

1                   **AMENDMENTS RELATED TO EDUCATION FUNDING**

2                                   2012 GENERAL SESSION

3                                   STATE OF UTAH

4                           **Chief Sponsor: Benjamin M. McAdams**

5                           House Sponsor: \_\_\_\_\_

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7   **LONG TITLE**

8   **General Description:**

9           This bill makes changes to tax and education provisions to provide for education  
10 funding and requires certain advertisement related to education funding.

11 **Highlighted Provisions:**

12           This bill:

- 13           ▶ modifies definitions;
- 14           ▶ increases the maximum property tax rate allowed under a voter-authorized school  
15 district property tax levy;
- 16           ▶ makes changes to a state-funded program related to the voter-authorized school  
17 district property tax levy;
- 18           ▶ establishes a set tax rate for the school minimum basic levy, subject to the rate  
19 generating a specified revenue amount;
- 20           ▶ if certain conditions are met, requires the Executive Appropriations Committee to  
21 make a recommendation related to the school basic levy;
- 22           ▶ creates the Prioritizing Public Education Restricted Account within the Uniform  
23 School Fund;
- 24           ▶ changes certain advertising requirements related to the school minimum basic levy;
- 25           ▶ changes the personal exemption component of the individual income tax taxpayer  
26 tax credit calculation from a percentage of the federal personal exemption to a fixed  
27 dollar amount per exemption;



- 28           ▶ designates certain sales and use tax revenue to the Prioritizing Public Education
- 29 Restricted Account;
- 30           ▶ requires notification to and a recommendation by the Executive Appropriations
- 31 Committee if sales and use tax deposits into the Prioritizing Public Education
- 32 Restricted account reach certain levels; and
- 33           ▶ makes technical and conforming changes.

34 **Money Appropriated in this Bill:**

35           None

36 **Other Special Clauses:**

37           This bill provides effective dates.

38           This bill provides for retrospective operation.

39 **Utah Code Sections Affected:**

40 AMENDS:

- 41           **53A-17a-103**, as last amended by Laws of Utah 2011, Chapter 371
- 42           **53A-17a-133**, as last amended by Laws of Utah 2011, Chapters 364 and 371
- 43           **53A-17a-134**, as last amended by Laws of Utah 2011, Chapters 342 and 371
- 44           **53A-17a-135**, as last amended by Laws of Utah 2011, Chapter 7
- 45           **59-2-102**, as last amended by Laws of Utah 2010, Chapter 14
- 46           **59-2-926**, as last amended by Laws of Utah 2009, Chapter 388
- 47           **59-10-1018**, as renumbered and amended by Laws of Utah 2008, Chapter 389
- 48           **59-12-103**, as last amended by Laws of Utah 2011, Chapters 285, 303, 342, and 441
- 49           **59-12-1201**, as last amended by Laws of Utah 2011, Chapter 309

50 ENACTS:

51           **53A-17a-170**, Utah Code Annotated 1953



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

54           Section 1. Section **53A-17a-103** is amended to read:

55           **53A-17a-103. Definitions.**

56           As used in this chapter:

- 57           (1) "Basic state-supported school program" or "basic program" means public education
- 58 programs for kindergarten, elementary, and secondary school students that are operated and

59 maintained for the amount derived by multiplying the number of weighted pupil units for each  
60 school district or charter school by the value established each year in statute, except as  
61 otherwise provided in this chapter.

62 (2) (a) "Certified revenue levy" means a property tax levy that provides an amount of  
63 ad valorem property tax revenue equal to the sum of:

64 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
65 previous year from imposing a minimum basic tax rate, as specified in Subsection  
66 53A-17a-135(1)~~(a)~~; and

67 (ii) the product of:

68 (A) new growth, as defined in:

69 (I) Section 59-2-924; and

70 (II) rules of the State Tax Commission; and

71 (B) the minimum basic tax rate certified by the State Tax Commission for the previous  
72 year.

73 (b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not  
74 include property tax revenue received statewide from personal property that is:

75 (i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County  
76 Assessment; and

77 (ii) semiconductor manufacturing equipment.

78 (c) For purposes of calculating the certified revenue levy described in this Subsection  
79 (2), the State Tax Commission shall use:

80 (i) the taxable value of real property assessed by a county assessor contained on the  
81 assessment roll;

82 (ii) the taxable value of real and personal property assessed by the State Tax  
83 Commission; and

84 (iii) the taxable year end value of personal property assessed by a county assessor  
85 contained on the prior year's assessment roll.

86 (3) "Pupil in average daily membership (ADM)" means a full-day equivalent pupil.

87 (4) (a) "State-supported minimum school program" or "Minimum School Program"  
88 means public school programs for kindergarten, elementary, and secondary schools as  
89 described in this Subsection (4).

90 (b) The minimum school program established in school districts and charter schools  
91 shall include the equivalent of a school term of nine months as determined by the State Board  
92 of Education.

93 (c) (i) The board shall establish the number of days or equivalent instructional hours  
94 that school is held for an academic school year.

95 (ii) Education, enhanced by utilization of technologically enriched delivery systems,  
96 when approved by local school boards or charter school governing boards, shall receive full  
97 support by the State Board of Education as it pertains to fulfilling the attendance requirements,  
98 excluding time spent viewing commercial advertising.

99 (d) The Minimum School Program includes a program or allocation funded by a line  
100 item appropriation or other appropriation designated as follows:

- 101 (i) Basic School Program;
- 102 (ii) Related to Basic Programs;
- 103 (iii) Voted and Board Levy Programs; or
- 104 (iv) Minimum School Program.

105 (5) "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of  
106 factors that is computed in accordance with this chapter for the purpose of determining the  
107 costs of a program on a uniform basis for each district.

108 Section 2. Section **53A-17a-133** is amended to read:

109 **53A-17a-133. State-supported voted local levy authorized -- Election**  
110 **requirements -- State guarantee -- Reconsideration of the program.**

111 (1) An election to consider adoption or modification of a voted local levy is required if  
112 initiative petitions signed by 10% of the number of electors who voted at the last preceding  
113 general election are presented to the local school board or by action of the board.

114 (2) (a) (i) To impose a voted local levy, a majority of the electors of a district voting at  
115 an election in the manner set forth in Subsections (8) and (9) must vote in favor of a special  
116 tax.

117 (ii) The tax rate may not exceed [~~.002~~] .0024 per dollar of taxable value.

118 (b) Except as provided in Subsection (2)(c), in order to receive state support the first  
119 year, a district must receive voter approval no later than December 1 of the year prior to  
120 implementation.

121 (c) Beginning on or after January 1, 2012, a school district may receive state support in  
122 accordance with Subsection (3) without complying with the requirements of Subsection (2)(b)  
123 if the local school board imposed a tax in accordance with this section during the taxable year  
124 beginning on January 1, 2011 and ending on December 31, 2011.

125 (3) (a) In addition to the revenue a school district collects from the imposition of a levy  
126 pursuant to this section, the state shall contribute an amount sufficient to guarantee \$25.25 per  
127 weighted pupil unit for each .0001 of the first [~~.0016~~] .0020 per dollar of taxable value.

128 (b) The same dollar amount guarantee per weighted pupil unit for the [~~.0016~~] .0020 per  
129 dollar of taxable value under Subsection (3)(a) shall apply to the portion of the board local levy  
130 authorized in Section 53A-17a-164, so that the guarantee shall apply up to a total of [~~.002~~]  
131 .0024 per dollar of taxable value if a school district levies a tax rate under both programs.

132 (c) (i) Beginning July 1, 2011, the \$25.25 guarantee under Subsections (3)(a) and (b)  
133 shall be indexed each year to the value of the weighted pupil unit by making the value of the  
134 guarantee equal to .010544 times the value of the prior year's weighted pupil unit.

