

**Representative Roger E. Barrus** proposes the following substitute bill:

**CLEAN AIR AND EFFICIENT VEHICLE TAX**

**CREDIT**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Rosalind J. McGee**

Senate Sponsor: Gregory S. Bell

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**LONG TITLE**

**General Description:**

This bill exempts a clean and efficient vehicle from taxes imposed under Title 59, Chapter 12, Sales and Use Tax Act.

**Highlighted Provisions:**

This bill:

- ▶ exempts a clean and efficient vehicle from taxes imposed under Title 59, Chapter 12, Sales and Use Tax Act; and
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**59-12-104**, as last amended by Chapters 181, 182, 217, 218, 219, 220, 246, 268 and 346, Laws of Utah 2006



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

27 Section 1. Section **59-12-104** is amended to read:

28 **59-12-104. Exemptions.**

29 The following sales and uses are exempt from the taxes imposed by this chapter:

30 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax  
31 under Chapter 13, Motor and Special Fuel Tax Act;

32 (2) sales to the state, its institutions, and its political subdivisions; however, this  
33 exemption does not apply to sales of:

34 (a) construction materials except:

35 (i) construction materials purchased by or on behalf of institutions of the public  
36 education system as defined in Utah Constitution Article X, Section 2, provided the  
37 construction materials are clearly identified and segregated and installed or converted to real  
38 property which is owned by institutions of the public education system; and

39 (ii) construction materials purchased by the state, its institutions, or its political  
40 subdivisions which are installed or converted to real property by employees of the state, its  
41 institutions, or its political subdivisions; or

42 (b) tangible personal property in connection with the construction, operation,  
43 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities  
44 providing additional project capacity, as defined in Section 11-13-103;

45 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:

46 (i) the proceeds of each sale do not exceed \$1; and

47 (ii) the seller or operator of the vending machine reports an amount equal to 150% of  
48 the cost of the item described in Subsection (3)(b) as goods consumed; and

49 (b) Subsection (3)(a) applies to:

50 (i) food and food ingredients; or

51 (ii) prepared food;

52 (4) sales of the following to a commercial airline carrier for in-flight consumption:

53 (a) food and food ingredients;

54 (b) prepared food; or

55 (c) services related to Subsection (4)(a) or (b);

56 (5) sales of parts and equipment for installation in aircraft operated by common carriers

57 in interstate or foreign commerce;

58 (6) sales of commercials, motion picture films, prerecorded audio program tapes or  
59 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture  
60 exhibitor, distributor, or commercial television or radio broadcaster;

61 (7) (a) subject to Subsection (7)(b), sales of cleaning or washing of tangible personal  
62 property if the cleaning or washing of the tangible personal property is not assisted cleaning or  
63 washing of tangible personal property;

64 (b) if a seller that sells at the same business location assisted cleaning or washing of  
65 tangible personal property and cleaning or washing of tangible personal property that is not  
66 assisted cleaning or washing of tangible personal property, the exemption described in  
67 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning  
68 or washing of the tangible personal property; and

69 (c) for purposes of Subsection (7)(b) and in accordance with Title 63, Chapter 46a,  
70 Utah Administrative Rulemaking Act, the commission may make rules:

71 (i) governing the circumstances under which sales are at the same business location;  
72 and

73 (ii) establishing the procedures and requirements for a seller to separately account for  
74 sales of assisted cleaning or washing of tangible personal property;

75 (8) sales made to or by religious or charitable institutions in the conduct of their regular  
76 religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are  
77 fulfilled;

78 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of  
79 this state if the vehicle is both not:

80 (a) registered in this state; and

81 (b) used in this state except as necessary to transport the vehicle to the borders of this  
82 state;

83 (10) (a) amounts paid for an item described in Subsection (10)(b) if:

84 (i) the item is intended for human use; and

85 (ii) (A) a prescription was issued for the item; or

86 (B) the item was purchased by a hospital or other medical facility; and

87 (b) (i) Subsection (10)(a) applies to:

