

**REDUCTION IN STATE SALES AND USE  
TAX RATE ON FOOD AND FOOD  
INGREDIENTS**

2008 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Larry B. Wiley**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends the Sales and Use Tax Act relating to a tax rate.

**Highlighted Provisions:**

This bill:

► reduces the state sales and use tax rate imposed on food and food ingredients from 1.75% to 1%.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill takes effect on July 1, 2008.

**Utah Code Sections Affected:**

AMENDS:

**59-12-103**, as last amended by Laws of Utah 2007, Chapters 9, 101, 126, 206, and 288

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

Section 1. Section **59-12-103** is amended to read:

**59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.**



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

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

31 (b) amounts paid:

32 (i) to a:

33 (A) telephone service provider regardless of whether the telephone service provider is  
34 municipally or privately owned; or

35 (B) telegraph corporation:

36 (I) as defined in Section 54-2-1; and

37 (II) regardless of whether the telegraph corporation is municipally or privately owned;

38 and

39 (ii) for:

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

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

45 (C) telegraph service;

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

47 (i) gas;

48 (ii) electricity;

49 (iii) heat;

50 (iv) coal;

51 (v) fuel oil; or

52 (vi) other fuels;

53 (d) sales of the following for residential use:

54 (i) gas;

55 (ii) electricity;

56 (iii) heat;

57 (iv) coal;

58 (v) fuel oil; or

- 59 (vi) other fuels;
- 60 (e) sales of prepared food;
- 61 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 62 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 63 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 64 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 65 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 66 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 67 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 68 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 69 exhibition, cultural, or athletic activity;
- 70 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 71 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 72 (i) the tangible personal property; and
- 73 (ii) parts used in the repairs or renovations of the tangible personal property described
- 74 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
- 75 of that tangible personal property;
- 76 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 77 assisted cleaning or washing of tangible personal property;
- 78 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 79 accommodations and services that are regularly rented for less than 30 consecutive days;
- 80 (j) amounts paid or charged for laundry or dry cleaning services;
- 81 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 82 this state the tangible personal property is:
- 83 (i) stored;
- 84 (ii) used; or
- 85 (iii) otherwise consumed;
- 86 (l) amounts paid or charged for tangible personal property if within this state the
- 87 tangible personal property is:
- 88 (i) stored;
- 89 (ii) used; or

90 (iii) consumed; and

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

92 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax  
93 is imposed on a transaction described in Subsection (1) equal to the sum of:

94 (i) a state tax imposed on the transaction at a tax rate of 4.65%; and

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

97 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
98 on a transaction described in Subsection (1)(d) equal to the sum of:

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

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

102 (c) Except as provided in Subsection (2)(d) or (e), beginning on January 1, 2007, a  
103 state tax and a local tax is imposed on amounts paid or charged for food and food ingredients  
104 equal to the sum of:

105 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at  
106 a tax rate of [~~1.75%~~] 1%; and

107 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
108 amounts paid or charged for food and food ingredients under this chapter other than this part.

109 (d) Except as provided in Subsection (2)(e), if a seller collects a tax in accordance with  
110 Subsection 59-12-107(1)(b) on a transaction described in Subsection (1), a state tax and a local  
111 tax is imposed on the transaction equal to the sum of:

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

113 (A) 4.65% for a transaction other than a transaction described in Subsection  
114 (2)(d)(i)(B) or (2)(d)(i)(C);

115 (B) 2% for a transaction described in Subsection (1)(d); or

116 (C) beginning on January 1, 2007, 1.75% on the amounts paid or charged for food and  
117 food ingredients; and

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

120 (A) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,

121 and towns in the state impose the tax authorized by Section 59-12-204; and

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

124 (e) (i) A state tax and a local tax is imposed on an entire bundled transaction as  
125 provided in this Subsection (2)(e) if the bundled transaction is attributable to food and food  
126 ingredients and tangible personal property other than food and food ingredients.

127 (ii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by a  
128 seller other than a seller that collects a tax in accordance with Subsection 59-12-107(1)(b),  
129 beginning on January 1, 2007, a state tax and a local tax is imposed on the entire bundled  
130 transaction equal to the sum of:

131 (A) a state tax imposed on the entire bundled transaction at the tax rate described in  
132 Subsection (2)(a)(i); and

133 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates  
134 described in Subsection (2)(a)(ii).

135 (iii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by  
136 a seller in accordance with Subsection 59-12-107(1)(b), beginning on January 1, 2007, a state  
137 tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

138 (A) a state tax imposed on the entire bundled transaction at the tax rate described in  
139 Subsection (2)(d)(i)(A); and

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

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

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

146 (f) Subject to Subsections (2)(g) and (h), a tax rate repeal or tax rate change for a tax  
147 rate imposed under the following shall take effect on the first day of a calendar quarter:

148 (i) Subsection (2)(a)(i);

149 (ii) Subsection (2)(b)(i);

150 (iii) Subsection (2)(c)(i);

151 (iv) Subsection (2)(d)(i);

152 (v) Subsection (2)(e)(ii)(A); or

153 (vi) Subsection (2)(e)(iii)(A).

