

SALES AND USE TAX ACT REVISIONS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate Sponsor: Curtis S. Bramble

LONG TITLE

Committee Note:

The Revenue and Taxation Interim Committee recommended this bill.

General Description:

This bill amends provisions related to the sales and use taxation of a transaction for a billing period if the transaction is reported on a billing statement.

Highlighted Provisions:

This bill:

- ▶ addresses the effective date of a sales and use tax enactment or increase for purposes of a transaction for a billing period if the transaction is reported on a billing statement;

- ▶ addresses the application of a tax rate repeal or decrease for purposes of a transaction for a billing period if the transaction is reported on a billing statement;

and

- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2012.

Utah Code Sections Affected:

AMENDS:



- 28 **59-12-103**, as last amended by Laws of Utah 2011, Chapters 285, 303, 342, and 441
- 29 **59-12-208.1**, as last amended by Laws of Utah 2008, Chapters 382 and 384
- 30 **59-12-403**, as last amended by Laws of Utah 2011, Chapter 309
- 31 **59-12-703**, as last amended by Laws of Utah 2011, Chapter 416
- 32 **59-12-806**, as last amended by Laws of Utah 2008, Chapters 382 and 384
- 33 **59-12-1102**, as last amended by Laws of Utah 2011, Chapter 309
- 34 **59-12-1302**, as last amended by Laws of Utah 2011, Chapter 309
- 35 **59-12-1402**, as last amended by Laws of Utah 2011, Chapter 416
- 36 **59-12-1803**, as last amended by Laws of Utah 2008, Chapters 382 and 384
- 37 **59-12-2004**, as last amended by Laws of Utah 2011, Chapter 309
- 38 **59-12-2103**, as last amended by Laws of Utah 2011, Chapters 198 and 309
- 39 **59-12-2209**, as enacted by Laws of Utah 2010, Chapter 263

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

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

43 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
 44 **tax revenues.**

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

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

48 (b) amounts paid for:

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

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

54 (iii) an ancillary service associated with a:

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

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

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

58 (i) gas;

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

90 accommodations and services that are regularly rented for less than 30 consecutive days;

91 (j) amounts paid or charged for laundry or dry cleaning services;

92 (k) amounts paid or charged for leases or rentals of tangible personal property if within
93 this state the tangible personal property is:

94 (i) stored;

95 (ii) used; or

96 (iii) otherwise consumed;

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

99 (i) stored;

100 (ii) used; or

101 (iii) consumed; and

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

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

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

105 (ii) regardless of whether the sale provides:

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

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

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

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

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

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

113 (A) 4.70%; and

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

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

121 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

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

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

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

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

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

140 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
141 Sales and Use Tax Act, if the location of the transaction as determined under Sections
142 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
143 Additional State Sales and Use Tax Act; and

144 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
145 Sales and Use Tax Act, if the location of the transaction as determined under Sections
146 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
147 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

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

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

167 (II) state or federal law provides otherwise.

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

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

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

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

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

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

177 (f) (i) A tax rate increase [~~shall take~~] takes effect on the first day of the first billing
178 period that begins on or after the effective date of the tax rate increase if the billing period for
179 the transaction begins before the effective date of a tax rate increase imposed under:

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

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

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

- 183 (D) Subsection (2)(d)(i)(A)(I).
- 184 (ii) The repeal of a tax or a tax rate decrease [~~shall take effect on the first day of the last~~
185 ~~billing period that began before the effective date of the repeal of the tax or the tax rate~~
186 ~~decrease if the billing period for the transaction begins before] applies to a billing period if the
187 billing statement for the billing period is rendered on or after the effective date of the repeal of
188 the tax or the tax rate decrease imposed under:~~
- 189 (A) Subsection (2)(a)(i)(A);
- 190 (B) Subsection (2)(b)(i);
- 191 (C) Subsection (2)(c)(i); or
- 192 (D) Subsection (2)(d)(i)(A)(I).
- 193 (g) (i) For a tax rate described in Subsection (2)(g)(ii), if a tax due on a catalogue sale
194 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
195 or change in a tax rate takes effect:
- 196 (A) on the first day of a calendar quarter; and
- 197 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 198 (ii) Subsection (2)(g)(i) applies to the tax rates described in the following:
- 199 (A) Subsection (2)(a)(i)(A);
- 200 (B) Subsection (2)(b)(i);
- 201 (C) Subsection (2)(c)(i); or
- 202 (D) Subsection (2)(d)(i)(A)(I).
- 203 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
204 the commission may by rule define the term "catalogue sale."
- 205 (3) (a) The following state taxes shall be deposited into the General Fund:
- 206 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 207 (ii) the tax imposed by Subsection (2)(b)(i);
- 208 (iii) the tax imposed by Subsection (2)(c)(i); or
- 209 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
- 210 (b) The following local taxes shall be distributed to a county, city, or town as provided
211 in this chapter:
- 212 (i) the tax imposed by Subsection (2)(a)(ii);
- 213 (ii) the tax imposed by Subsection (2)(b)(ii);

214 (iii) the tax imposed by Subsection (2)(c)(ii); and
215 (iv) the tax imposed by Subsection (2)(d)(i)(B).
216 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
217 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
218 through (g):
219 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
220 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
221 (B) for the fiscal year; or
222 (ii) \$17,500,000.
223 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
224 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
225 Department of Natural Resources to:
226 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
227 protect sensitive plant and animal species; or
228 (B) award grants, up to the amount authorized by the Legislature in an appropriations
229 act, to political subdivisions of the state to implement the measures described in Subsections
230 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.
231 (ii) Money transferred to the Department of Natural Resources under Subsection
232 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
233 person to list or attempt to have listed a species as threatened or endangered under the
234 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.
235 (iii) At the end of each fiscal year:
236 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
237 Conservation and Development Fund created in Section 73-10-24;
238 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
239 Program Subaccount created in Section 73-10c-5; and
240 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
241 Program Subaccount created in Section 73-10c-5.
242 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
243 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
244 created in Section 4-18-6.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

279 (iii) develop surface water sources.

280 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
281 2006, the difference between the following amounts shall be expended as provided in this
282 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

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

307 (i) preconstruction costs:
308 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
309 26, Bear River Development Act; and
310 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
311 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
312 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
313 Chapter 26, Bear River Development Act;
314 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
315 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and
316 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and
317 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).
318 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
319 Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be
320 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
321 incurred for employing additional technical staff for the administration of water rights.
322 (f) At the end of each fiscal year, any unexpended dedicated credits described in
323 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
324 Fund created in Section 73-10-24.
325 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
326 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
327 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
328 the Transportation Fund created by Section 72-2-102.
329 (7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies,
330 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial
331 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed
332 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable
333 transactions under Subsection (1).
334 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
335 have been paid off and the highway projects completed that are intended to be paid from
336 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
337 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of

338 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
339 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
340 by a 1/64% tax rate on the taxable transactions under Subsection (1).

341 (8) (a) Notwithstanding Subsection (3)(a) and in addition to the amount deposited in
342 Subsection (7)(a), for the 2010-11 fiscal year only, the Division of Finance shall deposit into
343 the Centennial Highway Fund Restricted Account created by Section 72-2-118 a portion of the
344 taxes listed under Subsection (3)(a) equal to 1.93% of the revenues collected from the
345 following taxes, which represents a portion of the approximately 17% of sales and use tax
346 revenues generated annually by the sales and use tax on vehicles and vehicle-related products:

- 347 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 348 (ii) the tax imposed by Subsection (2)(b)(i);
- 349 (iii) the tax imposed by Subsection (2)(c)(i); and
- 350 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

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

- 358 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 359 (ii) the tax imposed by Subsection (2)(b)(i);
- 360 (iii) the tax imposed by Subsection (2)(c)(i); and
- 361 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

362 (c) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
363 Subsection (7)(b), and until Subsection (8)(d) or (e) applies, when the highway general
364 obligation bonds have been paid off and the highway projects completed that are intended to be
365 paid from revenues deposited in the Centennial Highway Fund Restricted Account as
366 determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the
367 Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by
368 Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the

369 revenues collected from the following taxes, which represents a portion of the approximately
370 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and
371 vehicle-related products:

- 372 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 373 (ii) the tax imposed by Subsection (2)(b)(i);
- 374 (iii) the tax imposed by Subsection (2)(c)(i); and
- 375 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

376 (d) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
377 Subsection (7)(a), until Subsection (8)(e) applies, and subject to Subsection (8)(f), for a fiscal
378 year beginning on or after July 1, 2012, the Division of Finance shall deposit into the
379 Centennial Highway Fund Restricted Account created by Section 72-2-118:

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

- 384 (A) the tax imposed by Subsection (2)(a)(i)(A);
- 385 (B) the tax imposed by Subsection (2)(b)(i);
- 386 (C) the tax imposed by Subsection (2)(c)(i); and
- 387 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

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

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

399 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of

400 the revenues collected from the following taxes, which represents a portion of the
401 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
402 on vehicles and vehicle-related products:

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

404 (B) the tax imposed by Subsection (2)(b)(i);

405 (C) the tax imposed by Subsection (2)(c)(i); and

406 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

407 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
408 current fiscal year from the sales and use taxes described in Subsections (8)(e)(i)(A) through
409 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
410 (8)(e)(i)(A) through (D) in the 2010-11 fiscal year.

