

1 **PROPERTY TAXATION OF BUSINESS PERSONAL**

2 **PROPERTY**

3 2013 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Wayne A. Harper**

6 House Sponsor: Brad R. Wilson

7

8 **LONG TITLE**

9 **Committee Note:**

10 The Revenue and Taxation Interim Committee recommended this bill.

11 **General Description:**

12 This bill modifies a property tax exemption for business personal property.

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ increases a property tax exemption for business personal property;
- 16 ▶ repeals a consumer price index adjustment for purposes of the property tax

17 exemption for business personal property;

- 18 ▶ provides that a signed statement submitted to a county assessor may only contain
- 19 certain information under certain circumstances; and

- 20 ▶ makes technical and conforming changes.

21 **Money Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 This bill takes effect on January 1, 2014.

25 **Utah Code Sections Affected:**

26 AMENDS:

27 **59-2-1115**, as last amended by Laws of Utah 2012, Chapter 313



28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58

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

Section 1. Section **59-2-1115** is amended to read:

59-2-1115. Exemption of certain tangible personal property.

(1) For purposes of this section:

(a) (i) "Acquisition cost" means all costs required to put an item of tangible personal property into service; and

(ii) includes:

(A) the purchase price for a new or used item;

(B) the cost of freight and shipping;

(C) the cost of installation, engineering, erection, or assembly; and

(D) sales and use taxes.

(b) (i) "Item of taxable tangible personal property" does not include an improvement to real property or a part that will become an improvement.

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the term "item of taxable tangible personal property."

(c) (i) "Taxable tangible personal property" means tangible personal property that is subject to taxation under this chapter.

(ii) "Taxable tangible personal property" does not include:

(A) tangible personal property required by law to be registered with the state before it is used:

(I) on a public highway;

(II) on a public waterway;

(III) on public land; or

(IV) in the air;

(B) a mobile home as defined in Section 41-1a-102; or

(C) a manufactured home as defined in Section 41-1a-102.

(2) (a) The taxable tangible personal property of a taxpayer is exempt from taxation if the taxable tangible personal property has a total aggregate fair market value per county of ~~[\$3,500]~~ \$10,000 or less.

(b) ~~[A]~~ In addition to the exemption under Subsection (2)(a), an item of taxable

59 tangible personal property, except for an item of noncapitalized personal property as defined in
60 Section 59-2-108, is exempt from taxation if the item of taxable tangible personal property:

61 (i) has an acquisition cost of \$1,000 or less;

62 (ii) has reached a percent good of 15% or less according to a personal property

63 schedule published by the commission pursuant to Section 59-2-107; and

64 (iii) is in a personal property schedule with a residual value of 15% or less.

65 ~~[(3) (a) For calendar years beginning on or after January 1, 2008, the commission shall
66 increase the dollar amount described in Subsection (2)(a):]~~

67 ~~[(i) by a percentage equal to the percentage difference between the consumer price
68 index for the preceding calendar year and the consumer price index for calendar year 2006;
69 and]~~

70 ~~[(ii) up to the nearest \$100 increment.]~~

71 ~~[(b) For purposes of this Subsection (3), the commission shall calculate the consumer
72 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code:]~~

73 ~~[(c) If the percentage difference under Subsection (3)(a)(i) is zero or a negative
74 percentage, the consumer price index increase for the year is zero:]~~

75 (3) Notwithstanding Section 59-2-306, for a calendar year in which a taxpayer qualifies
76 for an exemption described in Subsection (2), a signed statement described in Section 59-2-306
77 with respect to the taxable tangible personal property that is exempt under Subsection (2) may
78 only require the taxpayer to certify, under penalty of perjury, that the taxpayer qualifies for the
79 exemption under Subsection (2).

80 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
81 commission may make rules to administer this section and provide for uniform
82 implementation.

83 Section 2. **Effective date.**

84 This bill takes effect on January 1, 2014.