

3161 (II) for at least 12 months from the date the written results are submitted to the city or
3162 town legislative body, the city or town legislative body may not submit to the county legislative
3163 body a written notice of the intent to submit an opinion question under this part because a
3164 majority of the county's registered voters voted against the county imposing the tax and the
3165 majority of the registered voters who are residents of the city or town described in Subsection

3166 (6)(a) voted against the imposition of the county tax; or

3167 (B) the city or town legislative body may submit the opinion question to the residents
3168 of the city or town in accordance with this part because although a majority of the county's
3169 registered voters voted against the county imposing the tax, the majority of the registered voters
3170 who are residents of the city or town voted for the imposition of the county tax.

3171 (c) Notwithstanding Subsection (6)(b), at any time a county legislative body may
3172 provide a city or town legislative body described in Subsection (6)(a) a written resolution
3173 passed by the county legislative body stating that the county legislative body is not seeking to
3174 impose a tax under Part 7, County Option Funding for Botanical, Cultural, Recreational, and
3175 Zoological Organizations or Facilities, which permits the city or town legislative body to
3176 submit under Subsection (1)(a)(i) an opinion question to the city's or town's residents.

3177 Section 35. Section **59-12-1503 (See 59-1-1201 re: Eff)** is amended to read:

3178 **59-12-1503 (See 59-1-1201 re: Eff). Opinion question election -- Base -- Rate --**
3179 **Imposition of tax -- Use of tax revenues -- Administration, collection, and enforcement of**
3180 **tax by commission -- Administrative fee -- Enactment or repeal of tax -- Annexation --**
3181 **Notice.**

3182 (1) (a) Beginning on or after April 1, 2004, and subject to the other provisions of this
3183 part, the county legislative body of a qualifying county may impose a sales and use tax of .25%:

3184 (i) ~~[except as provided in Subsections (1)(b) and 59-12-207.1(7)(c),]~~ on the
3185 transactions:

3186 (A) described in Subsection 59-12-103(1); and

3187 (B) within the county, including the cities and towns within the county;

3188 (ii) for the purposes determined by the county legislative body in accordance with
3189 Subsection (2); and

3190 (iii) in addition to any other sales and use tax authorized under this chapter.

3191 (b) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a
3192 tax under this section on:

3193 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses

3194 are exempt from taxation under Section 59-12-104[-]; or

3195 (ii) any amounts paid or charged by a seller that collects a tax under Subsection
3196 59-12-107(1)(b).

3197 (c) For purposes of this Subsection (1), the location of a transaction shall be
3198 determined in accordance with [~~Sections 59-12-207.1 through 59-12-207.4~~] Section 59-12-207.

3199 (2) (a) Subject to Subsection (2)(b), before obtaining the approval required by
3200 Subsection (3), a county legislative body shall adopt a resolution specifying the percentage of
3201 revenues the county will receive from the tax under this part that will be allocated to fund one
3202 or more of the following:

3203 (i) a project or service relating to a fixed guideway system:

3204 (A) for the portion of the project or service that is performed within the county; and

3205 (B) if the fixed guideway system is owned and operated by a public transit district
3206 organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act;

3207 (ii) a project or service relating to a system for public transit:

3208 (A) for the portion of the project or service that is performed within the county; and

3209 (B) if the system for public transit is owned and operated by a public transit district
3210 organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act; or

3211 (iii) the following relating to a state highway within the county:

3212 (A) a project beginning on or after the day on which a county legislative body imposes
3213 a tax under this part only within the county involving:

3214 (I) new construction;

3215 (II) a renovation;

3216 (III) an improvement; or

3217 (IV) an environmental study;

3218 (B) debt service on a project described in Subsections (2)(a)(iii)(A)(I) through (IV); or

3219 (C) bond issuance costs relating to a project described in Subsections (2)(a)(iii)(A)(I)
3220 through (IV).

3221 (b) (i) A county legislative body shall in the resolution required by Subsection (2)(a)

3222 allocate as required by Subsection (2)(a) 100% of the revenues the county will receive from the
3223 tax under this part.

3224 (ii) For purposes of this Subsection (2)(b), the revenues a county will receive from the
3225 tax under this part do not include amounts retained by the commission in accordance with
3226 Subsection (8).