154 (g) (i) For a transaction described in Subsection (2)(g)(iii), a tax rate increase shall take  
155 effect on the first day of the first billing period that begins after the effective date of the tax rate  
156 increase if the billing period for the transaction begins before the effective date of a tax rate  
157 increase imposed under:

158 (A) Subsection (2)(a)(i);

159 (B) Subsection (2)(b)(i);

160 (C) Subsection (2)(c)(i);

161 (D) Subsection (2)(d)(i);

162 (E) Subsection (2)(e)(ii)(A); or

163 (F) Subsection (2)(e)(iii)(A).

164 (ii) For a transaction described in Subsection (2)(g)(iii), the repeal of a tax or a tax rate  
165 decrease shall take effect on the first day of the last billing period that began before the  
166 effective date of the repeal of the tax or the tax rate decrease if the billing period for the  
167 transaction begins before the effective date of the repeal of the tax or the tax rate decrease  
168 imposed under:

169 (A) Subsection (2)(a)(i);

170 (B) Subsection (2)(b)(i);

171 (C) Subsection (2)(c)(i);

172 (D) Subsection (2)(d)(i);

173 (E) Subsection (2)(e)(ii)(A); or

174 (F) Subsection (2)(e)(iii)(A).

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

176 (A) Subsection (1)(b);

177 (B) Subsection (1)(c);

178 (C) Subsection (1)(d);

179 (D) Subsection (1)(e);

180 (E) Subsection (1)(f);

181 (F) Subsection (1)(g);

182 (G) Subsection (1)(h);

183 (H) Subsection (1)(i);

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

185 (J) Subsection (1)(k).

186 (h) (i) For a tax rate described in Subsection (2)(h)(ii), if a tax due on a catalogue sale  
187 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal  
188 or change in a tax rate takes effect:

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

190 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

191 (ii) Subsection (2)(h)(i) applies to the tax rates described in the following:

192 (A) Subsection (2)(a)(i);

193 (B) Subsection (2)(b)(i);

194 (C) Subsection (2)(c)(i);

195 (D) Subsection (2)(d)(i);

196 (E) Subsection (2)(e)(ii)(A); or

197 (F) Subsection (2)(e)(iii)(A).

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

200 (3) (a) Except as provided in Subsections (4) through (10), the following state taxes  
201 shall be deposited into the General Fund:

202 (i) the tax imposed by Subsection (2)(a)(i);

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

204 (iii) the tax imposed by Subsection (2)(c)(i);

205 (iv) the tax imposed by Subsection (2) (d)(i);

206 (v) the tax imposed by Subsection (2)(e)(ii)(A); and

207 (vi) the tax imposed by Subsection (2)(e)(iii)(A).

208 (b) The following local taxes shall be distributed to a county, city, or town as provided  
209 in this chapter:

210 (i) the tax imposed by Subsection (2)(a)(ii);

211 (ii) the tax imposed by Subsection (2)(b)(ii);

212 (iii) the tax imposed by Subsection (2)(c)(ii); and

213 (iv) the tax imposed by Subsection (2)(e)(ii)(B).

214 (c) (i) Notwithstanding any provision of this chapter, each county, city, or town in the  
215 state shall receive the county's, city's, or town's proportionate share of the revenues generated  
216 by the following local taxes as provided in Subsection (3)(c)(ii):

217 (A) the local tax described in Subsection (2)(d)(ii); and

218 (B) the local tax described in Subsection (2)(e)(iii)(B).

219 (ii) For revenues generated by a tax described in Subsection (3)(c)(i), the commission  
220 shall determine a county's, city's, or town's proportionate share of the revenues by:

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

223 (B) multiplying the amount determined under Subsection (3)(c)(ii)(A) by the total  
224 amount of revenues generated by the taxes described in Subsection (3)(c)(i) for all counties,  
225 cities, and towns.

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

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

232 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
233 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)  
234 through (g):

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

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

237 (B) for the fiscal year; or

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

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

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

244 (B) award grants, up to the amount authorized by the Legislature in an appropriations



245 act, to political subdivisions of the state to implement the measures described in Subsections  
246 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

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

275 (ii) In addition to the uses allowed of the Water Resources Conservation and

276 Development Fund under Section 73-10-24, the Water Resources Conservation and  
277 Development Fund may also be used to:

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

283 (B) fund state required dam safety improvements; and

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

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

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

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

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

295 (iii) develop surface water sources.

296 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
297 2006, the difference between the following amounts shall be expended as provided in this  
298 Subsection (5), if that difference is greater than \$1:

299 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the  
300 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

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

302 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

303 (A) transferred each fiscal year to the Department of Natural Resources as dedicated  
304 credits; and

305 (B) expended by the Department of Natural Resources for watershed rehabilitation or  
306 restoration.