88 (A) a drug;  
89 (B) a syringe; or  
90 (C) a stoma supply; and  
91 (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
92 commission may by rule define the terms:  
93 (A) "syringe"; or  
94 (B) "stoma supply";  
95 (11) sales or use of property, materials, or services used in the construction of or  
96 incorporated in pollution control facilities allowed by Sections 19-2-123 through 19-2-127;  
97 (12) (a) sales of an item described in Subsection (12)(c) served by:  
98 (i) the following if the item described in Subsection (12)(c) is not available to the  
99 general public:  
100 (A) a church; or  
101 (B) a charitable institution;  
102 (ii) an institution of higher education if:  
103 (A) the item described in Subsection (12)(c) is not available to the general public; or  
104 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan  
105 offered by the institution of higher education; or  
106 (b) sales of an item described in Subsection (12)(c) provided for a patient by:  
107 (i) a medical facility; or  
108 (ii) a nursing facility; and  
109 (c) Subsections (12)(a) and (b) apply to:  
110 (i) food and food ingredients;  
111 (ii) prepared food; or  
112 (iii) alcoholic beverages;  
113 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property  
114 by a person:  
115 (i) regardless of the number of transactions involving the sale of that tangible personal  
116 property by that person; and  
117 (ii) not regularly engaged in the business of selling that type of tangible personal  
118 property;

- 119 (b) this Subsection (13) does not apply if:
- 120 (i) the sale is one of a series of sales of a character to indicate that the person is
- 121 regularly engaged in the business of selling that type of tangible personal property;
- 122 (ii) the person holds that person out as regularly engaged in the business of selling that
- 123 type of tangible personal property;
- 124 (iii) the person sells an item of tangible personal property that the person purchased as
- 125 a sale that is exempt under Subsection (25); or
- 126 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of
- 127 this state in which case the tax is based upon:
- 128 (A) the bill of sale or other written evidence of value of the vehicle or vessel being
- 129 sold; or
- 130 (B) in the absence of a bill of sale or other written evidence of value, the fair market
- 131 value of the vehicle or vessel being sold at the time of the sale as determined by the
- 132 commission; and
- 133 (c) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
- 134 commission shall make rules establishing the circumstances under which:
- 135 (i) a person is regularly engaged in the business of selling a type of tangible personal
- 136 property;
- 137 (ii) a sale of tangible personal property is one of a series of sales of a character to
- 138 indicate that a person is regularly engaged in the business of selling that type of tangible
- 139 personal property; or
- 140 (iii) a person holds that person out as regularly engaged in the business of selling a type
- 141 of tangible personal property;
- 142 (14) (a) except as provided in Subsection (14)(b), amounts paid or charged on or after
- 143 July 1, 2006, for a purchase or lease by a manufacturing facility other than a cogeneration
- 144 facility, for the following:
- 145 (i) machinery and equipment that:
- 146 (A) is used:
- 147 (I) for a manufacturing facility other than a manufacturing facility that is a scrap
- 148 recycler described in Subsection 59-12-102(45)(b):
- 149 (Aa) in the manufacturing process; and

150 (Bb) to manufacture an item sold as tangible personal property; or  
151 (II) for a manufacturing facility that is a scrap recycler described in Subsection  
152 59-12-102(45)(b), to process an item sold as tangible personal property; and  
153 (B) has an economic life of three or more years; and  
154 (ii) normal operating repair or replacement parts that:  
155 (A) have an economic life of three or more years; and  
156 (B) are used:  
157 (I) for a manufacturing facility in the state other than a manufacturing facility that is a  
158 scrap recycler described in Subsection 59-12-102(45)(b), in the manufacturing process; or  
159 (II) for a manufacturing facility in the state that is a scrap recycler described in  
160 Subsection 59-12-102(45)(b), to process an item sold as tangible personal property;  
161 (b) (i) amounts paid or charged on or after July 1, 2005, for a purchase or lease by a  
162 manufacturing facility that is a cogeneration facility placed in service on or after May 1, 2006,  
163 for the following:  
164 (A) machinery and equipment that:  
165 (I) is used:  
166 (Aa) in the manufacturing process; and  
167 (Bb) to manufacture an item sold as tangible personal property; and  
168 (II) has an economic life of three or more years; and  
169 (B) normal operating repair or replacement parts that:  
170 (I) are used in the manufacturing process in a manufacturing facility in the state; and  
171 (II) have an economic life of three or more years; and  
172 (ii) for amounts paid or charged on or after July 1, 2005, but on or before June 30,  
173 2006, for a purchase or lease described in Subsection (14)(b)(i), a cogeneration facility may  
174 claim the exemption allowed by Subsection (14)(b)(i) by filing for a refund:  
175 (A) for sales and use taxes paid under this chapter on the purchase or lease payment;  
176 and  
177 (B) in accordance with Section 59-12-110;  
178 (c) for purposes of this Subsection (14) and in accordance with Title 63, Chapter 46a,  
179 Utah Administrative Rulemaking Act, the commission:  
180 (i) shall by rule define the term "establishment"; and

