

TAX REVISIONS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John Dougall

Senate Sponsor: _____

LONG TITLE

General Description:

This bill changes individual income tax and sales and use tax rates.

Highlighted Provisions:

This bill:

- ▶ reduces the individual income tax rate;
- ▶ reduces the state sales and use tax rate; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides effective dates.

Utah Code Sections Affected:

AMENDS:

59-10-104, as last amended by Laws of Utah 2008, Chapter 389

59-12-103, as last amended by Laws of Utah 2011, Chapters 285, 303, 342, and 441

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

Section 1. Section **59-10-104** is amended to read:

59-10-104. Tax basis -- Tax rate -- Exemption.

(1) [~~For taxable years beginning on or after January 1, 2008, a~~] A tax is imposed on the



28 state taxable income of a resident individual as provided in this section.

29 (2) For purposes of Subsection (1), for a taxable year, the tax is an amount equal to the
30 product of:

31 (a) the resident individual's state taxable income for that taxable year; and

32 (b) [~~5%~~] ~~5~~ → [4%] 4.6% ← ~~5~~ .

33 (3) This section does not apply to a resident individual exempt from taxation under
34 Section 59-10-104.1.

35 Section 2. Section **59-12-103** is amended to read:

36 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
37 **tax revenues.**

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

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

41 (b) amounts paid for:

42 (i) telecommunications service, other than mobile telecommunications service, that
43 originates and terminates within the boundaries of this state;

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

47 (iii) an ancillary service associated with a:

48 (A) telecommunications service described in Subsection (1)(b)(i); or

49 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

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

51 (i) gas;

52 (ii) electricity;

53 (iii) heat;

54 (iv) coal;

55 (v) fuel oil; or

56 (vi) other fuels;

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

58 (i) gas;

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

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

92 (i) stored;

93 (ii) used; or

94 (iii) consumed; and

95 (m) amounts paid or charged for a sale:

96 (i) (A) of a product transferred electronically; or

97 (B) of a repair or renovation of a product transferred electronically; and

98 (ii) regardless of whether the sale provides:

99 (A) a right of permanent use of the product; or

100 (B) a right to use the product that is less than a permanent use, including a right:

101 (I) for a definite or specified length of time; and

102 (II) that terminates upon the occurrence of a condition.

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

105 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

106 (A) [~~4.70%~~] 3.50%; and

107 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
108 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
109 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
110 State Sales and Use Tax Act; and

111 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
112 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
113 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
114 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

120 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

121 transaction under this chapter other than this part.

122 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
123 on amounts paid or charged for food and food ingredients equal to the sum of:

124 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
125 a tax rate of 1.75%; and

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

128 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
129 tangible personal property other than food and food ingredients, a state tax and a local tax is
130 imposed on the entire bundled transaction equal to the sum of:

131 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

132 (I) the tax rate described in Subsection (2)(a)(i)(A); and

133 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
134 Sales and Use Tax Act, if the location of the transaction as determined under Sections
135 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
136 Additional State Sales and Use Tax Act; and

137 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
138 Sales and Use Tax Act, if the location of the transaction as determined under Sections
139 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
140 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

143 (ii) Subject to Subsection (2)(d)(iii), for a bundled transaction other than a bundled
144 transaction described in Subsection (2)(d)(i):

145 (A) if the sales price of the bundled transaction is attributable to tangible personal
146 property, a product, or a service that is subject to taxation under this chapter and tangible
147 personal property, a product, or service that is not subject to taxation under this chapter, the
148 entire bundled transaction is subject to taxation under this chapter unless:

149 (I) the seller is able to identify by reasonable and verifiable standards the tangible
150 personal property, product, or service that is not subject to taxation under this chapter from the
151 books and records the seller keeps in the seller's regular course of business; or

152 (II) state or federal law provides otherwise; or

153 (B) if the sales price of a bundled transaction is attributable to two or more items of
154 tangible personal property, products, or services that are subject to taxation under this chapter
155 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
156 higher tax rate unless:

157 (I) the seller is able to identify by reasonable and verifiable standards the tangible
158 personal property, product, or service that is subject to taxation under this chapter at the lower
159 tax rate from the books and records the seller keeps in the seller's regular course of business; or

160 (II) state or federal law provides otherwise.

