

Representative Neil A. Hansen proposes the following substitute bill:

UTAH STATE RAILROAD MUSEUM

AUTHORITY

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Neil A. Hansen

Senate Sponsor: Peter C. Knudson

LONG TITLE

General Description:

This bill creates the "Utah State Railroad Museum Authority."

Highlighted Provisions:

This bill:

▶ creates the "Utah State Railroad Museum Authority" and establishes its membership and procedures;

▶ provides for the powers and duties of the executive director and the authority;

▶ provides that the authority's financial obligations are not obligations of the state;

▶ provides that the authority is responsible for the maintenance of its properties;

▶ exempts the authority from the Funds Consolidation Act, Budgetary Procedures Act, Utah Procurement Code, Utah State Personnel Management Act, and the Department of Administrative Services; and

▶ exempts the authority and its operators from state sales and use tax.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an effective date.



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **59-12-104**, as last amended by Laws of Utah 2008, Second Special Session, Chapter 2

29 ENACTS:

30 **9-3-501**, Utah Code Annotated 1953

31 **9-3-502**, Utah Code Annotated 1953

32 **9-3-503**, Utah Code Annotated 1953

33 **9-3-504**, Utah Code Annotated 1953

34 **9-3-505**, Utah Code Annotated 1953

35 **9-3-506**, Utah Code Annotated 1953

36 **9-3-507**, Utah Code Annotated 1953

37 **9-3-508**, Utah Code Annotated 1953

38 **9-3-509**, Utah Code Annotated 1953

39 **9-3-510**, Utah Code Annotated 1953

40 **9-3-511**, Utah Code Annotated 1953



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

43 Section 1. Section **9-3-501** is enacted to read:

44 **Part 5. Utah State Railroad Museum Authority**

45 **9-3-501. Title.**

46 This part is known as the "Utah State Railroad Museum Authority."

47 Section 2. Section **9-3-502** is enacted to read:

48 **9-3-502. Creation -- Members -- Chair -- Powers -- Quorum -- Per diem and**
49 **expenses.**

50 (1) There is created an independent state agency and a body politic and corporate
51 known as the "Utah State Railroad Museum Authority," hereafter referred to in this part as "the
52 authority."

53 (2) The authority is composed of 11 members as follows:

54 (a) one member of the county legislative body of Weber County appointed by that
55 legislative body;

56 (b) two members of the county legislative body of Box Elder County appointed by that

57 legislative body:

58 (c) the executive director of the ~~H~~→ [Department of Transportation] Utah Transit
 58a Authority ~~←H~~ or the ~~H~~→ executive ~~←H~~ director's
 59 designee; and

60 (d) the governor shall appoint seven public members, as follows:

61 (i) two persons representing the tourism industry, one each from Weber and Box Elder
 62 Counties;

63 (ii) one person representing the public at large; and

64 (iii) four persons representing railroad historic and heritage preservation organizations
 65 active in Weber and Box Elder Counties, as follows:

66 (A) one person representing the ~~H~~→ [Railroad and Locomotive Historical Society Golden
 67 Spike Chapter] Golden Spike Association ~~←H~~ ;

68 (B) one person representing the Union Station Foundation;

69 (C) one person representing the Golden Spike Heritage Foundation; and

70 (D) one person representing the Golden Spike ~~H~~→ National ~~←H~~ Historic Site.

71 (3) All members shall be residents of the state.

72 (4) (a) Except as required by Subsection (4)(b), the governor shall appoint the seven
 73 public members for four-year terms beginning July 1.

74 (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the
 75 time of appointment or reappointment, adjust the length of terms to ensure that the terms of
 76 authority members appointed under Subsection (2)(d) are staggered so that approximately half
 77 of the seven public members are appointed every two years.

78 (5) Any of the seven public members may be removed from office by the governor or
 79 for cause by an affirmative vote of six members of the authority.

80 (6) When a vacancy occurs in the public membership for any reason, the governor shall
 81 appoint a replacement for the unexpired term.

82 (7) Each public member shall hold office for the term of the member's appointment and
 83 until a successor has been appointed and qualified.

84 (8) A public member is eligible for reappointment, but may not serve more than two
 85 full consecutive terms.

86 (9) The governor shall appoint the chair of the authority from among its members.

87 (10) (a) The members shall elect from among their number a vice chair and other

88 officers as they may determine.

89 (b) The officers serve as the executive committee for the authority.

90 (11) The powers of the authority are vested in its members.

91 (12) (a) Six members constitute a quorum for transaction of authority business.

92 (b) An affirmative vote of at least six members is necessary for an action to be taken
93 by the authority.

94 (13) (a) A member who is not a government employee receives no compensation or
95 benefits for the member's services, but may receive per diem and expenses incurred in the
96 performance of the member's official duties at rates established by the Division of Finance
97 under Sections 63A-3-106 and 63A-3-107.

98 (b) A state government officer or employee member who does not receive salary, per
99 diem, or expenses from the member's agency for the member's service may receive per diem
100 and expenses incurred in the performance of official duties from the authority at rates
101 established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

102 (c) A local government member who does not receive salary, per diem, or expenses for
103 the member's service from the entity that the member represents may receive per diem and
104 expenses incurred in the performance of the member's official duties at rates established by the
105 Division of Finance under Sections 63A-3-106 and 63A-3-107.

106 (d) A member may decline to receive per diem and expenses for the member's services.
107 Section 3. Section **9-3-503** is enacted to read:

108 **9-3-503. Executive director -- Powers and duties.**

109 (1) (a) The members of the authority shall appoint an executive director who is an
110 employee of the authority, but who may not be a member of the authority.

111 (b) The executive director serves at the pleasure of the members and receives
112 compensation as set by the members and approved by the governor.

