

Senator Wayne A. Harper proposes the following substitute bill:

AMENDMENTS TO SALES AND USE TAX

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: _____

LONG TITLE

General Description:

This bill addresses sales and use taxes.

Highlighted Provisions:

This bill:

- ▶ addresses the disposition of sales and use tax revenue if Congress or the Supreme Court of the United States take certain actions related to the collection of sales and use taxes by certain sellers that are not currently collecting sales and use taxes;
- ▶ establishes certain reporting requirements;
- ▶ requires the Division of Finance to make certain deposits; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides effective dates.

Utah Code Sections Affected:

AMENDS:

59-12-103 (Superseded 07/01/14), as last amended by Laws of Utah 2012, Chapters 207, 212, 254, and 255



26 **59-12-103 (Effective 07/01/14)**, as last amended by Laws of Utah 2012, Chapters 207,
27 212, 254, 255, and 424

28 **59-12-103.1**, as last amended by Laws of Utah 2012, Chapter 312

29 **59-12-103.2**, as last amended by Laws of Utah 2004, Third Special Session, Chapter 1

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

32 Section 1. Section **59-12-103 (Superseded 07/01/14)** is amended to read:

33 **59-12-103 (Superseded 07/01/14). Sales and use tax base -- Rates -- Effective dates**
34 **-- Use of sales and use tax revenues.**

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

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

38 (b) amounts paid for:

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

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

44 (iii) an ancillary service associated with a:

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

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

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

48 (i) gas;

49 (ii) electricity;

50 (iii) heat;

51 (iv) coal;

52 (v) fuel oil; or

53 (vi) other fuels;

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

55 (i) gas;

56 (ii) electricity;

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

88 tangible personal property is:

89 (i) stored;

90 (ii) used; or

91 (iii) consumed; and

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

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

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

95 (ii) regardless of whether the sale provides:

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

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

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

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

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

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

103 (A) 4.70%; and

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

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

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

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

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

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

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

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

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

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

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

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

130 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
131 Sales and Use Tax Act, if the location of the transaction as determined under Sections
132 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
133 Additional State Sales and Use Tax Act; and

134 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
135 Sales and Use Tax Act, if the location of the transaction as determined under Sections
136 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
137 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

140 (ii) If an optional computer software maintenance contract is a bundled transaction that
141 consists of taxable and nontaxable products that are not separately itemized on an invoice or
142 similar billing document, the purchase of the optional computer software maintenance contract
143 is 40% taxable under this chapter and 60% nontaxable under this chapter.

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

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

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

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

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

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

161 (II) state or federal law provides otherwise.

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

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

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

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

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

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

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

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

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

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

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

178 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
179 statement for the billing period is rendered on or after the effective date of the repeal of the tax
180 or the tax rate decrease imposed under:

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

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

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

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

185 (g) (i) For a tax rate described in Subsection (2)(g)(ii), if a tax due on a catalogue sale
186 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
187 or change in a tax rate takes effect:

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

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

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

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

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

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

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

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

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

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

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

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

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

202 (b) The following local taxes shall be distributed to a county, city, or town as provided
203 in this chapter:

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

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

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

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

208 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
209 2003, the lesser of the following amounts shall be ~~used~~ expended as provided in Subsections
210 (4)(b) through (g):

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

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

213 (B) for the fiscal year; or

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

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

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

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

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

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

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

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

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

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

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

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

242 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources

243 Conservation and Development Fund created in Section 73-10-24;

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

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

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

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

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

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

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

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

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

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

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

271 (iii) develop surface water sources.

272 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
273 2006, the difference between the following amounts shall be expended as provided in this

274 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

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

299 (i) preconstruction costs:

300 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
301 26, Bear River Development Act; and

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

304 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,

305 Chapter 26, Bear River Development Act;

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

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

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

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

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

321 (7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of
322 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section
323 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
324 by a 1/64% tax rate on the taxable transactions under Subsection (1).

325 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
326 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or after July 1,
327 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
328 created by Section 72-2-124:

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

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

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

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

336 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus
337 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
338 current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through
339 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
340 (8)(a)(i)(A) through (D) in the 2010-11 fiscal year.