135 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted  
136 pupil unit for each succeeding year subject to the Legislature appropriating funds for an  
137 increase in the guarantee.

138 (d) (i) The amount of state guarantee money to which a school district would otherwise  
139 be entitled to receive under this Subsection (3) may not be reduced for the sole reason that the  
140 district's levy is reduced as a consequence of changes in the certified tax rate under Section  
141 59-2-924 pursuant to changes in property valuation.

142 (ii) Subsection (3)(d)(i) applies for a period of five years following any such change in  
143 the certified tax rate.

144 (e) The guarantee provided under this section does not apply to the portion of a voted  
145 local levy rate that exceeds the voted local levy rate that was in effect for the previous fiscal  
146 year, unless an increase in the voted local levy rate was authorized in an election conducted on  
147 or after July 1 of the previous fiscal year and before December 2 of the previous fiscal year.

148 (4) (a) An election to modify an existing voted local levy is not a reconsideration of the  
149 existing authority unless the proposition submitted to the electors expressly so states.

150 (b) A majority vote opposing a modification does not deprive the district of authority to  
151 continue the levy.

152 (c) If adoption of a voted local levy is contingent upon an offset reducing other local  
153 school board levies, the board must allow the electors, in an election, to consider modifying or  
154 discontinuing the imposition of the levy prior to a subsequent increase in other levies that  
155 would increase the total local school board levy.

156 (d) Nothing contained in this section terminates, without an election, the authority of a  
157 school district to continue imposing an existing voted local levy previously authorized by the  
158 voters as a voted leeway program.

159 (5) Notwithstanding Section 59-2-919, a school district may budget an increased  
160 amount of ad valorem property tax revenue derived from a voted local levy imposed under this  
161 section in addition to revenue from new growth as defined in Subsection 59-2-924(4), without  
162 having to comply with the notice requirements of Section 59-2-919, if:

163 (a) the voted local levy is approved:

164 (i) in accordance with Subsections (8) and (9) on or after January 1, 2003; and

165 (ii) within the four-year period immediately preceding the year in which the school  
166 district seeks to budget an increased amount of ad valorem property tax revenue derived from  
167 the voted local levy; and

168 (b) for a voted local levy approved or modified in accordance with this section on or  
169 after January 1, 2009, the school district complies with the requirements of Subsection (7).

170 (6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this  
171 section that exceeds the certified tax rate without having to comply with the notice  
172 requirements of Section 59-2-919 if:

173 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an  
174 increased amount of ad valorem property tax revenue derived from a voted local levy imposed  
175 under this section;

176 (b) the voted local levy was approved:

177 (i) in accordance with Subsections (8) and (9) on or after January 1, 2003; and

178 (ii) within the four-year period immediately preceding the year in which the school  
179 district seeks to budget an increased amount of ad valorem property tax revenue derived from  
180 the voted local levy; and

181 (c) for a voted local levy approved or modified in accordance with this section on or  
182 after January 1, 2009, the school district complies with requirements of Subsection (7).

183 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the  
184 electors regarding the adoption or modification of a voted local levy shall contain the following  
185 statement:

186 "A vote in favor of this tax means that (name of the school district) may increase  
187 revenue from this property tax without advertising the increase for the next five years."

188 (8) (a) Before imposing a property tax levy pursuant to this section, a school district  
189 shall submit an opinion question to the school district's registered voters voting on the  
190 imposition of the tax rate so that each registered voter has the opportunity to express the  
191 registered voter's opinion on whether the tax rate should be imposed.

192 (b) The election required by this Subsection (8) shall be held:

193 (i) at a regular general election conducted in accordance with the procedures and  
194 requirements of Title 20A, Election Code, governing regular elections;

195 (ii) at a municipal general election conducted in accordance with the procedures and  
196 requirements of Section 20A-1-202; or

197 (iii) at a local special election conducted in accordance with the procedures and  
198 requirements of Section 20A-1-203.

199 (c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or  
200 after January 1, 2012, a school district may levy a tax rate in accordance with this section  
201 without complying with the requirements of Subsections (8)(a) and (b) if the school district  
202 imposed a tax in accordance with this section at any time during the taxable year beginning on  
203 January 1, 2011, and ending on December 31, 2011.

204 (9) If a school district determines that a majority of the school district's registered  
205 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax  
206 rate in accordance with Subsection (8), the school district may impose the tax rate.

207 Section 3. Section **53A-17a-134** is amended to read:

208 **53A-17a-134. Board-approved leeway -- Purpose -- State support -- Disapproval.**

209 (1) Except as provided in Subsection (9), a local school board may levy a tax rate of up  
210 to .0004 per dollar of taxable value to maintain a school program above the cost of the basic  
211 school program as follows:

212 (a) a local school board shall use the money generated by the tax for class size  
213 reduction within the school district;

214 (b) if a local school board determines that the average class size in the school district is  
215 not excessive, it may use the money for other school purposes but only if the board has  
216 declared the use for other school purposes in a public meeting prior to levying the tax rate; and

217 (c) a district may not use the money for other school purposes under Subsection (1)(b)  
218 until it has certified in writing that its class size needs are already being met and has identified  
219 the other school purposes for which the money will be used to the State Board of Education  
220 and the state board has approved their use for other school purposes.

221 (2) (a) The state shall contribute an amount sufficient to guarantee \$25.25 per weighted  
222 pupil unit for each .0001 per dollar of taxable value.

223 (b) The guarantee shall increase in the same manner as provided for the voted local  
224 levy guarantee in Subsection 53A-17a-133(3)(c).

225 (c) (i) The amount of state guarantee money to which a school district would otherwise  
226 be entitled to under this Subsection (2) may not be reduced for the sole reason that the district's  
227 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924  
228 pursuant to changes in property valuation.

229 (ii) Subsection (2)(c)(i) applies for a period of five years following any such change in  
230 the certified tax rate.

231 (d) The guarantee provided under this section does not apply to:

232 (i) a board-authorized leeway in the first fiscal year the leeway is in effect, unless the  
233 leeway was approved by voters pursuant to Subsections (4) through (6); or

234 (ii) the portion of a board-authorized leeway rate that is in excess of the  
235 board-authorized leeway rate that was in effect for the previous fiscal year.

236 (3) The levy authorized under this section is not in addition to the maximum rate of  
237 [~~.002~~] .0024 authorized in Section 53A-17a-133, but is a board-authorized component of the  
238 total tax rate under that section.

239 (4) As an exception to Section 53A-17a-133, the board-authorized levy does not  
240 require voter approval, but the board may require voter approval if requested by a majority of  
241 the board.

242 (5) An election to consider disapproval of the board-authorized levy is required, if  
243 within 60 days after the levy is established by the board, referendum petitions signed by the  
244 number of legal voters required in Section 20A-7-301, who reside within the school district, are



245 filed with the school district.

246 (6) (a) A local school board shall establish its board-approved levy by April 1 to have  
247 the levy apply to the fiscal year beginning July 1 in that same calendar year except that if an  
248 election is required under this section, the levy applies to the fiscal year beginning July 1 of the  
249 next calendar year.

250 (b) The approval and disapproval votes authorized in Subsections (4) and (5) shall  
251 occur at a general election in even-numbered years, except that a vote required under this  
252 section in odd-numbered years shall occur at a special election held on a day in odd-numbered  
253 years that corresponds to the general election date. The school district shall pay for the cost of  
254 a special election.

255 (7) (a) Modification or termination of a voter-approved leeway rate authorized under  
256 this section is governed by Section 53A-17a-133.

