

**SALES TAX EXEMPTION FOR GUIDES AND OUTFITTERS**

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Margaret Dayton**

House Sponsor: Lee B. Perry

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**LONG TITLE**

**Committee Note:**

The Natural Resources, Agriculture, and Environment Interim Committee recommended this bill.

**General Description:**

This bill addresses sales and use tax exemptions for hunting guide or outfitting services.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ provides a sales and use tax exemption for amounts paid or charged for certain purchases of hunting guide or outfitting services; and
- ▶ addresses resale exemptions for purchases associated with providing hunting guide or outfitting services.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-12-102**, as last amended by Laws of Utah 2016, Third Special Session, Chapter 6

**59-12-104**, as last amended by Laws of Utah 2016, Third Special Session, Chapter 6



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

Section 1. Section **59-12-102** is amended to read:

**59-12-102. Definitions.**

As used in this chapter:

(1) "800 service" means a telecommunications service that:

(a) allows a caller to dial a toll-free number without incurring a charge for the call; and

(b) is typically marketed:

(i) under the name 800 toll-free calling;

(ii) under the name 855 toll-free calling;

(iii) under the name 866 toll-free calling;

(iv) under the name 877 toll-free calling;

(v) under the name 888 toll-free calling; or

(vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the

Federal Communications Commission.

(2) (a) "900 service" means an inbound toll telecommunications service that:

(i) a subscriber purchases;

(ii) allows a customer of the subscriber described in Subsection (2)(a)(i) to call in to the subscriber's:

(A) prerecorded announcement; or

(B) live service; and

(iii) is typically marketed:

(A) under the name 900 service; or

(B) under a name similar to Subsection (2)(a)(iii)(A) as designated by the Federal

Communications Commission.

(b) "900 service" does not include a charge for:

(i) a collection service a seller of a telecommunications service provides to a subscriber; or

(ii) the following a subscriber sells to the subscriber's customer:

(A) a product; or

(B) a service.

- 59 (3) (a) "Admission or user fees" includes season passes.
- 60 (b) "Admission or user fees" does not include annual membership dues to private  
61 organizations.
- 62 (4) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on  
63 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax  
64 Agreement after November 12, 2002.
- 65 (5) "Agreement combined tax rate" means the sum of the tax rates:
- 66 (a) listed under Subsection (6); and
- 67 (b) that are imposed within a local taxing jurisdiction.
- 68 (6) "Agreement sales and use tax" means a tax imposed under:
- 69 (a) Subsection 59-12-103(2)(a)(i)(A);
- 70 (b) Subsection 59-12-103(2)(b)(i);
- 71 (c) Subsection 59-12-103(2)(c)(i);
- 72 (d) Subsection 59-12-103(2)(d)(i)(A)(I);
- 73 (e) Section 59-12-204;
- 74 (f) Section 59-12-401;
- 75 (g) Section 59-12-402;
- 76 (h) Section 59-12-402.1;
- 77 (i) Section 59-12-703;
- 78 (j) Section 59-12-802;
- 79 (k) Section 59-12-804;
- 80 (l) Section 59-12-1102;
- 81 (m) Section 59-12-1302;
- 82 (n) Section 59-12-1402;
- 83 (o) Section 59-12-1802;
- 84 (p) Section 59-12-2003;
- 85 (q) Section 59-12-2103;
- 86 (r) Section 59-12-2213;
- 87 (s) Section 59-12-2214;
- 88 (t) Section 59-12-2215;
- 89 (u) Section 59-12-2216;

- 90 (v) Section 59-12-2217; or
- 91 (w) Section 59-12-2218.
- 92 (7) "Aircraft" [~~is as~~] means the same as that term is defined in Section 72-10-102.
- 93 (8) "Aircraft maintenance, repair, and overhaul provider" means a business entity:
- 94 (a) except for:
- 95 (i) an airline as defined in Section 59-2-102; or
- 96 (ii) an affiliated group, as defined in Section 59-7-101, except that "affiliated group"
- 97 includes a corporation that is qualified to do business but is not otherwise doing business in the
- 98 state, of an airline; and
- 99 (b) that has the workers, expertise, and facilities to perform the following, regardless of
- 100 whether the business entity performs the following in this state:
- 101 (i) check, diagnose, overhaul, and repair:
- 102 (A) an onboard system of a fixed wing turbine powered aircraft; and
- 103 (B) the parts that comprise an onboard system of a fixed wing turbine powered aircraft;
- 104 (ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered aircraft
- 105 engine;
- 106 (iii) perform at least the following maintenance on a fixed wing turbine powered
- 107 aircraft:
- 108 (A) an inspection;
- 109 (B) a repair, including a structural repair or modification;
- 110 (C) changing landing gear; and
- 111 (D) addressing issues related to an aging fixed wing turbine powered aircraft;
- 112 (iv) completely remove the existing paint of a fixed wing turbine powered aircraft and
- 113 completely apply new paint to the fixed wing turbine powered aircraft; and
- 114 (v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that
- 115 results in a change in the fixed wing turbine powered aircraft's certification requirements by the
- 116 authority that certifies the fixed wing turbine powered aircraft.
- 117 (9) "Alcoholic beverage" means a beverage that:
- 118 (a) is suitable for human consumption; and
- 119 (b) contains .5% or more alcohol by volume.
- 120 (10) "Alternative energy" means:

- 121 (a) biomass energy;
- 122 (b) geothermal energy;
- 123 (c) hydroelectric energy;
- 124 (d) solar energy;
- 125 (e) wind energy; or
- 126 (f) energy that is derived from:
  - 127 (i) coal-to-liquids;
  - 128 (ii) nuclear fuel;
  - 129 (iii) oil-impregnated diatomaceous earth;
  - 130 (iv) oil sands;
  - 131 (v) oil shale;
  - 132 (vi) petroleum coke; or
  - 133 (vii) waste heat from:
    - 134 (A) an industrial facility; or
    - 135 (B) a power station in which an electric generator is driven through a process in which
    - 136 water is heated, turns into steam, and spins a steam turbine.
- 137 (11) (a) Subject to Subsection (11)(b), "alternative energy electricity production
- 138 facility" means a facility that:
  - 139 (i) uses alternative energy to produce electricity; and
  - 140 (ii) has a production capacity of two megawatts or greater.
- 141 (b) A facility is an alternative energy electricity production facility regardless of
- 142 whether the facility is:
  - 143 (i) connected to an electric grid; or
  - 144 (ii) located on the premises of an electricity consumer.
- 145 (12) (a) "Ancillary service" means a service associated with, or incidental to, the
- 146 provision of telecommunications service.
  - 147 (b) "Ancillary service" includes:
    - 148 (i) a conference bridging service;
    - 149 (ii) a detailed communications billing service;
    - 150 (iii) directory assistance;
    - 151 (iv) a vertical service; or

152 (v) a voice mail service.