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

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

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

421 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
422 Subsection (8)(d) or (e) would exceed 17% of the revenues collected from the sales and use
423 taxes described in Subsections (8)(e)(i)(A) through (D) in the current fiscal year, the Division
424 of Finance shall deposit 17% of the revenues collected from the sales and use taxes described
425 in Subsections (8)(e)(i)(A) through (D) for the current fiscal year under Subsection (8)(d) or
426 (e).

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

431 (D) in the current fiscal year under Subsection (8)(d) or (e).

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

435 (b) Notwithstanding Subsection (3)(a) and until Subsection (9)(c) applies, for a fiscal
436 year beginning on or after July 1, 2009, the Division of Finance shall annually deposit
437 \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
438 Critical Highway Needs Fund created by Section 72-2-125.

439 (c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under
440 Subsections (7) and (8), when the general obligation bonds authorized by Section 63B-16-101
441 have been paid off and the highway projects completed that are included in the prioritized
442 project list under Subsection 72-2-125(4) as determined in accordance with Subsection
443 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues
444 generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund
445 of 2005 created by Section 72-2-124.

446 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
447 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
448 created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

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

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

459 (b) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b)(ii),
460 and in addition to any amounts deposited under Subsections (7), (9), and (10), when the general
461 obligation bonds authorized by Section 63B-16-101 have been paid off and the highway

462 projects completed that are included in the prioritized project list under Subsection 72-2-125(4)
463 as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall
464 deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
465 amount of tax revenue generated by a .025% tax rate on the transactions described in
466 Subsection (1).

467 (ii) For purposes of Subsection (11)(b)(i), the Division of Finance may not deposit into
468 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
469 charged for food and food ingredients, except for tax revenue generated by a bundled
470 transaction attributable to food and food ingredients and tangible personal property other than
471 food and food ingredients described in Subsection (2)(~~e~~)(d).

472 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
473 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
474 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
475 .025% tax rate on the transactions described in Subsection (1) to be expended to address
476 chokepoints in construction management.

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

482 Section 2. Section **59-12-208.1** is amended to read:

483 **59-12-208.1. Enactment or repeal of tax -- Effective date -- Notice requirements.**

484 (1) For purposes of this section:

485 (a) "Annexation" means an annexation to:

486 (i) a county under Title 17, Chapter 2, [~~Annexation to~~] County Consolidations and
487 Annexations; or

488 (ii) a city or town under Title 10, Chapter 2, Part 4, Annexation.

489 (b) "Annexing area" means an area that is annexed into a county, city, or town.

490 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after July 1, 2004, a
491 county, city, or town enacts or repeals a tax under this part, the enactment or repeal shall take
492 effect:

- 493 (i) on the first day of a calendar quarter; and
- 494 (ii) after a 90-day period beginning on the date the commission receives notice meeting
495 the requirements of Subsection (2)(b) from the county, city, or town.
- 496 (b) The notice described in Subsection (2)(a)(ii) shall state:
- 497 (i) that the county, city, or town will enact or repeal a tax under this part;
- 498 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);
- 499 (iii) the effective date of the tax described in Subsection (2)(b)(i); and
- 500 (iv) if the county, city, or town enacts the tax described in Subsection (2)(b)(i), the rate
501 of the tax.
- 502 (c) (i) The enactment of a tax [~~shall take~~] takes effect on the first day of the first billing
503 period:
- 504 (A) that begins on or after the effective date of the enactment of the tax; and
- 505 (B) if the billing period for the transaction begins before the effective date of the
506 enactment of the tax under Section 59-12-204.
- 507 (ii) The repeal of a tax [~~shall take effect on the first day of the last billing period:(A)-~~
508 ~~that began before the effective date of the repeal of the tax; and (B) if the billing period for the~~
509 ~~transaction begins before]~~ applies to a billing period if the billing statement for the billing
510 period is rendered on or after the effective date of the repeal of the tax imposed under Section
511 59-12-204.
- 512 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
513 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
514 Subsection (2)(a) takes effect:
- 515 (A) on the first day of a calendar quarter; and
- 516 (B) beginning 60 days after the effective date of the enactment or repeal under
517 Subsection (2)(a).
- 518 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
519 commission may by rule define the term "catalogue sale."
- 520 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs
521 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
522 part for an annexing area, the enactment or repeal shall take effect:
- 523 (i) on the first day of a calendar quarter; and

524 (ii) after a 90-day period beginning on the date the commission receives notice meeting
525 the requirements of Subsection (3)(b) from the county, city, or town that annexes the annexing
526 area.

527 (b) The notice described in Subsection (3)(a)(ii) shall state:

528 (i) that the annexation described in Subsection (3)(a) will result in an enactment or
529 repeal of a tax under this part for the annexing area;

530 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);

531 (iii) the effective date of the tax described in Subsection (3)(b)(i); and

532 (iv) the rate of the tax described in Subsection (3)(b)(i).

533 (c) (i) The enactment of a tax [~~shall take~~] takes effect on the first day of the first billing
534 period:

535 (A) that begins on or after the effective date of the enactment of the tax; and

536 (B) if the billing period for the transaction begins before the effective date of the
537 enactment of the tax under Section 59-12-204.

538 (ii) The repeal of a tax [~~shall take effect on the first day of the last billing period:(A)-~~
539 ~~that began before the effective date of the repeal of the tax; and (B) if the billing period for the~~
540 ~~transaction begins before]~~ applies to a billing period if the billing statement for the billing
541 period is rendered on or after the effective date of the repeal of the tax imposed under Section
542 59-12-204.

543 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
544 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
545 Subsection (3)(a) takes effect:

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

547 (B) beginning 60 days after the effective date of the enactment or repeal under
548 Subsection (3)(a).

549 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
550 commission may by rule define the term "catalogue sale."

551 Section 3. Section **59-12-403** is amended to read:

552 **59-12-403. Enactment or repeal of tax -- Tax rate change -- Effective date --**
553 **Notice requirements -- Administration, collection, and enforcement of tax --**
554 **Administrative charge.**

555 (1) For purposes of this section:

556 (a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
557 4, Annexation.

558 (b) "Annexing area" means an area that is annexed into a city or town.

559 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after April 1, 2008, a
560 city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
561 repeal, or change shall take effect:

562 (i) on the first day of a calendar quarter; and

563 (ii) after a 90-day period beginning on the date the commission receives notice meeting
564 the requirements of Subsection (2)(b) from the city or town.

565 (b) The notice described in Subsection (2)(a)(ii) shall state:

566 (i) that the city or town will enact or repeal a tax or change the rate of a tax under this
567 part;

568 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);

569 (iii) the effective date of the tax described in Subsection (2)(b)(i); and

570 (iv) if the city or town enacts the tax or changes the rate of the tax described in
571 Subsection (2)(b)(i), the rate of the tax.

572 (c) (i) The enactment of a tax or a tax rate increase [~~shall take~~] takes effect on the first
573 day of the first billing period:

574 (A) that begins on or after the effective date of the enactment of the tax or the tax rate
575 increase; and

576 (B) if the billing period for the transaction begins before the effective date of the
577 enactment of the tax or the tax rate increase imposed under:

578 (I) Section 59-12-401; or

579 (II) Section 59-12-402.

580 (ii) The repeal of a tax or a tax rate decrease [~~shall take effect on the first day of the last~~
581 ~~billing period: (A) that began before the effective date of the repeal of the tax or the tax rate~~
582 ~~decrease; and (B) if the billing period for the transaction begins before]~~ applies to a billing
583 period if the billing statement for the billing period is rendered on or after the effective date of
584 the repeal of the tax or the tax rate decrease imposed under:

585 [~~(B)~~] (A) Section 59-12-401; or

586 ~~[(H)]~~ (B) Section 59-12-402.

587 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
588 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
589 a tax described in Subsection (2)(a) takes effect:

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

591 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
592 rate of the tax under Subsection (2)(a).

593 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
594 commission may by rule define the term "catalogue sale."

595 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs
596 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
597 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
598 effect:

599 (i) on the first day of a calendar quarter; and

600 (ii) after a 90-day period beginning on the date the commission receives notice meeting
601 the requirements of Subsection (3)(b) from the city or town that annexes the annexing area.

602 (b) The notice described in Subsection (3)(a)(ii) shall state:

603 (i) that the annexation described in Subsection (3)(a) will result in an enactment,
604 repeal, or change in the rate of a tax under this part for the annexing area;

605 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);

606 (iii) the effective date of the tax described in Subsection (3)(b)(i); and

607 (iv) if the city or town enacts the tax or changes the rate of the tax described in
608 Subsection (3)(b)(i), the rate of the tax.

609 (c) (i) The enactment of a tax or a tax rate increase ~~[shall take]~~ takes effect on the first
610 day of the first billing period:

611 (A) that begins on or after the effective date of the enactment of the tax or the tax rate
612 increase; and

613 (B) if the billing period for the transaction begins before the effective date of the
614 enactment of the tax or the tax rate increase imposed under:

615 (I) Section 59-12-401; or

616 (II) Section 59-12-402.