257 (b) A board-authorized leeway rate may be modified or terminated by a majority vote  
258 of the board subject to disapproval procedures specified in this section.

259 (8) A board levy election does not require publication of a voter information pamphlet.

260 (9) Beginning January 1, 2012, a local school board may not levy a tax in accordance  
261 with this section.

262 Section 4. Section **53A-17a-135** is amended to read:

263 **53A-17a-135. Minimum basic tax rate -- Certified revenue levy.**

264 (1) (a) In order to qualify for receipt of the state contribution toward the basic program  
265 and as its contribution toward its costs of the basic program, each school district shall impose a  
266 minimum basic tax rate per dollar of taxable value [~~that generates \$284,221,713 in revenues~~  
267 ~~statewide~~] in accordance with this section.

268 (b) [~~The preliminary estimate for the 2011-12~~] Beginning on January 1, 2012, the  
269 minimum basic tax rate is [~~.001628~~] the greater of:

270 (i) .001665; or

271 (ii) the tax rate that generates the sum of:

272 (A) \$289,021,885 in revenues statewide; and

273 (B) revenues that would be generated by multiplying the minimum basic tax rate that  
274 was imposed under this section in the prior year by the sum of new growth, as defined in  
275 Section 59-2-924, statewide for each year after 2012.

276 (c) The State Tax Commission shall certify on or before June 22 the minimum basic  
277 tax rate [that generates \$284,221,713 in revenues statewide] to be imposed under Subsection  
278 (1)(b).

279 (d) If the minimum basic tax rate exceeds the certified revenue levy as defined in  
280 Section 53A-17a-103, the state is subject to the notice requirements of Section 59-2-926.

281 (2) (a) The state shall contribute to each district toward the cost of the basic program in  
282 the district that portion which exceeds the proceeds of the levy authorized under Subsection  
283 (1).

284 (b) In accord with the state strategic plan for public education and to fulfill its  
285 responsibility for the development and implementation of that plan, the Legislature instructs  
286 the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each  
287 of the coming five years to develop budgets that will fully fund student enrollment growth.

288 (3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the  
289 cost of the basic program in a school district, no state contribution shall be made to the basic  
290 program.

291 (b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of  
292 the basic program shall be paid into the Uniform School Fund as provided by law.

293 (4) (a) The Legislative Fiscal Analyst shall notify the Executive Appropriations  
294 Committee no later than the February 28 preceding a fiscal year in which the sales and use tax  
295 revenues deposited into the Prioritizing Public Education Restricted Account in accordance  
296 with Section 59-12-103 are projected to be equal to the public education funding target  
297 described in Subsection 59-12-103(13).

298 (b) Upon receipt of the notification required by Subsection (4)(a), the Executive  
299 Appropriations Committee shall recommend to the Legislature whether the minimum basic tax  
300 rate imposed under this section should:

301 (i) remain the same; or

302 (ii) be adjusted.

303 Section 5. Section **53A-17a-170** is enacted to read:

304 **53A-17a-170. Definitions -- Prioritizing Public Education Restricted Account --**  
305 **Creation -- Funding -- Distribution of funds.**

306 (1) As used in this section, "account" means the Prioritizing Public Education

307 Restricted Account.

308 (2) There is created within the Uniform School Fund a restricted account known as the  
309 "Prioritizing Public Education Restricted Account."

310 (3) The account shall be funded by:

311 (a) revenues deposited in accordance with Section 59-12-103;

312 (b) other amounts as provided by statute; and

313 (c) other appropriations made by the Legislature.

314 (4) The State Office of Education shall annually determine and report the number of  
315 public education students, based on October enrollment counts, to the Division of Finance as  
316 necessary for the Division of Finance to make allocations in accordance with Section  
317 59-12-103.

318 (5) The Legislature shall annually appropriate funds in the account to the State Board  
319 of Education for allocation to school districts and charter schools for expenditure on local  
320 public education purposes.

321 Section 6. Section **59-2-102** is amended to read:

322 **59-2-102. Definitions.**

323 As used in this chapter and title:

324 (1) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of  
325 engaging in dispensing activities directly affecting agriculture or horticulture with an  
326 airworthiness certificate from the Federal Aviation Administration certifying the aircraft or  
327 rotorcraft's use for agricultural and pest control purposes.

328 (2) "Air charter service" means an air carrier operation which requires the customer to  
329 hire an entire aircraft rather than book passage in whatever capacity is available on a scheduled  
330 trip.

331 (3) "Air contract service" means an air carrier operation available only to customers  
332 who engage the services of the carrier through a contractual agreement and excess capacity on  
333 any trip and is not available to the public at large.

334 (4) "Aircraft" is as defined in Section 72-10-102.

335 (5) (a) Except as provided in Subsection (5)(b), "airline" means an air carrier that:

336 (i) operates:

337 (A) on an interstate route; and

338 (B) on a scheduled basis; and  
339 (ii) offers to fly one or more passengers or cargo on the basis of available capacity on a  
340 regularly scheduled route.

341 (b) "Airline" does not include an:

342 (i) air charter service; or

343 (ii) air contract service.

344 (6) "Assessment roll" means a permanent record of the assessment of property as  
345 assessed by the county assessor and the commission and may be maintained manually or as a  
346 computerized file as a consolidated record or as multiple records by type, classification, or  
347 categories.

348 (7) (a) "Certified revenue levy" means a property tax levy that provides an amount of  
349 ad valorem property tax revenue equal to the sum of:

350 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
351 previous year from imposing a [~~minimum basic tax rate~~] multicounty assessing and collecting  
352 levy, as specified in [~~Subsection 53A-17a-135(1)(a)~~] Section 59-2-1602; and

353 (ii) the product of:

354 (A) new growth, as defined in:

355 (I) Section 59-2-924; and

356 (II) rules of the commission; and

357 (B) the [~~minimum basic~~] multicounty assessing and collecting levy tax rate certified by  
358 the commission for the previous year.

359 (b) For purposes of this Subsection (7), "ad valorem property tax revenue" does not  
360 include property tax revenue received by a taxing entity from personal property that is:

361 (i) assessed by a county assessor in accordance with Part 3, County Assessment; and

362 (ii) semiconductor manufacturing equipment.

363 (c) For purposes of calculating the certified revenue levy described in this Subsection  
364 (7), the commission shall use:

365 (i) the taxable value of real property assessed by a county assessor contained on the  
366 assessment roll;

367 (ii) the taxable value of real and personal property assessed by the commission; and

368 (iii) the taxable year end value of personal property assessed by a county assessor

369 contained on the prior year's assessment roll.

370 (8) "County-assessed commercial vehicle" means:

371 (a) any commercial vehicle, trailer, or semitrailer which is not apportioned under  
372 Section 41-1a-301 and is not operated interstate to transport the vehicle owner's goods or  
373 property in furtherance of the owner's commercial enterprise;

374 (b) any passenger vehicle owned by a business and used by its employees for  
375 transportation as a company car or vanpool vehicle; and

376 (c) vehicles which are:

377 (i) especially constructed for towing or wrecking, and which are not otherwise used to  
378 transport goods, merchandise, or people for compensation;

379 (ii) used or licensed as taxicabs or limousines;

380 (iii) used as rental passenger cars, travel trailers, or motor homes;

381 (iv) used or licensed in this state for use as ambulances or hearses;

382 (v) especially designed and used for garbage and rubbish collection; or

383 (vi) used exclusively to transport students or their instructors to or from any private,  
384 public, or religious school or school activities.

385 (9) (a) Except as provided in Subsection (9)(b), for purposes of Section 59-2-801,  
386 "designated tax area" means a tax area created by the overlapping boundaries of only the  
387 following taxing entities:

388 (i) a county; and

389 (ii) a school district.