153 (13) "Area agency on aging" [~~is as~~] means the same as that term is defined in Section  
154 62A-3-101.

155 (14) "Assisted amusement device" means an amusement device, skill device, or ride  
156 device that is started and stopped by an individual:

157 (a) who is not the purchaser or renter of the right to use or operate the amusement  
158 device, skill device, or ride device; and

159 (b) at the direction of the seller of the right to use the amusement device, skill device,  
160 or ride device.

161 (15) "Assisted cleaning or washing of tangible personal property" means cleaning or  
162 washing of tangible personal property if the cleaning or washing labor is primarily performed  
163 by an individual:

164 (a) who is not the purchaser of the cleaning or washing of the tangible personal  
165 property; and

166 (b) at the direction of the seller of the cleaning or washing of the tangible personal  
167 property.

168 (16) "Authorized carrier" means:

169 (a) in the case of vehicles operated over public highways, the holder of credentials  
170 indicating that the vehicle is or will be operated pursuant to both the International Registration  
171 Plan and the International Fuel Tax Agreement;

172 (b) in the case of aircraft, the holder of a Federal Aviation Administration operating  
173 certificate or air carrier's operating certificate; or

174 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling  
175 stock, a person who uses locomotives, freight cars, railroad work equipment, or other rolling  
176 stock in more than one state.

177 (17) (a) Except as provided in Subsection (17)(b), "biomass energy" means any of the  
178 following that is used as the primary source of energy to produce fuel or electricity:

179 (i) material from a plant or tree; or

180 (ii) other organic matter that is available on a renewable basis, including:

181 (A) slash and brush from forests and woodlands;

182 (B) animal waste;

- 183 (C) waste vegetable oil;
- 184 (D) methane or synthetic gas produced at a landfill, as a byproduct of the treatment of  
185 wastewater residuals, or through the conversion of a waste material through a nonincineration,  
186 thermal conversion process;
- 187 (E) aquatic plants; and
- 188 (F) agricultural products.
- 189 (b) "Biomass energy" does not include:
- 190 (i) black liquor; or
- 191 (ii) treated woods.
- 192 (18) (a) "Bundled transaction" means the sale of two or more items of tangible personal  
193 property, products, or services if the tangible personal property, products, or services are:
- 194 (i) distinct and identifiable; and
- 195 (ii) sold for one nonitemized price.
- 196 (b) "Bundled transaction" does not include:
- 197 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on  
198 the basis of the selection by the purchaser of the items of tangible personal property included in  
199 the transaction;
- 200 (ii) the sale of real property;
- 201 (iii) the sale of services to real property;
- 202 (iv) the retail sale of tangible personal property and a service if:
- 203 (A) the tangible personal property:
- 204 (I) is essential to the use of the service; and
- 205 (II) is provided exclusively in connection with the service; and
- 206 (B) the service is the true object of the transaction;
- 207 (v) the retail sale of two services if:
- 208 (A) one service is provided that is essential to the use or receipt of a second service;
- 209 (B) the first service is provided exclusively in connection with the second service; and
- 210 (C) the second service is the true object of the transaction;
- 211 (vi) a transaction that includes tangible personal property or a product subject to  
212 taxation under this chapter and tangible personal property or a product that is not subject to  
213 taxation under this chapter if the:

214 (A) seller's purchase price of the tangible personal property or product subject to  
215 taxation under this chapter is de minimis; or

216 (B) seller's sales price of the tangible personal property or product subject to taxation  
217 under this chapter is de minimis; and

218 (vii) the retail sale of tangible personal property that is not subject to taxation under  
219 this chapter and tangible personal property that is subject to taxation under this chapter if:

220 (A) that retail sale includes:

221 (I) food and food ingredients;

222 (II) a drug;

223 (III) durable medical equipment;

224 (IV) mobility enhancing equipment;

225 (V) an over-the-counter drug;

226 (VI) a prosthetic device; or

227 (VII) a medical supply; and

228 (B) subject to Subsection (18)(f):

229 (I) the seller's purchase price of the tangible personal property subject to taxation under  
230 this chapter is 50% or less of the seller's total purchase price of that retail sale; or

231 (II) the seller's sales price of the tangible personal property subject to taxation under  
232 this chapter is 50% or less of the seller's total sales price of that retail sale.

233 (c) (i) For purposes of Subsection (18)(a)(i), tangible personal property, a product, or a  
234 service that is distinct and identifiable does not include:

235 (A) packaging that:

236 (I) accompanies the sale of the tangible personal property, product, or service; and

237 (II) is incidental or immaterial to the sale of the tangible personal property, product, or  
238 service;

239 (B) tangible personal property, a product, or a service provided free of charge with the  
240 purchase of another item of tangible personal property, a product, or a service; or

241 (C) an item of tangible personal property, a product, or a service included in the  
242 definition of "purchase price."

243 (ii) For purposes of Subsection (18)(c)(i)(B), an item of tangible personal property, a  
244 product, or a service is provided free of charge with the purchase of another item of tangible



245 personal property, a product, or a service if the sales price of the purchased item of tangible  
246 personal property, product, or service does not vary depending on the inclusion of the tangible  
247 personal property, product, or service provided free of charge.

248 (d) (i) For purposes of Subsection (18)(a)(ii), property sold for one nonitemized price  
249 does not include a price that is separately identified by tangible personal property, product, or  
250 service on the following, regardless of whether the following is in paper format or electronic  
251 format:

252 (A) a binding sales document; or

253 (B) another supporting sales-related document that is available to a purchaser.

254 (ii) For purposes of Subsection (18)(d)(i), a binding sales document or another  
255 supporting sales-related document that is available to a purchaser includes:

256 (A) a bill of sale;

257 (B) a contract;

258 (C) an invoice;

259 (D) a lease agreement;

260 (E) a periodic notice of rates and services;

261 (F) a price list;

262 (G) a rate card;

263 (H) a receipt; or

264 (I) a service agreement.