3227 (3) (a) Before imposing a tax under this part, a county legislative body shall:

3228 (i) obtain approval from a majority of the members of the county legislative body to:

3229 (A) impose the tax; and

3230 (B) allocate the revenues the county will receive from the tax in accordance with the
3231 resolution adopted in accordance with Subsection (2); and

3232 (ii) subject to Subsection (3)(b), submit an opinion question to the county's registered
3233 voters voting on the imposition of the tax so that each registered voter has the opportunity to
3234 express the registered voter's opinion on whether a tax should be imposed under this part.

3235 (b) The opinion question required by Subsection (3)(a)(ii) shall state the allocations
3236 specified in the resolution:

3237 (i) adopted in accordance with Subsection (2); and

3238 (ii) approved by the county legislative body in accordance with Subsection (3)(a).

3239 (c) The election required by this Subsection (3) shall be held:

3240 (i) (A) at a regular general election; and

3241 (B) in accordance with the procedures and requirements of Title 20A, Election Code,
3242 governing regular general elections; or

3243 (ii) (A) at a special election called by the county legislative body;

3244 (B) only on the date of a municipal general election provided in Subsection
3245 20A-1-202(1); and

3246 (C) in accordance with the procedures and requirements of Section 20A-1-203.

3247 (4) (a) Subject to Subsection (8), if a county legislative body determines that a majority
3248 of the county's registered voters voting on the imposition of the tax have voted in favor of the
3249 imposition of the tax in accordance with Subsection (3), the county legislative body may

3250 impose the tax by a majority vote of all of the members of the county legislative body.

3251 (b) If a county legislative body imposes a tax under Subsection (4)(a), the revenues
3252 generated by the tax shall be:

3253 (i) allocated in accordance with the allocations specified in the resolution under
3254 Subsection (2); and

3255 (ii) expended as provided in this part.

3256 (5) If a county legislative body allocates revenues generated by the tax for a project
3257 described in Subsection (2)(a)(iii)(A), before beginning the project the county legislative body
3258 shall:

3259 (a) obtain approval from the Transportation Commission to complete the project; and

3260 (b) enter into an interlocal agreement:

3261 (i) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act;

3262 (ii) with the Department of Transportation; and

3263 (iii) to complete the project.

3264 (6) (a) If after a county legislative body imposes a tax under Subsection (4) the county
3265 legislative body seeks to change the allocation of the tax specified in the resolution under
3266 Subsection (2), the county legislative body may change the allocation of the tax by:

3267 (i) adopting a resolution in accordance with Subsection (2) specifying the percentage of
3268 revenues the county will receive from the tax under this part that will be allocated to fund one
3269 or more of the systems or projects described in Subsection (2);

3270 (ii) obtaining approval to change the allocation of the tax from a majority of the
3271 members of the county legislative body; and

3272 (iii) (A) submitting an opinion question to the county's registered voters voting on
3273 changing the allocation of the tax so that each registered voter has the opportunity to express
3274 the registered voter's opinion on whether the allocation of the tax should be changed; and

3275 (B) obtaining approval to change the allocation of the tax from a majority of the
3276 county's registered voters voting on changing the allocation of the tax.

3277 (b) (i) The opinion question required by Subsection (6)(a)(iii) shall state the allocations

3278 specified in the resolution:

3279 (A) adopted in accordance with Subsection (6)(a)(i); and

3280 (B) approved by the county legislative body in accordance with Subsection (6)(a)(ii).

3281 (ii) The election required by Subsection (6)(a)(iii) shall follow the procedures and

3282 requirements of Title 11, Chapter 14, Local Government Bonding Act.

3283 (7) (a) (i) Except as provided in Subsection (7)(a)(ii), revenues generated by a tax

3284 under this part that are allocated for a purpose described in Subsection (2)(a)(i) or (ii) shall be

3285 transmitted:

3286 (A) by the commission;

3287 (B) to the county;

3288 (C) monthly; and

3289 (D) by electronic funds transfer.