617 (ii) The repeal of a tax or a tax rate decrease [~~shall take effect on the first day of the last~~
 618 ~~billing period: (A) that began before the effective date of the repeal of the tax or the tax rate~~
 619 ~~decrease; and (B) if the billing period for the transaction begins before] applies to a billing
 620 period if the billing statement for the billing period is rendered on or after the effective date of
 621 the repeal of the tax or the tax rate decrease imposed under:~~

622 [~~(A)~~] (A) Section 59-12-401; or

623 [~~(B)~~] (B) Section 59-12-402.

624 (d) (i) Notwithstanding Subsection (3)(a), if a tax due under this chapter on a catalogue
 625 sale is computed on the basis of sales and use tax rates published in the catalogue, an
 626 enactment, repeal, or change in the rate of a tax described in Subsection (3)(a) takes effect:

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

628 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
 629 rate of the tax under Subsection (3)(a).

630 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 631 commission may by rule define the term "catalogue sale."

632 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be
 633 administered, collected, and enforced in accordance with:

634 (i) the same procedures used to administer, collect, and enforce the tax under:

635 (A) Part 1, Tax Collection; or

636 (B) Part 2, Local Sales and Use Tax Act; and

637 (ii) Chapter 1, General Taxation Policies.

638 (b) Notwithstanding Subsection (4)(a), a tax under this part is not subject to
 639 Subsections 59-12-205(2) through (6).

640 (5) The commission shall retain and deposit an administrative charge in accordance
 641 with Section 59-1-306 from the revenues the commission collects from a tax under this part.

642 Section 4. Section **59-12-703** is amended to read:

643 **59-12-703. Opinion question election -- Base -- Rate -- Imposition of tax --**

644 **Expenditure of revenues -- Enactment or repeal of tax -- Effective date -- Notice**

645 **requirements.**

646 (1) (a) Subject to the other provisions of this section, a county legislative body may
 647 submit an opinion question to the residents of that county, by majority vote of all members of

648 the legislative body, so that each resident of the county, except residents in municipalities that
649 have already imposed a sales and use tax under Part 14, City or Town Option Funding For
650 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, has an
651 opportunity to express the resident's opinion on the imposition of a local sales and use tax of
652 .1% on the transactions described in Subsection 59-12-103(1) located within the county, to:

653 (i) fund cultural facilities, recreational facilities, and zoological facilities, botanical
654 organizations, cultural organizations, and zoological organizations, and rural radio stations, in
655 that county; or

656 (ii) provide funding for a botanical organization, cultural organization, or zoological
657 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in
658 furtherance of the botanical organization's, cultural organization's, or zoological organization's
659 primary purpose.

660 (b) The opinion question required by this section shall state:

661 "Shall (insert the name of the county), Utah, be authorized to impose a .1% sales and
662 use tax for (list the purposes for which the revenues collected from the sales and use tax shall
663 be expended)?"

664 (c) Notwithstanding Subsection (1)(a), a county legislative body may not impose a tax
665 under this section on:

666 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
667 are exempt from taxation under Section 59-12-104;

668 (ii) sales and uses within municipalities that have already imposed a sales and use tax
669 under Part 14, City or Town Option Funding For Botanical, Cultural, Recreational, and
670 Zoological Organizations or Facilities; and

671 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and
672 food ingredients.

673 (d) For purposes of this Subsection (1), the location of a transaction shall be
674 determined in accordance with Sections 59-12-211 through 59-12-215.

675 (e) A county legislative body imposing a tax under this section shall impose the tax on
676 amounts paid or charged for food and food ingredients if the food and food ingredients are sold
677 as part of a bundled transaction attributable to food and food ingredients and tangible personal
678 property other than food and food ingredients.

679 (f) The election shall follow the procedures outlined in Title 11, Chapter 14, Local
680 Government Bonding Act.

681 (2) (a) If the county legislative body determines that a majority of the county's
682 registered voters voting on the imposition of the tax have voted in favor of the imposition of
683 the tax as prescribed in Subsection (1), the county legislative body may impose the tax by a
684 majority vote of all members of the legislative body on the transactions:

685 (i) described in Subsection (1); and

686 (ii) within the county, including the cities and towns located in the county, except those
687 cities and towns that have already imposed a sales and use tax under Part 14, City or Town
688 Option Funding For Botanical, Cultural, Recreational, and Zoological Organizations or
689 Facilities.

690 (b) A county legislative body may revise county ordinances to reflect statutory changes
691 to the distribution formula or eligible recipients of revenues generated from a tax imposed
692 under Subsection (2)(a):

693 (i) after the county legislative body submits an opinion question to residents of the
694 county in accordance with Subsection (1) giving them the opportunity to express their opinion
695 on the proposed revisions to county ordinances; and

696 (ii) if the county legislative body determines that a majority of those voting on the
697 opinion question have voted in favor of the revisions.

698 (3) Subject to Section 59-12-704, revenues collected from a tax imposed under
699 Subsection (2) shall be expended:

700 (a) to fund cultural facilities, recreational facilities, and zoological facilities located
701 within the county or a city or town located in the county, except a city or town that has already
702 imposed a sales and use tax under Part 14, City or Town Option Funding For Botanical,
703 Cultural, Recreational, and Zoological Organizations or Facilities;

704 (b) to fund ongoing operating expenses of:

705 (i) recreational facilities described in Subsection (3)(a);

706 (ii) botanical organizations, cultural organizations, and zoological organizations within
707 the county; and

708 (iii) rural radio stations within the county; and

709 (c) as stated in the opinion question described in Subsection (1).

710 (4) (a) A tax authorized under this part shall be:
711 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
712 accordance with:
713 (A) the same procedures used to administer, collect, and enforce the tax under:
714 (I) Part 1, Tax Collection; or
715 (II) Part 2, Local Sales and Use Tax Act; and
716 (B) Chapter 1, General Taxation Policies; and
717 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
718 period in accordance with this section.
719 (b) A tax under this part is not subject to Subsections 59-12-205(2) through (6).
720 (5) (a) For purposes of this Subsection (5):
721 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,
722 County Annexation.
723 (ii) "Annexing area" means an area that is annexed into a county.
724 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
725 county enacts or repeals a tax under this part, the enactment or repeal shall take effect:
726 (A) on the first day of a calendar quarter; and
727 (B) after a 90-day period beginning on the date the commission receives notice meeting
728 the requirements of Subsection (5)(b)(ii) from the county.
729 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:
730 (A) that the county will enact or repeal a tax under this part;
731 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);
732 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and
733 (D) if the county enacts the tax described in Subsection (5)(b)(ii)(A), the rate of the
734 tax.
735 (c) (i) The enactment of a tax [~~shall take~~] takes effect on the first day of the first billing
736 period:
737 (A) that begins on or after the effective date of the enactment of the tax; and
738 (B) if the billing period for the transaction begins before the effective date of the
739 enactment of the tax under this section.
740 (ii) The repeal of a tax [~~shall take effect on the first day of the last billing period: (A)~~]

741 ~~that began before the effective date of the repeal of the tax; and (B) if the billing period for the~~
 742 ~~transaction begins before]~~ applies to a billing period if the billing statement for the billing
 743 period is rendered on or after the effective date of the repeal of the tax imposed under this
 744 section.

745 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
 746 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
 747 Subsection (5)(b)(i) takes effect:

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

749 (B) beginning 60 days after the effective date of the enactment or repeal under
 750 Subsection (5)(b)(i).

751 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 752 commission may by rule define the term "catalogue sale."

753 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
 754 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
 755 part for an annexing area, the enactment or repeal shall take effect:

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

757 (B) after a 90-day period beginning on the date the commission receives notice meeting
 758 the requirements of Subsection (5)(e)(ii) from the county that annexes the annexing area.

759 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

760 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
 761 repeal of a tax under this part for the annexing area;

762 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

763 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

764 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

765 (f) (i) The enactment of a tax [~~shall take~~] takes effect on the first day of the first billing
 766 period:

767 (A) that begins on or after the effective date of the enactment of the tax; and

768 (B) if the billing period for the transaction begins before the effective date of the
 769 enactment of the tax under this section.

770 (ii) The repeal of a tax [~~shall take effect on the first day of the last billing period: (A)~~
 771 ~~that began before the effective date of the repeal of the tax; and (B) if the billing period for the~~

772 ~~transaction begins before]~~ applies to a billing period if the billing statement for the billing
773 period is rendered on or after the effective date of the repeal of the tax imposed under this
774 section.

775 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
776 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
777 Subsection (5)(e)(i) takes effect:

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

779 (B) beginning 60 days after the effective date of the enactment or repeal under
780 Subsection (5)(e)(i).

781 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
782 commission may by rule define the term "catalogue sale."

783 Section 5. Section **59-12-806** is amended to read:

784 **59-12-806. Enactment or repeal of tax -- Tax rate change -- Effective date --**
785 **Notice requirements.**

786 (1) For purposes of this section:

787 (a) "Annexation" means an annexation to:

788 (i) a county under Title 17, Chapter 2, [~~Annexation to~~] County Consolidations and
789 Annexations; or

790 (ii) a city under Title 10, Chapter 2, Part 4, Annexation.

791 (b) "Annexing area" means an area that is annexed into a county or city.