265 (e) (i) For purposes of Subsection (18)(b)(vi), the sales price of tangible personal  
266 property or a product subject to taxation under this chapter is de minimis if:

267 (A) the seller's purchase price of the tangible personal property or product is 10% or  
268 less of the seller's total purchase price of the bundled transaction; or

269 (B) the seller's sales price of the tangible personal property or product is 10% or less of  
270 the seller's total sales price of the bundled transaction.

271 (ii) For purposes of Subsection (18)(b)(vi), a seller:

272 (A) shall use the seller's purchase price or the seller's sales price to determine if the  
273 purchase price or sales price of the tangible personal property or product subject to taxation  
274 under this chapter is de minimis; and

275 (B) may not use a combination of the seller's purchase price and the seller's sales price

276 to determine if the purchase price or sales price of the tangible personal property or product  
277 subject to taxation under this chapter is de minimis.

278 (iii) For purposes of Subsection (18)(b)(vi), a seller shall use the full term of a service  
279 contract to determine if the sales price of tangible personal property or a product is de minimis.

280 (f) For purposes of Subsection (18)(b)(vii)(B), a seller may not use a combination of  
281 the seller's purchase price and the seller's sales price to determine if tangible personal property  
282 subject to taxation under this chapter is 50% or less of the seller's total purchase price or sales  
283 price of that retail sale.

284 (19) "Certified automated system" means software certified by the governing board of  
285 the agreement that:

286 (a) calculates the agreement sales and use tax imposed within a local taxing  
287 jurisdiction:

288 (i) on a transaction; and

289 (ii) in the states that are members of the agreement;

290 (b) determines the amount of agreement sales and use tax to remit to a state that is a  
291 member of the agreement; and

292 (c) maintains a record of the transaction described in Subsection (19)(a)(i).

293 (20) "Certified service provider" means an agent certified:

294 (a) by the governing board of the agreement; and

295 (b) to perform all of a seller's sales and use tax functions for an agreement sales and  
296 use tax other than the seller's obligation under Section [59-12-124](#) to remit a tax on the seller's  
297 own purchases.

298 (21) (a) Subject to Subsection (21)(b), "clothing" means all human wearing apparel  
299 suitable for general use.

300 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
301 commission shall make rules:

302 (i) listing the items that constitute "clothing"; and

303 (ii) that are consistent with the list of items that constitute "clothing" under the  
304 agreement.

305 (22) "Coal-to-liquid" means the process of converting coal into a liquid synthetic fuel.

306 (23) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other

307 fuels that does not constitute industrial use under Subsection (56) or residential use under  
308 Subsection (106).

309 (24) (a) "Common carrier" means a person engaged in or transacting the business of  
310 transporting passengers, freight, merchandise, or other property for hire within this state.

311 (b) (i) "Common carrier" does not include a person who, at the time the person is  
312 traveling to or from that person's place of employment, transports a passenger to or from the  
313 passenger's place of employment.

314 (ii) For purposes of Subsection (24)(b)(i), in accordance with Title 63G, Chapter 3,  
315 Utah Administrative Rulemaking Act, the commission may make rules defining what  
316 constitutes a person's place of employment.

317 (c) "Common carrier" does not include a person that provides transportation network  
318 services, as defined in Section [13-51-102](#).

319 (25) "Component part" includes:

320 (a) poultry, dairy, and other livestock feed, and their components;

321 (b) baling ties and twine used in the baling of hay and straw;

322 (c) fuel used for providing temperature control of orchards and commercial  
323 greenhouses doing a majority of their business in wholesale sales, and for providing power for  
324 off-highway type farm machinery; and

325 (d) feed, seeds, and seedlings.

326 (26) "Computer" means an electronic device that accepts information:

327 (a) (i) in digital form; or

328 (ii) in a form similar to digital form; and

329 (b) manipulates that information for a result based on a sequence of instructions.

330 (27) "Computer software" means a set of coded instructions designed to cause:

331 (a) a computer to perform a task; or

332 (b) automatic data processing equipment to perform a task.

333 (28) "Computer software maintenance contract" means a contract that obligates a seller  
334 of computer software to provide a customer with:

335 (a) future updates or upgrades to computer software;

336 (b) support services with respect to computer software; or

337 (c) a combination of Subsections (28)(a) and (b).

338 (29) (a) "Conference bridging service" means an ancillary service that links two or  
339 more participants of an audio conference call or video conference call.

340 (b) "Conference bridging service" may include providing a telephone number as part of  
341 the ancillary service described in Subsection (29)(a).

342 (c) "Conference bridging service" does not include a telecommunications service used  
343 to reach the ancillary service described in Subsection (29)(a).

344 (30) "Construction materials" means any tangible personal property that will be  
345 converted into real property.

346 (31) "Delivered electronically" means delivered to a purchaser by means other than  
347 tangible storage media.

348 (32) (a) "Delivery charge" means a charge:

349 (i) by a seller of:

350 (A) tangible personal property;

351 (B) a product transferred electronically; or

352 (C) services; and

353 (ii) for preparation and delivery of the tangible personal property, product transferred  
354 electronically, or services described in Subsection (32)(a)(i) to a location designated by the  
355 purchaser.

356 (b) "Delivery charge" includes a charge for the following:

357 (i) transportation;

358 (ii) shipping;

359 (iii) postage;

360 (iv) handling;

361 (v) crating; or

362 (vi) packing.

363 (33) "Detailed telecommunications billing service" means an ancillary service of  
364 separately stating information pertaining to individual calls on a customer's billing statement.