341 (b) (i) Subject to Subsections (8)(b)(ii) and (iii), in any fiscal year that the portion of
342 the sales and use taxes deposited under Subsection (8)(a) represents an amount that is a total
343 lower percentage of the sales and use taxes described in Subsections (8)(a)(i)(A) through (D)
344 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
345 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
346 (8)(a) equal to the product of:

347 (A) the total percentage of sales and use taxes deposited under Subsection (8)(a) in the
348 previous fiscal year; and

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

351 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
352 Subsection (8)(a) would exceed 17% of the revenues collected from the sales and use taxes
353 described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year, the Division of
354 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
355 Subsections (8)(a)(i)(A) through (D) for the current fiscal year under Subsection (8)(a).

356 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
357 from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) was deposited
358 under Subsection (8)(a), the Division of Finance shall annually deposit 17% of the revenues
359 collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) in the
360 current fiscal year under Subsection (8)(a).

361 (9) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
362 Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012, the Division of
363 Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under
364 Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section
365 72-2-124.

366 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year

367 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
368 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

369 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),
370 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July
371 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
372 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the
373 transactions described in Subsection (1).

374 (b) For purposes of Subsection (11)(a), the Division of Finance may not deposit into
375 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
376 charged for food and food ingredients, except for tax revenue generated by a bundled
377 transaction attributable to food and food ingredients and tangible personal property other than
378 food and food ingredients described in Subsection (2)(d).

379 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
380 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
381 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
382 .025% tax rate on the transactions described in Subsection (1) to be expended to address
383 chokepoints in construction management.

384 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
385 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
386 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
387 and food ingredients and tangible personal property other than food and food ingredients
388 described in Subsection (2)(d).

389 (13) Notwithstanding Subsections (4) through (12), an amount required to be expended
390 or deposited in accordance with Subsections (4) through (12) may not include an amount the
391 Division of Finance deposits in accordance with Section 59-12-103.1.

392 Section 2. Section **59-12-103 (Effective 07/01/14)** is amended to read:

393 **59-12-103 (Effective 07/01/14). Sales and use tax base -- Rates -- Effective dates --**
394 **Use of sales and use tax revenues.**

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

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

398 (b) amounts paid for:
399 (i) telecommunications service, other than mobile telecommunications service, that
400 originates and terminates within the boundaries of this state;
401 (ii) mobile telecommunications service that originates and terminates within the
402 boundaries of one state only to the extent permitted by the Mobile Telecommunications
403 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
404 (iii) an ancillary service associated with a:
405 (A) telecommunications service described in Subsection (1)(b)(i); or
406 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
407 (c) sales of the following for commercial use:
408 (i) gas;
409 (ii) electricity;
410 (iii) heat;
411 (iv) coal;
412 (v) fuel oil; or
413 (vi) other fuels;
414 (d) sales of the following for residential use:
415 (i) gas;
416 (ii) electricity;
417 (iii) heat;
418 (iv) coal;
419 (v) fuel oil; or
420 (vi) other fuels;
421 (e) sales of prepared food;
422 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
423 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
424 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
425 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
426 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
427 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
428 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,

429 horseback rides, sports activities, or any other amusement, entertainment, recreation,
430 exhibition, cultural, or athletic activity;

431 (g) amounts paid or charged for services for repairs or renovations of tangible personal
432 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

433 (i) the tangible personal property; and

434 (ii) parts used in the repairs or renovations of the tangible personal property described
435 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
436 of that tangible personal property;

437 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
438 assisted cleaning or washing of tangible personal property;

439 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
440 accommodations and services that are regularly rented for less than 30 consecutive days;

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

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

444 (i) stored;

445 (ii) used; or

446 (iii) otherwise consumed;

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

449 (i) stored;

450 (ii) used; or

451 (iii) consumed; and

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

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

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

455 (ii) regardless of whether the sale provides:

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

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

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

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

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

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

463 (A) 4.70%; and

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

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

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

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

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

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

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

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

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

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

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

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

490 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State

491 Sales and Use Tax Act, if the location of the transaction as determined under Sections
492 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
493 Additional State Sales and Use Tax Act; and

494 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
495 Sales and Use Tax Act, if the location of the transaction as determined under Sections
496 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
497 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

500 (ii) If an optional computer software maintenance contract is a bundled transaction that
501 consists of taxable and nontaxable products that are not separately itemized on an invoice or
502 similar billing document, the purchase of the optional computer software maintenance contract
503 is 40% taxable under this chapter and 60% nontaxable under this chapter.

504 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
505 transaction described in Subsection (2)(d)(i) or (ii):

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

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

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

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

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

521 (II) state or federal law provides otherwise.