161 (iii) For purposes of Subsection (2)(d)(ii), books and records that a seller keeps in the
162 seller's regular course of business includes books and records the seller keeps in the regular
163 course of business for nontax purposes.

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

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

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

168 (iii) Subsection (2)(c)(i); or

169 (iv) Subsection (2)(d)(i)(A)(I).

170 (f) (i) A tax rate increase shall take effect on the first day of the first billing period that
171 begins after the effective date of the tax rate increase if the billing period for the transaction
172 begins before the effective date of a tax rate increase imposed under:

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

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

175 (C) Subsection (2)(c)(i); or

176 (D) Subsection (2)(d)(i)(A)(I).

177 (ii) The repeal of a tax or a tax rate decrease shall take effect on the first day of the last
178 billing period that began before the effective date of the repeal of the tax or the tax rate
179 decrease if the billing period for the transaction begins before the effective date of the repeal of
180 the tax or the tax rate decrease imposed under:

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

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

- 183 (C) Subsection (2)(c)(i); or
184 (D) Subsection (2)(d)(i)(A)(I).
- 185 (g) (i) For a tax rate described in Subsection (2)(g)(ii), if a tax due on a catalogue sale
186 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
187 or change in a tax rate takes effect:
- 188 (A) on the first day of a calendar quarter; and
189 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 190 (ii) Subsection (2)(g)(i) applies to the tax rates described in the following:
- 191 (A) Subsection (2)(a)(i)(A);
192 (B) Subsection (2)(b)(i);
193 (C) Subsection (2)(c)(i); or
194 (D) Subsection (2)(d)(i)(A)(I).
- 195 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
196 the commission may by rule define the term "catalogue sale."
- 197 (3) (a) The following state taxes shall be deposited into the General Fund:
- 198 (i) the tax imposed by Subsection (2)(a)(i)(A);
199 (ii) the tax imposed by Subsection (2)(b)(i);
200 (iii) the tax imposed by Subsection (2)(c)(i); or
201 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
- 202 (b) The following local taxes shall be distributed to a county, city, or town as provided
203 in this chapter:
- 204 (i) the tax imposed by Subsection (2)(a)(ii);
205 (ii) the tax imposed by Subsection (2)(b)(ii);
206 (iii) the tax imposed by Subsection (2)(c)(ii); and
207 (iv) the tax imposed by Subsection (2)(d)(i)(B).
- 208 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
209 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
210 through (g):
- 211 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 212 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
213 (B) for the fiscal year; or

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

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

218 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
219 protect sensitive plant and animal species; or

220 (B) award grants, up to the amount authorized by the Legislature in an appropriations
221 act, to political subdivisions of the state to implement the measures described in Subsections
222 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

244 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan

245 Program Subaccount created in Section 73-10c-5; and

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

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

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

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

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

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

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

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

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

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

271 (iii) develop surface water sources.

272 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
273 2006, the difference between the following amounts shall be expended as provided in this
274 Subsection (5), if that difference is greater than \$1:

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

276 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
277 (ii) \$17,500,000.

278 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
279 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
280 credits; and
281 (B) expended by the Department of Natural Resources for watershed rehabilitation or
282 restoration.

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

286 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
287 remaining difference described in Subsection (5)(a) shall be:
288 (A) transferred each fiscal year to the Division of Water Resources as dedicated
289 credits; and
290 (B) expended by the Division of Water Resources for cloud-seeding projects
291 authorized by Title 73, Chapter 15, Modification of Weather.

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

295 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the
296 remaining difference described in Subsection (5)(a) shall be deposited into the Water
297 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
298 Division of Water Resources for:
299 (i) preconstruction costs:
300 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
301 26, Bear River Development Act; and
302 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
303 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
304 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
305 Chapter 26, Bear River Development Act;
306 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project

307 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

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

310 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
311 Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be
312 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
313 incurred for employing additional technical staff for the administration of water rights.