792 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after July 1, 2004, a
793 county or city enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
794 repeal, or change shall take effect:

795 (i) on the first day of a calendar quarter; and

796 (ii) after a 90-day period beginning on the date the commission receives notice meeting
797 the requirements of Subsection (2)(b) from the county or city.

798 (b) The notice described in Subsection (2)(a)(ii) shall state:

799 (i) that the county or city will enact or repeal a tax or change the rate of a tax under this
800 part;

801 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);

802 (iii) the effective date of the tax described in Subsection (2)(b)(i); and

803 (iv) if the county or city enacts the tax or changes the rate of the tax described in
804 Subsection (2)(b)(i), the rate of the tax.

805 (c) (i) The enactment of a tax or a tax rate increase [~~shall take~~] takes effect on the first
806 day of the first billing period:

807 (A) that begins on or after the effective date of the enactment of the tax or the tax rate
808 increase; and

809 (B) if the billing period for the transaction begins before the effective date of the
810 enactment of the tax or the tax rate increase imposed under:

811 (I) Section 59-12-802; or

812 (II) Section 59-12-804.

813 (ii) The repeal of a tax or a tax rate decrease [~~shall take effect on the first day of the last~~
814 ~~billing period: (A) that began before the effective date of the repeal of the tax or the tax rate~~
815 ~~decrease; and (B) if the billing period for the transaction begins before]~~ applies to a billing
816 period if the billing statement for the billing period is rendered on or after the effective date of
817 the repeal of the tax or the tax rate decrease imposed under:

818 [~~(A)~~] (A) Section 59-12-802; or

819 [~~(B)~~] (B) Section 59-12-804.

820 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
821 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
822 a tax described in Subsection (2)(a) takes effect:

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

824 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
825 rate of the tax under Subsection (2)(a).

826 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
827 commission may by rule define the term "catalogue sale."

828 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs
829 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
830 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
831 effect:

832 (i) on the first day of a calendar quarter; and

833 (ii) after a 90-day period beginning on the date the commission receives notice meeting

834 the requirements of Subsection (3)(b) from the county or city that annexes the annexing area.

835 (b) The notice described in Subsection (3)(a)(ii) shall state:

836 (i) that the annexation described in Subsection (3)(a) will result in an enactment,
837 repeal, or change in the rate of a tax under this part for the annexing area;

838 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);

839 (iii) the effective date of the tax described in Subsection (3)(b)(i); and

840 (iv) if the county or city enacts the tax or changes the rate of the tax described in
841 Subsection (3)(b)(i), the rate of the tax.

842 (c) (i) The enactment of a tax or a tax rate increase [~~shall take~~] takes effect on the first
843 day of the first billing period:

844 (A) that begins on or after the effective date of the enactment of the tax or the tax rate
845 increase; and

846 (B) if the billing period for the transaction begins before the effective date of the
847 enactment of the tax or the tax rate increase imposed under:

848 (I) Section 59-12-802; or

849 (II) Section 59-12-804.

850 (ii) The repeal of a tax or a tax rate decrease [~~shall take effect on the first day of the last~~
851 ~~billing period: (A) that began before the effective date of the repeal of the tax or the tax rate~~

852 ~~decrease; and (B) if the billing period for the transaction begins before]~~ applies to a billing
853 period if the billing statement for the billing period is rendered on or after the effective date of

854 the repeal of the tax or the tax rate decrease imposed under:

855 [~~(A)~~] (A) Section 59-12-802; or

856 [~~(B)~~] (B) Section 59-12-804.

857 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
858 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
859 a tax described in Subsection (3)(a) takes effect:

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

861 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
862 rate of a tax under Subsection (3)(a).

863 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
864 commission may by rule define the term "catalogue sale."

865 Section 6. Section **59-12-1102** is amended to read:

866 **59-12-1102. Base -- Rate -- Imposition of tax -- Distribution of revenue --**
867 **Administration -- Administrative charge -- Commission requirement to retain an amount**
868 **to be deposited into the Qualified Emergency Food Agencies Fund -- Enactment or repeal**
869 **of tax -- Effective date -- Notice requirements.**

870 (1) (a) (i) Subject to Subsections (2) through (6), and in addition to any other tax
871 authorized by this chapter, a county may impose by ordinance a county option sales and use tax
872 of .25% upon the transactions described in Subsection 59-12-103(1).

873 (ii) Notwithstanding Subsection (1)(a)(i), a county may not impose a tax under this
874 section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
875 exempt from taxation under Section 59-12-104.

876 (b) For purposes of this Subsection (1), the location of a transaction shall be
877 determined in accordance with Sections 59-12-211 through 59-12-215.

878 (c) The county option sales and use tax under this section shall be imposed:

879 (i) upon transactions that are located within the county, including transactions that are
880 located within municipalities in the county; and

881 (ii) except as provided in Subsection (1)(d) or (5), beginning on the first day of
882 January:

883 (A) of the next calendar year after adoption of the ordinance imposing the tax if the
884 ordinance is adopted on or before May 25; or

885 (B) of the second calendar year after adoption of the ordinance imposing the tax if the
886 ordinance is adopted after May 25.

887 (d) Notwithstanding Subsection (1)(c)(ii), the county option sales and use tax under
888 this section shall be imposed:

889 (i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before
890 September 4, 1997; or

891 (ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during 1997
892 but after September 4, 1997.

893 (2) (a) Before imposing a county option sales and use tax under Subsection (1), a
894 county shall hold two public hearings on separate days in geographically diverse locations in
895 the county.

896 (b) (i) At least one of the hearings required by Subsection (2)(a) shall have a starting
897 time of no earlier than 6 p.m.

898 (ii) The earlier of the hearings required by Subsection (2)(a) shall be no less than seven
899 days after the day the first advertisement required by Subsection (2)(c) is published.

900 (c) (i) Before holding the public hearings required by Subsection (2)(a), the county
901 shall advertise:

902 (A) its intent to adopt a county option sales and use tax;

903 (B) the date, time, and location of each public hearing; and

904 (C) a statement that the purpose of each public hearing is to obtain public comments
905 regarding the proposed tax.

906 (ii) The advertisement shall be published:

907 (A) in a newspaper of general circulation in the county once each week for the two
908 weeks preceding the earlier of the two public hearings; and

909 (B) on the Utah Public Notice Website created in Section 63F-1-701, for two weeks
910 preceding the earlier of the two public hearings.

911 (iii) The advertisement described in Subsection (2)(c)(ii)(A) shall be no less than 1/8
912 page in size, and the type used shall be no smaller than 18 point and surrounded by a 1/4-inch
913 border.

914 (iv) The advertisement described in Subsection (2)(c)(ii)(A) may not be placed in that
915 portion of the newspaper where legal notices and classified advertisements appear.

916 (v) In accordance with Subsection (2)(c)(ii)(A), whenever possible:

917 (A) the advertisement shall appear in a newspaper that is published at least five days a
918 week, unless the only newspaper in the county is published less than five days a week; and

919 (B) the newspaper selected shall be one of general interest and readership in the
920 community, and not one of limited subject matter.

921 (d) The adoption of an ordinance imposing a county option sales and use tax is subject
922 to a local referendum election and shall be conducted as provided in Title 20A, Chapter 7, Part
923 6, Local Referenda - Procedures.

924 (3) (a) Subject to Subsection (5), if the aggregate population of the counties imposing a
925 county option sales and use tax under Subsection (1) is less than 75% of the state population,
926 the tax levied under Subsection (1) shall be distributed to the county in which the tax was

927 collected.

928 (b) Subject to Subsection (5), if the aggregate population of the counties imposing a
929 county option sales and use tax under Subsection (1) is greater than or equal to 75% of the state
930 population:

931 (i) 50% of the tax collected under Subsection (1) in each county shall be distributed to
932 the county in which the tax was collected; and

933 (ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection
934 (1) in each county shall be distributed proportionately among all counties imposing the tax,
935 based on the total population of each county.

936 (c) Except as provided in Subsection (5), the amount to be distributed annually to a
937 county under Subsection (3)(b)(ii), when combined with the amount distributed to the county
938 under Subsection (3)(b)(i), does not equal at least \$75,000, then:

939 (i) the amount to be distributed annually to that county under Subsection (3)(b)(ii) shall
940 be increased so that, when combined with the amount distributed to the county under
941 Subsection (3)(b)(i), the amount distributed annually to the county is \$75,000; and

942 (ii) the amount to be distributed annually to all other counties under Subsection
943 (3)(b)(ii) shall be reduced proportionately to offset the additional amount distributed under
944 Subsection (3)(c)(i).

945 (d) The commission shall establish rules to implement the distribution of the tax under
946 Subsections (3)(a), (b), and (c).

947 (4) (a) Except as provided in Subsection (4)(b) or (c), a tax authorized under this part
948 shall be administered, collected, and enforced in accordance with:

949 (i) the same procedures used to administer, collect, and enforce the tax under:

950 (A) Part 1, Tax Collection; or

951 (B) Part 2, Local Sales and Use Tax Act; and

952 (ii) Chapter 1, General Taxation Policies.

953 (b) Notwithstanding Subsection (4)(a), a tax under this part is not subject to
954 Subsections 59-12-205(2) through (6).

955 (c) (i) Subject to Subsection (4)(c)(ii), the commission shall retain and deposit an
956 administrative charge in accordance with Section 59-1-306 from the revenues the commission
957 collects from a tax under this part.