522 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
523 seller's regular course of business includes books and records the seller keeps in the regular
524 course of business for nontax purposes.

525 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
526 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
527 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
528 of tangible personal property, other property, a product, or a service that is not subject to
529 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
530 the seller, at the time of the transaction:

531 (A) separately states the portion of the transaction that is not subject to taxation under
532 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

533 (B) is able to identify by reasonable and verifiable standards, from the books and
534 records the seller keeps in the seller's regular course of business, the portion of the transaction
535 that is not subject to taxation under this chapter.

536 (ii) A purchaser and a seller may correct the taxability of a transaction if:

537 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
538 the transaction that is not subject to taxation under this chapter was not separately stated on an
539 invoice, bill of sale, or similar document provided to the purchaser because of an error or
540 ignorance of the law; and

541 (B) the seller is able to identify by reasonable and verifiable standards, from the books
542 and records the seller keeps in the seller's regular course of business, the portion of the
543 transaction that is not subject to taxation under this chapter.

544 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
545 in the seller's regular course of business includes books and records the seller keeps in the
546 regular course of business for nontax purposes.

547 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
548 personal property, products, or services that are subject to taxation under this chapter at
549 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
550 unless the seller, at the time of the transaction:

551 (A) separately states the items subject to taxation under this chapter at each of the
552 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

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

556 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
557 seller's regular course of business includes books and records the seller keeps in the regular
558 course of business for nontax purposes.

559 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
560 rate imposed under the following shall take effect on the first day of a calendar quarter:

- 561 (i) Subsection (2)(a)(i)(A);
- 562 (ii) Subsection (2)(b)(i);
- 563 (iii) Subsection (2)(c)(i); or
- 564 (iv) Subsection (2)(d)(i)(A)(I).

565 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
566 begins on or after the effective date of the tax rate increase if the billing period for the
567 transaction begins before the effective date of a tax rate increase imposed under:

- 568 (A) Subsection (2)(a)(i)(A);
- 569 (B) Subsection (2)(b)(i);
- 570 (C) Subsection (2)(c)(i); or
- 571 (D) Subsection (2)(d)(i)(A)(I).

572 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
573 statement for the billing period is rendered on or after the effective date of the repeal of the tax
574 or the tax rate decrease imposed under:

- 575 (A) Subsection (2)(a)(i)(A);
- 576 (B) Subsection (2)(b)(i);
- 577 (C) Subsection (2)(c)(i); or
- 578 (D) Subsection (2)(d)(i)(A)(I).

579 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
580 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
581 change in a tax rate takes effect:

- 582 (A) on the first day of a calendar quarter; and
- 583 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

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

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

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

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

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

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

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

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

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

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

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

596 (b) The following local taxes shall be distributed to a county, city, or town as provided
597 in this chapter:

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

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

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

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

602 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
603 2003, the lesser of the following amounts shall be ~~used~~ expended as provided in Subsections
604 (4)(b) through (g):

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

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

607 (B) for the fiscal year; or

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

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

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

614 (B) award grants, up to the amount authorized by the Legislature in an appropriations

615 act, to political subdivisions of the state to implement the measures described in Subsections
616 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

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

645 (ii) In addition to the uses allowed of the Water Resources Conservation and

646 Development Fund under Section 73-10-24, the Water Resources Conservation and
647 Development Fund may also be used to:

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

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

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

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

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

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

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

665 (iii) develop surface water sources.

666 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
667 2006, the difference between the following amounts shall be expended as provided in this
668 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

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

693 (i) preconstruction costs:

694 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
695 26, Bear River Development Act; and

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

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

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

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

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

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

711 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
712 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
713 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
714 the Transportation Fund created by Section 72-2-102.

715 (7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of
716 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section
717 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
718 by a 1/64% tax rate on the taxable transactions under Subsection (1).

719 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
720 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or after July 1,
721 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
722 created by Section 72-2-124:

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

- 727 (A) the tax imposed by Subsection (2)(a)(i)(A);
728 (B) the tax imposed by Subsection (2)(b)(i);
729 (C) the tax imposed by Subsection (2)(c)(i); and
730 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

731 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
732 current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through
733 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
734 (8)(a)(i)(A) through (D) in the 2010-11 fiscal year.

