

**SALES TAX AMENDMENTS**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: Earl D. Tanner

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**LONG TITLE**

**General Description:**

This bill amends a local option sales and use tax.

**Highlighted Provisions:**

This bill:

- modifies a date for obtaining voter approval to impose a city or town option sales and use tax.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**59-12-2103**, as last amended by Laws of Utah 2012, Chapters 254 and 352

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

Section 1. Section **59-12-2103** is amended to read:

**59-12-2103. Imposition of tax -- Base -- Rate -- Expenditure of revenues collected from the tax -- Administration, collection, and enforcement of tax by commission -- Administrative charge -- Enactment or repeal of tax -- Annexation -- Notice.**

(1) (a) Subject to the other provisions of this section and except as provided in



28 Subsection (2) or (3), beginning on January 1, 2009 and ending on June 30, 2016, if a city or  
29 town receives a distribution for the 12 consecutive months of fiscal year 2005-06 because the  
30 city or town would have received a tax revenue distribution of less than .75% of the taxable  
31 sales within the boundaries of the city or town but for Subsection 59-12-205(4)(a), the city or  
32 town legislative body may impose a sales and use tax of up to .20% on the transactions:

33 (i) described in Subsection 59-12-103(1); and

34 (ii) within the city or town.

35 (b) A city or town legislative body that imposes a tax under Subsection (1)(a) shall  
36 expend the revenues collected from the tax for the same purposes for which the city or town  
37 may expend the city's or town's general fund revenues.

38 (c) For purposes of this Subsection (1), the location of a transaction shall be  
39 determined in accordance with Sections 59-12-211 through 59-12-215.

40 (2) (a) A city or town legislative body may not impose a tax under this section on:

41 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses  
42 are exempt from taxation under Section 59-12-104; and

43 (ii) except as provided in Subsection (2)(b), amounts paid or charged for food and food  
44 ingredients.

45 (b) A city or town legislative body imposing a tax under this section shall impose the  
46 tax on amounts paid or charged for food and food ingredients if the food and food ingredients  
47 are sold as part of a bundled transaction attributable to food and food ingredients and tangible  
48 personal property other than food and food ingredients.

49 (3) (a) Beginning on January 1, 2009, and ending on June 30, 2016, to impose a tax  
50 under this part, a city or town legislative body shall obtain approval from a majority of the  
51 members of the city or town legislative body.

52 (b) If, on June 30, 2016, a city or town is not imposing a tax under this part, the city or  
53 town legislative body may not impose a tax under this part beginning on or after July 1, 2016.

54 (c) (i) If, on June 30, 2016, a city or town imposes a tax under this part, the city or  
55 town shall repeal the tax on July 1, 2016, unless, on or after July 1, 2012, but on or before  
56 ~~[June 30]~~ March 31, 2016, the city or town legislative body obtains approval from a majority  
57 vote of the members of the city or town legislative body to continue to impose the tax.

58 (ii) If a city or town obtains approval under Subsection (3)(c)(i) from a majority vote of

59 the members of the city or town legislative body to continue to impose a tax under this part on  
60 or after July 1, 2016, the city or town may impose the tax until no later than June 30, 2030.

61 (4) The commission shall transmit revenues collected within a city or town from a tax  
62 under this part:

- 63 (a) to the city or town legislative body;
- 64 (b) monthly; and
- 65 (c) by electronic funds transfer.

66 (5) (a) Except as provided in Subsection (5)(b), the commission shall administer,  
67 collect, and enforce a tax under this part in accordance with:

68 (i) the same procedures used to administer, collect, and enforce the tax under:

- 69 (A) Part 1, Tax Collection; or
- 70 (B) Part 2, Local Sales and Use Tax Act; and

71 (ii) Chapter 1, General Taxation Policies.

72 (b) A tax under this part is not subject to Subsections 59-12-205(2) through (6).

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

75 (7) (a) (i) Except as provided in Subsection (7)(b) or (c), if, on or after January 1, 2009,  
76 a city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,  
77 repeal, or change shall take effect:

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

79 (B) after a 90-day period beginning on the date the commission receives notice meeting  
80 the requirements of Subsection (7)(a)(i) from the city or town.

81 (ii) The notice described in Subsection (7)(a)(i)(B) shall state:

82 (A) that the city or town will enact or repeal a tax or change the rate of the tax under  
83 this part;

84 (B) the statutory authority for the tax described in Subsection (7)(a)(ii)(A);

85 (C) the effective date of the tax described in Subsection (7)(a)(ii)(A); and

86 (D) if the city or town enacts the tax or changes the rate of the tax described in

87 Subsection (7)(a)(ii)(A), the rate of the tax.

88 (b) (i) If the billing period for a transaction begins before the enactment of the tax or  
89 the tax rate increase under Subsection (1), the enactment of a tax or a tax rate increase takes

90 effect on the first day of the first billing period that begins on or after the effective date of the  
91 enactment of the tax or the tax rate increase.

92 (ii) If the billing period for a transaction begins before the effective date of the repeal  
93 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of a tax or a tax rate  
94 decrease applies to a billing period if the billing statement for the billing period is rendered on  
95 or after the effective date of the repeal of the tax or the tax rate decrease.

96 (c) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales  
97 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax  
98 described in Subsection (7)(a)(i) takes effect:

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

100 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the  
101 rate of the tax under Subsection (7)(a)(i).

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

104 (d) (i) Except as provided in Subsection (7)(e) or (f), if, for an annexation that occurs  
105 on or after January 1, 2009, the annexation will result in the enactment, repeal, or change in the  
106 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take  
107 effect:

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

109 (B) after a 90-day period beginning on the date the commission receives notice meeting  
110 the requirements of Subsection (7)(d)(ii) from the city or town that annexes the annexing area.

111 (ii) The notice described in Subsection (7)(d)(i)(B) shall state:

112 (A) that the annexation described in Subsection (7)(d)(i)(B) will result in the  
113 enactment, repeal, or change in the rate of a tax under this part for the annexing area;

114 (B) the statutory authority for the tax described in Subsection (7)(d)(ii)(A);

115 (C) the effective date of the tax described in Subsection (7)(d)(ii)(A); and

116 (D) if the city or town enacts the tax or changes the rate of the tax described in  
117 Subsection (7)(d)(ii)(A), the rate of the tax.

118 (e) (i) If the billing period for a transaction begins before the effective date of the  
119 enactment of the tax or a tax rate increase under Subsection (1), the enactment of a tax or a tax  
120 rate increase takes effect on the first day of the first billing period that begins on or after the

121 effective date of the enactment of the tax or the tax rate increase.

122 (ii) If the billing period for a transaction begins before the effective date of the repeal  
123 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of a tax or a tax rate  
124 decrease applies to a billing period if the billing statement for the billing period is rendered on  
125 or after the effective date of the repeal of the tax or the tax rate decrease.

126 (f) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales  
127 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax  
128 described in Subsection (7)(d)(i) takes effect:

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

130 (B) beginning 60 days after the effective date of the enactment, repeal, or change under  
131 Subsection (7)(d)(i).

132 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
133 commission may by rule define the term "catalogue sale."[-]

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**Legislative Review Note**  
**as of 2-20-15 8:54 AM**

**Office of Legislative Research and General Counsel**