113 (2) The executive director shall:

114 (a) administer, manage, and direct the affairs and activities of the authority in
115 accordance with the policies, control, and direction of the members of the authority;

116 (b) approve all accounts for allowable expenses of the authority or of any of its
117 employees and expenses incidental to the operation of the authority;

118 (c) attend meetings of the authority;

- 119 (d) keep a record of the proceedings of the authority;
- 120 (e) maintain and be the custodian of all books, documents, and papers filed with the
- 121 authority;
- 122 (f) document and maintain records concerning ownership of all assets owned or under
- 123 the control of the authority; and
- 124 (g) perform other duties as directed by the members of the authority in carrying out the
- 125 purposes of this part.

126 Section 4. Section **9-3-504** is enacted to read:

127 **9-3-504. Member or employee -- Disclosure of interest.**

128 (1) A member or employee of the authority who has, will have, or later acquires an

129 interest, direct or indirect, in a transaction with the authority shall immediately disclose the

130 nature and extent of that interest in writing to the authority as soon as the individual has

131 knowledge of the actual or prospective interest.

132 (2) The disclosure shall be entered upon the minutes of the authority.

133 (3) After making the disclosure, the member or employee may participate in any action

134 by the authority authorizing the transaction.

135 Section 5. Section **9-3-505** is enacted to read:

136 **9-3-505. Officer or employee -- No forfeiture of office or employment.**

137 Notwithstanding any other provision of law, an officer or employee of this state does

138 not forfeit the office or employment with the state by reason of acceptance of membership on

139 the authority or service on it.

140 Section 6. Section **9-3-506** is enacted to read:

141 **9-3-506. Authority -- Powers.**

142 (1) The authority shall facilitate:

143 (a) or operate and maintain a scenic and historic railroad in and around Weber and Box

144 Elder Counties;

145 (b) or operate and maintain one or more railroad history museums in and around Weber

146 and Box Elder Counties;

147 (c) the restoration, preservation, and public display of railroad artifacts and heritage in

148 and around Weber and Box Elder Counties; and

149 (d) the restoration, preservation, and operation of historically significant railroad

150 related properties in and around Weber and Box Elder Counties for public benefit.

151 (2) The authority has perpetual succession as a body politic and corporate and may:

152 (a) adopt, amend, and repeal policies and procedures for the regulation of its affairs and
153 the conduct of its business;

154 (b) sue and be sued in its own name;

155 (c) maintain an office at a place or places it designates within the state;

156 (d) adopt, amend, and repeal bylaws and rules, consistent with this part, to carry into
157 effect the powers and purposes of the authority and the conduct of its business;

158 (e) purchase, lease, sell, and otherwise dispose of property and rights-of-way;

159 (f) employ experts and other professionals it considers necessary;

160 (g) employ and retain independent legal counsel;

161 (h) make and execute contracts and all other instruments necessary or convenient for
162 the performance of its duties under this part as described in Subsection (1);

163 (i) procure insurance for liability and against any loss in connection with its property
164 and other assets in amounts and from insurers it considers desirable;

165 (j) receive appropriations from the Legislature and receive other public moneys and
166 accept aid or contributions from any source of money, property, labor, or other things of value
167 to be held, used, and applied to carry out the purposes of this part, subject to the conditions
168 upon which the grants and contributions are made, including gifts or grants from a department,
169 agency, or instrumentality of the United States or of this state for any purpose consistent with
170 this part;

171 (k) enter into agreements with a department, agency, or instrumentality of the United
172 States or this state for the purpose of providing for the operation and maintenance of a scenic
173 railway in and around Weber and Box Elder Counties; and

174 (l) do any act necessary or convenient to the exercise of the powers granted to the
175 authority by this part.

176 (3) (a) All monies received by the authority under Subsection (2)(j) and from any other
177 source are for the exclusive use of the authority in the performance and exercise of its duties
178 under this part as described in Subsection (1).

179 (b) Monies received by the authority may not be used for any other purpose or by any
180 other entity.

181 Section 7. Section **9-3-507** is enacted to read:

182 **9-3-507. Notes, bonds, other obligation -- Not debt liability -- Expenses payable**
183 **from funds provided -- Agency without authority to incur liability on behalf of state.**

184 (1) (a) An obligation or liability of the authority does not constitute:

185 (i) a debt or liability of the state or of any of its political subdivisions; or

186 (ii) the loaning of credit of the state or of any of its political subdivisions.

187 (b) An obligation or liability of the authority is payable only from funds of the
188 authority.

189 (2) An obligation of the authority shall contain a statement to the effect:

190 (a) that the authority is obligated to pay the obligation solely from the revenues or other
191 funds of the authority;

192 (b) that neither the state nor its political subdivisions are obligated to pay it; and

193 (c) that neither the faith and credit nor the taxing power of the state or any of its
194 political subdivisions is pledged to the payment of it.

195 (3) (a) Expenses incurred in carrying out this part are payable solely from funds of the
196 authority provided under this part.

197 (b) Nothing in this part authorizes the authority to incur indebtedness or liability on
198 behalf of or payable by the state or any of its political subdivisions.

199 Section 8. Section **9-3-508** is enacted to read:

200 **9-3-508. Relation to certain acts.**

201 (1) The authority is exempt from:

202 (a) Title 51, Chapter 5, Funds Consolidation Act;

203 (b) Title 63A, Chapter 1, Department of Administrative Services;

204 (c) Title 63G, Chapter 6, Utah Procurement Code;

205 (d) Title 63J, Chapter 1, Budgetary Procedures Act; and

206 (e) Title 67, Chapter 19, Utah State Personnel Management Act.