365 (34) "Dietary supplement" means a product, other than tobacco, that:

366 (a) is intended to supplement the diet;

367 (b) contains one or more of the following dietary ingredients:

368 (i) a vitamin;

- 369 (ii) a mineral;
- 370 (iii) an herb or other botanical;
- 371 (iv) an amino acid;
- 372 (v) a dietary substance for use by humans to supplement the diet by increasing the total  
373 dietary intake; or
- 374 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient  
375 described in Subsections (34)(b)(i) through (v);
- 376 (c) (i) except as provided in Subsection (34)(c)(ii), is intended for ingestion in:
- 377 (A) tablet form;
- 378 (B) capsule form;
- 379 (C) powder form;
- 380 (D) softgel form;
- 381 (E) gelcap form; or
- 382 (F) liquid form; or
- 383 (ii) if the product is not intended for ingestion in a form described in Subsections  
384 (34)(c)(i)(A) through (F), is not represented:
- 385 (A) as conventional food; and
- 386 (B) for use as a sole item of:
- 387 (I) a meal; or
- 388 (II) the diet; and
- 389 (d) is required to be labeled as a dietary supplement:
- 390 (i) identifiable by the "Supplemental Facts" box found on the label; and
- 391 (ii) as required by 21 C.F.R. Sec. 101.36.
- 392 (35) "Digital audio-visual work" means a series of related images which, when shown  
393 in succession, imparts an impression of motion, together with accompanying sounds, if any.
- 394 (36) (a) "Digital audio work" means a work that results from the fixation of a series of  
395 musical, spoken, or other sounds.
- 396 (b) "Digital audio work" includes a ringtone.
- 397 (37) "Digital book" means a work that is generally recognized in the ordinary and usual  
398 sense as a book.
- 399 (38) (a) "Direct mail" means printed material delivered or distributed by United States

400 mail or other delivery service:

401 (i) to:

402 (A) a mass audience; or

403 (B) addressees on a mailing list provided:

404 (I) by a purchaser of the mailing list; or

405 (II) at the discretion of the purchaser of the mailing list; and

406 (ii) if the cost of the printed material is not billed directly to the recipients.

407 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a

408 purchaser to a seller of direct mail for inclusion in a package containing the printed material.

409 (c) "Direct mail" does not include multiple items of printed material delivered to a

410 single address.

411 (39) "Directory assistance" means an ancillary service of providing:

412 (a) address information; or

413 (b) telephone number information.

414 (40) (a) "Disposable home medical equipment or supplies" means medical equipment

415 or supplies that:

416 (i) cannot withstand repeated use; and

417 (ii) are purchased by, for, or on behalf of a person other than:

418 (A) a health care facility as defined in Section [26-21-2](#);

419 (B) a health care provider as defined in Section [78B-3-403](#);

420 (C) an office of a health care provider described in Subsection (40)(a)(ii)(B); or

421 (D) a person similar to a person described in Subsections (40)(a)(ii)(A) through (C).

422 (b) "Disposable home medical equipment or supplies" does not include:

423 (i) a drug;

424 (ii) durable medical equipment;

425 (iii) a hearing aid;

426 (iv) a hearing aid accessory;

427 (v) mobility enhancing equipment; or

428 (vi) tangible personal property used to correct impaired vision, including:

429 (A) eyeglasses; or

430 (B) contact lenses.

431 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
432 commission may by rule define what constitutes medical equipment or supplies.

433 (41) "Drilling equipment manufacturer" means a facility:

434 (a) located in the state;

435 (b) with respect to which 51% or more of the manufacturing activities of the facility  
436 consist of manufacturing component parts of drilling equipment;

437 (c) that uses pressure of 800,000 or more pounds per square inch as part of the  
438 manufacturing process; and

439 (d) that uses a temperature of 2,000 or more degrees Fahrenheit as part of the  
440 manufacturing process.

441 (42) (a) "Drug" means a compound, substance, or preparation, or a component of a  
442 compound, substance, or preparation that is:

443 (i) recognized in:

444 (A) the official United States Pharmacopoeia;

445 (B) the official Homeopathic Pharmacopoeia of the United States;

446 (C) the official National Formulary; or

447 (D) a supplement to a publication listed in Subsections (42)(a)(i)(A) through (C);

448 (ii) intended for use in the:

449 (A) diagnosis of disease;

450 (B) cure of disease;

451 (C) mitigation of disease;

452 (D) treatment of disease; or

453 (E) prevention of disease; or

454 (iii) intended to affect:

455 (A) the structure of the body; or

456 (B) any function of the body.

457 (b) "Drug" does not include:

458 (i) food and food ingredients;

459 (ii) a dietary supplement;

460 (iii) an alcoholic beverage; or

461 (iv) a prosthetic device.

462 (43) (a) Except as provided in Subsection (43)(c), "durable medical equipment" means  
463 equipment that:

- 464 (i) can withstand repeated use;
- 465 (ii) is primarily and customarily used to serve a medical purpose;
- 466 (iii) generally is not useful to a person in the absence of illness or injury; and
- 467 (iv) is not worn in or on the body.

468 (b) "Durable medical equipment" includes parts used in the repair or replacement of the  
469 equipment described in Subsection (43)(a).

470 (c) "Durable medical equipment" does not include mobility enhancing equipment.

471 (44) "Electronic" means:

- 472 (a) relating to technology; and
- 473 (b) having:
  - 474 (i) electrical capabilities;
  - 475 (ii) digital capabilities;
  - 476 (iii) magnetic capabilities;
  - 477 (iv) wireless capabilities;
  - 478 (v) optical capabilities;
  - 479 (vi) electromagnetic capabilities; or
  - 480 (vii) capabilities similar to Subsections (44)(b)(i) through (vi).

481 (45) "Electronic financial payment service" means an establishment:

- 482 (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and  
483 Clearinghouse Activities, of the 2012 North American Industry Classification System of the  
484 federal Executive Office of the President, Office of Management and Budget; and
- 485 (b) that performs electronic financial payment services.

486 (46) "Employee" [~~is as~~] means the same as that term is defined in Section 59-10-401.

487 (47) "Fixed guideway" means a public transit facility that uses and occupies:

- 488 (a) rail for the use of public transit; or
- 489 (b) a separate right-of-way for the use of public transit.