390 (b) Notwithstanding Subsection (9)(a), "designated tax area" includes a tax area created  
391 by the overlapping boundaries of:

392 (i) the taxing entities described in Subsection (9)(a); and

393 (ii) (A) a city or town if the boundaries of the school district under Subsection (9)(a)  
394 and the boundaries of the city or town are identical; or

395 (B) a special service district if the boundaries of the school district under Subsection  
396 (9)(a) are located entirely within the special service district.

397 (10) "Eligible judgment" means a final and unappealable judgment or order under  
398 Section 59-2-1330:

399 (a) that became a final and unappealable judgment or order no more than 14 months

400 prior to the day on which the notice required by Section 59-2-919.1 is required to be mailed;  
401 and

402 (b) for which a taxing entity's share of the final and unappealable judgment or order is  
403 greater than or equal to the lesser of:

404 (i) \$5,000; or

405 (ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the  
406 previous fiscal year.

407 (11) (a) "Escaped property" means any property, whether personal, land, or any  
408 improvements to the property, subject to taxation and is:

409 (i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or assessed  
410 to the wrong taxpayer by the assessing authority;

411 (ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to  
412 comply with the reporting requirements of this chapter; or

413 (iii) undervalued because of errors made by the assessing authority based upon  
414 incomplete or erroneous information furnished by the taxpayer.

415 (b) Property which is undervalued because of the use of a different valuation  
416 methodology or because of a different application of the same valuation methodology is not  
417 "escaped property."

418 (12) "Fair market value" means the amount at which property would change hands  
419 between a willing buyer and a willing seller, neither being under any compulsion to buy or sell  
420 and both having reasonable knowledge of the relevant facts. For purposes of taxation, "fair  
421 market value" shall be determined using the current zoning laws applicable to the property in  
422 question, except in cases where there is a reasonable probability of a change in the zoning laws  
423 affecting that property in the tax year in question and the change would have an appreciable  
424 influence upon the value.

425 (13) "Farm machinery and equipment," for purposes of the exemption provided under  
426 Section 59-2-1101, means tractors, milking equipment and storage and cooling facilities, feed  
427 handling equipment, irrigation equipment, harvesters, choppers, grain drills and planters, tillage  
428 tools, scales, combines, spreaders, sprayers, haying equipment, and any other machinery or  
429 equipment used primarily for agricultural purposes; but does not include vehicles required to be  
430 registered with the Motor Vehicle Division or vehicles or other equipment used for business

431 purposes other than farming.

432 (14) "Geothermal fluid" means water in any form at temperatures greater than 120  
433 degrees centigrade naturally present in a geothermal system.

434 (15) "Geothermal resource" means:

435 (a) the natural heat of the earth at temperatures greater than 120 degrees centigrade;  
436 and

437 (b) the energy, in whatever form, including pressure, present in, resulting from, created  
438 by, or which may be extracted from that natural heat, directly or through a material medium.

439 (16) (a) "Goodwill" means:

440 (i) acquired goodwill that is reported as goodwill on the books and records:

441 (A) of a taxpayer; and

442 (B) that are maintained for financial reporting purposes; or

443 (ii) the ability of a business to:

444 (A) generate income:

445 (I) that exceeds a normal rate of return on assets; and

446 (II) resulting from a factor described in Subsection (16)(b); or

447 (B) obtain an economic or competitive advantage resulting from a factor described in  
448 Subsection (16)(b).

449 (b) The following factors apply to Subsection (16)(a)(ii):

450 (i) superior management skills;

451 (ii) reputation;

452 (iii) customer relationships;

453 (iv) patronage; or

454 (v) a factor similar to Subsections (16)(b)(i) through (iv).

455 (c) "Goodwill" does not include:

456 (i) the intangible property described in Subsection (20)(a) or (b);

457 (ii) locational attributes of real property, including:

458 (A) zoning;

459 (B) location;

460 (C) view;

461 (D) a geographic feature;

- 462 (E) an easement;
- 463 (F) a covenant;
- 464 (G) proximity to raw materials;
- 465 (H) the condition of surrounding property; or
- 466 (I) proximity to markets;
- 467 (iii) value attributable to the identification of an improvement to real property,
- 468 including:
  - 469 (A) reputation of the designer, builder, or architect of the improvement;
  - 470 (B) a name given to, or associated with, the improvement; or
  - 471 (C) the historic significance of an improvement; or
  - 472 (iv) the enhancement or assemblage value specifically attributable to the interrelation
  - 473 of the existing tangible property in place working together as a unit.
- 474 (17) "Governing body" means:
  - 475 (a) for a county, city, or town, the legislative body of the county, city, or town;
  - 476 (b) for a local district under Title 17B, Limited Purpose Local Government Entities -
  - 477 Local Districts, the local district's board of trustees;
  - 478 (c) for a school district, the local board of education; or
  - 479 (d) for a special service district under Title 17D, Chapter 1, Special Service District
  - 480 Act:
    - 481 (i) the legislative body of the county or municipality that created the special service
    - 482 district, to the extent that the county or municipal legislative body has not delegated authority
    - 483 to an administrative control board established under Section 17D-1-301; or
    - 484 (ii) the administrative control board, to the extent that the county or municipal
    - 485 legislative body has delegated authority to an administrative control board established under
    - 486 Section 17D-1-301.
- 487 (18) (a) For purposes of Section 59-2-103:
  - 488 (i) "household" means the association of persons who live in the same dwelling,
  - 489 sharing its furnishings, facilities, accommodations, and expenses; and
  - 490 (ii) "household" includes married individuals, who are not legally separated, that have
  - 491 established domiciles at separate locations within the state.
- 492 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the



493 commission may make rules defining the term "domicile."

494 (19) (a) Except as provided in Subsection (19)(c), "improvement" means a building,  
495 structure, fixture, fence, or other item that is permanently attached to land, regardless of  
496 whether the title has been acquired to the land, if:

497 (i) (A) attachment to land is essential to the operation or use of the item; and

498 (B) the manner of attachment to land suggests that the item will remain attached to the  
499 land in the same place over the useful life of the item; or

500 (ii) removal of the item would:

501 (A) cause substantial damage to the item; or

502 (B) require substantial alteration or repair of a structure to which the item is attached.

503 (b) "Improvement" includes:

504 (i) an accessory to an item described in Subsection (19)(a) if the accessory is:

505 (A) essential to the operation of the item described in Subsection (19)(a); and

506 (B) installed solely to serve the operation of the item described in Subsection (19)(a);

507 and

508 (ii) an item described in Subsection (19)(a) that:

509 (A) is temporarily detached from the land for repairs; and

510 (B) remains located on the land.

511 (c) Notwithstanding Subsections (19)(a) and (b), "improvement" does not include:

512 (i) an item considered to be personal property pursuant to rules made in accordance  
513 with Section 59-2-107;

514 (ii) a moveable item that is attached to land:

515 (A) for stability only; or

516 (B) for an obvious temporary purpose;

517 (iii) (A) manufacturing equipment and machinery; or

518 (B) essential accessories to manufacturing equipment and machinery;

519 (iv) an item attached to the land in a manner that facilitates removal without substantial  
520 damage to:

521 (A) the land; or

522 (B) the item; or

523 (v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that

524 transportable factory-built housing unit is considered to be personal property under Section  
525 59-2-1503.