958 (ii) Notwithstanding Section 59-1-306, the administrative charge described in
959 Subsection (4)(c)(i) shall be calculated by taking a percentage described in Section 59-1-306 of
960 the distribution amounts resulting after:

961 (A) the applicable distribution calculations under Subsection (3) have been made; and

962 (B) the commission retains the amount required by Subsection (5).

963 (5) (a) Beginning on July 1, 2009, the commission shall calculate and retain a portion
964 of the sales and use tax collected under this part as provided in this Subsection (5).

965 (b) For a county that imposes a tax under this part, the commission shall calculate a
966 percentage each month by dividing the sales and use tax collected under this part for that
967 month within the boundaries of that county by the total sales and use tax collected under this
968 part for that month within the boundaries of all of the counties that impose a tax under this part.

969 (c) For a county that imposes a tax under this part, the commission shall retain each
970 month an amount equal to the product of:

971 (i) the percentage the commission determines for the month under Subsection (5)(b)
972 for the county; and

973 (ii) \$6,354.

974 (d) The commission shall deposit an amount the commission retains in accordance
975 with this Subsection (5) into the Qualified Emergency Food Agencies Fund created by Section
976 9-4-1409.

977 (e) An amount the commission deposits into the Qualified Emergency Food Agencies
978 Fund shall be expended as provided in Section 9-4-1409.

979 (6) (a) For purposes of this Subsection (6):

980 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, County
981 Consolidations and Annexations.

982 (ii) "Annexing area" means an area that is annexed into a county.

983 (b) (i) Except as provided in Subsection (6)(c) or (d), if, on or after July 1, 2004, a
984 county enacts or repeals a tax under this part:

985 (A) (I) the enactment shall take effect as provided in Subsection (1)(c); or

986 (II) the repeal shall take effect on the first day of a calendar quarter; and

987 (B) after a 90-day period beginning on the date the commission receives notice meeting
988 the requirements of Subsection (6)(b)(ii) from the county.

989 (ii) The notice described in Subsection (6)(b)(i)(B) shall state:

990 (A) that the county will enact or repeal a tax under this part;

991 (B) the statutory authority for the tax described in Subsection (6)(b)(ii)(A);

992 (C) the effective date of the tax described in Subsection (6)(b)(ii)(A); and

993 (D) if the county enacts the tax described in Subsection (6)(b)(ii)(A), the rate of the
994 tax.

995 (c) (i) The enactment of a tax [~~shall take~~] takes effect on the first day of the first billing
996 period:

997 (A) that begins on or after the effective date of the enactment of the tax; and

998 (B) if the billing period for the transaction begins before the effective date of the
999 enactment of the tax under Subsection (1).

1000 (ii) The repeal of a tax [~~shall take effect on the first day of the last billing period: (A)~~
1001 ~~that began before the effective date of the repeal of the tax; and (B) if the billing period for the~~
1002 ~~transaction begins before]~~ applies to a billing period if the billing statement for the billing
1003 period is rendered on or after the effective date of the repeal of the tax imposed under
1004 Subsection (1).

1005 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
1006 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
1007 Subsection (6)(b)(i) takes effect:

1008 (A) on the first day of a calendar quarter; and

1009 (B) beginning 60 days after the effective date of the enactment or repeal under
1010 Subsection (6)(b)(i).

1011 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1012 commission may by rule define the term "catalogue sale."

1013 (e) (i) Except as provided in Subsection (6)(f) or (g), if, for an annexation that occurs
1014 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
1015 part for an annexing area, the enactment or repeal shall take effect:

1016 (A) on the first day of a calendar quarter; and

1017 (B) after a 90-day period beginning on the date the commission receives notice meeting
1018 the requirements of Subsection (6)(e)(ii) from the county that annexes the annexing area.

1019 (ii) The notice described in Subsection (6)(e)(i)(B) shall state:

1020 (A) that the annexation described in Subsection (6)(e)(i) will result in an enactment or
1021 repeal of a tax under this part for the annexing area;

1022 (B) the statutory authority for the tax described in Subsection (6)(e)(ii)(A);

1023 (C) the effective date of the tax described in Subsection (6)(e)(ii)(A); and

1024 (D) the rate of the tax described in Subsection (6)(e)(ii)(A).

1025 (f) (i) The enactment of a tax [~~shall take~~] takes effect on the first day of the first billing
1026 period:

1027 (A) that begins on or after the effective date of the enactment of the tax; and

1028 (B) if the billing period for the transaction begins before the effective date of the
1029 enactment of the tax under Subsection (1).

1030 (ii) The repeal of a tax [~~shall take effect on the first day of the last billing period: (A)-~~
1031 ~~that began before the effective date of the repeal of the tax; and (B) if the billing period for the~~
1032 ~~transaction begins before]~~ applies to a billing period if the billing statement for the billing
1033 period is rendered on or after the effective date of the repeal of the tax imposed under
1034 Subsection (1).

1035 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
1036 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
1037 Subsection (6)(e)(i) takes effect:

1038 (A) on the first day of a calendar quarter; and

1039 (B) beginning 60 days after the effective date of the enactment or repeal under
1040 Subsection (6)(e)(i).

1041 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1042 commission may by rule define the term "catalogue sale."

1043 Section 7. Section **59-12-1302** is amended to read:

1044 **59-12-1302. Imposition of tax -- Base -- Rate -- Enactment or repeal of tax -- Tax**
1045 **rate change -- Effective date -- Notice requirements -- Administration, collection, and**
1046 **enforcement of tax -- Administrative charge.**

1047 (1) Beginning on or after January 1, 1998, the governing body of a town may impose a
1048 tax as provided in this part in an amount that does not exceed 1%.

1049 (2) A town may impose a tax as provided in this part if the town imposed a license fee
1050 or tax on businesses based on gross receipts under Section 10-1-203 on or before January 1,

- 1051 1996.
- 1052 (3) A town imposing a tax under this section shall:
- 1053 (a) except as provided in Subsection (4), impose the tax on the transactions described
- 1054 in Subsection 59-12-103(1) located within the town; and
- 1055 (b) provide an effective date for the tax as provided in Subsection (5).
- 1056 (4) (a) Notwithstanding Subsection (3)(a), a town may not impose a tax under this
- 1057 section on:
- 1058 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
- 1059 are exempt from taxation under Section 59-12-104; and
- 1060 (ii) except as provided in Subsection (4)(c), amounts paid or charged for food and food
- 1061 ingredients.
- 1062 (b) For purposes of this Subsection (4), the location of a transaction shall be
- 1063 determined in accordance with Sections 59-12-211 through 59-12-215.
- 1064 (c) A town imposing a tax under this section shall impose the tax on amounts paid or
- 1065 charged for food and food ingredients if the food and food ingredients are sold as part of a
- 1066 bundled transaction attributable to food and food ingredients and tangible personal property
- 1067 other than food and food ingredients.
- 1068 (5) (a) For purposes of this Subsection (5):
- 1069 (i) "Annexation" means an annexation to a town under Title 10, Chapter 2, Part 4,
- 1070 Annexation.
- 1071 (ii) "Annexing area" means an area that is annexed into a town.
- 1072 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
- 1073 town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal,
- 1074 or change shall take effect:
- 1075 (A) on the first day of a calendar quarter; and
- 1076 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 1077 the requirements of Subsection (5)(b)(ii) from the town.
- 1078 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:
- 1079 (A) that the town will enact or repeal a tax or change the rate of a tax under this part;
- 1080 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);
- 1081 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

1082 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
1083 (5)(b)(ii)(A), the rate of the tax.

1084 (c) (i) The enactment of a tax or a tax rate increase [~~shall take~~ takes effect on the first
1085 day of the first billing period:

1086 (A) that begins on or after the effective date of the enactment of the tax or the tax rate
1087 increase; and

1088 (B) if the billing period for the transaction begins before the effective date of the
1089 enactment of the tax or the tax rate increase imposed under Subsection (1).

1090 (ii) The repeal of a tax or a tax rate decrease [~~shall take effect on the first day of the last~~
1091 ~~billing period: (A) that began before the effective date of the repeal of the tax or the tax rate~~
1092 ~~decrease; and (B) if the billing period for the transaction begins before]~~ applies to a billing
1093 period if the billing statement for the billing period is rendered on or after the effective date of
1094 the repeal of the tax or the tax rate decrease imposed under Subsection (1).

1095 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
1096 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
1097 a tax described in Subsection (5)(b)(i) takes effect:

1098 (A) on the first day of a calendar quarter; and

1099 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
1100 rate of the tax under Subsection (5)(b)(i).

1101 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1102 commission may by rule define the term "catalogue sale."

1103 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
1104 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
1105 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
1106 effect:

1107 (A) on the first day of a calendar quarter; and

1108 (B) after a 90-day period beginning on the date the commission receives notice meeting
1109 the requirements of Subsection (5)(e)(ii) from the town that annexes the annexing area.

