



House of Representatives *State of Utah*

UTAH STATE CAPITOL COMPLEX • 350 STATE CAPITOL
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February 25, 2008

Mr. Speaker:

The Revenue and Taxation Committee reports a favorable recommendation on **H.B. 206**, TAX AMENDMENTS, by Representative W. Harper, with the following amendments:

1. *Page 29, Line 890 through Page 30, Line 896:*

890 (c) (i) For purposes of Subsection [~~(12)~~] (15)(a)[~~(ii)(A)~~] (i), tangible personal
property,
891 a product, or a service that is distinct and identifiable does not include:
892 [~~(i)~~] (A) packaging that:
893 [~~(A)~~] (I) accompanies the sale of the tangible personal property, product, or service;
894 and
895 [~~(B)~~] (II) is incidental or immaterial to the sale of the tangible personal property,
896 product, or service;

897 [~~(ii)~~] (B) tangible personal property , a product, or a service provided free of
charge with the purchase of
898 another item of tangible personal property , a product, or a service ; or
899 [~~(iii)~~] (C) an item of tangible personal property, a product, or a service included
in the
900 definition of "purchase price."
901 [~~(d)~~] (ii) For purposes of Subsection [~~(12)~~] (15)(c)[~~(ii)~~](i)(B), an item of tangible
902 personal property , a product, or a service is provided free of charge with the
purchase of another item of tangible
903 personal property , a product, or a service if the sales price of the purchased item of
tangible personal property , product, or service does not
904 vary depending on the inclusion of the tangible personal property , product, or service
provided free of charge.

2. *Page 94, Lines 2890 through 2894:*

2890 (b) notwithstanding Subsection (18)(a), amounts paid or charged for the following

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2891 { ~~tangible personal property or products transferred electronically~~ } are subject to
the taxes

2892 imposed by this chapter:

2893 (i) (A) subject to Subsection (18)(b)(i)(B), the following { ~~tangible personal
property~~ } if

2894 { ~~the tangible personal property is~~ } used in a manner that is incidental to farming:

Respectfully,

John Dougall
Committee Chair

Voting: 11-1-2

3 HB0206.HC1.WPD 2/25/08 9:30 am bhowe/BRH RLR/BRH

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