207 (2) The authority is subject to audit by the state auditor pursuant to Title 67, Chapter 3,
208 Auditor, and by the legislative auditor general pursuant to Section 36-12-15.

209 Section 9. Section **9-3-509** is enacted to read:

210 **9-3-509. Duty to maintain rails and operating equipment.**

211 (1) The authority shall maintain the rails, bed, right-of-way, and related property owned

212 by the authority upon which the authority's train operates in compliance with state and federal
213 statutes, rules, and regulations.

214 (2) The authority shall require any party from whom it leases, or otherwise utilizes
215 rails, bed, right-of-way, motive power, rolling stock, and related property that the property be
216 delivered and maintained in compliance with state and federal statutes, rules, and regulations.

217 Section 10. Section **9-3-510** is enacted to read:

218 **9-3-510. Lease of rails or equipment from Department of Transportation and**
219 **Division of Parks and Recreation.**

220 The Department of Transportation and the Division of Parks and Recreation may jointly
221 lease the rails, bed, right-of-way, and related property for the operation of a scenic and historic
222 railroad in and around Weber and Box Elder Counties, for not more than \$1 per year to the
223 authority.

224 Section 11. Section **9-3-511** is enacted to read:

225 **9-3-511. Sales tax exemption.**

226 The authority and its operators are exempt from sales and use tax as provided in Section
227 59-12-104, in carrying out their duties and exercising their powers under this part.

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

229 **59-12-104. Exemptions.**

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

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

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

235 (a) construction materials except:

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

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

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

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

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

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

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

251 (i) food and food ingredients; or

252 (ii) prepared food;

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

254 (a) food and food ingredients;

255 (b) prepared food; or

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

257 (5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts
258 and equipment:

259 (A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002
260 North American Industry Classification System of the federal Executive Office of the
261 President, Office of Management and Budget; and

262 (II) for:

263 (Aa) installation in an aircraft, including services relating to the installation of parts or
264 equipment in the aircraft;

265 (Bb) renovation of an aircraft; or

266 (Cc) repair of an aircraft; or

267 (B) for installation in an aircraft operated by a common carrier in interstate or foreign
268 commerce; or

269 (ii) beginning on October 1, 2008, sales of parts and equipment for installation in an
270 aircraft operated by a common carrier in interstate or foreign commerce; and

271 (b) notwithstanding the time period of Subsection 59-12-110(2) for filing for a refund,
272 a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a
273 refund:

- 274 (i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;
- 275 (ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;
- 276 (iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for
277 the sale prior to filing for the refund;
- 278 (iv) for sales and use taxes paid under this chapter on the sale;
- 279 (v) in accordance with Section 59-12-110; and
- 280 (vi) subject to any extension allowed for filing for a refund under Section 59-12-110, if
281 the person files for the refund on or before September 30, 2011;
- 282 (6) sales of commercials, motion picture films, prerecorded audio program tapes or
283 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture
284 exhibitor, distributor, or commercial television or radio broadcaster;
- 285 (7) (a) subject to Subsection (7)(b), sales of cleaning or washing of tangible personal
286 property if the cleaning or washing of the tangible personal property is not assisted cleaning or
287 washing of tangible personal property;
- 288 (b) if a seller that sells at the same business location assisted cleaning or washing of
289 tangible personal property and cleaning or washing of tangible personal property that is not
290 assisted cleaning or washing of tangible personal property, the exemption described in
291 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning
292 or washing of the tangible personal property; and
- 293 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,
294 Utah Administrative Rulemaking Act, the commission may make rules:
 - 295 (i) governing the circumstances under which sales are at the same business location;
 - 296 and
 - 297 (ii) establishing the procedures and requirements for a seller to separately account for
298 sales of assisted cleaning or washing of tangible personal property;
- 299 (8) sales made to or by religious or charitable institutions in the conduct of their regular
300 religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are
301 fulfilled;
- 302 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of
303 this state if the vehicle is:
 - 304 (a) not registered in this state; and

305 (b) (i) not used in this state; or
306 (ii) used in this state:
307 (A) if the vehicle is not used to conduct business, for a time period that does not
308 exceed the longer of:
309 (I) 30 days in any calendar year; or
310 (II) the time period necessary to transport the vehicle to the borders of this state; or
311 (B) if the vehicle is used to conduct business, for the time period necessary to transport
312 the vehicle to the borders of this state;
313 (10) (a) amounts paid for an item described in Subsection (10)(b) if:
314 (i) the item is intended for human use; and
315 (ii) (A) a prescription was issued for the item; or
316 (B) the item was purchased by a hospital or other medical facility; and
317 (b) (i) Subsection (10)(a) applies to:
318 (A) a drug;
319 (B) a syringe; or
320 (C) a stoma supply; and
321 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
322 commission may by rule define the terms:
323 (A) "syringe"; or
324 (B) "stoma supply";
325 (11) sales or use of property, materials, or services used in the construction of or
326 incorporated in pollution control facilities allowed by Sections 19-2-123 through 19-2-127;
327 (12) (a) sales of an item described in Subsection (12)(c) served by:
328 (i) the following if the item described in Subsection (12)(c) is not available to the
329 general public:
330 (A) a church; or
331 (B) a charitable institution;
332 (ii) an institution of higher education if:
333 (A) the item described in Subsection (12)(c) is not available to the general public; or
334 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan
335 offered by the institution of higher education; or