526 (20) "Intangible property" means:

527 (a) property that is capable of private ownership separate from tangible property,  
528 including:

529 (i) money;

530 (ii) credits;

531 (iii) bonds;

532 (iv) stocks;

533 (v) representative property;

534 (vi) franchises;

535 (vii) licenses;

536 (viii) trade names;

537 (ix) copyrights; and

538 (x) patents;

539 (b) a low-income housing tax credit;

540 (c) goodwill; or

541 (d) a renewable energy tax credit or incentive, including:

542 (i) a federal renewable energy production tax credit under Section 45, Internal Revenue  
543 Code;

544 (ii) a federal energy credit for qualified renewable electricity production facilities under  
545 Section 48, Internal Revenue Code;

546 (iii) a federal grant for a renewable energy property under American Recovery and  
547 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and

548 (iv) a tax credit under Subsection 59-7-614(2)(c).

549 (21) "Low-income housing tax credit" means:

550 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code;

551 or

552 (b) a low-income housing tax credit under:

553 (i) Section 59-7-607; or

554 (ii) Section 59-10-1010.

555 (22) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.

556 (23) "Mine" means a natural deposit of either metalliferous or nonmetalliferous  
557 valuable mineral.

558 (24) "Mining" means the process of producing, extracting, leaching, evaporating, or  
559 otherwise removing a mineral from a mine.

560 (25) (a) "Mobile flight equipment" means tangible personal property that is:

561 (i) owned or operated by an:

562 (A) air charter service;

563 (B) air contract service; or

564 (C) airline; and

565 (ii) (A) capable of flight;

566 (B) attached to an aircraft that is capable of flight; or

567 (C) contained in an aircraft that is capable of flight if the tangible personal property is  
568 intended to be used:

569 (I) during multiple flights;

570 (II) during a takeoff, flight, or landing; and

571 (III) as a service provided by an air charter service, air contract service, or airline.

572 (b) (i) "Mobile flight equipment" does not include a spare part other than a spare  
573 engine that is rotated:

574 (A) at regular intervals; and

575 (B) with an engine that is attached to the aircraft.

576 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
577 commission may make rules defining the term "regular intervals."

578 (26) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts,  
579 sand, rock, gravel, and all carboniferous materials.

580 (27) "Personal property" includes:

581 (a) every class of property as defined in Subsection (28) which is the subject of  
582 ownership and not included within the meaning of the terms "real estate" and "improvements";

583 (b) gas and water mains and pipes laid in roads, streets, or alleys;

584 (c) bridges and ferries;

585 (d) livestock which, for the purposes of the exemption provided under Section

586 59-2-1112, means all domestic animals, honeybees, poultry, fur-bearing animals, and fish; and  
587 (e) outdoor advertising structures as defined in Section 72-7-502.

588 (28) (a) "Property" means property that is subject to assessment and taxation according  
589 to its value.

590 (b) "Property" does not include intangible property as defined in this section.

591 (29) "Public utility," for purposes of this chapter, means the operating property of a  
592 railroad, gas corporation, oil or gas transportation or pipeline company, coal slurry pipeline  
593 company, electrical corporation, telephone corporation, sewerage corporation, or heat  
594 corporation where the company performs the service for, or delivers the commodity to, the  
595 public generally or companies serving the public generally, or in the case of a gas corporation  
596 or an electrical corporation, where the gas or electricity is sold or furnished to any member or  
597 consumers within the state for domestic, commercial, or industrial use. Public utility also  
598 means the operating property of any entity or person defined under Section 54-2-1 except water  
599 corporations.

600 (30) "Real estate" or "real property" includes:

601 (a) the possession of, claim to, ownership of, or right to the possession of land;

602 (b) all mines, minerals, and quarries in and under the land, all timber belonging to  
603 individuals or corporations growing or being on the lands of this state or the United States, and  
604 all rights and privileges appertaining to these; and

605 (c) improvements.

606 (31) "Residential property," for the purposes of the reductions and adjustments under  
607 this chapter, means any property used for residential purposes as a primary residence. It does  
608 not include property used for transient residential use or condominiums used in rental pools.

609 (32) (a) "State-assessed commercial vehicle" means:

610 (i) any commercial vehicle, trailer, or semitrailer which operates interstate or intrastate  
611 to transport passengers, freight, merchandise, or other property for hire; or

612 (ii) any commercial vehicle, trailer, or semitrailer which operates interstate and  
613 transports the vehicle owner's goods or property in furtherance of the owner's commercial  
614 enterprise.

615 (b) "State-assessed commercial vehicle" does not include vehicles used for hire which  
616 are specified in Subsection (8)(c) as county-assessed commercial vehicles.

617 (33) "Taxable value" means fair market value less any applicable reduction allowed for  
618 residential property under Section 59-2-103.

619 (34) "Tax area" means a geographic area created by the overlapping boundaries of one  
620 or more taxing entities.

621 (35) "Taxing entity" means any county, city, town, school district, special taxing  
622 district, local district under Title 17B, Limited Purpose Local Government Entities - Local  
623 Districts, or other political subdivision of the state with the authority to levy a tax on property.

624 (36) "Tax roll" means a permanent record of the taxes charged on property, as extended  
625 on the assessment roll and may be maintained on the same record or records as the assessment  
626 roll or may be maintained on a separate record properly indexed to the assessment roll. It  
627 includes tax books, tax lists, and other similar materials.

628 Section 7. Section **59-2-926** is amended to read:

629 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

630 If the state authorizes a levy pursuant to Section 53A-17a-135 that exceeds the certified  
631 revenue levy as defined in Section 53A-17a-103 or authorizes a levy pursuant to Section  
632 59-2-1602 that exceeds the certified revenue levy as defined in Section 59-2-102, the state shall  
633 publish a notice no later than 10 days after the last day of the annual [legislative] general  
634 session that meets the following requirements:

635 (1) (a) The Office of the Legislative Fiscal Analyst shall advertise that the state  
636 authorized a levy that generates revenue in excess of the previous year's ad valorem tax  
637 revenue, plus new growth, but exclusive of revenue from collections from redemptions,  
638 interest, and penalties:

639 (i) in a newspaper of general circulation in the state; and

640 (ii) as required in Section 45-1-101.

641 (b) Except an advertisement published on a website, the advertisement described in  
642 Subsection (1)(a):

643 (i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18  
644 point, and surrounded by a 1/4-inch border[?];

645 (ii) may not be placed in that portion of the newspaper where legal notices and  
646 classified advertisements appear; and

647 (iii) shall be run once.

648 (2) The form and content of the notice shall be substantially as follows:

649 "NOTICE OF [~~TAX~~] REVENUE INCREASE

650 The state has budgeted an increase in its property tax revenue from \$\_\_\_\_\_ to  
651 \$\_\_\_\_\_ or \_\_\_\_%. The increase in property tax revenues will come from the following  
652 sources (include all of the following provisions):

653 (a) \$\_\_\_\_\_ of the increase will come from (provide an explanation of the cause  
654 of adjustment or increased revenues, such as reappraisals or factoring orders);

655 (b) \$\_\_\_\_\_ of the increase will come from natural increases in the value of the  
656 tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);

657 (c) a home valued at \$100,000 in the state of Utah which based on last year's (levy for  
658 the basic state-supported school program, levy for the Property Tax Valuation Agency Fund, or  
659 both) paid \$\_\_\_\_\_ in property taxes would pay the following:

660 (i) \$\_\_\_\_\_ if the state of Utah did not budget an increase in property tax revenue  
661 exclusive of new growth; and

662 (ii) \$\_\_\_\_\_ under the increased property tax revenues exclusive of new growth  
663 budgeted by the state of Utah."

664 (include the following if the advertisement is required as a result of a levy imposed under  
665 Section 53A-17a-135)

666 (blank line)

667 "EXPLANATION OF NEED FOR ADDITIONAL REVENUE

668 • Last year, Utah had \_\_\_\_\_ enrolled public school students, which is  
669 \_\_\_\_\_ students more than the prior year. An additional  
670 \_\_\_\_\_ students are projected for the coming school year.