3290 (ii) Notwithstanding Subsection (7)(a)(i), a county may request that the commission

3291 transfer the revenues described in Subsection (7)(a)(i):

3292 (A) directly to a public transit district:

3293 (I) organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act; and

3294 (II) designated by the county; and

3295 (B) by providing written notice to the commission:

3296 (I) requesting the revenues to be transferred directly to a public transit district as

3297 provided in Subsection (7)(a)(ii)(A); and

3298 (II) designating the public transit district to which the revenues are requested to be

3299 transferred.

3300 (b) Revenues generated by a tax under this part that are allocated for a purpose

3301 described in Subsection (2)(a)(iii) shall be:

3302 (i) deposited into the State Highway Projects Within Counties Fund created by Section

3303 72-2-121.1; and

3304 (ii) expended as provided in Section 72-2-121.1.

3305 (8) (a) (i) Except as provided in Subsection (8)(a)(ii), the tax authorized under this part

3306 shall be administered, collected, and enforced in accordance with:

3307 (A) the same procedures used to administer, collect, and enforce the tax under:

3308 (I) Part 1, Tax Collection; or

3309 (II) Part 2, Local Sales and Use Tax Act; and

3310 (B) Chapter 1, General Taxation Policies.

3311 (ii) Notwithstanding Subsection (8)(a)(i), a tax under this part is not subject to

3312 Subsections 59-12-205(2) through [~~(9)~~] (6).

3313 (b) (i) The commission may retain an amount of tax collected under this part of not to
3314 exceed the lesser of:

3315 (A) 1.5%; or

3316 (B) an amount equal to the cost to the commission of administering this part.

3317 (ii) Any amount the commission retains under Subsection (8)(b)(i) shall be:

3318 (A) placed in the Sales and Use Tax Administrative Fees Account; and

3319 (B) used as provided in Subsection 59-12-206(2).

3320 (9) (a) (i) Except as provided in Subsection (9)(b) or (c), if, on or after July 1, 2004, a
3321 county enacts or repeals a tax under this part, the enactment or repeal shall take effect:

3322 (A) on the first day of a calendar quarter; and

3323 (B) after a 90-day period beginning on the date the commission receives notice meeting
3324 the requirements of Subsection (9)(a)(ii) from the county.

3325 (ii) The notice described in Subsection (9)(a)(i)(B) shall state:

3326 (A) that the county will enact or repeal a tax under this part;

3327 (B) the statutory authority for the tax described in Subsection (9)(a)(ii)(A);

3328 (C) the effective date of the tax described in Subsection (9)(a)(ii)(A); and

3329 (D) if the county enacts the tax described in Subsection (9)(a)(ii)(A), the rate of the tax.

3330 (b) (i) Notwithstanding Subsection (9)(a)(i), for a transaction described in Subsection
3331 (9)(b)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

3332 (A) that begins after the effective date of the enactment of the tax; and

3333 (B) if the billing period for the transaction begins before the effective date of the

3334 enactment of the tax under Subsection (1).

3335 (ii) Notwithstanding Subsection (9)(a)(i), for a transaction described in Subsection
3336 (9)(b)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

3337 (A) that began before the effective date of the repeal of the tax; and

3338 (B) if the billing period for the transaction begins before the effective date of the repeal
3339 of the tax imposed under Subsection (1).

3340 (iii) Subsections (9)(b)(i) and (ii) apply to transactions subject to a tax under:

3341 (A) Subsection 59-12-103(1)(b);

3342 (B) Subsection 59-12-103(1)(c);

3343 (C) Subsection 59-12-103(1)(d);

3344 (D) Subsection 59-12-103(1)(e);

3345 (E) Subsection 59-12-103(1)(f);

3346 (F) Subsection 59-12-103(1)(g);

3347 (G) Subsection 59-12-103(1)(h);

3348 (H) Subsection 59-12-103(1)(i);

3349 (I) Subsection 59-12-103(1)(j); or

3350 (J) Subsection 59-12-103(1)(k).

3351 (c) (i) Notwithstanding Subsection (9)(a)(i), if a tax due under this chapter on a
3352 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
3353 enactment or repeal of a tax described in Subsection (9)(a)(i) takes effect:

3354 (A) on the first day of a calendar quarter; and

3355 (B) beginning 60 days after the effective date of the enactment or repeal under
3356 Subsection (9)(a)(i).