735 (b) (i) Subject to Subsections (8)(b)(ii) and (iii), in any fiscal year that the portion of
736 the sales and use taxes deposited under Subsection (8)(a) represents an amount that is a total
737 lower percentage of the sales and use taxes described in Subsections (8)(a)(i)(A) through (D)
738 generated in the current fiscal year than the total percentage of sales and use taxes deposited in

739 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
740 (8)(a) equal to the product of:

741 (A) the total percentage of sales and use taxes deposited under Subsection (8)(a) in the
742 previous fiscal year; and

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

745 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
746 Subsection (8)(a) would exceed 17% of the revenues collected from the sales and use taxes
747 described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year, the Division of
748 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
749 Subsections (8)(a)(i)(A) through (D) for the current fiscal year under Subsection (8)(a).

750 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
751 from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) was deposited
752 under Subsection (8)(a), the Division of Finance shall annually deposit 17% of the revenues
753 collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) in the
754 current fiscal year under Subsection (8)(a).

755 (9) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
756 Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012, the Division of
757 Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under
758 Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section
759 72-2-124.

760 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
761 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
762 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

763 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),
764 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July
765 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
766 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the
767 transactions described in Subsection (1).

768 (b) For purposes of Subsection (11)(a), the Division of Finance may not deposit into
769 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or

770 charged for food and food ingredients, except for tax revenue generated by a bundled
771 transaction attributable to food and food ingredients and tangible personal property other than
772 food and food ingredients described in Subsection (2)(d).

773 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
774 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
775 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
776 .025% tax rate on the transactions described in Subsection (1) to be expended to address
777 chokepoints in construction management.

778 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
779 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
780 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
781 and food ingredients and tangible personal property other than food and food ingredients
782 described in Subsection (2)(d).

783 (13) Notwithstanding Subsections (4) through (12), an amount required to be expended
784 or deposited in accordance with Subsections (4) through (12) may not include an amount the
785 Division of Finance deposits in accordance with Section 59-12-103.1.

786 Section 3. Section **59-12-103.1** is amended to read:

787 **59-12-103.1. Definitions -- Action by Supreme Court of the United States**
788 **authorizing or action by Congress permitting a state to require certain sellers to collect a**
789 **sales or use tax -- Collection of tax by commission -- Commission report to Revenue and**
790 **Taxation Interim Committee -- Revenue and Taxation Interim Committee study --**
791 **Division of Finance requirement to make certain deposits.**

792 (1) As used in this section:

793 (a) "Aggregate local revenue collected from remote sellers" means the aggregate local
794 revenue the commission collects under this section for a fiscal year from sellers who obtain a
795 license under Section 59-12-106 for the first time on or after the earlier of:

796 (i) the date a decision described in Subsection (2)(a) becomes a final, unappealable
797 decision; or

798 (ii) the effective date of the action by Congress described in Subsection (2)(b).

799 (b) "Aggregate state and local revenue collected from remote sellers" means the
800 aggregate state and local revenue the commission collects under this section for a fiscal year

801 from sellers who obtain a license under Section 59-12-106 for the first time on or after the
802 earlier of:

803 (i) the date a decision described in Subsection (2)(a) becomes a final, unappealable
804 decision; or

805 (ii) the effective date of the action by Congress described in Subsection (2)(b).

806 (c) "Aggregate state revenue collected from remote sellers" means the aggregate state
807 revenue the commission collects under this section for a fiscal year from sellers who obtain a
808 license under Section 59-12-106 for the first time on or after the earlier of:

809 (i) the date a decision described in Subsection (2)(a) becomes a final, unappealable
810 decision; or

811 (ii) the effective date of the action by Congress described in Subsection (2)(b).

812 ~~[(+)]~~ (2) Except as provided in Section 59-12-107.1, a seller shall remit a tax to the
813 commission as provided in Section 59-12-107 if:

814 (a) the Supreme Court of the United States issues a decision authorizing a state to
815 require the following sellers to collect a sales or use tax:

816 (i) a seller that does not meet one or more of the criteria described in Subsection
817 59-12-107(2)(a); or

818 (ii) a seller that is not a seller required to pay or collect and remit sales and use taxes
819 under Subsection 59-12-107(2)(b); or

820 (b) Congress permits the state to require the following sellers to collect a sales or use
821 tax:

822 (i) a seller that does not meet one or more of the criteria described in Subsection
823 59-12-107(2)(a); or

824 (ii) a seller that is not a seller required to pay or collect and remit sales and use taxes
825 under Subsection 59-12-107(2)(b).