181 (ii) may by rule define what constitutes processing an item sold as tangible personal  
182 property; and

183 (d) on or before October 1, 1991, and every five years after October 1, 1991, the  
184 commission shall:

185 (i) review the exemptions described in this Subsection (14) and make  
186 recommendations to the Revenue and Taxation Interim Committee concerning whether the  
187 exemptions should be continued, modified, or repealed; and

188 (ii) include in its report:

189 (A) the cost of the exemptions;

190 (B) the purpose and effectiveness of the exemptions; and

191 (C) the benefits of the exemptions to the state;

192 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:

193 (i) tooling;

194 (ii) special tooling;

195 (iii) support equipment;

196 (iv) special test equipment; or

197 (v) parts used in the repairs or renovations of tooling or equipment described in  
198 Subsections (15)(a)(i) through (iv); and

199 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:

200 (i) the tooling, equipment, or parts are used or consumed exclusively in the  
201 performance of any aerospace or electronics industry contract with the United States  
202 government or any subcontract under that contract; and

203 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),  
204 title to the tooling, equipment, or parts is vested in the United States government as evidenced  
205 by:

206 (A) a government identification tag placed on the tooling, equipment, or parts; or

207 (B) listing on a government-approved property record if placing a government  
208 identification tag on the tooling, equipment, or parts is impractical;

209 (16) sales of newspapers or newspaper subscriptions;

210 (17) (a) except as provided in Subsection (17)(b), tangible personal property traded in  
211 as full or part payment of the purchase price, except that for purposes of calculating sales or use

212 tax upon vehicles not sold by a vehicle dealer, trade-ins are limited to other vehicles only, and  
213 the tax is based upon:

214 (i) the bill of sale or other written evidence of value of the vehicle being sold and the  
215 vehicle being traded in; or

216 (ii) in the absence of a bill of sale or other written evidence of value, the then existing  
217 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the  
218 commission; and

219 (b) notwithstanding Subsection (17)(a), Subsection (17)(a) does not apply to the  
220 following items of tangible personal property traded in as full or part payment of the purchase  
221 price:

222 (i) money;

223 (ii) electricity;

224 (iii) water;

225 (iv) gas; or

226 (v) steam;

227 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property  
228 used or consumed primarily and directly in farming operations, regardless of whether the  
229 tangible personal property:

230 (A) becomes part of real estate; or

231 (B) is installed by a:

232 (I) farmer;

233 (II) contractor; or

234 (III) subcontractor; or

235 (ii) sales of parts used in the repairs or renovations of tangible personal property if the  
236 tangible personal property is exempt under Subsection (18)(a)(i); and

237 (b) notwithstanding Subsection (18)(a), amounts paid or charged for the following  
238 tangible personal property are subject to the taxes imposed by this chapter:

239 (i) (A) subject to Subsection (18)(b)(i)(B), the following tangible personal property if  
240 the tangible personal property is used in a manner that is incidental to farming:

241 (I) machinery;

242 (II) equipment;



243 (III) materials; or  
244 (IV) supplies; and  
245 (B) tangible personal property that is considered to be used in a manner that is  
246 incidental to farming includes:  
247 (I) hand tools; or  
248 (II) maintenance and janitorial equipment and supplies;  
249 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property if the tangible  
250 personal property is used in an activity other than farming; and  
251 (B) tangible personal property that is considered to be used in an activity other than  
252 farming includes:  
253 (I) office equipment and supplies; or  
254 (II) equipment and supplies used in:  
255 (Aa) the sale or distribution of farm products;  
256 (Bb) research; or  
257 (Cc) transportation; or  
258 (iii) a vehicle required to be registered by the laws of this state during the period ending  
259 two years after the date of the vehicle's purchase;  
260 (19) sales of hay;  
261 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or  
262 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or  
263 garden, farm, or other agricultural produce is sold by:  
264 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other  
265 agricultural produce;  
266 (b) an employee of the producer described in Subsection (20)(a); or  
267 (c) a member of the immediate family of the producer described in Subsection (20)(a);  
268 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued  
269 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;  
270 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,  
271 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,  
272 wholesaler, or retailer for use in packaging tangible personal property to be sold by that  
273 manufacturer, processor, wholesaler, or retailer;