671 • The revenue increase shown above for the minimum basic tax rate corresponds  
672 to a revenue increase of \$ \_\_\_\_\_ per enrolled student.

673 • Property tax revenue from the school minimum basic tax rate is used for local  
674 public education purposes.

675 • During the most recent annual general session, the Legislature enacted \_\_\_\_\_  
676 bills that reduce Education Fund revenues. These bills are estimated to reduce  
677 Education Fund revenues by a total of \$ \_\_\_\_\_ . A more detailed  
678 report is available on the Legislature's website at [le.utah.gov](http://le.utah.gov).

679           •       Last year, a total of \$ \_\_\_\_\_, or \$ \_\_\_\_\_ per enrolled student,  
 680 was deposited into the Prioritizing Public Education Restricted Account from  
 681 state sales and use tax revenue. This per-student amount is \_\_\_\_\_ % of the  
 682 targeted state sales and use tax funding amount of \$ \_\_\_\_\_ per enrolled student."

683           Section 8. Section **59-10-1018** is amended to read:

684           **59-10-1018. Definitions -- Nonrefundable taxpayer tax credits.**

685           (1) As used in this section:

686           (a) "Head of household filing status" means a head of household, as defined in Section  
 687 2(b), Internal Revenue Code, who files a single federal individual income tax return for the  
 688 taxable year.

689           (b) "Joint filing status" means:

690           (i) a husband and wife who file a single return jointly under this chapter for a taxable  
 691 year; or

692           (ii) a surviving spouse, as defined in Section 2(a), Internal Revenue Code, who files a  
 693 single federal individual income tax return for the taxable year.

694           (c) "Single filing status" means:

695           (i) a single individual who files a single federal individual income tax return for the  
 696 taxable year; or

697           (ii) a married individual who:

698           (A) does not file a single federal individual income tax return jointly with that married  
 699 individual's spouse for the taxable year; and

700           (B) files a single federal individual income tax return for the taxable year.

701           (2) Except as provided in Section 59-10-1002.2, and subject to Subsections (3) through  
 702 (5), a claimant may claim a nonrefundable tax credit against taxes otherwise due under this part  
 703 equal to the sum of:

704           (a) (i) for a claimant that deducts the standard deduction on the claimant's federal  
 705 individual income tax return for the taxable year, 6% of the amount the claimant deducts as  
 706 allowed as the standard deduction on the claimant's federal individual income tax return for  
 707 that taxable year; or

708           (ii) for a claimant that itemizes deductions on the claimant's federal individual income  
 709 tax return for the taxable year, the product of:

710 (A) the difference between:  
711 (I) the amount the claimant deducts as allowed as an itemized deduction on the  
712 claimant's federal individual income tax return for that taxable year; and  
713 (II) any amount of state or local income taxes the claimant deducts as allowed as an  
714 itemized deduction on the claimant's federal individual income tax return for that taxable year;  
715 and  
716 (B) 6%; and  
717 (b) the product of:  
718 (i) ~~[75% of the total amount]~~ \$2,775 multiplied by number of personal exemptions the  
719 claimant [deducts] claims as allowed as a personal exemption ~~[deduction]~~ on the claimant's  
720 federal individual income tax return for that taxable year; and  
721 (ii) 6%.  
722 (3) A claimant may not carry forward or carry back a tax credit under this section.  
723 (4) The tax credit allowed by Subsection (2) shall be reduced by \$.013 for each dollar  
724 by which a claimant's state taxable income exceeds:  
725 (a) for a claimant who has a single filing status, \$12,000;  
726 (b) for a claimant who has a head of household filing status, \$18,000; or  
727 (c) for a claimant who has a joint filing status, \$24,000.  
728 (5) (a) For taxable years beginning on or after January 1, 2009, the commission shall  
729 increase or decrease the following dollar amounts by a percentage equal to the percentage  
730 difference between the consumer price index for the preceding calendar year and the consumer  
731 price index for calendar year 2007:  
732 (i) the dollar amount listed in Subsection (4)(a); and  
733 (ii) the dollar amount listed in Subsection (4)(b).  
734 (b) After the commission increases or decreases the dollar amounts listed in Subsection  
735 (5)(a), the commission shall round those dollar amounts listed in Subsection (5)(a) to the  
736 nearest whole dollar.  
737 (c) After the commission rounds the dollar amounts as required by Subsection (5)(b),  
738 the commission shall increase or decrease the dollar amount listed in Subsection (4)(c) so that  
739 the dollar amount listed in Subsection (4)(c) is equal to the product of:  
740 (i) the dollar amount listed in Subsection (4)(a); and



741 (ii) two.

742 (d) For purposes of Subsection (5)(a), the commission shall calculate the consumer  
743 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

744 Section 9. Section **59-12-103** is amended to read:

745 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**  
746 **tax revenues.**

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

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

750 (b) amounts paid for:

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

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

756 (iii) an ancillary service associated with a:

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

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

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

760 (i) gas;

761 (ii) electricity;

762 (iii) heat;

763 (iv) coal;

764 (v) fuel oil; or

765 (vi) other fuels;

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

767 (i) gas;

768 (ii) electricity;

769 (iii) heat;

770 (iv) coal;

771 (v) fuel oil; or

- 772 (vi) other fuels;
- 773 (e) sales of prepared food;
- 774 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 775 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 776 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 777 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 778 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 779 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 780 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 781 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 782 exhibition, cultural, or athletic activity;
- 783 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 784 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 785 (i) the tangible personal property; and
- 786 (ii) parts used in the repairs or renovations of the tangible personal property described
- 787 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
- 788 of that tangible personal property;
- 789 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 790 assisted cleaning or washing of tangible personal property;
- 791 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 792 accommodations and services that are regularly rented for less than 30 consecutive days;
- 793 (j) amounts paid or charged for laundry or dry cleaning services;
- 794 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 795 this state the tangible personal property is:
- 796 (i) stored;
- 797 (ii) used; or
- 798 (iii) otherwise consumed;
- 799 (l) amounts paid or charged for tangible personal property if within this state the
- 800 tangible personal property is:
- 801 (i) stored;
- 802 (ii) used; or

803 (iii) consumed; and  
804 (m) amounts paid or charged for a sale:  
805 (i) (A) of a product transferred electronically; or  
806 (B) of a repair or renovation of a product transferred electronically; and  
807 (ii) regardless of whether the sale provides:  
808 (A) a right of permanent use of the product; or  
809 (B) a right to use the product that is less than a permanent use, including a right:  
810 (I) for a definite or specified length of time; and  
811 (II) that terminates upon the occurrence of a condition.  
812 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax  
813 is imposed on a transaction described in Subsection (1) equal to the sum of:  
814 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:  
815 (A) 4.70%; and  
816 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
817 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
818 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional  
819 State Sales and Use Tax Act; and  
820 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales  
821 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
822 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state  
823 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and  
824 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
825 transaction under this chapter other than this part.  
826 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
827 on a transaction described in Subsection (1)(d) equal to the sum of:  
828 (i) a state tax imposed on the transaction at a tax rate of 2%; and  
829 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
830 transaction under this chapter other than this part.  
831 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
832 on amounts paid or charged for food and food ingredients equal to the sum of:  
833 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at

834 a tax rate of 1.75%; and

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

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

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

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

842 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
843 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
844 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
845 Additional State Sales and Use Tax Act; and

846 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
847 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
848 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
849 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

862 (B) if the sales price of a bundled transaction is attributable to two or more items of  
863 tangible personal property, products, or services that are subject to taxation under this chapter  
864 at different rates, the entire bundled transaction is subject to taxation under this chapter at the

865 higher tax rate unless:

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

869 (II) state or federal law provides otherwise.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

894 (g) (i) For a tax rate described in Subsection (2)(g)(ii), if a tax due on a catalogue sale  
895 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal

896 or change in a tax rate takes effect:

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

898 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

899 (ii) Subsection (2)(g)(i) applies to the tax rates described in the following:

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

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

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

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

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

906 (3) (a) The following state taxes shall be deposited into the General Fund:

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

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

909 (iii) the tax imposed by Subsection (2)(c)(i); or

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

911 (b) The following local taxes shall be distributed to a county, city, or town as provided

912 in this chapter:

913 (i) the tax imposed by Subsection (2)(a)(ii);

914 (ii) the tax imposed by Subsection (2)(b)(ii);

915 (iii) the tax imposed by Subsection (2)(c)(ii); and

916 (iv) the tax imposed by Subsection (2)(d)(i)(B).