1110 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

1111 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment,
1112 repeal, or change in the rate of a tax under this part for the annexing area;

- 1113 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);
1114 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and
1115 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
1116 (5)(e)(ii)(A), the rate of the tax.
- 1117 (f) (i) The enactment of a tax or a tax rate increase [~~shall take~~] takes effect on the first
1118 day of the first billing period:
- 1119 (A) that begins on or after the effective date of the enactment of the tax or the tax rate
1120 increase; and
- 1121 (B) if the billing period for the transaction begins before the effective date of the
1122 enactment of the tax or the tax rate increase imposed under Subsection (1).
- 1123 (ii) The repeal of a tax or a tax rate decrease [~~shall take effect on the first day of the last~~
1124 ~~billing period: (A) that began before the effective date of the repeal of the tax or the tax rate~~
1125 ~~decrease; and (B) if the billing period for the transaction begins before]~~ applies to a billing
1126 period if the billing statement for the billing period is rendered on or after the effective date of
1127 the repeal of the tax or the tax rate decrease imposed under Subsection (1).
- 1128 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
1129 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
1130 a tax described in Subsection (5)(e)(i) takes effect:
- 1131 (A) on the first day of a calendar quarter; and
1132 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
1133 rate of the tax under Subsection (5)(e)(i).
- 1134 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1135 commission may by rule define the term "catalogue sale."
- 1136 (6) The commission shall:
- 1137 (a) distribute the revenues generated by the tax under this section to the town imposing
1138 the tax; and
- 1139 (b) except as provided in Subsection (8), administer, collect, and enforce the tax
1140 authorized under this section in accordance with:
- 1141 (i) the same procedures used to administer, collect, and enforce the tax under:
- 1142 (A) Part 1, Tax Collection; or
1143 (B) Part 2, Local Sales and Use Tax Act; and

1144 (ii) Chapter 1, General Taxation Policies.

1145 (7) The commission shall retain and deposit an administrative charge in accordance
1146 with Section 59-1-306 from the revenues the commission collects from a tax under this part.

1147 (8) Notwithstanding Subsection (6)(b), a tax under this section is not subject to
1148 Subsections 59-12-205(2) through (6).

1149 Section 8. Section **59-12-1402** is amended to read:

1150 **59-12-1402. Opinion question election -- Base -- Rate -- Imposition of tax --**
1151 **Expenditure of revenues -- Enactment or repeal of tax -- Effective date -- Notice**
1152 **requirements.**

1153 (1) (a) Subject to the other provisions of this section, a city or town legislative body
1154 subject to this part may submit an opinion question to the residents of that city or town, by
1155 majority vote of all members of the legislative body, so that each resident of the city or town
1156 has an opportunity to express the resident's opinion on the imposition of a local sales and use
1157 tax of .1% on the transactions described in Subsection 59-12-103(1) located within the city or
1158 town, to:

1159 (i) fund cultural facilities, recreational facilities, and zoological facilities and botanical
1160 organizations, cultural organizations, and zoological organizations in that city or town; or

1161 (ii) provide funding for a botanical organization, cultural organization, or zoological
1162 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in
1163 furtherance of the botanical organization's, cultural organization's, or zoological organization's
1164 primary purpose.

1165 (b) The opinion question required by this section shall state:

1166 "Shall (insert the name of the city or town), Utah, be authorized to impose a .1% sales
1167 and use tax for (list the purposes for which the revenues collected from the sales and use tax
1168 shall be expended)?"

1169 (c) Notwithstanding Subsection (1)(a), a city or town legislative body may not impose
1170 a tax under this section:

1171 (i) if the county in which the city or town is located imposes a tax under Part 7, County
1172 Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or
1173 Facilities;

1174 (ii) on the sales and uses described in Section 59-12-104 to the extent the sales and

1175 uses are exempt from taxation under Section 59-12-104; and

1176 (iii) except as provided in Subsection (1)(e), on amounts paid or charged for food and
1177 food ingredients.

1178 (d) For purposes of this Subsection (1), the location of a transaction shall be
1179 determined in accordance with Sections 59-12-211 through 59-12-215.

1180 (e) A city or town legislative body imposing a tax under this section shall impose the
1181 tax on amounts paid or charged for food and food ingredients if the food and food ingredients
1182 are sold as part of a bundled transaction attributable to food and food ingredients and tangible
1183 personal property other than food and food ingredients.

1184 (f) Except as provided in Subsection (6), the election shall be held at a regular general
1185 election or a municipal general election, as those terms are defined in Section 20A-1-102, and
1186 shall follow the procedures outlined in Title 11, Chapter 14, Local Government Bonding Act.

1187 (2) If the city or town legislative body determines that a majority of the city's or town's
1188 registered voters voting on the imposition of the tax have voted in favor of the imposition of
1189 the tax as prescribed in Subsection (1), the city or town legislative body may impose the tax by
1190 a majority vote of all members of the legislative body.

1191 (3) Subject to Section 59-12-1403, revenues collected from a tax imposed under
1192 Subsection (2) shall be expended:

1193 (a) to finance cultural facilities, recreational facilities, and zoological facilities within
1194 the city or town or within the geographic area of entities that are parties to an interlocal
1195 agreement, to which the city or town is a party, providing for cultural facilities, recreational
1196 facilities, or zoological facilities;

1197 (b) to finance ongoing operating expenses of:

1198 (i) recreational facilities described in Subsection (3)(a) within the city or town or
1199 within the geographic area of entities that are parties to an interlocal agreement, to which the
1200 city or town is a party, providing for recreational facilities; or

1201 (ii) botanical organizations, cultural organizations, and zoological organizations within
1202 the city or town or within the geographic area of entities that are parties to an interlocal
1203 agreement, to which the city or town is a party, providing for the support of botanical
1204 organizations, cultural organizations, or zoological organizations; and

1205 (c) as stated in the opinion question described in Subsection (1).

1206 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall
1207 be:

1208 (i) administered, collected, and enforced in accordance with:

1209 (A) the same procedures used to administer, collect, and enforce the tax under:

1210 (I) Part 1, Tax Collection; or

1211 (II) Part 2, Local Sales and Use Tax Act; and

1212 (B) Chapter 1, General Taxation Policies; and

1213 (ii) (A) levied for a period of eight years; and

1214 (B) may be reauthorized at the end of the eight-year period in accordance with this
1215 section.

1216 (b) (i) If a tax under this part is imposed for the first time on or after July 1, 2011, the
1217 tax shall be levied for a period of 10 years.

1218 (ii) If a tax under this part is reauthorized in accordance with Subsection (4)(a) on or
1219 after July 1, 2011, the tax shall be reauthorized for a ten-year period.

1220 (c) A tax under this section is not subject to Subsections 59-12-205(2) through (6).

1221 (5) (a) For purposes of this Subsection (5):

1222 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
1223 4, Annexation.

1224 (ii) "Annexing area" means an area that is annexed into a city or town.

1225 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a city
1226 or town enacts or repeals a tax under this part, the enactment or repeal shall take effect:

1227 (A) on the first day of a calendar quarter; and

1228 (B) after a 90-day period beginning on the date the commission receives notice meeting
1229 the requirements of Subsection (5)(b)(ii) from the city or town.

1230 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

1231 (A) that the city or town will enact or repeal a tax under this part;

1232 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

1233 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

1234 (D) if the city or town enacts the tax described in Subsection (5)(b)(ii)(A), the rate of
1235 the tax.

1236 (c) (i) The enactment of a tax [~~shall take~~] takes effect on the first day of the first billing

1237 period:

1238 (A) that begins on or after the effective date of the enactment of the tax; and

1239 (B) if the billing period for the transaction begins before the effective date of the
1240 enactment of the tax under this section.

1241 (ii) The repeal of a tax [~~shall take effect on the first day of the last billing period: (A)~~
1242 ~~that began before the effective date of the repeal of the tax; and (B) if the billing period for the~~
1243 ~~transaction begins before]~~ applies to a billing period if the billing statement for the billing
1244 period is rendered on or after the effective date of the repeal of the tax imposed under this
1245 section.

1246 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
1247 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
1248 Subsection (5)(b)(i) takes effect:

1249 (A) on the first day of a calendar quarter; and

1250 (B) beginning 60 days after the effective date of the enactment or repeal under
1251 Subsection (5)(b)(i).

1252 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1253 commission may by rule define the term "catalogue sale."

1254 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
1255 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
1256 part for an annexing area, the enactment or repeal shall take effect:

1257 (A) on the first day of a calendar quarter; and

1258 (B) after a 90-day period beginning on the date the commission receives notice meeting
1259 the requirements of Subsection (5)(e)(ii) from the city or town that annexes the annexing area.

1260 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

1261 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
1262 repeal a tax under this part for the annexing area;

1263 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

1264 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

1265 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

1266 (f) (i) The enactment of a tax [~~shall take~~ takes effect on the first day of the first billing
1267 period:

1268 (A) that begins on or after the effective date of the enactment of the tax; and
1269 (B) if the billing period for the transaction begins before the effective date of the
1270 enactment of the tax under this section.

1271 (ii) The repeal of a tax [~~shall take effect on the first day of the last billing period; (A)~~
1272 ~~that began before the effective date of the repeal of the tax; and (B) if the billing period for the~~
1273 ~~transaction begins before]~~ applies to a billing period if the billing statement for the billing
1274 period is rendered on or after the effective date of the repeal of the tax imposed under this
1275 section.