490 (48) "Fixed wing turbine powered aircraft" means an aircraft that:

- 491 (a) is powered by turbine engines;
- 492 (b) operates on jet fuel; and



- 493 (c) has wings that are permanently attached to the fuselage of the aircraft.
- 494 (49) "Fixed wireless service" means a telecommunications service that provides radio  
495 communication between fixed points.
- 496 (50) (a) "Food and food ingredients" means substances:
- 497 (i) regardless of whether the substances are in:
- 498 (A) liquid form;
- 499 (B) concentrated form;
- 500 (C) solid form;
- 501 (D) frozen form;
- 502 (E) dried form; or
- 503 (F) dehydrated form; and
- 504 (ii) that are:
- 505 (A) sold for:
- 506 (I) ingestion by humans; or
- 507 (II) chewing by humans; and
- 508 (B) consumed for the substance's:
- 509 (I) taste; or
- 510 (II) nutritional value.
- 511 (b) "Food and food ingredients" includes an item described in Subsection (91)(b)(iii).
- 512 (c) "Food and food ingredients" does not include:
- 513 (i) an alcoholic beverage;
- 514 (ii) tobacco; or
- 515 (iii) prepared food.
- 516 (51) (a) "Fundraising sales" means sales:
- 517 (i) (A) made by a school; or
- 518 (B) made by a school student;
- 519 (ii) that are for the purpose of raising funds for the school to purchase equipment,  
520 materials, or provide transportation; and
- 521 (iii) that are part of an officially sanctioned school activity.
- 522 (b) For purposes of Subsection (51)(a)(iii), "officially sanctioned school activity"  
523 means a school activity:

524 (i) that is conducted in accordance with a formal policy adopted by the school or school  
525 district governing the authorization and supervision of fundraising activities;

526 (ii) that does not directly or indirectly compensate an individual teacher or other  
527 educational personnel by direct payment, commissions, or payment in kind; and

528 (iii) the net or gross revenues from which are deposited in a dedicated account  
529 controlled by the school or school district.

530 (52) "Geothermal energy" means energy contained in heat that continuously flows  
531 outward from the earth that is used as the sole source of energy to produce electricity.

532 (53) "Governing board of the agreement" means the governing board of the agreement  
533 that is:

534 (a) authorized to administer the agreement; and

535 (b) established in accordance with the agreement.

536 (54) (a) For purposes of Subsection 59-12-104(41), "governmental entity" means:

537 (i) the executive branch of the state, including all departments, institutions, boards,  
538 divisions, bureaus, offices, commissions, and committees;

539 (ii) the judicial branch of the state, including the courts, the Judicial Council, the  
540 Office of the Court Administrator, and similar administrative units in the judicial branch;

541 (iii) the legislative branch of the state, including the House of Representatives, the  
542 Senate, the Legislative Printing Office, the Office of Legislative Research and General  
543 Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal  
544 Analyst;

545 (iv) the National Guard;

546 (v) an independent entity as defined in Section 63E-1-102; or

547 (vi) a political subdivision as defined in Section 17B-1-102.

548 (b) "Governmental entity" does not include the state systems of public and higher  
549 education, including:

550 (i) an applied technology college within the Utah College of Applied Technology;

551 (ii) a school;

552 (iii) the State Board of Education;

553 (iv) the State Board of Regents; or

554 (v) an institution of higher education.

555 (55) "Hunting" means to locate, pursue, chase, catch, capture, trap, or kill wildlife.

556 (56) "Hunting guide services" means to guide, lead, or assist an individual in hunting  
557 wildlife.

558 [~~55~~] (57) "Hydroelectric energy" means water used as the sole source of energy to  
559 produce electricity.

560 [~~56~~] (58) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil,  
561 or other fuels:

562 (a) in mining or extraction of minerals;

563 (b) in agricultural operations to produce an agricultural product up to the time of  
564 harvest or placing the agricultural product into a storage facility, including:

565 (i) commercial greenhouses;

566 (ii) irrigation pumps;

567 (iii) farm machinery;

568 (iv) implements of husbandry as defined in Section [41-1a-102](#) that are not registered  
569 under Title 41, Chapter 1a, Part 2, Registration; and

570 (v) other farming activities;

571 (c) in manufacturing tangible personal property at an establishment described in SIC  
572 Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of the federal  
573 Executive Office of the President, Office of Management and Budget;

574 (d) by a scrap recycler if:

575 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process  
576 one or more of the following items into prepared grades of processed materials for use in new  
577 products:

578 (A) iron;

579 (B) steel;

580 (C) nonferrous metal;

581 (D) paper;

582 (E) glass;

583 (F) plastic;

584 (G) textile; or

585 (H) rubber; and

586 (ii) the new products under Subsection [~~(56)~~] (58)(d)(i) would otherwise be made with  
587 nonrecycled materials; or

588 (e) in producing a form of energy or steam described in Subsection 54-2-1(2)(a) by a  
589 cogeneration facility as defined in Section 54-2-1.

590 [~~(57)~~] (59) (a) Except as provided in Subsection [~~(57)~~] (59)(b), "installation charge"  
591 means a charge for installing:

592 (i) tangible personal property; or

593 (ii) a product transferred electronically.

594 (b) "Installation charge" does not include a charge for:

595 (i) repairs or renovations of:

596 (A) tangible personal property; or

597 (B) a product transferred electronically; or

598 (ii) attaching tangible personal property or a product transferred electronically:

599 (A) to other tangible personal property; and

600 (B) as part of a manufacturing or fabrication process.

601 [~~(58)~~] (60) "Institution of higher education" means an institution of higher education  
602 listed in Section 53B-2-101.

603 [~~(59)~~] (61) (a) "Lease" or "rental" means a transfer of possession or control of tangible  
604 personal property or a product transferred electronically for:

605 (i) (A) a fixed term; or

606 (B) an indeterminate term; and

607 (ii) consideration.

608 (b) "Lease" or "rental" includes an agreement covering a motor vehicle and trailer if the  
609 amount of consideration may be increased or decreased by reference to the amount realized  
610 upon sale or disposition of the property as defined in Section 7701(h)(1), Internal Revenue  
611 Code.

612 (c) "Lease" or "rental" does not include:

613 (i) a transfer of possession or control of property under a security agreement or  
614 deferred payment plan that requires the transfer of title upon completion of the required  
615 payments;

616 (ii) a transfer of possession or control of property under an agreement that requires the

617 transfer of title:

618 (A) upon completion of required payments; and

619 (B) if the payment of an option price does not exceed the greater of:

620 (I) \$100; or

621 (II) 1% of the total required payments; or

622 (iii) providing tangible personal property along with an operator for a fixed period of

623 time or an indeterminate period of time if the operator is necessary for equipment to perform as

624 designed.