917 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
918 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)  
919 through (g):

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

921 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

922 (B) for the fiscal year; or

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

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

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

929 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
930 act, to political subdivisions of the state to implement the measures described in Subsections  
931 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

957 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described

958 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development  
959 Fund created in Section 73-10-24 for use by the Division of Water Resources.

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

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

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

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

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

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

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

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

980 (iii) develop surface water sources.

981 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
982 2006, the difference between the following amounts shall be expended as provided in this  
983 Subsection (5), if that difference is greater than \$1:

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

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

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

988 (A) transferred each fiscal year to the Department of Natural Resources as dedicated



989 credits; and

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

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

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

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

999 (B) expended by the Division of Water Resources for cloud-seeding projects  
1000 authorized by Title 73, Chapter 15, Modification of Weather.

1001 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
1002 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund  
1003 created in Section 73-10-24.

1004 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the  
1005 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
1006 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
1007 Division of Water Resources for:

1008 (i) preconstruction costs:

1009 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
1010 26, Bear River Development Act; and

1011 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project  
1012 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

1013 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,  
1014 Chapter 26, Bear River Development Act;

1015 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project  
1016 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

1017 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and  
1018 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

1019 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to

1020 Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be  
1021 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
1022 incurred for employing additional technical staff for the administration of water rights.

1023 (f) At the end of each fiscal year, any unexpended dedicated credits described in  
1024 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development  
1025 Fund created in Section 73-10-24.

1026 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
1027 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%  
1028 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in  
1029 the Transportation Fund created by Section 72-2-102.

1030 (7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies,  
1031 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial  
1032 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed  
1033 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable  
1034 transactions under Subsection (1).

1035 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds  
1036 have been paid off and the highway projects completed that are intended to be paid from  
1037 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the  
1038 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of  
1039 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section  
1040 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated  
1041 by a 1/64% tax rate on the taxable transactions under Subsection (1).

1042 (8) (a) Notwithstanding Subsection (3)(a) and in addition to the amount deposited in  
1043 Subsection (7)(a), for the 2010-11 fiscal year only, the Division of Finance shall deposit into  
1044 the Centennial Highway Fund Restricted Account created by Section 72-2-118 a portion of the  
1045 taxes listed under Subsection (3)(a) equal to 1.93% of the revenues collected from the  
1046 following taxes, which represents a portion of the approximately 17% of sales and use tax  
1047 revenues generated annually by the sales and use tax on vehicles and vehicle-related products:

- 1048 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 1049 (ii) the tax imposed by Subsection (2)(b)(i);
- 1050 (iii) the tax imposed by Subsection (2)(c)(i); and

1051 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

1052 (b) Notwithstanding Subsection (3)(a), in addition to the amount deposited in  
1053 Subsection (7)(a), and until Subsection (8)(c) applies, for the 2011-12 fiscal year only, the  
1054 Division of Finance shall deposit into the Centennial Highway Fund Restricted Account  
1055 created by Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal to 8.3%  
1056 of the revenues collected from the following taxes, which represents a portion of the  
1057 approximately 17% of sales and use tax revenues generated annually by the sales and use tax  
1058 on vehicles and vehicle-related products:

1059 (i) the tax imposed by Subsection (2)(a)(i)(A);

1060 (ii) the tax imposed by Subsection (2)(b)(i);

1061 (iii) the tax imposed by Subsection (2)(c)(i); and

1062 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

1063 (c) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
1064 Subsection (7)(b), and until Subsection (8)(d) or (e) applies, when the highway general  
1065 obligation bonds have been paid off and the highway projects completed that are intended to be  
1066 paid from revenues deposited in the Centennial Highway Fund Restricted Account as  
1067 determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the  
1068 Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by  
1069 Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the  
1070 revenues collected from the following taxes, which represents a portion of the approximately  
1071 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and  
1072 vehicle-related products:

1073 (i) the tax imposed by Subsection (2)(a)(i)(A);

1074 (ii) the tax imposed by Subsection (2)(b)(i);

1075 (iii) the tax imposed by Subsection (2)(c)(i); and

1076 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

1077 (d) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in  
1078 Subsection (7)(a), until Subsection (8)(e) applies, and subject to Subsection (8)(f), for a fiscal  
1079 year beginning on or after July 1, 2012, the Division of Finance shall deposit into the  
1080 Centennial Highway Fund Restricted Account created by Section 72-2-118:

1081 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of

1082 the revenues collected from the following taxes, which represents a portion of the  
1083 approximately 17% of sales and use tax revenues generated annually by the sales and use tax  
1084 on vehicles and vehicle-related products:

- 1085 (A) the tax imposed by Subsection (2)(a)(i)(A);
  - 1086 (B) the tax imposed by Subsection (2)(b)(i);
  - 1087 (C) the tax imposed by Subsection (2)(c)(i); and
  - 1088 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus
- 1089 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the  
1090 current fiscal year from the sales and use taxes described in Subsections (8)(d)(i)(A) through  
1091 (D) that exceeds the amount collected from the sales and use taxes described in Subsections  
1092 (8)(d)(i)(A) through (D) in the 2010-11 fiscal year.

1093 (e) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
1094 Subsection (7)(b), and subject to Subsection (8)(f), when the highway general obligation bonds  
1095 have been paid off and the highway projects completed that are intended to be paid from  
1096 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the  
1097 Executive Appropriations Committee under Subsection 72-2-118(6)(d), for a fiscal year  
1098 beginning on or after July 1, 2012, the Division of Finance shall deposit into the Transportation  
1099 Investment Fund of 2005 created by Section 72-2-124:

1100 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of  
1101 the revenues collected from the following taxes, which represents a portion of the  
1102 approximately 17% of sales and use tax revenues generated annually by the sales and use tax  
1103 on vehicles and vehicle-related products:

- 1104 (A) the tax imposed by Subsection (2)(a)(i)(A);
  - 1105 (B) the tax imposed by Subsection (2)(b)(i);
  - 1106 (C) the tax imposed by Subsection (2)(c)(i); and
  - 1107 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus
- 1108 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the  
1109 current fiscal year from the sales and use taxes described in Subsections (8)(e)(i)(A) through  
1110 (D) that exceeds the amount collected from the sales and use taxes described in Subsections  
1111 (8)(e)(i)(A) through (D) in the 2010-11 fiscal year.

1112 (f) (i) Subject to Subsections (8)(f)(ii) and (iii), in any fiscal year that the portion of the

1113 sales and use taxes deposited under Subsection (8)(d) or (e) represents an amount that is a total  
1114 lower percentage of the sales and use taxes described in Subsections (8)(e)(i)(A) through (D)  
1115 generated in the current fiscal year than the total percentage of sales and use taxes deposited in  
1116 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection  
1117 (8)(d) or (e) equal to the product of:

1118 (A) the total percentage of sales and use taxes deposited under Subsection (8)(d) or (e)  
1119 in the previous fiscal year; and

1120 (B) the total sales and use tax revenue generated by the taxes described in Subsections  
1121 (8)(e)(i)(A) through (D) in the current fiscal year.