1276 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
1277 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
1278 Subsection (5)(e)(i) takes effect:

1279 (A) on the first day of a calendar quarter; and
1280 (B) beginning 60 days after the effective date of the enactment or repeal under
1281 Subsection (5)(e)(i).

1282 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1283 commission may by rule define the term "catalogue sale."

1284 (6) (a) Before a city or town legislative body submits an opinion question to the
1285 residents of the city or town under Subsection (1), the city or town legislative body shall:

1286 (i) submit to the county legislative body in which the city or town is located a written
1287 notice of the intent to submit the opinion question to the residents of the city or town; and

1288 (ii) receive from the county legislative body:

1289 (A) a written resolution passed by the county legislative body stating that the county
1290 legislative body is not seeking to impose a tax under Part 7, County Option Funding for
1291 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities; or

1292 (B) a written statement that in accordance with Subsection (6)(b) the results of a county
1293 opinion question submitted to the residents of the county under Part 7, County Option Funding
1294 for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, permit the city
1295 or town legislative body to submit the opinion question to the residents of the city or town in
1296 accordance with this part.

1297 (b) (i) Within 60 days after the day the county legislative body receives from a city or
1298 town legislative body described in Subsection (6)(a) the notice of the intent to submit an

1299 opinion question to the residents of the city or town, the county legislative body shall provide
1300 the city or town legislative body:

1301 (A) the written resolution described in Subsection (6)(a)(ii)(A); or

1302 (B) written notice that the county legislative body will submit an opinion question to
1303 the residents of the county under Part 7, County Option Funding for Botanical, Cultural,
1304 Recreational, and Zoological Organizations or Facilities, for the county to impose a tax under
1305 that part.

1306 (ii) If the county legislative body provides the city or town legislative body the written
1307 notice that the county legislative body will submit an opinion question as provided in
1308 Subsection (6)(b)(i)(B), the county legislative body shall submit the opinion question by no
1309 later than, from the date the county legislative body sends the written notice, the later of:

1310 (A) a 12-month period;

1311 (B) the next regular primary election; or

1312 (C) the next regular general election.

1313 (iii) Within 30 days of the date of the canvass of the election at which the opinion
1314 question under Subsection (6)(b)(ii) is voted on, the county legislative body shall provide the
1315 city or town legislative body described in Subsection (6)(a) written results of the opinion
1316 question submitted by the county legislative body under Part 7, County Option Funding for
1317 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, indicating that:

1318 (A) (I) the city or town legislative body may not impose a tax under this part because a
1319 majority of the county's registered voters voted in favor of the county imposing the tax and the
1320 county legislative body by a majority vote approved the imposition of the tax; or

1321 (II) for at least 12 months from the date the written results are submitted to the city or
1322 town legislative body, the city or town legislative body may not submit to the county legislative
1323 body a written notice of the intent to submit an opinion question under this part because a
1324 majority of the county's registered voters voted against the county imposing the tax and the
1325 majority of the registered voters who are residents of the city or town described in Subsection
1326 (6)(a) voted against the imposition of the county tax; or

1327 (B) the city or town legislative body may submit the opinion question to the residents
1328 of the city or town in accordance with this part because although a majority of the county's
1329 registered voters voted against the county imposing the tax, the majority of the registered voters

1330 who are residents of the city or town voted for the imposition of the county tax.

1331 (c) Notwithstanding Subsection (6)(b), at any time a county legislative body may
1332 provide a city or town legislative body described in Subsection (6)(a) a written resolution
1333 passed by the county legislative body stating that the county legislative body is not seeking to
1334 impose a tax under Part 7, County Option Funding for Botanical, Cultural, Recreational, and
1335 Zoological Organizations or Facilities, which permits the city or town legislative body to
1336 submit under Subsection (1) an opinion question to the city's or town's residents.

1337 Section 9. Section **59-12-1803** is amended to read:

1338 **59-12-1803. Enactment or repeal of tax -- Effective date -- Administration,**
1339 **collection, and enforcement of tax.**

1340 (1) Subject to Subsections (2) and (3), a tax rate repeal or a tax rate change for a tax
1341 imposed under this part shall take effect on the first day of a calendar quarter.

1342 (2) (a) The enactment of a tax [~~shall take~~] takes effect on the first day of the first billing
1343 period that begins on or after the effective date of the enactment of the tax if the billing period
1344 for the transaction begins before the effective date of the tax under this part.

1345 (b) The repeal of a tax [~~shall take effect on the first day of the last billing period that~~
1346 ~~began before the effective date of the repeal of the tax if the billing period for the transaction~~
1347 ~~begins before~~] applies to a billing period if the billing statement for the billing period is
1348 rendered on or after the effective date of the repeal of the tax imposed under this part.

1349 (3) (a) If a tax due under this part on a catalogue sale is computed on the basis of sales
1350 and use tax rates published in the catalogue, an enactment or repeal of a tax under this part
1351 takes effect:

- 1352 (i) on the first day of a calendar quarter; and
- 1353 (ii) beginning 60 days after the effective date of the enactment or repeal of the tax
1354 under this part.

1355 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1356 commission may by rule define the term "catalogue sale."

1357 (4) A tax imposed by this part shall be administered, collected, and enforced in
1358 accordance with:

- 1359 (a) the same procedures used to administer, collect, and enforce the tax under Part 1,
1360 Tax Collection; and

1361 (b) Chapter 1, General Taxation Policies.

1362 Section 10. Section **59-12-2004** is amended to read:

1363 **59-12-2004. Enactment or repeal of tax -- Effective date -- Administration,**
1364 **collection, and enforcement of tax -- Administrative charge.**

1365 (1) Subject to Subsections (2) and (3), a tax rate repeal or a tax rate change for a tax
1366 imposed under this part shall take effect on the first day of a calendar quarter.

1367 (2) (a) The enactment of a tax or a tax rate increase [~~shall take~~ takes effect on the first
1368 day of the first billing period that begins on or after the effective date of the enactment of the
1369 tax or the tax rate increase if the billing period for the transaction begins before the effective
1370 date of the enactment of the tax or the tax rate increase under this part.

1371 (b) The repeal of a tax or a tax rate decrease [~~shall take effect on the first day of the last~~
1372 ~~billing period that began before the effective date of the repeal of the tax or the tax rate~~
1373 ~~decrease if the billing period for the transaction begins before]~~ applies to a billing period if the
1374 billing statement for the billing period is rendered on or after the effective date of the repeal of
1375 the tax or the tax rate decrease imposed under this part.

1376 (3) (a) If a tax due under this part on a catalogue sale is computed on the basis of sales
1377 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax
1378 under this part takes effect:

1379 (i) on the first day of a calendar quarter; and

1380 (ii) beginning 60 days after the effective date of the enactment, repeal, or change in the
1381 rate of the tax under this part.

1382 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1383 commission may by rule define the term "catalogue sale."

1384 (4) The commission shall administer, collect, and enforce a tax under this part in
1385 accordance with:

1386 (a) the same procedures used to administer, collect, and enforce the tax under Part 1,
1387 Tax Collection;

1388 (b) Chapter 1, General Taxation Policies; and

1389 (c) Section 59-12-210.1.

1390 (5) The commission shall retain and deposit an administrative charge in accordance
1391 with Section 59-1-306 from the revenues the commission collects from a tax under this part.

1392 Section 11. Section **59-12-2103** is amended to read:

1393 **59-12-2103. Imposition of tax -- Base -- Rate -- Expenditure of revenues collected**
1394 **from the tax -- Administration, collection, and enforcement of tax by commission --**
1395 **Administrative charge -- Enactment or repeal of tax -- Annexation -- Notice.**

1396 (1) (a) Subject to the other provisions of this section and except as provided in
1397 Subsection (2), beginning on January 1, 2009 and ending on June 30, 2016, if a city or town
1398 receives a distribution for the 12 consecutive months of fiscal year 2005-06 because the city or
1399 town would have received a tax revenue distribution of less than .75% of the taxable sales
1400 within the boundaries of the city or town but for Subsection 59-12-205(4)(a), the city or town
1401 legislative body may impose a sales and use tax of up to .20% on the transactions:

- 1402 (i) described in Subsection 59-12-103(1); and
- 1403 (ii) within the city or town.

1404 (b) A city or town legislative body that imposes a tax under Subsection (1)(a) shall
1405 expend the revenues collected from the tax for the same purposes for which the city or town
1406 may expend the city's or town's general fund revenues.

1407 (c) For purposes of this Subsection (1), the location of a transaction shall be
1408 determined in accordance with Sections 59-12-211 through 59-12-215.

1409 (2) (a) A city or town legislative body may not impose a tax under this section on:

- 1410 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
1411 are exempt from taxation under Section 59-12-104; and
- 1412 (ii) except as provided in Subsection (2)(b), amounts paid or charged for food and food
1413 ingredients.

1414 (b) A city or town legislative body imposing a tax under this section shall impose the
1415 tax on amounts paid or charged for food and food ingredients if the food and food ingredients
1416 are sold as part of a bundled transaction attributable to food and food ingredients and tangible
1417 personal property other than food and food ingredients.

1418 (3) To impose a tax under this part, a city or town legislative body shall obtain
1419 approval from a majority of the members of the city or town legislative body.