- 336 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 337 (i) a medical facility; or
- 338 (ii) a nursing facility; and
- 339 (c) Subsections (12)(a) and (b) apply to:
- 340 (i) food and food ingredients;
- 341 (ii) prepared food; or
- 342 (iii) alcoholic beverages;
- 343 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
- 344 or a product transferred electronically by a person:
- 345 (i) regardless of the number of transactions involving the sale of that tangible personal
- 346 property or product transferred electronically by that person; and
- 347 (ii) not regularly engaged in the business of selling that type of tangible personal
- 348 property or product transferred electronically;
- 349 (b) this Subsection (13) does not apply if:
- 350 (i) the sale is one of a series of sales of a character to indicate that the person is
- 351 regularly engaged in the business of selling that type of tangible personal property or product
- 352 transferred electronically;
- 353 (ii) the person holds that person out as regularly engaged in the business of selling that
- 354 type of tangible personal property or product transferred electronically;
- 355 (iii) the person sells an item of tangible personal property or product transferred
- 356 electronically that the person purchased as a sale that is exempt under Subsection (25); or
- 357 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of
- 358 this state in which case the tax is based upon:
- 359 (A) the bill of sale or other written evidence of value of the vehicle or vessel being
- 360 sold; or
- 361 (B) in the absence of a bill of sale or other written evidence of value, the fair market
- 362 value of the vehicle or vessel being sold at the time of the sale as determined by the
- 363 commission; and
- 364 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 365 commission shall make rules establishing the circumstances under which:
- 366 (i) a person is regularly engaged in the business of selling a type of tangible personal

367 property or product transferred electronically;

368 (ii) a sale of tangible personal property or a product transferred electronically is one of
369 a series of sales of a character to indicate that a person is regularly engaged in the business of
370 selling that type of tangible personal property or product transferred electronically; or

371 (iii) a person holds that person out as regularly engaged in the business of selling a type
372 of tangible personal property or product transferred electronically;

373 (14) (a) except as provided in Subsection (14)(b), amounts paid or charged on or after
374 July 1, 2006, for a purchase or lease by a manufacturing facility other than a cogeneration
375 facility, for the following:

376 (i) machinery and equipment that:

377 (A) is used:

378 (I) for a manufacturing facility other than a manufacturing facility that is a scrap
379 recycler described in Subsection 59-12-102 (52)(b):

380 (Aa) in the manufacturing process; and

381 (Bb) to manufacture an item sold as tangible personal property; or

382 (II) for a manufacturing facility that is a scrap recycler described in Subsection
383 59-12-102 (52)(b), to process an item sold as tangible personal property; and

384 (B) has an economic life of three or more years; and

385 (ii) normal operating repair or replacement parts that:

386 (A) have an economic life of three or more years; and

387 (B) are used:

388 (I) for a manufacturing facility in the state other than a manufacturing facility that is a
389 scrap recycler described in Subsection 59-12-102 (52)(b), in the manufacturing process; or

390 (II) for a manufacturing facility in the state that is a scrap recycler described in
391 Subsection 59-12-102 (52)(b), to process an item sold as tangible personal property;

392 (b) (i) amounts paid or charged on or after July 1, 2005, for a purchase or lease by a
393 manufacturing facility that is a cogeneration facility placed in service on or after May 1, 2006,
394 for the following:

395 (A) machinery and equipment that:

396 (I) is used:

397 (Aa) in the manufacturing process; and

398 (Bb) to manufacture an item sold as tangible personal property; and
399 (II) has an economic life of three or more years; and
400 (B) normal operating repair or replacement parts that:
401 (I) are used in the manufacturing process in a manufacturing facility in the state; and
402 (II) have an economic life of three or more years; and
403 (ii) for amounts paid or charged on or after July 1, 2005, but on or before June 30,
404 2006, for a purchase or lease described in Subsection (14)(b)(i), a cogeneration facility may
405 claim the exemption allowed by Subsection (14)(b)(i) by filing for a refund:
406 (A) for sales and use taxes paid under this chapter on the purchase or lease payment;
407 and
408 (B) in accordance with Section 59-12-110;
409 (c) amounts paid or charged for a purchase or lease made on or after January 1, 2008,
410 by an establishment described in NAICS Subsector 212, Mining (except Oil and Gas), or
411 NAICS Code 213113, Support Activities for Coal Mining, 213114, Support Activities for
412 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining,
413 of the 2002 North American Industry Classification System of the federal Executive Office of
414 the President, Office of Management and Budget:
415 (i) machinery and equipment that:
416 (A) are used in:
417 (I) the production process, other than the production of real property; or
418 (II) research and development; and
419 (B) have an economic life of three or more years; and
420 (ii) normal operating repair or replacement parts that:
421 (A) have an economic life of three or more years; and
422 (B) are used in:
423 (I) the production process, other than the production of real property, in an
424 establishment described in this Subsection (14)(c) in the state; or
425 (II) research and development in an establishment described in this Subsection (14)(c)
426 in the state;
427 (d) for purposes of this Subsection (14) and in accordance with Title 63G, Chapter 3,
428 Utah Administrative Rulemaking Act, the commission:

429 (i) shall by rule define the term "establishment"; and
430 (ii) may by rule define what constitutes:
431 (A) processing an item sold as tangible personal property;
432 (B) the production process, other than the production of real property; or
433 (C) research and development; and
434 (e) on or before October 1, 2011, and every five years after October 1, 2011, the
435 commission shall:
436 (i) review the exemptions described in this Subsection (14) and make
437 recommendations to the Revenue and Taxation Interim Committee concerning whether the
438 exemptions should be continued, modified, or repealed; and
439 (ii) include in its report:
440 (A) the cost of the exemptions;
441 (B) the purpose and effectiveness of the exemptions; and
442 (C) the benefits of the exemptions to the state;
443 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:
444 (i) tooling;
445 (ii) special tooling;
446 (iii) support equipment;
447 (iv) special test equipment; or
448 (v) parts used in the repairs or renovations of tooling or equipment described in
449 Subsections (15)(a)(i) through (iv); and
450 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
451 (i) the tooling, equipment, or parts are used or consumed exclusively in the
452 performance of any aerospace or electronics industry contract with the United States
453 government or any subcontract under that contract; and
454 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
455 title to the tooling, equipment, or parts is vested in the United States government as evidenced
456 by:
457 (A) a government identification tag placed on the tooling, equipment, or parts; or
458 (B) listing on a government-approved property record if placing a government
459 identification tag on the tooling, equipment, or parts is impractical;