3357 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
3358 the commission may by rule define the term "catalogue sale."

3359 (d) (i) Except as provided in Subsection (9)(e) or (f), if, for an annexation that occurs
3360 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
3361 part for an annexing area, the enactment or repeal shall take effect:

- 3362 (A) on the first day of a calendar quarter; and
- 3363 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 3364 the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.
- 3365 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:
- 3366 (A) that the annexation described in Subsection (9)(d)(i)(B) will result in an enactment
- 3367 or repeal of a tax under this part for the annexing area;
- 3368 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);
- 3369 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and
- 3370 (D) the rate of the tax described in Subsection (9)(d)(ii)(A).
- 3371 (e) (i) Notwithstanding Subsection (9)(d)(i), for a transaction described in Subsection
- 3372 (9)(e)(iii), the enactment of a tax shall take effect on the first day of the first billing period:
- 3373 (A) that begins after the effective date of the enactment of the tax; and
- 3374 (B) if the billing period for the transaction begins before the effective date of the
- 3375 enactment of the tax under Subsection (1).
- 3376 (ii) Notwithstanding Subsection (9)(d)(i), for a transaction described in Subsection
- 3377 (9)(e)(iii), the repeal of a tax shall take effect on the first day of the last billing period:
- 3378 (A) that began before the effective date of the repeal of the tax; and
- 3379 (B) if the billing period for the transaction begins before the effective date of the repeal
- 3380 of the tax imposed under Subsection (1).
- 3381 (iii) Subsections (9)(e)(i) and (ii) apply to transactions subject to a tax under:
- 3382 (A) Subsection 59-12-103(1)(b);
- 3383 (B) Subsection 59-12-103(1)(c);
- 3384 (C) Subsection 59-12-103(1)(d);
- 3385 (D) Subsection 59-12-103(1)(e);
- 3386 (E) Subsection 59-12-103(1)(f);
- 3387 (F) Subsection 59-12-103(1)(g);
- 3388 (G) Subsection 59-12-103(1)(h);
- 3389 (H) Subsection 59-12-103(1)(i);

3390 (I) Subsection 59-12-103(1)(j); or

3391 (J) Subsection 59-12-103(1)(k).

3392 (f) (i) Notwithstanding Subsection (9)(d)(i), if a tax due under this chapter on a
3393 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
3394 enactment or repeal of a tax described in Subsection (9)(d)(i) takes effect:

3395 (A) on the first day of a calendar quarter; and

3396 (B) beginning 60 days after the effective date of the enactment or repeal under
3397 Subsection (9)(d)(i).

3398 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
3399 the commission may by rule define the term "catalogue sale."

3400 Section 36. Section **59-12-1604** is amended to read:

3401 **59-12-1604. Administration, collection, and enforcement of tax -- Administrative**
3402 **fee.**

3403 (1) Except as provided in Subsection (2), the tax authorized under this part shall be
3404 administered, collected, and enforced in accordance with:

3405 (a) the same procedures used to administer, collect, and enforce the tax under:

3406 (i) Part 1, Tax Collection; or

3407 (ii) Part 2, Local Sales and Use Tax Act; and

3408 (b) Chapter 1, General Taxation Policies.

3409 (2) [~~Notwithstanding Subsection (1), a~~] A tax under this part is not subject to[~~-(a)-~~
3410 ~~Sections~~] Section 59-12-107.1 [~~through 59-12-107.3; (b) Sections 59-12-207.1 through~~
3411 ~~59-12-207.4;~~] or [~~(c)~~] Subsections 59-12-205(2) through [~~(9)~~] (6).

3412 (3) (a) The commission:

3413 (i) except as provided in Subsection (3)(a)(ii), shall distribute the revenues generated
3414 by the tax to the county within which the revenues were generated; and

3415 (ii) notwithstanding Subsection (3)(a)(i), may retain an amount of tax collected under
3416 this part of not to exceed the lesser of:

3417 (A) 1.5%; or

3418 (B) an amount equal to the cost to the commission of administering this part.