307 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
308 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund  
309 created in Section 73-10-24.

310 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the  
311 remaining difference described in Subsection (5)(a) shall be:

312 (A) transferred each fiscal year to the Division of Water Resources as dedicated  
313 credits; and

314 (B) expended by the Division of Water Resources for cloud-seeding projects  
315 authorized by Title 73, Chapter 15, Modification of Weather.

316 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
317 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund  
318 created in Section 73-10-24.

319 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the  
320 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
321 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
322 Division of Water Resources for:

323 (i) preconstruction costs:

324 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
325 26, Bear River Development Act; and

326 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project  
327 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

328 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,  
329 Chapter 26, Bear River Development Act;

330 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project  
331 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

332 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and  
333 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

334 (e) Any unexpended monies described in Subsection (5)(d) that remain in the Water  
335 Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.

336 (f) After making the transfers required by Subsections (5)(b) and (c) and subject to  
337 Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be

338 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
339 incurred for employing additional technical staff for the administration of water rights.

340 (g) At the end of each fiscal year, any unexpended dedicated credits described in  
341 Subsection (5)(f) over \$150,000 lapse to the Water Resources Conservation and Development  
342 Fund created in Section 73-10-24.

343 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
344 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%  
345 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in  
346 the Transportation Fund created by Section 72-2-102.

347 (7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies,  
348 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial  
349 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed  
350 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable  
351 transactions under Subsection (1).

352 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds  
353 have been paid off and the highway projects completed that are intended to be paid from  
354 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the  
355 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of  
356 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section  
357 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated  
358 by a 1/64% tax rate on the taxable transactions under Subsection (1).

359 (8) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after fiscal  
360 year 2004-05, the commission shall each year on or before the September 30 immediately  
361 following the last day of the fiscal year deposit the difference described in Subsection (8)(b)  
362 into the Remote Sales Restricted Account created in Section 59-12-103.2 if that difference is  
363 greater than \$0.

364 (b) The difference described in Subsection (8)(a) is equal to the difference between:

365 (i) the total amount of the revenues the commission received from sellers collecting the  
366 taxes described in Subsections (2)(d)(i) and (2)(e)(iii)(A) for the fiscal year immediately  
367 preceding the September 30 described in Subsection (8)(a); and

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

369 (9) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in  
370 Subsection (7)(a), and until Subsection (9)(b) applies, for a fiscal year beginning on or after  
371 July 1, 2007, the Division of Finance shall deposit into the Centennial Highway Fund  
372 Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection  
373 (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a  
374 portion of the approximately 17% of sales and use tax revenues generated annually by the sales  
375 and use tax on vehicles and vehicle-related products:

- 376 (i) the tax imposed by Subsection (2)(a)(i);
- 377 (ii) the tax imposed by Subsection (2)(b)(i);
- 378 (iii) the tax imposed by Subsection (2)(c)(i); and
- 379 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

380 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under  
381 Subsection (7)(b), when the highway general obligation bonds have been paid off and the  
382 highway projects completed that are intended to be paid from revenues deposited in the  
383 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations  
384 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the  
385 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes  
386 listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes,  
387 which represents a portion of the approximately 17% of sales and use tax revenues generated  
388 annually by the sales and use tax on vehicles and vehicle-related products:

- 389 (i) the tax imposed by Subsection (2)(a)(i);
- 390 (ii) the tax imposed by Subsection (2)(b)(i);
- 391 (iii) the tax imposed by Subsection (2)(c)(i); and
- 392 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

393 (10) (a) Notwithstanding Subsection (3)(a) and until Subsection (10)(b) applies, the  
394 Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes  
395 listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section  
396 72-2-125.

397 (b) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under  
398 Subsections (7) and (9), when the general obligation bonds authorized by Section 63B-16-101  
399 have been paid off and the highway projects completed that are included in the prioritized

400 project list under Subsection 72-2-125(4) as determined in accordance with Subsection  
401 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues  
402 generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund  
403 of 2005 created by Section 72-2-124.

404 Section 2. **Effective date.**

405 This bill takes effect on July 1, 2008.

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**Legislative Review Note**  
**as of 1-18-08 1:42 PM**

**Office of Legislative Research and General Counsel**

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**Fiscal Note****H.B. 304 - Reduction in State Sales and Use Tax Rate on Food and Food Ingredients**

2008 General Session

State of Utah

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**State Impact**

Enactment of this bill will reduce the General Fund by \$31,200,000 in FY 2009 and by \$32,150,000 in FY 2010.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
General Fund	\$0	\$0	\$0	\$0	(\$31,200,000)	(\$32,150,000)
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$31,200,000)</b>	<b>(\$32,150,000)</b>

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**Individual, Business and/or Local Impact**

Enactment of this bill will reduce the sales tax paid on food by .75 percent. Individual impact will depend on total food purchases in a given year.