

1 **PERSONAL PROPERTY TAX AMENDMENTS**

2 2015 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Johnny Anderson**

5 Senate Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill addresses a property tax exemption for certain tangible personal property.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ addresses a property tax exemption for certain tangible personal property;
- 13 ▶ addresses State Tax Commission rulemaking authority; and
- 14 ▶ makes technical and conforming changes.

15 **Money Appropriated in this Bill:**

16 None

17 **Other Special Clauses:**

18 This bill provides a special effective date.

19 **Utah Code Sections Affected:**

20 AMENDS:

21 **59-2-1115**, as last amended by Laws of Utah 2013, Chapters 19 and 147

22 REPEALS:

23 **59-2-108**, as last amended by Laws of Utah 2013, Chapter 248

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

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

27 **59-2-1115. Exemption of certain tangible personal property.**



28 (1) ~~[For purposes of]~~ As used in this section:

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

31 (ii) includes:

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

33 (B) the cost of freight and shipping;

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

35 (D) sales and use taxes.

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

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

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

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

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

45 (I) on a public highway;

46 (II) on a public waterway;

47 (III) on public land; or

48 (IV) in the air;

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

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

51 (2) (a) The taxable tangible personal property of a taxpayer is exempt from taxation if
52 the taxable tangible personal property has a total aggregate taxable value per county of \$10,000
53 or less.

54 (b) In addition to the exemption under Subsection (2)(a), an item of taxable tangible
55 personal property~~[-, except for an item of noncapitalized personal property as defined in Section~~
56 ~~59-2-108;]~~ is exempt from taxation if the item of taxable tangible personal property~~[:(i)]~~ has an
57 acquisition cost of \$1,000 or less~~[:];~~.

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

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

60 ~~[(iii) is in a personal property schedule with a residual value of 15% or less.]~~

61 (3) (a) For calendar years beginning on or after January 1, 2015, the commission shall
62 increase the dollar amount described in Subsection (2)(a):

63 (i) by a percentage equal to the percentage difference between the consumer price
64 index for the preceding calendar year and the consumer price index for calendar year 2013; and

65 (ii) up to the nearest \$100 increment.

66 (b) For purposes of this Subsection (3), the commission shall calculate the consumer
67 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

68 (c) If the percentage difference under Subsection (3)(a)(i) is zero or a negative
69 percentage, the consumer price index increase for the year is zero.

70 (4) (a) For the first calendar year in which a taxpayer qualifies for an exemption
71 described in Subsection (2), a county assessor may require the taxpayer to file a signed
72 statement described in Section 59-2-306.

73 (b) Notwithstanding Section 59-2-306 and subject to Subsection (5), for a calendar
74 year in which a taxpayer qualifies for an exemption described in Subsection (2) after the
75 calendar year described in Subsection (4)(a), a signed statement described in Section 59-2-306
76 with respect to the taxable tangible personal property that is exempt under Subsection (2) may
77 only require the taxpayer to certify, under penalty of perjury, that the taxpayer qualifies for the
78 exemption under Subsection (2).

79 (5) A signed statement with respect to qualifying exempt primary residential rental
80 personal property is as provided in Section 59-2-103.5.

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

84 **Section 2. Repealer.**

85 This bill repeals:

86 Section 59-2-108, **Election for assessment and taxation of noncapitalized personal**
87 **property according to a schedule.**

88 **Section 3. Effective date.**

89 This bill takes effect on January 1, 2016.

Legislative Review Note
as of 2-11-15 4:02 PM

Office of Legislative Research and General Counsel