

**TAX REVISIONS**

2012 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: John Dougall**

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

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

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

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides effective dates.

**Utah Code Sections Affected:**

AMENDS:

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

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

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

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

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

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



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

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

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

32 (b) [~~5%~~] 4%.

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

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

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

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

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

41 (b) amounts paid for:

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

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

47 (iii) an ancillary service associated with a:

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

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

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

51 (i) gas;

52 (ii) electricity;

53 (iii) heat;

54 (iv) coal;

55 (v) fuel oil; or

56 (vi) other fuels;

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

58 (i) gas;

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

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

92 (i) stored;

93 (ii) used; or

94 (iii) consumed; and

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

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

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

98 (ii) regardless of whether the sale provides:

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

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

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

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

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

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

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

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

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

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

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

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

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

121 transaction under this chapter other than this part.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

160 (II) state or federal law provides otherwise.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

271 (iii) develop surface water sources.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 339 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 340 (ii) the tax imposed by Subsection (2)(b)(i);
- 341 (iii) the tax imposed by Subsection (2)(c)(i); and
- 342 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

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

- 350 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 351 (ii) the tax imposed by Subsection (2)(b)(i);
- 352 (iii) the tax imposed by Subsection (2)(c)(i); and
- 353 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

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

- 364 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 365 (ii) the tax imposed by Subsection (2)(b)(i);
- 366 (iii) the tax imposed by Subsection (2)(c)(i); and
- 367 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

474 Section 3. **Effective date.**

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

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

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

**Office of Legislative Research and General Counsel**