- 274 (23) property stored in the state for resale;
- 275 (24) property brought into the state by a nonresident for his or her own personal use or  
276 enjoyment while within the state, except property purchased for use in Utah by a nonresident  
277 living and working in Utah at the time of purchase;
- 278 (25) property purchased for resale in this state, in the regular course of business, either  
279 in its original form or as an ingredient or component part of a manufactured or compounded  
280 product;
- 281 (26) property upon which a sales or use tax was paid to some other state, or one of its  
282 subdivisions, except that the state shall be paid any difference between the tax paid and the tax  
283 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if  
284 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax  
285 Act;
- 286 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a  
287 person for use in compounding a service taxable under the subsections;
- 288 (28) purchases made in accordance with the special supplemental nutrition program for  
289 women, infants, and children established in 42 U.S.C. Sec. 1786;
- 290 (29) beginning on July 1, 1999, through June 30, 2014, sales or leases of rolls, rollers,  
291 refractory brick, electric motors, or other replacement parts used in the furnaces, mills, or ovens  
292 of a steel mill described in SIC Code 3312 of the 1987 Standard Industrial Classification  
293 Manual of the federal Executive Office of the President, Office of Management and Budget;
- 294 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State  
295 Boating Act, a boat trailer, or an outboard motor if the boat, trailer, or outboard motor is both  
296 not:
  - 297 (a) registered in this state; and
  - 298 (b) used in this state except as necessary to transport the boat, boat trailer, or outboard  
299 motor to the borders of this state;
- 300 (31) sales of aircraft manufactured in Utah if sold for delivery and use outside Utah  
301 where a sales or use tax is not imposed, even if the title is passed in Utah;
- 302 (32) amounts paid for the purchase of telephone service for purposes of providing  
303 telephone service;
- 304 (33) sales or leases of vehicles to, or use of vehicles by an authorized carrier;

305 (34) (a) 45% of the sales price of any new manufactured home; and  
306 (b) 100% of the sales price of any used manufactured home;  
307 (35) sales relating to schools and fundraising sales;  
308 (36) sales or rentals of durable medical equipment if:  
309 (a) a person presents a prescription for the durable medical equipment; and  
310 (b) the durable medical equipment is used for home use only;  
311 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in  
312 Section 72-11-102; and  
313 (b) the commission shall by rule determine the method for calculating sales exempt  
314 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;  
315 (38) sales to a ski resort of:  
316 (a) snowmaking equipment;  
317 (b) ski slope grooming equipment;  
318 (c) passenger ropeways as defined in Section 72-11-102; or  
319 (d) parts used in the repairs or renovations of equipment or passenger ropeways  
320 described in Subsections (38)(a) through (c);  
321 (39) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;  
322 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for  
323 amusement, entertainment, or recreation an unassisted amusement device as defined in Section  
324 59-12-102;  
325 (b) if a seller that sells or rents at the same business location the right to use or operate  
326 for amusement, entertainment, or recreation one or more unassisted amusement devices and  
327 one or more assisted amusement devices, the exemption described in Subsection (40)(a)  
328 applies if the seller separately accounts for the sales or rentals of the right to use or operate for  
329 amusement, entertainment, or recreation for the assisted amusement devices; and  
330 (c) for purposes of Subsection (40)(b) and in accordance with Title 63, Chapter 46a,  
331 Utah Administrative Rulemaking Act, the commission may make rules:  
332 (i) governing the circumstances under which sales are at the same business location;  
333 and  
334 (ii) establishing the procedures and requirements for a seller to separately account for  
335 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for

336 assisted amusement devices;

337 (41) sales by the state or a political subdivision of the state, except state institutions of  
338 higher education as defined in Section 53B-3-102, of:

339 (a) photocopies; or

340 (b) other copies of records held or maintained by the state or a political subdivision of  
341 the state;