3419 (b) Any amount the commission retains under Subsection (3)(a)(ii) shall be:

3420 (i) placed in the Sales and Use Tax Administrative Fees Account; and

3421 (ii) used as provided in Subsection 59-12-206(2).

3422 Section 37. Section **63-51-4** is amended to read:

3423 **63-51-4. Prepaid Sales and Use Tax Construction Account -- Use of account**
3424 **funds.**

3425 There is created a Prepaid Sales and Use Tax Construction Account as a special
3426 suspense account within the state General Fund. All revenues collected or received by the
3427 State Tax Commission from the prepayment of sales or use taxes under this chapter shall be
3428 deposited with the state treasurer [~~in accordance with Section 59-12-119~~] daily and credited by
3429 the state treasurer to the Prepaid Sales and Use Tax Construction Account. This account shall
3430 be used to finance state-related public improvements, including but not limited to highways
3431 and related facilities and schools and related facilities. Funds from this account shall only be
3432 disbursed or drawn upon after proper authorization and only after appropriation of these funds
3433 by the Legislature.

3434 Section 38. Section **69-2-5** is amended to read:

3435 **69-2-5. Funding for 911 emergency telephone service.**

3436 (1) In providing funding of 911 emergency telephone service, any public agency
3437 establishing a 911 emergency telephone service may:

3438 (a) seek assistance from the federal or state government, to the extent constitutionally
3439 permissible, in the form of loans, advances, grants, subsidies, and otherwise, directly or
3440 indirectly;

3441 (b) seek funds appropriated by local governmental taxing authorities for the funding of
3442 public safety agencies; and

3443 (c) seek gifts, donations, or grants from individuals, corporations, or other private
3444 entities.

3445 (2) For purposes of providing funding of 911 emergency telephone service, special

3446 service districts may raise funds as provided in Section 17A-2-1322 and may borrow money
3447 and incur indebtedness as provided in Section 17A-2-1316.

3448 (3) (a) Except as provided in Subsection (3)(b) and subject to the other provisions of
3449 this Subsection (3) a county, city, or town within which 911 emergency telephone service is
3450 provided may levy monthly an emergency services telephone charge on:

3451 (i) each local exchange service switched access line within the boundaries of the
3452 county, city, or town; and

3453 (ii) each revenue producing radio communications access line with a billing address
3454 within the boundaries of the county, city, or town.

3455 (b) Notwithstanding Subsection (3)(a), an access line provided for public coin
3456 telephone service is exempt from emergency telephone charges.

3457 (c) The amount of the charge levied under this section may not exceed:

3458 (i) 65 cents per month for each local exchange service switched access line;

3459 (ii) 65 cents per month for each radio communications access line; and

3460 (iii) 4 cents of the amount of the charge levied under Subsections (3)(c)(i) and (ii), less
3461 the collection costs of the provider and Tax Commission permitted by Subsection (3)(h) and
3462 Subsection 53-10-604(2)(b), shall be deposited monthly in the statewide unified E-911
3463 Emergency Service Fund created in Section 53-10-603, for the purposes outlined in that
3464 section.

3465 (d) (i) For purposes of this Subsection (3)(d) the following terms shall be defined as
3466 provided in Section 59-12-102:

3467 (A) "mobile telecommunications service";

3468 (B) "primary place of use";

3469 (C) "service address"; and

3470 (D) "telephone service."

3471 (ii) An access line described in Subsection (3)(a) is considered to be within the
3472 boundaries of a county, city, or town if the telephone services provided over the access line are
3473 located within the county, city, or town:

3474 (A) for purposes of sales and use taxes under Title 59, Chapter 12, Sales and Use Tax
3475 Act; and

3476 (B) determined in accordance with Section 59-12-207.4.

3477 (iii) The rate imposed on an access line under this section shall be determined in
3478 accordance with Subsection (3)(d)(iv) if the location of an access line described in Subsection
3479 (3)(a) is determined under Subsection (3)(d)(ii) to be a county, city, or town other than county,
3480 city, or town in which is located:

3481 (A) for telephone service other than mobile telecommunications service, the
3482 purchaser's service address; or

3483 (B) for mobile telecommunications service, the purchaser's primary place of use.