625 (d) For purposes of Subsection [~~(59)~~] (61)(c)(iii), an operator is necessary for

626 equipment to perform as designed if the operator's duties exceed the:

627 (i) set-up of tangible personal property;

628 (ii) maintenance of tangible personal property; or

629 (iii) inspection of tangible personal property.

630 [~~(60)~~] (62) "Life science establishment" means an establishment in this state that is

631 classified under the following NAICS codes of the 2007 North American Industry

632 Classification System of the federal Executive Office of the President, Office of Management

633 and Budget:

634 (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;

635 (b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus

636 Manufacturing; or

637 (c) NAICS Code 334517, Irradiation Apparatus Manufacturing.

638 [~~(61)~~] (63) "Life science research and development facility" means a facility owned,

639 leased, or rented by a life science establishment if research and development is performed in

640 51% or more of the total area of the facility.

641 [~~(62)~~] (64) "Load and leave" means delivery to a purchaser by use of a tangible storage

642 media if the tangible storage media is not physically transferred to the purchaser.

643 [~~(63)~~] (65) "Local taxing jurisdiction" means a:

644 (a) county that is authorized to impose an agreement sales and use tax;

645 (b) city that is authorized to impose an agreement sales and use tax; or

646 (c) town that is authorized to impose an agreement sales and use tax.

647 [~~(64)~~] (66) "Manufactured home" [~~is as~~] means the same as that term is defined in

648 Section 15A-1-302.

649 [(65)] (67) "Manufacturing facility" means:

650 (a) an establishment described in SIC Codes 2000 to 3999 of the 1987 Standard  
651 Industrial Classification Manual of the federal Executive Office of the President, Office of  
652 Management and Budget;

653 (b) a scrap recycler if:

654 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process  
655 one or more of the following items into prepared grades of processed materials for use in new  
656 products:

657 (A) iron;

658 (B) steel;

659 (C) nonferrous metal;

660 (D) paper;

661 (E) glass;

662 (F) plastic;

663 (G) textile; or

664 (H) rubber; and

665 (ii) the new products under Subsection [(65)] (67)(b)(i) would otherwise be made with  
666 nonrecycled materials; or

667 (c) a cogeneration facility as defined in Section 54-2-1 if the cogeneration facility is  
668 placed in service on or after May 1, 2006.

669 [(66)] (68) "Member of the immediate family of the producer" means a person who is  
670 related to a producer described in Subsection 59-12-104(20)(a) as a:

671 (a) child or stepchild, regardless of whether the child or stepchild is:

672 (i) an adopted child or adopted stepchild; or

673 (ii) a foster child or foster stepchild;

674 (b) grandchild or stepgrandchild;

675 (c) grandparent or stepgrandparent;

676 (d) nephew or stepnephew;

677 (e) niece or stepniece;

678 (f) parent or stepparent;

679 (g) sibling or stepsibling;

680 (h) spouse;

681 (i) person who is the spouse of a person described in Subsections ~~[(66)]~~ (68)(a) through  
682 (g); or

683 (j) person similar to a person described in Subsections ~~[(66)]~~ (68)(a) through (i) as  
684 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah  
685 Administrative Rulemaking Act.

686 ~~[(67)]~~ (69) "Mobile home" ~~[is as]~~ means the same as that term is defined in Section  
687 15A-1-302.

688 ~~[(68)]~~ (70) "Mobile telecommunications service" ~~[is as]~~ means the same as that term is  
689 defined in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

690 ~~[(69)]~~ (71) (a) "Mobile wireless service" means a telecommunications service,  
691 regardless of the technology used, if:

692 (i) the origination point of the conveyance, routing, or transmission is not fixed;

693 (ii) the termination point of the conveyance, routing, or transmission is not fixed; or

694 (iii) the origination point described in Subsection ~~[(69)]~~ (71)(a)(i) and the termination  
695 point described in Subsection ~~[(69)]~~ (71)(a)(ii) are not fixed.

696 (b) "Mobile wireless service" includes a telecommunications service that is provided  
697 by a commercial mobile radio service provider.

698 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
699 commission may by rule define "commercial mobile radio service provider."

700 ~~[(70)]~~ (72) (a) Except as provided in Subsection ~~[(70)]~~ (72)(c), "mobility enhancing  
701 equipment" means equipment that is:

702 (i) primarily and customarily used to provide or increase the ability to move from one  
703 place to another;

704 (ii) appropriate for use in a:

705 (A) home; or

706 (B) motor vehicle; and

707 (iii) not generally used by persons with normal mobility.

708 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of  
709 the equipment described in Subsection ~~[(70)]~~ (72)(a).

- 710 (c) "Mobility enhancing equipment" does not include:  
711 (i) a motor vehicle;  
712 (ii) equipment on a motor vehicle if that equipment is normally provided by the motor  
713 vehicle manufacturer;  
714 (iii) durable medical equipment; or  
715 (iv) a prosthetic device.

716 ~~[(71)]~~ (73) "Model 1 seller" means a seller registered under the agreement that has  
717 selected a certified service provider as the seller's agent to perform all of the seller's sales and  
718 use tax functions for agreement sales and use taxes other than the seller's obligation under  
719 Section 59-12-124 to remit a tax on the seller's own purchases.

720 ~~[(72)]~~ (74) "Model 2 seller" means a seller registered under the agreement that:

- 721 (a) except as provided in Subsection ~~[(72)]~~ (74)(b), has selected a certified automated  
722 system to perform the seller's sales tax functions for agreement sales and use taxes; and  
723 (b) retains responsibility for remitting all of the sales tax:  
724 (i) collected by the seller; and  
725 (ii) to the appropriate local taxing jurisdiction.

726 ~~[(73)]~~ (75) (a) Subject to Subsection ~~[(73)]~~ (75)(b), "model 3 seller" means a seller  
727 registered under the agreement that has:

- 728 (i) sales in at least five states that are members of the agreement;  
729 (ii) total annual sales revenues of at least \$500,000,000;  
730 (iii) a proprietary system that calculates the amount of tax:  
731 (A) for an agreement sales and use tax; and  
732 (B) due to each local taxing jurisdiction; and  
733 (iv) entered into a performance agreement with the governing board of the agreement.

734 (b) For purposes of Subsection ~~[(73)]~~ (75)(a), "model 3 seller" includes an affiliated  
735 group of sellers using the same proprietary system.