826 ~~[(2)]~~ (3) The commission shall:

827 (a) collect the tax described in Subsection ~~[(+)]~~ (2) from the seller:

828 (i) to the extent:

829 (A) authorized by the Supreme Court of the United States; or

830 (B) permitted by Congress; and

831 (ii) beginning on the first day of a calendar quarter as prescribed by the Revenue and

832 Taxation Interim Committee; and

833 (b) make a report to the Revenue and Taxation Interim Committee:

834 (i) regarding the actions taken by:

835 (A) the Supreme Court of the United States; or

836 (B) Congress; ~~and~~

837 (ii) (A) stating the amount of state revenue collected at the time of the report, if any;

838 and

839 (B) estimating the state sales and use tax rate reduction that would offset the amount of

840 state revenue estimated to be collected for the current fiscal year and the next fiscal year; and

841 ~~[(ii)]~~ (iii) (A) at the Revenue and Taxation Interim Committee meeting immediately

842 following the day on which the actions of the Supreme Court of the United States or Congress

843 [actions] become effective[-]; and

844 (B) any other meeting of the Revenue and Taxation Interim Committee as requested by
845 the chairs of the committee.

846 (4) (a) Notwithstanding any other provision of this chapter, the Division of Finance
847 shall make the deposits required by this Subsection (4).

848 (b) The Division of Finance shall deposit 10% of the aggregate state and local revenue
849 collected from remote sellers into the Transportation Fund created by Section 72-2-102, to be
850 expended for the operation and maintenance of state roads.

851 (c) The Division of Finance shall deposit 10% of the aggregate state and local revenue
852 collected from remote sellers into the Transportation Fund created by Section 72-2-102:

853 (i) to be distributed to counties and municipalities in proportion to each county's or
854 municipality's allocation made in accordance with Section 72-2-108; and

855 (ii) to be expended for the operation and maintenance of county and municipal roads.

856 (d) (i) The Division of Finance shall calculate the difference between:

857 (A) the aggregate state revenue collected from remote sellers for a fiscal year; and

858 (B) the amount the Division of Finance deposits in accordance with Subsection (4)(b)
859 for that fiscal year.

860 (ii) The Division of Finance shall deposit the difference described in Subsection
861 (4)(d)(i) into the Remote Sales Restricted Account created in Section 59-12-103.2 for
862 allocation as the Legislature may provide by statute.

863 (e) (i) The Division of Finance shall calculate the difference between:
864 (A) the aggregate local revenue collected from remote sellers for a fiscal year; and
865 (B) the amount the Division of Finance deposits in accordance with Subsection (4)(c)
866 for that fiscal year.

867 (ii) The Division of Finance shall deposit the difference described in Subsection
868 (4)(e)(i) into the Remote Sales Restricted Account created in Section 59-12-103.2 for
869 allocation for local infrastructure or transportation purposes as the Legislature may provide by
870 statute.

871 [~~3~~] (5) The Revenue and Taxation Interim Committee shall after hearing the
872 commission's report under Subsection (2)(b):

873 (a) review the actions taken by:

874 (i) the Supreme Court of the United States; or

875 (ii) Congress;

876 (b) direct the commission regarding the day on which the commission is required to
877 collect the tax described in Subsection (1); and

878 (c) make recommendations to the Legislative Management Committee:

879 (i) regarding whether as a result of the actions of the Supreme Court of the United
880 States or Congress [~~actions~~] any provisions of this chapter should be amended or repealed; and

881 (ii) within a one-year period after the day on which the commission makes a report
882 under Subsection (2)(b).

883 Section 4. Section **59-12-103.2** is amended to read:

884 **59-12-103.2. Remote Sales Restricted Account -- Creation -- Funding for account**
885 **-- Interest.**

886 (1) There is created within the General Fund a restricted account known as the
887 "Remote Sales Restricted Account."

888 (2) The account shall be funded from the portion of the sales and use tax deposited by
889 the commission as provided in Section [~~59-12-103~~] 59-12-103.1.

890 (3) (a) The account shall earn interest.

891 (b) The interest described in Subsection (3)(a) shall be deposited into the account.

892 Section 5. **Effective date.**

893 (1) Except as provided in Subsection (2), this bill takes effect on July 1, 2013.

894 (2) The actions affecting Section 59-12-103 (Effective 07/01/14) take effect on July 1,
895 2014.