460 (16) sales of newspapers or newspaper subscriptions;

461 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a
462 product transferred electronically traded in as full or part payment of the purchase price, except
463 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,
464 trade-ins are limited to other vehicles only, and the tax is based upon:

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

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

470 (b) notwithstanding Subsection (17)(a), Subsection (17)(a) does not apply to the
471 following items of tangible personal property or products transferred electronically traded in as
472 full or part payment of the purchase price:

473 (i) money;

474 (ii) electricity;

475 (iii) water;

476 (iv) gas; or

477 (v) steam;

478 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property
479 or a product transferred electronically used or consumed primarily and directly in farming
480 operations, regardless of whether the tangible personal property or product transferred
481 electronically:

482 (A) becomes part of real estate; or

483 (B) is installed by a:

484 (I) farmer;

485 (II) contractor; or

486 (III) subcontractor; or

487 (ii) sales of parts used in the repairs or renovations of tangible personal property or a
488 product transferred electronically if the tangible personal property or product transferred
489 electronically is exempt under Subsection (18)(a)(i); and

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

491 subject to the taxes imposed by this chapter:

492 (i) (A) subject to Subsection (18)(b)(i)(B), the following if used in a manner that is
493 incidental to farming:

494 (I) machinery;

495 (II) equipment;

496 (III) materials; or

497 (IV) supplies; and

498 (B) tangible personal property that is considered to be used in a manner that is

499 incidental to farming includes:

500 (I) hand tools; or

501 (II) maintenance and janitorial equipment and supplies;

502 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product
503 transferred electronically if the tangible personal property or product transferred electronically
504 is used in an activity other than farming; and

505 (B) tangible personal property or a product transferred electronically that is considered
506 to be used in an activity other than farming includes:

507 (I) office equipment and supplies; or

508 (II) equipment and supplies used in:

509 (Aa) the sale or distribution of farm products;

510 (Bb) research; or

511 (Cc) transportation; or

512 (iii) a vehicle required to be registered by the laws of this state during the period
513 ending two years after the date of the vehicle's purchase;

514 (19) sales of hay;

515 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or
516 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
517 garden, farm, or other agricultural produce is sold by:

518 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
519 agricultural produce;

520 (b) an employee of the producer described in Subsection (20)(a); or

521 (c) a member of the immediate family of the producer described in Subsection (20)(a);

522 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued
523 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

524 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
525 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
526 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
527 manufacturer, processor, wholesaler, or retailer;

528 (23) a product stored in the state for resale;

529 (24) (a) purchases of a product if:

530 (i) the product is:

531 (A) purchased outside of this state;

532 (B) brought into this state:

533 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and

534 (II) by a nonresident person who is not living or working in this state at the time of the
535 purchase;

536 (C) used for the personal use or enjoyment of the nonresident person described in
537 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and

538 (D) not used in conducting business in this state; and

539 (ii) for:

540 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of
541 the product for a purpose for which the product is designed occurs outside of this state;

542 (B) a boat, the boat is registered outside of this state; or

543 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered
544 outside of this state;

545 (b) the exemption provided for in Subsection (24)(a) does not apply to:

546 (i) a lease or rental of a product; or

547 (ii) a sale of a vehicle exempt under Subsection (33); and

548 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
549 purposes of Subsection (24)(a), the commission may by rule define what constitutes the
550 following:

551 (i) conducting business in this state if that phrase has the same meaning in this
552 Subsection (24) as in Subsection (64);

553 (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)
554 as in Subsection (64); or

555 (iii) a purpose for which a product is designed if that phrase has the same meaning in
556 this Subsection (24) as in Subsection (64);

557 (25) a product purchased for resale in this state, in the regular course of business, either
558 in its original form or as an ingredient or component part of a manufactured or compounded
559 product;

560 (26) a product upon which a sales or use tax was paid to some other state, or one of its
561 subdivisions, except that the state shall be paid any difference between the tax paid and the tax
562 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if
563 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax
564 Act;

565 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a
566 person for use in compounding a service taxable under the subsections;

567 (28) purchases made in accordance with the special supplemental nutrition program for
568 women, infants, and children established in 42 U.S.C. Sec. 1786;

569 (29) beginning on July 1, 1999, through June 30, 2014, sales or leases of rolls, rollers,
570 refractory brick, electric motors, or other replacement parts used in the furnaces, mills, or ovens
571 of a steel mill described in SIC Code 3312 of the 1987 Standard Industrial Classification
572 Manual of the federal Executive Office of the President, Office of Management and Budget;

573 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
574 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:

575 (a) not registered in this state; and

576 (b) (i) not used in this state; or

577 (ii) used in this state:

578 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a
579 time period that does not exceed the longer of:

580 (I) 30 days in any calendar year; or

581 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to
582 the borders of this state; or

583 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time

584 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this
585 state;

586 (31) sales of aircraft manufactured in Utah;

587 (32) amounts paid for the purchase of telecommunications service for purposes of
588 providing telecommunications service;

589 (33) sales, leases, or uses of the following:

590 (a) a vehicle by an authorized carrier; or

591 (b) tangible personal property that is installed on a vehicle:

592 (i) sold or leased to or used by an authorized carrier; and

593 (ii) before the vehicle is placed in service for the first time;