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

317 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
318 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
319 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
320 the Transportation Fund created by Section 72-2-102.

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

326 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
327 have been paid off and the highway projects completed that are intended to be paid from
328 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
329 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
330 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
331 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
332 by a 1/64% tax rate on the taxable transactions under Subsection (1).

333 (8) (a) Notwithstanding Subsection (3)(a) and in addition to the amount deposited in
334 Subsection (7)(a), for the 2010-11 fiscal year only, the Division of Finance shall deposit into
335 the Centennial Highway Fund Restricted Account created by Section 72-2-118 a portion of the
336 taxes listed under Subsection (3)(a) equal to 1.93% of the revenues collected from the
337 following taxes, which represents a portion of the approximately 17% of sales and use tax

338 revenues generated annually by the sales and use tax on vehicles and vehicle-related products:

339 (i) the tax imposed by Subsection (2)(a)(i)(A);

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

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

342 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

343 (b) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
344 Subsection (7)(a), and until Subsection (8)(c) applies, for the 2011-12 fiscal year only, the
345 Division of Finance shall deposit into the Centennial Highway Fund Restricted Account
346 created by Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal to 8.3%
347 of the revenues collected from the following taxes, which represents a portion of the
348 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
349 on vehicles and vehicle-related products:

350 (i) the tax imposed by Subsection (2)(a)(i)(A);

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

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

353 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

354 (c) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
355 Subsection (7)(b), and until Subsection (8)(d) or (e) applies, when the highway general
356 obligation bonds have been paid off and the highway projects completed that are intended to be
357 paid from revenues deposited in the Centennial Highway Fund Restricted Account as
358 determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the
359 Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by
360 Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the
361 revenues collected from the following taxes, which represents a portion of the approximately
362 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and
363 vehicle-related products:

364 (i) the tax imposed by Subsection (2)(a)(i)(A);

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

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

367 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

368 (d) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in

369 Subsection (7)(a), until Subsection (8)(e) applies, and subject to Subsection (8)(f), for a fiscal
370 year beginning on or after July 1, 2012, the Division of Finance shall deposit into the
371 Centennial Highway Fund Restricted Account created by Section 72-2-118:

372 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
373 the revenues collected from the following taxes, which represents a portion of the
374 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
375 on vehicles and vehicle-related products:

- 376 (A) the tax imposed by Subsection (2)(a)(i)(A);
- 377 (B) the tax imposed by Subsection (2)(b)(i);
- 378 (C) the tax imposed by Subsection (2)(c)(i); and
- 379 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

380 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
381 current fiscal year from the sales and use taxes described in Subsections (8)(d)(i)(A) through
382 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
383 (8)(d)(i)(A) through (D) in the 2010-11 fiscal year.

384 (e) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
385 Subsection (7)(b), and subject to Subsection (8)(f), when the highway general obligation bonds
386 have been paid off and the highway projects completed that are intended to be paid from
387 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
388 Executive Appropriations Committee under Subsection 72-2-118(6)(d), for a fiscal year
389 beginning on or after July 1, 2012, the Division of Finance shall deposit into the Transportation
390 Investment Fund of 2005 created by Section 72-2-124:

391 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
392 the revenues collected from the following taxes, which represents a portion of the
393 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
394 on vehicles and vehicle-related products:

- 395 (A) the tax imposed by Subsection (2)(a)(i)(A);
- 396 (B) the tax imposed by Subsection (2)(b)(i);
- 397 (C) the tax imposed by Subsection (2)(c)(i); and
- 398 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

399 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the

400 current fiscal year from the sales and use taxes described in Subsections (8)(e)(i)(A) through
401 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
402 (8)(e)(i)(A) through (D) in the 2010-11 fiscal year.