736 ~~[(74)]~~ (76) "Model 4 seller" means a seller that is registered under the agreement and is  
737 not a model 1 seller, model 2 seller, or model 3 seller.

738 ~~[(75)]~~ (77) "Modular home" means a modular unit as defined in Section 15A-1-302.

739 ~~[(76)]~~ (78) "Motor vehicle" ~~[is as]~~ means the same as that term is defined in Section  
740 41-1a-102.



741 [~~(77)~~] (79) "Oil sands" means impregnated bituminous sands that:

742 (a) contain a heavy, thick form of petroleum that is released when heated, mixed with  
743 other hydrocarbons, or otherwise treated;

744 (b) yield mixtures of liquid hydrocarbon; and

745 (c) require further processing other than mechanical blending before becoming finished  
746 petroleum products.

747 [~~(78)~~] (80) "Oil shale" means a group of fine black to dark brown shales containing  
748 kerogen material that yields petroleum upon heating and distillation.

749 [~~(79)~~] (81) "Optional computer software maintenance contract" means a computer  
750 software maintenance contract that a customer is not obligated to purchase as a condition to the  
751 retail sale of computer software.

752 [~~(80)~~] (82) (a) "Other fuels" means products that burn independently to produce heat or  
753 energy.

754 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible  
755 personal property.

756 (83) "Outfitting services" means providing, for hunting wildlife:

757 (a) transportation of individuals, equipment, supplies, or wildlife to or from a location;

758 (b) packing, protecting, or supervising services; or

759 (c) hunting guide services.

760 [~~(81)~~] (84) (a) "Paging service" means a telecommunications service that provides  
761 transmission of a coded radio signal for the purpose of activating a specific pager.

762 (b) For purposes of Subsection [~~(81)~~] (84)(a), the transmission of a coded radio signal  
763 includes a transmission by message or sound.

764 [~~(82)~~] (85) "Pawnbroker" [~~is as~~] means the same as that term is defined in Section  
765 13-32a-102.

766 [~~(83)~~] (86) "Pawn transaction" [~~is as~~] means the same as that term is defined in Section  
767 13-32a-102.

768 [~~(84)~~] (87) (a) "Permanently attached to real property" means that for tangible personal  
769 property attached to real property:

770 (i) the attachment of the tangible personal property to the real property:

771 (A) is essential to the use of the tangible personal property; and

772 (B) suggests that the tangible personal property will remain attached to the real  
773 property in the same place over the useful life of the tangible personal property; or  
774 (ii) if the tangible personal property is detached from the real property, the detachment  
775 would:

776 (A) cause substantial damage to the tangible personal property; or  
777 (B) require substantial alteration or repair of the real property to which the tangible  
778 personal property is attached.

779 (b) "Permanently attached to real property" includes:  
780 (i) the attachment of an accessory to the tangible personal property if the accessory is:  
781 (A) essential to the operation of the tangible personal property; and  
782 (B) attached only to facilitate the operation of the tangible personal property;  
783 (ii) a temporary detachment of tangible personal property from real property for a  
784 repair or renovation if the repair or renovation is performed where the tangible personal  
785 property and real property are located; or  
786 (iii) property attached to oil, gas, or water pipelines, except for the property listed in  
787 Subsection [~~84~~] (87)(c)(iii) or (iv).

788 (c) "Permanently attached to real property" does not include:  
789 (i) the attachment of portable or movable tangible personal property to real property if  
790 that portable or movable tangible personal property is attached to real property only for:  
791 (A) convenience;  
792 (B) stability; or  
793 (C) for an obvious temporary purpose;  
794 (ii) the detachment of tangible personal property from real property except for the  
795 detachment described in Subsection [~~84~~] (87)(b)(ii);  
796 (iii) an attachment of the following tangible personal property to real property if the  
797 attachment to real property is only through a line that supplies water, electricity, gas,  
798 telecommunications, cable, or supplies a similar item as determined by the commission by rule  
799 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:

800 (A) a computer;  
801 (B) a telephone;  
802 (C) a television; or

803 (D) tangible personal property similar to Subsections ~~[(84)]~~ (87)(c)(iii)(A) through (C)  
804 as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah  
805 Administrative Rulemaking Act; or

806 (iv) an item listed in Subsection ~~[(125)]~~ (128)(c).

807 ~~[(85)]~~ (88) "Person" includes any individual, firm, partnership, joint venture,  
808 association, corporation, estate, trust, business trust, receiver, syndicate, this state, any county,  
809 city, municipality, district, or other local governmental entity of the state, or any group or  
810 combination acting as a unit.

811 ~~[(86)]~~ (89) "Place of primary use":

812 (a) for telecommunications service other than mobile telecommunications service,  
813 means the street address representative of where the customer's use of the telecommunications  
814 service primarily occurs, which shall be:

815 (i) the residential street address of the customer; or

816 (ii) the primary business street address of the customer; or

817 (b) for mobile telecommunications service, is as defined in the Mobile  
818 Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

819 ~~[(87)]~~ (90) (a) "Postpaid calling service" means a telecommunications service a person  
820 obtains by making a payment on a call-by-call basis:

821 (i) through the use of a:

822 (A) bank card;

823 (B) credit card;

824 (C) debit card; or

825 (D) travel card; or

826 (ii) by a charge made to a telephone number that is not associated with the origination  
827 or termination of the telecommunications service.

828 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling  
829 service, that would be a prepaid wireless calling service if the service were exclusively a  
830 telecommunications service.

831 ~~[(88)]~~ (91) "Postproduction" means an activity related to the finishing or duplication of  
832 a medium described in Subsection 59-12-104(54)(a).

833 ~~[(89)]~~ (92) "Prepaid calling service" means a telecommunications service:

834 (a) that allows a purchaser access to telecommunications service that is exclusively  
835 telecommunications service;

836 (b) that:

837 (i) is paid for in advance; and

838 (ii) enables the origination of a call using an:

839 (A) access number; or

840 (B) authorization code;

841 (c) that is dialed:

842 (i) manually; or

843 (ii) electronically; and

844 (d) sold in predetermined units or dollars that decline:

845 (i) by a known amount; and

846 (ii) with use.