342 (42) amounts paid for admission to an athletic event at an institution of higher  
343 education that is subject to the provisions of Title IX of the Education Amendments of 1972,  
344 20 U.S.C. Sec. 1681 et seq.;

345 (43) sales of telephone service charged to a prepaid telephone calling card;

346 (44) (a) sales of:

347 (i) hearing aids;

348 (ii) hearing aid accessories; or

349 (iii) except as provided in Subsection (44)(b), parts used in the repairs or renovations  
350 of hearing aids or hearing aid accessories; and

351 (b) for purposes of this Subsection (44), notwithstanding Subsection (44)(a)(iii),  
352 "parts" does not include batteries;

353 (45) (a) sales made to or by:

354 (i) an area agency on aging; or

355 (ii) a senior citizen center owned by a county, city, or town; or

356 (b) sales made by a senior citizen center that contracts with an area agency on aging;

357 (46) sales or leases of semiconductor fabricating, processing, research, or development  
358 materials regardless of whether the semiconductor fabricating, processing, research, or  
359 development materials:

360 (a) actually come into contact with a semiconductor; or

361 (b) ultimately become incorporated into real property;

362 (47) an amount paid by or charged to a purchaser for accommodations and services  
363 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section  
364 59-12-104.2;

365 (48) beginning on September 1, 2001, the lease or use of a vehicle issued a temporary  
366 sports event registration certificate in accordance with Section 41-3-306 for the event period

- 367 specified on the temporary sports event registration certificate;
- 368 (49) sales or uses of electricity, if the sales or uses are:
- 369 (a) made under a tariff adopted by the Public Service Commission of Utah only for
- 370 purchase of electricity produced from a new wind, geothermal, biomass, or solar power energy
- 371 source, as designated in the tariff by the Public Service Commission of Utah; and
- 372 (b) for an amount of electricity that is:
- 373 (i) unrelated to the amount of electricity used by the person purchasing the electricity
- 374 under the tariff described in Subsection (49)(a); and
- 375 (ii) equivalent to the number of kilowatthours specified in the tariff described in
- 376 Subsection (49)(a) that may be purchased under the tariff described in Subsection (49)(a);
- 377 (50) sales or rentals of mobility enhancing equipment if a person presents a
- 378 prescription for the mobility enhancing equipment;
- 379 (51) sales of water in a:
- 380 (a) pipe;
- 381 (b) conduit;
- 382 (c) ditch; or
- 383 (d) reservoir;
- 384 (52) sales of currency or coinage that constitute legal tender of the United States or of a
- 385 foreign nation;
- 386 (53) (a) sales of an item described in Subsection (53)(b) if the item:
- 387 (i) does not constitute legal tender of any nation; and
- 388 (ii) has a gold, silver, or platinum content of 80% or more; and
- 389 (b) Subsection (53)(a) applies to a gold, silver, or platinum:
- 390 (i) ingot;
- 391 (ii) bar;
- 392 (iii) medallion; or
- 393 (iv) decorative coin;
- 394 (54) amounts paid on a sale-leaseback transaction;
- 395 (55) sales of a prosthetic device:
- 396 (a) for use on or in a human;
- 397 (b) for which a prescription is issued; and

398 (c) to a person that presents a prescription for the prosthetic device;

399 (56) (a) except as provided in Subsection (56)(b), purchases, leases, or rentals of  
400 machinery or equipment by an establishment described in Subsection (56)(c) if the machinery  
401 or equipment is primarily used in the production or postproduction of the following media for  
402 commercial distribution:

403 (i) a motion picture;

404 (ii) a television program;

405 (iii) a movie made for television;

406 (iv) a music video;

407 (v) a commercial;

408 (vi) a documentary; or

409 (vii) a medium similar to Subsections (56)(a)(i) through (vi) as determined by the  
410 commission by administrative rule made in accordance with Subsection (56)(d); or

411 (b) notwithstanding Subsection (56)(a), purchases, leases, or rentals of machinery or  
412 equipment by an establishment described in Subsection (56)(c) that is used for the production  
413 or postproduction of the following are subject to the taxes imposed by this chapter:

414 (i) a live musical performance;

415 (ii) a live news program; or

416 (iii) a live sporting event;

417 (c) the following establishments listed in the 1997 North American Industry

418 Classification System of the federal Executive Office of the President, Office of Management  
419 and Budget, apply to Subsections (56)(a) and (b):