1420 (4) The commission shall transmit revenues collected within a city or town from a tax
1421 under this part:

- 1422 (a) to the city or town legislative body;

- 1423 (b) monthly; and
- 1424 (c) by electronic funds transfer.
- 1425 (5) (a) Except as provided in Subsection (5)(b), the commission shall administer,
- 1426 collect, and enforce a tax under this part in accordance with:
- 1427 (i) the same procedures used to administer, collect, and enforce the tax under:
- 1428 (A) Part 1, Tax Collection; or
- 1429 (B) Part 2, Local Sales and Use Tax Act; and
- 1430 (ii) Chapter 1, General Taxation Policies.
- 1431 (b) A tax under this part is not subject to Subsections 59-12-205(2) through (6).
- 1432 (6) The commission shall retain and deposit an administrative charge in accordance
- 1433 with Section 59-1-306 from the revenues the commission collects from a tax under this part.
- 1434 (7) (a) (i) Except as provided in Subsection (7)(b) or (c), if, on or after January 1, 2009,
- 1435 a city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
- 1436 repeal, or change shall take effect:
- 1437 (A) on the first day of a calendar quarter; and
- 1438 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 1439 the requirements of Subsection (7)(a)(i) from the city or town.
- 1440 (ii) The notice described in Subsection (7)(a)(i)(B) shall state:
- 1441 (A) that the city or town will enact or repeal a tax or change the rate of the tax under
- 1442 this part;
- 1443 (B) the statutory authority for the tax described in Subsection (7)(a)(ii)(A);
- 1444 (C) the effective date of the tax described in Subsection (7)(a)(ii)(A); and
- 1445 (D) if the city or town enacts the tax or changes the rate of the tax described in
- 1446 Subsection (7)(a)(ii)(A), the rate of the tax.
- 1447 (b) (i) If the billing period for a transaction begins before the enactment of the tax or
- 1448 the tax rate increase under Subsection (1), the enactment of a tax or a tax rate increase [~~shall~~
- 1449 ~~take~~] takes effect on the first day of the first billing period that begins on or after the effective
- 1450 date of the enactment of the tax or the tax rate increase.
- 1451 (ii) If the billing period for a transaction begins before the effective date of the repeal
- 1452 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of a tax or a tax rate
- 1453 decrease [~~shall take effect on the first day of the last billing period that began before~~] applies to

1454 a billing period if the billing statement for the billing period is rendered on or after the effective
1455 date of the repeal of the tax or the tax rate decrease.

1456 (c) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales
1457 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax
1458 described in Subsection (7)(a)(i) takes effect:

1459 (A) on the first day of a calendar quarter; and

1460 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
1461 rate of the tax under Subsection (7)(a)(i).

1462 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1463 commission may by rule define the term "catalogue sale."

1464 (d) (i) Except as provided in Subsection (7)(e) or (f), if, for an annexation that occurs
1465 on or after January 1, 2009, the annexation will result in the enactment, repeal, or change in the
1466 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
1467 effect:

1468 (A) on the first day of a calendar quarter; and

1469 (B) after a 90-day period beginning on the date the commission receives notice meeting
1470 the requirements of Subsection (7)(d)(ii) from the city or town that annexes the annexing area.

1471 (ii) The notice described in Subsection (7)(d)(i)(B) shall state:

1472 (A) that the annexation described in Subsection (7)(d)(i)(B) will result in the
1473 enactment, repeal, or change in the rate of a tax under this part for the annexing area;

1474 (B) the statutory authority for the tax described in Subsection (7)(d)(ii)(A);

1475 (C) the effective date of the tax described in Subsection (7)(d)(ii)(A); and

1476 (D) if the city or town enacts the tax or changes the rate of the tax described in
1477 Subsection (7)(d)(ii)(A), the rate of the tax.

1478 (e) (i) If the billing period for a transaction begins before the effective date of the
1479 enactment of the tax or a tax rate increase under Subsection (1), the enactment of a tax or a tax
1480 rate increase [~~shall take~~ takes effect on the first day of the first billing period that begins on or
1481 after the effective date of the enactment of the tax or the tax rate increase.

1482 (ii) If the billing period for a transaction begins before the effective date of the repeal
1483 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of a tax or a tax rate
1484 decrease [~~shall take effect on the first day of the last billing period that began before~~] applies to

1485 a billing period if the billing statement for the billing period is rendered on or after the effective
1486 date of the repeal of the tax or the tax rate decrease.

1487 (f) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales
1488 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax
1489 described in Subsection (7)(d)(i) takes effect:

1490 (A) on the first day of a calendar quarter; and

1491 (B) beginning 60 days after the effective date of the enactment, repeal, or change under
1492 Subsection (7)(d)(i).

1493 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1494 commission may by rule define the term "catalogue sale".

1495 Section 12. Section **59-12-2209** is amended to read:

1496 **59-12-2209. Enactment, repeal, or change in the rate of a sales and use tax under**
1497 **this part -- Annexation -- Notice.**

1498 (1) Except as provided in Subsection (3) or (4), if a county, city, or town enacts or
1499 repeals a sales and use tax or changes the rate of a sales and use tax under this part, the
1500 enactment, repeal, or change shall take effect:

1501 (a) on the first day of a calendar quarter; and

1502 (b) after a 90-day period beginning on the date the commission receives notice meeting
1503 the requirements of Subsection (2) from the county, city, or town.

1504 (2) The notice described in Subsection (1)(b) shall state:

1505 (a) that the county, city, or town will enact, repeal, or change the rate of a sales and use
1506 tax under this part;

1507 (b) the statutory authority for the sales and use tax described in Subsection (2)(a);

1508 (c) the date the enactment, repeal, or change will take effect; and

1509 (d) if the county, city, or town enacts the sales and use tax or changes the rate of the
1510 sales and use tax described in Subsection (2)(a), the rate of the sales and use tax.

1511 (3) (a) If the billing period for a transaction begins before the effective date of the
1512 enactment of a sales and use tax or a tax rate increase under this part, the enactment of the sales
1513 and use tax or the tax rate increase [~~shall take~~] takes effect on the first day of the first billing
1514 period that begins on or after the effective date of the enactment of the sales and use tax or the
1515 tax rate increase.

1516 (b) If the billing period for a transaction begins before the effective date of the repeal of
1517 a sales and use tax or a tax rate decrease under this part, the repeal of the sales and use tax or
1518 the tax rate decrease [~~shall take effect on the first day of the last billing period that began~~
1519 ~~before~~] applies to a billing period if the billing statement for the billing period is rendered on or
1520 after the effective date of the repeal of the sales and use tax or the tax rate decrease.

1521 (4) (a) If a sales and use tax due under this part on a catalogue sale is computed on the
1522 basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in
1523 the rate of a sales and use tax described in Subsection (1) takes effect:

1524 (i) on the first day of a calendar quarter; and

1525 (ii) beginning 60 days after the effective date of the enactment, repeal, or change in the
1526 rate of the sales and use tax under Subsection (1).

1527 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1528 commission may by rule define the term "catalogue sale."

1529 (5) Except as provided in Subsection (7) or (8), if an annexation will result in the
1530 enactment, repeal, or change in the rate of a sales and use tax under this part for an annexing
1531 area, the enactment, repeal, or change shall take effect:

1532 (a) on the first day of a calendar quarter; and

1533 (b) after a 90-day period beginning on the date the commission receives notice meeting
1534 the requirements of Subsection (6) from the county, city, or town that annexes the annexing
1535 area.

1536 (6) The notice described in Subsection (5) shall state:

1537 (a) that the annexation described in Subsection (5) will result in an enactment, repeal,
1538 or change in the rate of a sales and use tax under this part for the annexing area;

1539 (b) the statutory authority for the sales and use tax described in Subsection (6)(a);

1540 (c) the date the enactment, repeal, or change will take effect; and

1541 (d) if the annexation will result in the enactment or change in the rate of the sales and
1542 use tax described in Subsection (6)(a), the rate of the sales and use tax.

1543 (7) (a) If the billing period for a transaction begins before the effective date of the
1544 enactment of a sales and use tax or a tax rate increase under this part, the enactment of the sales
1545 and use tax or the tax rate increase [~~shall take~~] takes effect on the first day of the first billing
1546 period that begins on or after the effective date of the enactment of the sales and use tax or the

1547 tax rate increase.

1548 (b) If the billing period for a transaction begins before the effective date of the repeal of
1549 a sales and use tax or a tax rate decrease under this part, the repeal of the sales and use tax or
1550 the tax rate decrease [~~shall take effect on the first day of the last billing period that began~~
1551 ~~before~~] applies to a billing period if the billing statement for the billing period is rendered on or
1552 after the effective date of the repeal of the sales and use tax or the tax rate decrease.

1553 (8) (a) If a sales and use tax due under this part on a catalogue sale is computed on the
1554 basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in
1555 the rate of a sales and use tax described in Subsection (6) takes effect:

1556 (i) on the first day of a calendar quarter; and

1557 (ii) beginning 60 days after the effective date of the enactment, repeal, or change in the
1558 rate of the sales and use tax under Subsection (6).

1559 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1560 commission may by rule define the term "catalogue sale."

1561 Section 13. **Effective date.**

1562 This bill takes effect on July 1, 2012.

Legislative Review Note
as of 11-17-11 2:16 PM

Office of Legislative Research and General Counsel