3484 (iv) The rate imposed on an access line under this section shall be the lower of:

3485 (A) the rate imposed by the county, city, or town in which the access line is located
3486 under Subsection (3)(d)(ii); or

3487 (B) the rate imposed by the county, city, or town in which it is located:

3488 (I) for telephone service other than mobile telecommunications service, the purchaser's
3489 service address; or

3490 (II) for mobile telecommunications service, the purchaser's primary place of use.

3491 (e) (i) A county, city, or town shall notify the Public Service Commission of the intent
3492 to levy the charge under this Subsection (3) at least 30 days prior to the effective date of the
3493 charge being levied.

3494 (ii) For purposes of this Subsection (3)(e):

3495 (A) "Annexation" means an annexation to:

3496 (I) a city or town under Title 10, Chapter 2, Part 4, Annexation; or

3497 (II) a county under Title 17, Chapter 2, Annexation to County.

3498 (B) "Annexing area" means an area that is annexed into a county, city, or town.

3499 (iii) (A) Except as provided in Subsection (3)(e)(iii)(C) or (D), if on or after July 1,
3500 2003, a county, city, or town enacts or repeals a charge or changes the amount of the charge
3501 under this section, the enactment, repeal, or change shall take effect:

3502 (I) on the first day of a calendar quarter; and
3503 (II) after a 90-day period beginning on the date the State Tax Commission receives
3504 notice meeting the requirements of Subsection (3)(e)(iii)(B) from the county, city, or town.
3505 (B) The notice described in Subsection (3)(e)(iii)(A) shall state:
3506 (I) that the county, city, or town will enact or repeal a charge or change the amount of
3507 the charge under this section;
3508 (II) the statutory authority for the charge described in Subsection (3)(e)(iii)(B)(I);
3509 (III) the effective date of the charge described in Subsection (3)(e)(iii)(B)(I); and
3510 (IV) if the county, city, or town enacts the charge or changes the amount of the charge
3511 described in Subsection (3)(e)(iii)(B)(I), the amount of the charge.
3512 (C) Notwithstanding Subsection (3)(e)(iii)(A), the enactment of a charge or a charge
3513 increase under this section shall take effect on the first day of the first billing period:
3514 (I) that begins after the effective date of the enactment of the charge or the charge
3515 increase; and
3516 (II) if the billing period for the charge begins before the effective date of the enactment
3517 of the charge or the charge increase imposed under this section.
3518 (D) Notwithstanding Subsection (3)(e)(iii)(A), the repeal of a charge or a charge
3519 decrease under this section shall take effect on the first day of the last billing period:
3520 (I) that began before the effective date of the repeal of the charge or the charge
3521 decrease; and
3522 (II) if the billing period for the charge begins before the effective date of the repeal of
3523 the charge or the charge decrease imposed under this section.
3524 (iv) (A) Except as provided in Subsection (3)(e)(iv)(C) or (D), if for an annexation that
3525 occurs on or after July 1, 2003, the annexation will result in the enactment, repeal, or a change
3526 in the amount of a charge imposed under this section for an annexing area, the enactment,
3527 repeal, or change shall take effect:
3528 (I) on the first day of a calendar quarter; and
3529 (II) after a 90-day period beginning on the date the State Tax Commission receives

3530 notice meeting the requirements of Subsection (3)(e)(iv)(B) from the county, city, or town that
3531 annexes the annexing area.

3532 (B) The notice described in Subsection (3)(e)(iv)(A) shall state:

3533 (I) that the annexation described in Subsection (3)(e)(iv)(A) will result in an
3534 enactment, repeal, or a change in the charge being imposed under this section for the annexing
3535 area;

3536 (II) the statutory authority for the charge described in Subsection (3)(e)(iv)(B)(I);

3537 (III) the effective date of the charge described in Subsection (3)(e)(iv)(B)(I); and

3538 (IV) if the county, city, or town enacts the charge or changes the amount of the charge
3539 described in Subsection (3)(e)(iv)(B)(I), the amount of the charge.

3540 (C) Notwithstanding Subsection (3)(e)(iv)(A), the enactment of a charge or a charge
3541 increase under this section shall take effect on the first day of the first billing period:

3542 (I) that begins after the effective date of the enactment of the charge or the charge
3543 increase; and

3544 (II) if the billing period for the charge begins before the effective date of the enactment
3545 of the charge or the charge increase imposed under this section.