594 (34) (a) 45% of the sales price of any new manufactured home; and

595 (b) 100% of the sales price of any used manufactured home;

596 (35) sales relating to schools and fundraising sales;

597 (36) sales or rentals of durable medical equipment if:

598 (a) a person presents a prescription for the durable medical equipment; and

599 (b) the durable medical equipment is used for home use only;

600 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
601 Section 72-11-102; and

602 (b) the commission shall by rule determine the method for calculating sales exempt
603 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;

604 (38) sales to a ski resort of:

605 (a) snowmaking equipment;

606 (b) ski slope grooming equipment;

607 (c) passenger ropeways as defined in Section 72-11-102; or

608 (d) parts used in the repairs or renovations of equipment or passenger ropeways
609 described in Subsections (38)(a) through (c);

610 (39) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;

611 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
612 amusement, entertainment, or recreation an unassisted amusement device as defined in Section
613 59-12-102;

614 (b) if a seller that sells or rents at the same business location the right to use or operate

615 for amusement, entertainment, or recreation one or more unassisted amusement devices and
616 one or more assisted amusement devices, the exemption described in Subsection (40)(a)
617 applies if the seller separately accounts for the sales or rentals of the right to use or operate for
618 amusement, entertainment, or recreation for the assisted amusement devices; and

619 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,
620 Utah Administrative Rulemaking Act, the commission may make rules:

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

623 (ii) establishing the procedures and requirements for a seller to separately account for
624 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for
625 assisted amusement devices;

626 (41) (a) sales of photocopies by:

627 (i) a governmental entity; or

628 (ii) an entity within the state system of public education, including:

629 (A) a school; or

630 (B) the State Board of Education; or

631 (b) sales of publications by a governmental entity;

632 (42) amounts paid for admission to an athletic event at an institution of higher
633 education that is subject to the provisions of Title IX of the Education Amendments of 1972,
634 20 U.S.C. Sec. 1681 et seq.;

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

636 (44) (a) sales made to or by:

637 (i) an area agency on aging; or

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

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

640 (45) sales or leases of semiconductor fabricating, processing, research, or development
641 materials regardless of whether the semiconductor fabricating, processing, research, or
642 development materials:

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

644 (b) ultimately become incorporated into real property;

645 (46) an amount paid by or charged to a purchaser for accommodations and services

646 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section
647 59-12-104.2;

648 (47) beginning on September 1, 2001, the lease or use of a vehicle issued a temporary
649 sports event registration certificate in accordance with Section 41-3-306 for the event period
650 specified on the temporary sports event registration certificate;

651 (48) sales or uses of electricity, if the sales or uses are:

652 (a) made under a tariff adopted by the Public Service Commission of Utah only for
653 purchase of electricity produced from a new wind, geothermal, biomass, or solar power energy
654 source, as designated in the tariff by the Public Service Commission of Utah; and

655 (b) for an amount of electricity that is:

656 (i) unrelated to the amount of electricity used by the person purchasing the electricity
657 under the tariff described in Subsection (48)(a); and

658 (ii) equivalent to the number of kilowatthours specified in the tariff described in
659 Subsection (48)(a) that may be purchased under the tariff described in Subsection (48)(a);

660 (49) sales or rentals of mobility enhancing equipment if a person presents a
661 prescription for the mobility enhancing equipment;

662 (50) sales of water in a:

663 (a) pipe;

664 (b) conduit;

665 (c) ditch; or

666 (d) reservoir;

667 (51) sales of currency or coinage that constitute legal tender of the United States or of a
668 foreign nation;

669 (52) (a) sales of an item described in Subsection (52)(b) if the item:

670 (i) does not constitute legal tender of any nation; and

671 (ii) has a gold, silver, or platinum content of 80% or more; and

672 (b) Subsection (52)(a) applies to a gold, silver, or platinum:

673 (i) ingot;

674 (ii) bar;

675 (iii) medallion; or

676 (iv) decorative coin;

- 677 (53) amounts paid on a sale-leaseback transaction;
- 678 (54) sales of a prosthetic device:
- 679 (a) for use on or in a human; and
- 680 (b) (i) for which a prescription is required; or
- 681 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
- 682 (55) (a) except as provided in Subsection (55)(b), purchases, leases, or rentals of
- 683 machinery or equipment by an establishment described in Subsection (55)(c) if the machinery
- 684 or equipment is primarily used in the production or postproduction of the following media for
- 685 commercial distribution:
- 686 (i) a motion picture;
- 687 (ii) a television program;
- 688 (iii) a movie made for television;
- 689 (iv) a music video;
- 690 (v) a commercial;
- 691 (vi) a documentary; or
- 692 (vii) a medium similar to Subsections (55)(a)(i) through (vi) as determined by the
- 693 commission by administrative rule made in accordance with Subsection (55)(d); or
- 694 (b) notwithstanding Subsection (55)(a), purchases, leases, or rentals of machinery or
- 695 equipment by an establishment described in Subsection (55)(c) that is used for the production
- 696 or postproduction of the following are subject to the taxes imposed by this chapter:
- 697 (i) a live musical performance;
- 698 (ii) a live news program; or
- 699 (iii) a live sporting event;
- 700 (c) the following establishments listed in the 1997 North American Industry
- 701 Classification System of the federal Executive Office of the President, Office of Management
- 702 and Budget, apply to Subsections (55)(a) and (b):
- 703 (i) NAICS Code 512110; or
- 704 (ii) NAICS Code 51219; and
- 705 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 706 commission may by rule:
- 707 (i) prescribe what constitutes a medium similar to Subsections (55)(a)(i) through (vi);

708 or

709 (ii) define:

710 (A) "commercial distribution";

711 (B) "live musical performance";

712 (C) "live news program"; or

713 (D) "live sporting event";

714 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004 but on

715 or before June 30, 2019, of machinery or equipment that:

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

717 (A) is a renewable energy production facility;

718 (B) is located in the state; and

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

720 (II) has its generation capacity increased by one or more megawatts on or after July 1,

721 2004 as a result of the use of the machinery or equipment;

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

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

724 Subsection (56)(a)(i) operational up to the point of interconnection with an existing

725 transmission grid including:

726 (A) a wind turbine;

727 (B) generating equipment;

728 (C) a control and monitoring system;

729 (D) a power line;

730 (E) substation equipment;

731 (F) lighting;

732 (G) fencing;

733 (H) pipes; or

734 (I) other equipment used for locating a power line or pole; and

735 (b) this Subsection (56) does not apply to:

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

737 (A) a new renewable energy production facility; or

738 (B) the increase in the capacity of a renewable energy production facility;

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

741 (iii) unless the machinery or equipment is used or acquired for an increase in capacity
742 of the facility described in Subsection (56)(a)(i)(C)(II), machinery or equipment used or
743 acquired after:

744 (A) the renewable energy production facility described in Subsection (56)(a)(i) is
745 operational as described in Subsection (56)(a)(iii); or

746 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described
747 in Subsection (56)(a)(iii);

748 (57) (a) leases of seven or more years or purchases made on or after July 1, 2004 but on
749 or before June 30, 2019, of machinery or equipment that:

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

751 (A) is a waste energy production facility;

752 (B) is located in the state; and

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

754 (II) has its generation capacity increased by one or more megawatts on or after July 1,
755 2004 as a result of the use of the machinery or equipment;

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

757 (iii) is used to make the facility or the increase in capacity of the facility described in
758 Subsection (57)(a)(i) operational up to the point of interconnection with an existing
759 transmission grid including:

760 (A) generating equipment;

761 (B) a control and monitoring system;

762 (C) a power line;

763 (D) substation equipment;

764 (E) lighting;

765 (F) fencing;

766 (G) pipes; or

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

768 (b) this Subsection (57) does not apply to:

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

770 (A) a new waste energy facility; or
771 (B) the increase in the capacity of a waste energy facility;
772 (ii) contracted services required for construction and routine maintenance activities;
773 and
774 (iii) unless the machinery or equipment is used or acquired for an increase in capacity
775 described in Subsection (57)(a)(i)(C)(II), machinery or equipment used or acquired after:
776 (A) the waste energy facility described in Subsection (57)(a)(i) is operational as
777 described in Subsection (57)(a)(iii); or
778 (B) the increased capacity described in Subsection (57)(a)(i) is operational as described
779 in Subsection (57)(a)(iii);
780 (58) (a) leases of five or more years or purchases made on or after July 1, 2004 but on
781 or before June 30, 2019, of machinery or equipment that:
782 (i) is leased or purchased for or by a facility that:
783 (A) is located in the state;
784 (B) produces fuel from biomass energy including:
785 (I) methanol; or
786 (II) ethanol; and
787 (C) (I) becomes operational on or after July 1, 2004; or
788 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004 as
789 a result of the installation of the machinery or equipment;
790 (ii) has an economic life of five or more years; and
791 (iii) is installed on the facility described in Subsection (58)(a)(i);
792 (b) this Subsection (58) does not apply to:
793 (i) machinery or equipment used in construction of:
794 (A) a new facility described in Subsection (58)(a)(i); or
795 (B) the increase in capacity of the facility described in Subsection (58)(a)(i); or
796 (ii) contracted services required for construction and routine maintenance activities;
797 and
798 (iii) unless the machinery or equipment is used or acquired for an increase in capacity
799 described in Subsection (58)(a)(i)(C)(II), machinery or equipment used or acquired after:
800 (A) the facility described in Subsection (58)(a)(i) is operational; or

801 (B) the increased capacity described in Subsection (58)(a)(i) is operational;

802 (59) (a) subject to Subsection (59)(b) or (c), sales of tangible personal property or a
803 product transferred electronically to a person within this state if that tangible personal property
804 or product transferred electronically is subsequently shipped outside the state and incorporated
805 pursuant to contract into and becomes a part of real property located outside of this state;

806 (b) the exemption under Subsection (59)(a) is not allowed to the extent that the other
807 state or political entity to which the tangible personal property is shipped imposes a sales, use,
808 gross receipts, or other similar transaction excise tax on the transaction against which the other
809 state or political entity allows a credit for sales and use taxes imposed by this chapter; and

810 (c) notwithstanding the time period of Subsection 59-12-110(2)(b) for filing for a
811 refund, a person may claim the exemption allowed by this Subsection (59) for a sale by filing
812 for a refund:

813 (i) if the sale is made on or after July 1, 2004, but on or before June 30, 2008;

814 (ii) as if this Subsection (59) as in effect on July 1, 2008, were in effect on the day on
815 which the sale is made;

816 (iii) if the person did not claim the exemption allowed by this Subsection (59) for the
817 sale prior to filing for the refund;

818 (iv) for sales and use taxes paid under this chapter on the sale;

819 (v) in accordance with Section 59-12-110; and

820 (vi) subject to any extension allowed for filing for a refund under Section 59-12-110, if
821 the person files for the refund on or before June 30, 2011;

822 (60) purchases:

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

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

825 (A) names; or

826 (B) addresses; or

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

828 (A) names; or

829 (B) addresses; and

830 (b) used to send direct mail;

831 (61) redemptions or repurchases of a product by a person if that product was:

832 (a) delivered to a pawnbroker as part of a pawn transaction; and
833 (b) redeemed or repurchased within the time period established in a written agreement
834 between the person and the pawnbroker for redeeming or repurchasing the product;
835 (62) (a) purchases or leases of an item described in Subsection (62)(b) if the item:
836 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
837 and
838 (ii) has a useful economic life of one or more years; and
839 (b) the following apply to Subsection (62)(a):
840 (i) telecommunications enabling or facilitating equipment, machinery, or software;
841 (ii) telecommunications equipment, machinery, or software required for 911 service;
842 (iii) telecommunications maintenance or repair equipment, machinery, or software;
843 (iv) telecommunications switching or routing equipment, machinery, or software; or
844 (v) telecommunications transmission equipment, machinery, or software;
845 (63) (a) beginning on July 1, 2006, and ending on June 30, 2016, purchases of tangible
846 personal property or a product transferred electronically that are used in the research and
847 development of coal-to-liquids, oil shale, or tar sands technology; and
848 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
849 commission may, for purposes of Subsection (63)(a), make rules defining what constitutes
850 purchases of tangible personal property or a product transferred electronically that are used in
851 the research and development of coal-to-liquids, oil shale, and tar sands technology;
852 (64) (a) purchases of tangible personal property or a product transferred electronically
853 if:
854 (i) the tangible personal property or product transferred electronically is:
855 (A) purchased outside of this state;
856 (B) brought into this state at any time after the purchase described in Subsection
857 (64)(a)(i)(A); and
858 (C) used in conducting business in this state; and
859 (ii) for:
860 (A) tangible personal property or a product transferred electronically other than the
861 tangible personal property described in Subsection (64)(a)(ii)(B), the first use of the property
862 for a purpose for which the property is designed occurs outside of this state; or

863 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered
864 outside of this state;

865 (b) the exemption provided for in Subsection (64)(a) does not apply to:

866 (i) a lease or rental of tangible personal property or a product transferred electronically;

867 or

868 (ii) a sale of a vehicle exempt under Subsection (33); and

869 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
870 purposes of Subsection (64)(a), the commission may by rule define what constitutes the

871 following:

872 (i) conducting business in this state if that phrase has the same meaning in this
873 Subsection (64) as in Subsection (24);

874 (ii) the first use of tangible personal property or a product transferred electronically if
875 that phrase has the same meaning in this Subsection (64) as in Subsection (24); or

876 (iii) a purpose for which tangible personal property or a product transferred
877 electronically is designed if that phrase has the same meaning in this Subsection (64) as in
878 Subsection (24);

879 (65) sales of disposable home medical equipment or supplies if:

880 (a) a person presents a prescription for the disposable home medical equipment or
881 supplies;

882 (b) the disposable home medical equipment or supplies are used exclusively by the
883 person to whom the prescription described in Subsection (65)(a) is issued; and

884 (c) the disposable home medical equipment and supplies are listed as eligible for
885 payment under:

886 (i) Title XVIII, federal Social Security Act; or

887 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

888 (66) sales:

889 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit
890 District Act; or

891 (b) of tangible personal property to a subcontractor of a public transit district, if the
892 tangible personal property is:

893 (i) clearly identified; and

- 894 (ii) installed or converted to real property owned by the public transit district;
- 895 (67) sales of construction materials:
- 896 (a) purchased on or after July 1, 2010;
- 897 (b) purchased by, on behalf of, or for the benefit of an international airport:
- 898 (i) located within a county of the first class; and
- 899 (ii) that has a United States customs office on its premises; and
- 900 (c) if the construction materials are:
- 901 (i) clearly identified;
- 902 (ii) segregated; and
- 903 (iii) installed or converted to real property:
- 904 (A) owned or operated by the international airport described in Subsection (67)(b); and
- 905 (B) located at the international airport described in Subsection (67)(b);
- 906 (68) sales of construction materials:
- 907 (a) purchased on or after July 1, 2008;
- 908 (b) purchased by, on behalf of, or for the benefit of a new airport:
- 909 (i) located within a county of the second class; and
- 910 (ii) that is owned or operated by a city in which an airline as defined in Section
- 911 59-2-102 is headquartered; and
- 912 (c) if the construction materials are:
- 913 (i) clearly identified;
- 914 (ii) segregated; and
- 915 (iii) installed or converted to real property:
- 916 (A) owned or operated by the new airport described in Subsection (68)(b);
- 917 (B) located at the new airport described in Subsection (68)(b); and
- 918 (C) as part of the construction of the new airport described in Subsection (68)(b); ~~and~~
- 919 (69) sales of fuel to a common carrier that is a railroad for use in a locomotive
- 920 engine[-]; and
- 921 (70) sales:
- 922 (a) to and by the Utah State Railroad Museum Authority under Title 9, Chapter 3, Part
- 923 5, Utah State Railroad Museum Authority; or
- 924 (b) of tangible personal property to a subcontractor of the authority, if the tangible

925 personal property is:

926 (i) clearly identifiable; and

927 (ii) installed or converted to real property owned by the authority.

928 Section 13. **Effective date.**

929 This bill takes effect on May 12, 2009, except that the amendments to Section

930 59-12-104 take effect on July 1, 2009.

H.B. 311 1st Sub. (Buff) - Utah State Railroad Museum Authority

Fiscal Note

2009 General Session
State of Utah

State Impact

Enactment of this bill could reduce the General Fund by \$46,500 annually.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
General Fund	\$0	\$0	\$0	\$0	(\$46,500)	(\$46,500)
Total	\$0	\$0	\$0	\$0	(\$46,500)	(\$46,500)

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals. Businesses providing services to the newly established authority would receive a potential sales tax benefit. Local governments could see reduction in sales tax revenue of \$15,000 annually.