420 (i) NAICS Code 512110; or

421 (ii) NAICS Code 51219; and

422 (d) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
423 commission may by rule:

424 (i) prescribe what constitutes a medium similar to Subsections (56)(a)(i) through (vi);

425 or

426 (ii) define:

427 (A) "commercial distribution";

428 (B) "live musical performance";

429 (C) "live news program"; or  
430 (D) "live sporting event";  
431 (57) (a) leases of seven or more years or purchases made on or after July 1, 2004 but on  
432 or before June 30, 2009, of machinery or equipment that:  
433 (i) is leased or purchased for or by a facility that:  
434 (A) is a renewable energy production facility;  
435 (B) is located in the state; and  
436 (C) (I) becomes operational on or after July 1, 2004; or  
437 (II) has its generation capacity increased by one or more megawatts on or after July 1,  
438 2004 as a result of the use of the machinery or equipment;  
439 (ii) has an economic life of five or more years; and  
440 (iii) is used to make the facility or the increase in capacity of the facility described in  
441 Subsection (57)(a)(i) operational up to the point of interconnection with an existing  
442 transmission grid including:  
443 (A) a wind turbine;  
444 (B) generating equipment;  
445 (C) a control and monitoring system;  
446 (D) a power line;  
447 (E) substation equipment;  
448 (F) lighting;  
449 (G) fencing;  
450 (H) pipes; or  
451 (I) other equipment used for locating a power line or pole; and  
452 (b) this Subsection (57) does not apply to:  
453 (i) machinery or equipment used in construction of:  
454 (A) a new renewable energy production facility; or  
455 (B) the increase in the capacity of a renewable energy production facility;  
456 (ii) contracted services required for construction and routine maintenance activities;  
457 and  
458 (iii) unless the machinery or equipment is used or acquired for an increase in capacity  
459 of the facility described in Subsection (57)(a)(i)(C)(II), machinery or equipment used or

460 acquired after:

461 (A) the renewable energy production facility described in Subsection (57)(a)(i) is  
462 operational as described in Subsection (57)(a)(iii); or

463 (B) the increased capacity described in Subsection (57)(a)(i) is operational as described  
464 in Subsection (57)(a)(iii);

465 (58) (a) leases of seven or more years or purchases made on or after July 1, 2004 but on  
466 or before June 30, 2009, of machinery or equipment that:

467 (i) is leased or purchased for or by a facility that:

468 (A) is a waste energy production facility;

469 (B) is located in the state; and

470 (C) (I) becomes operational on or after July 1, 2004; or

471 (II) has its generation capacity increased by one or more megawatts on or after July 1,  
472 2004 as a result of the use of the machinery or equipment;

473 (ii) has an economic life of five or more years; and

474 (iii) is used to make the facility or the increase in capacity of the facility described in

475 Subsection (58)(a)(i) operational up to the point of interconnection with an existing

476 transmission grid including:

477 (A) generating equipment;

478 (B) a control and monitoring system;

479 (C) a power line;

480 (D) substation equipment;

481 (E) lighting;

482 (F) fencing;

483 (G) pipes; or

484 (H) other equipment used for locating a power line or pole; and

485 (b) this Subsection (58) does not apply to:

486 (i) machinery or equipment used in construction of:

487 (A) a new waste energy facility; or

488 (B) the increase in the capacity of a waste energy facility;

489 (ii) contracted services required for construction and routine maintenance activities;

490 and



491 (iii) unless the machinery or equipment is used or acquired for an increase in capacity  
492 described in Subsection (58)(a)(i)(C)(II), machinery or equipment used or acquired after:

493 (A) the waste energy facility described in Subsection (58)(a)(i) is operational as  
494 described in Subsection (58)(a)(iii); or

495 (B) the increased capacity described in Subsection (58)(a)(i) is operational as described  
496 in Subsection (58)(a)(iii);

497 (59) (a) leases of five or more years or purchases made on or after July 1, 2004 but on  
498 or before June 30, 2009, of machinery or equipment that:

499 (i) is leased or purchased for or by a facility that:

500 (A) is located in the state;

501 (B) produces fuel from biomass energy including:

502 (I) methanol; or

503 (II) ethanol; and

504 (C) (I) becomes operational on or after July 1, 2004; or

505 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004 as  
506 a result of the installation of the machinery or equipment;