3546 (D) Notwithstanding Subsection (3)(e)(iv)(A), the repeal of a charge or a charge
3547 decrease under this section shall take effect on the first day of the last billing period:

3548 (I) that began before the effective date of the repeal of the charge or the charge
3549 decrease; and

3550 (II) if the billing period for the charge begins before the effective date of the repeal of
3551 the charge or the charge decrease imposed under this section.

3552 (f) Subject to Subsection (3)(g), an emergency services telephone charge levied under
3553 this section shall:

3554 (i) be billed and collected by the person that provides the:

3555 (A) local exchange service switched access line services; or

3556 (B) radio communications access line services; and

3557 (ii) except for costs retained under Subsection (3)(h), remitted to the State Tax

3558 Commission.

3559 (g) An emergency services telephone charge on a mobile telecommunications service
3560 may be levied, billed, and collected only to the extent permitted by the Mobile
3561 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.

3562 (h) The person that bills and collects the charges levied under Subsection (3)(f) may:

3563 (i) bill the charge imposed by this section in combination with the charge levied under
3564 Section 69-2-5.6 as one line item charge; and

3565 (ii) retain an amount not to exceed 1.5% of the levy collected under this section as
3566 reimbursement for the cost of billing, collecting, and remitting the levy.

3567 (i) The State Tax Commission shall:

3568 (i) collect, enforce, and administer the charge imposed under this Subsection (3)
3569 pursuant to the same procedures used in the administration, collection, and enforcement of the
3570 state sales and use taxes under:

3571 (A) Title 59, Chapter 1, General Taxation Policies; and

3572 (B) Title 59, Chapter 12, Part 1, Tax Collection, except for:

3573 (I) Section 59-12-104;

3574 (II) Section 59-12-104.1;

3575 (III) Section 59-12-104.2; and

3576 (IV) ~~[Sections]~~ Section 59-12-107.1 ~~[through 59-12-107.3]~~.

3577 (ii) transmit monies collected under this Subsection (3):

3578 (A) monthly; and

3579 (B) by electronic funds transfer by the commission to the county, city, or town that
3580 imposes the charge; and

3581 (iii) charge the county, city, or town for the State Tax Commission's services under this
3582 Subsection (3) in an amount:

3583 (A) sufficient to reimburse the State Tax Commission for the cost to the State Tax
3584 Commission in rendering the services; and

3585 (B) that may not exceed an amount equal to 1.5% of the charges imposed under this

3586 Subsection (3).

3587 (4) (a) Any money received by a public agency for the provision of 911 emergency
3588 telephone service shall be deposited in a special emergency telephone service fund.

3589 (b) (i) Except as provided in Subsection (5), the money in the emergency telephone
3590 service fund shall be expended by the public agency to pay the costs of establishing, installing,
3591 maintaining, and operating a 911 emergency telephone system or integrating a 911 system into
3592 an established public safety dispatch center, including contracting with the providers of local
3593 exchange service, radio communications service, and vendors of appropriate terminal
3594 equipment as necessary to implement the 911 emergency telephone service.

3595 (ii) Revenues derived for the funding of 911 emergency telephone service may only be
3596 used for that portion of costs related to the operation of the 911 emergency telephone system
3597 when such a system is integrated with any public safety dispatch system.

3598 (c) Any unexpended money in the emergency telephone service fund at the end of a
3599 fiscal year does not lapse, and must be carried forward to be used for the purposes described in
3600 this section.

3601 (5) (a) Revenue received by a local entity from an increase in the levy imposed under
3602 Subsection (3) after the 2004 Annual General Session, or from grants from the Utah 911
3603 Committee pursuant to Section 53-10-605:

3604 (i) shall be deposited into the special emergency telephone service fund described in
3605 Subsection (4)(a); and

3606 (ii) shall only be used for that portion of the costs related to the development and
3607 operation of wireless and land-based enhanced 911 emergency telephone service and the
3608 implementation of wireless E-911 Phase I and Phase II services as provided in Subsection
3609 (5)(b).