1122 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under  
1123 Subsection (8)(d) or (e) would exceed 17% of the revenues collected from the sales and use  
1124 taxes described in Subsections (8)(e)(i)(A) through (D) in the current fiscal year, the Division  
1125 of Finance shall deposit 17% of the revenues collected from the sales and use taxes described  
1126 in Subsections (8)(e)(i)(A) through (D) for the current fiscal year under Subsection (8)(d) or  
1127 (e).

1128 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected  
1129 from the sales and use taxes described in Subsections (8)(e)(i)(A) through (D) was deposited  
1130 under Subsection (8)(d) or (e), the Division of Finance shall annually deposit 17% of the  
1131 revenues collected from the sales and use taxes described in Subsections (8)(e)(i)(A) through  
1132 (D) in the current fiscal year under Subsection (8)(d) or (e).

1133 (9) (a) Notwithstanding Subsection (3)(a) and for the fiscal year 2008-09 only, the  
1134 Division of Finance shall deposit \$55,000,000 of the revenues generated by the taxes listed  
1135 under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

1136 (b) Notwithstanding Subsection (3)(a) and until Subsection (9)(c) applies, for a fiscal  
1137 year beginning on or after July 1, 2009, the Division of Finance shall annually deposit  
1138 \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the  
1139 Critical Highway Needs Fund created by Section 72-2-125.

1140 (c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under  
1141 Subsections (7) and (8), when the general obligation bonds authorized by Section 63B-16-101  
1142 have been paid off and the highway projects completed that are included in the prioritized  
1143 project list under Subsection 72-2-125(4) as determined in accordance with Subsection

1144 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues  
1145 generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund  
1146 of 2005 created by Section 72-2-124.

1147 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
1148 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
1149 created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

1150 (11) (a) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection  
1151 (11)(a)(ii), and until Subsection (11)(b) applies, beginning on January 1, 2009, the Division of  
1152 Finance shall deposit into the Critical Highway Needs Fund created by Section 72-2-125 the  
1153 amount of tax revenue generated by a .025% tax rate on the transactions described in  
1154 Subsection (1).

1155 (ii) For purposes of Subsection (11)(a)(i), the Division of Finance may not deposit into  
1156 the Critical Highway Needs Fund any tax revenue generated by amounts paid or charged for  
1157 food and food ingredients, except for tax revenue generated by a bundled transaction  
1158 attributable to food and food ingredients and tangible personal property other than food and  
1159 food ingredients described in Subsection (2)~~(c)~~(d).

1160 (b) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b)(ii),  
1161 and in addition to any amounts deposited under Subsections (7), (9), and (10), when the general  
1162 obligation bonds authorized by Section 63B-16-101 have been paid off and the highway  
1163 projects completed that are included in the prioritized project list under Subsection 72-2-125(4)  
1164 as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall  
1165 deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the  
1166 amount of tax revenue generated by a .025% tax rate on the transactions described in  
1167 Subsection (1).

1168 (ii) For purposes of Subsection (11)(b)(i), the Division of Finance may not deposit into  
1169 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or  
1170 charged for food and food ingredients, except for tax revenue generated by a bundled  
1171 transaction attributable to food and food ingredients and tangible personal property other than  
1172 food and food ingredients described in Subsection (2)~~(c)~~(d).

1173 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection  
1174 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the

1175 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a  
 1176 .025% tax rate on the transactions described in Subsection (1) to be expended to address  
 1177 chokepoints in construction management.

1178 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into  
 1179 the Transportation Fund any tax revenue generated by amounts paid or charged for food and  
 1180 food ingredients, except for tax revenue generated by a bundled transaction attributable to food  
 1181 and food ingredients and tangible personal property other than food and food ingredients  
 1182 described in Subsection (2)(~~c~~)(d).

1183 (13) (a) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of  
 1184 Finance shall annually deposit a portion of the taxes listed under Subsection (3)(a) into the  
 1185 Prioritizing Public Education Restricted Account created in Section 53A-17a-170 equal to the  
 1186 lesser of:

1187 (i) the per-pupil funding target for the fiscal year calculated in accordance with  
 1188 Subsection (13)(b); or

1189 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the  
 1190 current fiscal year from the sales and use taxes described in Subsection (3)(a) that exceeds the  
 1191 revenues collected from the sales and use taxes described in Subsection (3)(a) in fiscal year  
 1192 2010-11.

1193 (b) (i) For purposes of Subsection (13)(a), the per-pupil funding target is:

1194 (A) for fiscal year 2011-12, \$750 per enrolled public school student, based on October  
 1195 enrollment counts; or

1196 (B) for a fiscal year after fiscal year 2011-12, \$750 per enrolled public school student,  
 1197 based on October enrollment counts, increased or decreased by a percentage equal to the  
 1198 percentage difference between the consumer price index for the calendar year in which the  
 1199 fiscal year begins and calendar year 2011, rounded up to the nearest \$10 increment.

1200 (ii) For purposes of Subsection (13)(b)(i), the consumer price index is calculated as  
 1201 provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

1202 Section 10. Section **59-12-1201** is amended to read:

1203 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**  
 1204 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

1205 (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all

1206 short-term leases and rentals of motor vehicles not exceeding 30 days.

1207 (b) The tax imposed in this section is in addition to all other state, county, or municipal  
1208 fees and taxes imposed on rentals of motor vehicles.

1209 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax  
1210 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

1211 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall  
1212 take effect on the first day of the first billing period:

1213 (A) that begins after the effective date of the tax rate increase; and

1214 (B) if the billing period for the transaction begins before the effective date of a tax rate  
1215 increase imposed under Subsection (1).

1216 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax  
1217 rate decrease shall take effect on the first day of the last billing period:

1218 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;  
1219 and

1220 (B) if the billing period for the transaction begins before the effective date of the repeal  
1221 of the tax or the tax rate decrease imposed under Subsection (1).

1222 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

1223 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

1224 (b) the motor vehicle is rented as a personal household goods moving van; or

1225 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily  
1226 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an  
1227 insurance agreement.

1228 (4) (a) (i) The tax authorized under this section shall be administered, collected, and  
1229 enforced in accordance with:

1230 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,  
1231 Tax Collection; and

1232 (B) Chapter 1, General Taxation Policies.

1233 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to  
1234 Subsections 59-12-103(4) through [~~12~~] (13) or Section 59-12-107.1 or 59-12-123.

1235 (b) The commission shall retain and deposit an administrative charge in accordance  
1236 with Section 59-1-306 from the revenues the commission collects from a tax under this part.



1237 (c) Except as provided under Subsection (4)(b), all revenue received by the  
1238 commission under this section shall be deposited daily with the state treasurer and credited  
1239 monthly to the Transportation Corridor Preservation Revolving Loan Fund under Section  
1240 72-2-117.

1241 Section 11. **Effective date -- Retrospective operation.**

1242 (1) Except as provided in Subsections (2) and (3), this bill takes effect on July 1, 2012.

1243 (2) The amendments to the following sections have retrospective operation to January  
1244 1, 2012:

1245 (a) Section 53A-17a-103;

1246 (b) Section 53A-17a-135;

1247 (c) Section 59-2-102; and

1248 (d) Section 59-2-926.

1249 (3) The amendments to Section 59-10-1018 have retrospective operation for a taxable  
1250 year beginning on or after January 1, 2012.

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**Legislative Review Note**  
as of 1-31-12 10:43 AM

**Office of Legislative Research and General Counsel**