403 (f) (i) Subject to Subsections (8)(f)(ii) and (iii), in any fiscal year that the portion of the
404 sales and use taxes deposited under Subsection (8)(d) or (e) represents an amount that is a total
405 lower percentage of the sales and use taxes described in Subsections (8)(e)(i)(A) through (D)
406 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
407 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
408 (8)(d) or (e) equal to the product of:

409 (A) the total percentage of sales and use taxes deposited under Subsection (8)(d) or (e)
410 in the previous fiscal year; and

411 (B) the total sales and use tax revenue generated by the taxes described in Subsections
412 (8)(e)(i)(A) through (D) in the current fiscal year.

413 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
414 Subsection (8)(d) or (e) would exceed 17% of the revenues collected from the sales and use
415 taxes described in Subsections (8)(e)(i)(A) through (D) in the current fiscal year, the Division
416 of Finance shall deposit 17% of the revenues collected from the sales and use taxes described
417 in Subsections (8)(e)(i)(A) through (D) for the current fiscal year under Subsection (8)(d) or
418 (e).

419 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
420 from the sales and use taxes described in Subsections (8)(e)(i)(A) through (D) was deposited
421 under Subsection (8)(d) or (e), the Division of Finance shall annually deposit 17% of the
422 revenues collected from the sales and use taxes described in Subsections (8)(e)(i)(A) through
423 (D) in the current fiscal year under Subsection (8)(d) or (e).

424 (9) (a) Notwithstanding Subsection (3)(a) and for the fiscal year 2008-09 only, the
425 Division of Finance shall deposit \$55,000,000 of the revenues generated by the taxes listed
426 under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

427 (b) Notwithstanding Subsection (3)(a) and until Subsection (9)(c) applies, for a fiscal
428 year beginning on or after July 1, 2009, the Division of Finance shall annually deposit
429 \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
430 Critical Highway Needs Fund created by Section 72-2-125.

431 (c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under
432 Subsections (7) and (8), when the general obligation bonds authorized by Section 63B-16-101
433 have been paid off and the highway projects completed that are included in the prioritized
434 project list under Subsection 72-2-125(4) as determined in accordance with Subsection
435 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues
436 generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund
437 of 2005 created by Section 72-2-124.

438 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
439 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
440 created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

441 (11) (a) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection
442 (11)(a)(ii), and until Subsection (11)(b) applies, beginning on January 1, 2009, the Division of
443 Finance shall deposit into the Critical Highway Needs Fund created by Section 72-2-125 the
444 amount of tax revenue generated by a .025% tax rate on the transactions described in
445 Subsection (1).

446 (ii) For purposes of Subsection (11)(a)(i), the Division of Finance may not deposit into
447 the Critical Highway Needs Fund any tax revenue generated by amounts paid or charged for
448 food and food ingredients, except for tax revenue generated by a bundled transaction
449 attributable to food and food ingredients and tangible personal property other than food and
450 food ingredients described in Subsection (2)(~~e~~)(d).

451 (b) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b)(ii),
452 and in addition to any amounts deposited under Subsections (7), (9), and (10), when the general
453 obligation bonds authorized by Section 63B-16-101 have been paid off and the highway
454 projects completed that are included in the prioritized project list under Subsection 72-2-125(4)
455 as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall
456 deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
457 amount of tax revenue generated by a .025% tax rate on the transactions described in
458 Subsection (1).

459 (ii) For purposes of Subsection (11)(b)(i), the Division of Finance may not deposit into
460 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
461 charged for food and food ingredients, except for tax revenue generated by a bundled

462 transaction attributable to food and food ingredients and tangible personal property other than
463 food and food ingredients described in Subsection (2)(~~e~~)(d).

464 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
465 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
466 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
467 .025% tax rate on the transactions described in Subsection (1) to be expended to address
468 chokepoints in construction management.

469 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
470 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
471 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
472 and food ingredients and tangible personal property other than food and food ingredients
473 described in Subsection (2)(~~e~~)(d).

474 Section 3. **Effective date.**

475 (1) Except as provided in Subsection (2), this bill takes effect on July 1, 2012.

476 (2) The amendments to Section 59-10-104 take effect for a taxable year beginning on
477 or after January 1, 2013.

Legislative Review Note
as of 1-25-12 1:05 PM

Office of Legislative Research and General Counsel