3610 (b) The costs allowed under Subsection (5)(a)(ii) shall include the public service
3611 answering point's or local entity's costs for:

3612 (i) acquisition, upgrade, modification, maintenance, and operation of public service
3613 answering point equipment capable of receiving E-911 information;

(ii) database development, operation, and maintenance; and
(iii) personnel costs associated with establishing, installing, maintaining, and operating wireless E-911 Phase I and Phase II services, including training emergency service personnel regarding receipt and use of E-911 wireless service information and educating consumers regarding the appropriate and responsible use of E-911 wireless service.

(6) A local entity that increases the levy it imposes under Subsection (3)(c) after the 2004 Annual General Session shall increase the levy to the maximum amount permitted by Subsection (3)(c).

Section 39. Repealer.

This bill repeals:

Section 17A-2-1064, Airport to University of Utah Light Rail Restricted Account -- Creation -- Use of revenues -- Distribution of revenues.

Section 59-12-102.1, Authority to enter into agreement -- Purpose and scope of agreement -- Rulemaking authority -- Agreement may require a state that is a member of the agreement to abide by certain requirements.

Section 59-12-107.2 (Effective 07/01/06), Services, computer software, or digital goods concurrently available for use in more than one location.

Section 59-12-107.3 (Effective 07/01/06), Collection, remittance, and payment of taxes on direct mail.

Section 59-12-107.4, Certified service provider liability.

Section 59-12-107.5, Seller or certified service provider reliance on commission information or certain systems.

Section 59-12-119, Revenue credited to General Fund.

Section 59-12-121, Amnesty.

Section 59-12-122 (Effective 07/01/06), Monetary allowance for a seller or certified service provider registered under the agreement.

Section 59-12-207.1 (Effective 07/01/06), Definitions -- Location of certain transactions -- Reports to commission -- Direct payment provision for a seller making

3642 **certain purchases -- Exceptions -- Rulemaking authority.**

3643 Section **59-12-207.2** (Effective 07/01/06), Location of transaction involving a sale of
3644 **a motor vehicle, aircraft, watercraft, modular home, manufactured home, or mobile**
3645 **home.**

3646 Section **59-12-207.3** (Effective 07/01/06), Location of transaction involving lease or
3647 **rental of certain tangible personal property.**

3648 Section **59-12-207.5**, Seller or certified service provider reliance on commission
3649 **information or certain systems.**

3650 Section **59-12-303**, Seller or certified service provider reliance on commission
3651 **information or certain systems.**

3652 Section **59-12-356**, Seller or certified service provider reliance on commission
3653 **information or certain systems.**

3654 Section **59-12-404**, Seller or certified service provider reliance on commission
3655 **information or certain systems.**

3656 Section **59-12-505**, Seller or certified service provider reliance on commission
3657 **information or certain systems.**

3658 Section **59-12-604**, Seller or certified service provider reliance on commission
3659 **information or certain systems.**

3660 Section **59-12-706**, Seller or certified service provider reliance on commission
3661 **information or certain systems.**

3662 Section **59-12-807**, Seller or certified service provider reliance on commission
3663 **information or certain systems.**

3664 Section **59-12-1003**, Seller or certified service provider reliance on commission
3665 **information or certain systems.**

3666 Section **59-12-1103**, Seller or certified service provider reliance on commission
3667 **information or certain systems.**

3668 Section **59-12-1303**, Seller or certified service provider reliance on commission
3669 **information or certain systems.**

3670 Section **59-12-1404, Seller or certified service provider reliance on commission**
3671 **information or certain systems.**

3672 Section **59-12-1504, Seller or certified service provider reliance on commission**
3673 **information or certain systems.**

3674 Section 40. **Effective date.**

3675 This bill takes effect on July 1, 2006.

3676 Section 41. **Revisor instructions.**

3677 It is the intent of the Legislature that, in preparing the Utah Code database for
3678 publication, that:

3679 (1) the repeal of Section 59-12-207 by Section 68, Chapter 312, Laws of Utah 2003,
3680 not be given effect; and

3681 (2) Section 59-12-207 remains in effect as last amended by Section 7, Chapter 1, Laws
3682 of Utah 2004, Third Special Session.