507 (ii) has an economic life of five or more years; and

508 (iii) is installed on the facility described in Subsection (59)(a)(i);

509 (b) this Subsection (59) does not apply to:

510 (i) machinery or equipment used in construction of:

511 (A) a new facility described in Subsection (59)(a)(i); or

512 (B) the increase in capacity of the facility described in Subsection (59)(a)(i); or

513 (ii) contracted services required for construction and routine maintenance activities;

514 and

515 (iii) unless the machinery or equipment is used or acquired for an increase in capacity  
516 described in Subsection (59)(a)(i)(C)(II), machinery or equipment used or acquired after:

517 (A) the facility described in Subsection (59)(a)(i) is operational; or

518 (B) the increased capacity described in Subsection (59)(a)(i) is operational;

519 (60) amounts paid to a purchaser as a rebate from the manufacturer of a new vehicle  
520 for purchasing the new vehicle;

521 (61) (a) subject to Subsection (61)(b), sales of tangible personal property to persons

522 within this state that is subsequently shipped outside the state and incorporated pursuant to  
523 contract into and becomes a part of real property located outside of this state, except to the  
524 extent that the other state or political entity imposes a sales, use, gross receipts, or other similar  
525 transaction excise tax on it against which the other state or political entity allows a credit for  
526 taxes imposed by this chapter; and

527 (b) the exemption provided for in Subsection (61)(a):

528 (i) is allowed only if the exemption is applied:

529 (A) in calculating the purchase price of the tangible personal property; and

530 (B) to a written contract that is in effect on July 1, 2004; and

531 (ii) (A) does not apply beginning on the day on which the contract described in

532 Subsection (61)(b)(i):

533 (I) is substantially modified; or

534 (II) terminates; and

535 (B) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,

536 the commission may by rule prescribe the circumstances under which a contract is substantially  
537 modified;

538 (62) purchases:

539 (a) of one or more of the following items in printed or electronic format:

540 (i) a list containing information that includes one or more:

541 (A) names; or

542 (B) addresses; or

543 (ii) a database containing information that includes one or more:

544 (A) names; or

545 (B) addresses; and

546 (b) used to send direct mail;

547 (63) redemptions or repurchases of property by a person if that property was:

548 (a) delivered to a pawnbroker as part of a pawn transaction; and

549 (b) redeemed or repurchased within the time period established in a written agreement

550 between the person and the pawnbroker for redeeming or repurchasing the property;

551 (64) (a) purchases or leases of an item described in Subsection (64)(b) if the item:

552 (i) is purchased or leased by, or on behalf of, a telephone service provider; and

553 (ii) has a useful economic life of one or more years; and  
554 (b) the following apply to Subsection (64)(a):  
555 (i) telecommunications enabling or facilitating equipment, machinery, or software;  
556 (ii) telecommunications equipment, machinery, or software required for 911 service;  
557 (iii) telecommunications maintenance or repair equipment, machinery, or software;  
558 (iv) telecommunications switching or routing equipment, machinery, or software; or  
559 (v) telecommunications transmission equipment, machinery, or software; [~~and~~]  
560 (65) (a) beginning on July 1, 2006 and ending on June 30, 2016, purchases of tangible  
561 personal property used in the research and development of coal-to-liquids, oil shale, or tar  
562 sands technology; and  
563 (b) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
564 commission may, for purposes of Subsection (65)(a), make rules defining what constitutes  
565 tangible personal property used in the research and development of coal-to-liquids, oil shale,  
566 and tar sands technology[-]; and  
567 (66) Beginning on July 1, 2007, the sale or lease of a vehicle:  
568 (a) meeting the following fuel efficiency requirements:  
569 (i) at least 36 miles per gallon for gasoline-fueled vehicles;  
570 (ii) at least 41 miles per gallon for diesel-fueled vehicles;  
571 (iii) at least 26 miles per gallon for vehicles fueled by a blend of 85% ethanol and 15%  
572 gasoline;  
573 (iv) at least 23 miles per gallon for liquified petroleum gas-fueled vehicles; or  
574 (v) at least 27 miles per gallon for compressed natural gas-fueled vehicles; and  
575 (b) the emissions from which are equal to or cleaner than the standards established in  
576 bin 2 in table S04-1, of 40 C.F.R. 86.1811-04(c)(6).