847 [~~90~~] (93) "Prepaid wireless calling service" means a telecommunications service:

848 (a) that provides the right to utilize:

849 (i) mobile wireless service; and

850 (ii) other service that is not a telecommunications service, including:

851 (A) the download of a product transferred electronically;

852 (B) a content service; or

853 (C) an ancillary service;

854 (b) that:

855 (i) is paid for in advance; and

856 (ii) enables the origination of a call using an:

857 (A) access number; or

858 (B) authorization code;

859 (c) that is dialed:

860 (i) manually; or

861 (ii) electronically; and

862 (d) sold in predetermined units or dollars that decline:

863 (i) by a known amount; and

864 (ii) with use.

- 865            [~~(91)~~] (94) (a) "Prepared food" means:
- 866            (i) food:
- 867            (A) sold in a heated state; or
- 868            (B) heated by a seller;
- 869            (ii) two or more food ingredients mixed or combined by the seller for sale as a single
- 870 item; or
- 871            (iii) except as provided in Subsection [~~(91)~~] (94)(c), food sold with an eating utensil
- 872 provided by the seller, including a:
- 873            (A) plate;
- 874            (B) knife;
- 875            (C) fork;
- 876            (D) spoon;
- 877            (E) glass;
- 878            (F) cup;
- 879            (G) napkin; or
- 880            (H) straw.
- 881            (b) "Prepared food" does not include:
- 882            (i) food that a seller only:
- 883            (A) cuts;
- 884            (B) repackages; or
- 885            (C) pasteurizes; or
- 886            (ii) (A) the following:
- 887            (I) raw egg;
- 888            (II) raw fish;
- 889            (III) raw meat;
- 890            (IV) raw poultry; or
- 891            (V) a food containing an item described in Subsections [~~(91)~~] (94)(b)(ii)(A)(I) through
- 892 (IV); and
- 893            (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the
- 894 Food and Drug Administration's Food Code that a consumer cook the items described in
- 895 Subsection [~~(91)~~] (94)(b)(ii)(A) to prevent food borne illness; or

- 896 (iii) the following if sold without eating utensils provided by the seller:
- 897 (A) food and food ingredients sold by a seller if the seller's proper primary
- 898 classification under the 2002 North American Industry Classification System of the federal
- 899 Executive Office of the President, Office of Management and Budget, is manufacturing in
- 900 Sector 311, Food Manufacturing, except for Subsector 3118, Bakeries and Tortilla
- 901 Manufacturing;
- 902 (B) food and food ingredients sold in an unheated state:
- 903 (I) by weight or volume; and
- 904 (II) as a single item; or
- 905 (C) a bakery item, including:
- 906 (I) a bagel;
- 907 (II) a bar;
- 908 (III) a biscuit;
- 909 (IV) bread;
- 910 (V) a bun;
- 911 (VI) a cake;
- 912 (VII) a cookie;
- 913 (VIII) a croissant;
- 914 (IX) a danish;
- 915 (X) a donut;
- 916 (XI) a muffin;
- 917 (XII) a pastry;
- 918 (XIII) a pie;
- 919 (XIV) a roll;
- 920 (XV) a tart;
- 921 (XVI) a torte; or
- 922 (XVII) a tortilla.
- 923 (c) An eating utensil provided by the seller does not include the following used to
- 924 transport the food:
- 925 (i) a container; or
- 926 (ii) packaging.

- 927            [~~(92)~~] (95) "Prescription" means an order, formula, or recipe that is issued:
- 928            (a) (i) orally;
- 929            (ii) in writing;
- 930            (iii) electronically; or
- 931            (iv) by any other manner of transmission; and
- 932            (b) by a licensed practitioner authorized by the laws of a state.
- 933            [~~(93)~~] (96) (a) Except as provided in Subsection [~~(93)~~] (96)(b)(ii) or (iii), "prewritten
- 934 computer software" means computer software that is not designed and developed:
- 935            (i) by the author or other creator of the computer software; and
- 936            (ii) to the specifications of a specific purchaser.
- 937            (b) "Prewritten computer software" includes:
- 938            (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer
- 939 software is not designed and developed:
- 940            (A) by the author or other creator of the computer software; and
- 941            (B) to the specifications of a specific purchaser;
- 942            (ii) computer software designed and developed by the author or other creator of the
- 943 computer software to the specifications of a specific purchaser if the computer software is sold
- 944 to a person other than the purchaser; or
- 945            (iii) except as provided in Subsection [~~(93)~~] (96)(c), prewritten computer software or a
- 946 prewritten portion of prewritten computer software:
- 947            (A) that is modified or enhanced to any degree; and
- 948            (B) if the modification or enhancement described in Subsection [~~(93)~~] (96)(b)(iii)(A) is
- 949 designed and developed to the specifications of a specific purchaser.
- 950            (c) "Prewritten computer software" does not include a modification or enhancement
- 951 described in Subsection [~~(93)~~] (96)(b)(iii) if the charges for the modification or enhancement
- 952 are:
- 953            (i) reasonable; and
- 954            (ii) subject to Subsections 59-12-103(2)(e)(ii) and (2)(f)(i), separately stated on the
- 955 invoice or other statement of price provided to the purchaser at the time of sale or later, as
- 956 demonstrated by:
- 957            (A) the books and records the seller keeps at the time of the transaction in the regular

958 course of business, including books and records the seller keeps at the time of the transaction in  
959 the regular course of business for nontax purposes;

960 (B) a preponderance of the facts and circumstances at the time of the transaction; and

961 (C) the understanding of all of the parties to the transaction.

962 [~~94~~] (97) (a) "Private communications service" means a telecommunications service:

963 (i) that entitles a customer to exclusive or priority use of one or more communications  
964 channels between or among termination points; and

965 (ii) regardless of the manner in which the one or more communications channels are  
966 connected.

967 (b) "Private communications service" includes the following provided in connection  
968 with the use of one or more communications channels:

969 (i) an extension line;

970 (ii) a station;

971 (iii) switching capacity; or

972 (iv) another associated service that is provided in connection with the use of one or  
973 more communications channels as defined in Section 59-12-215.

974 [~~95~~] (98) (a) Except as provided in Subsection [~~95~~] (98)(b), "product transferred  
975 electronically" means a product transferred electronically that would be subject to a tax under  
976 this chapter if that product was transferred in a manner other than electronically.

977 (b) "Product transferred electronically" does not include:

978 (i) an ancillary service;

979 (ii) computer software; or

980 (iii) a telecommunications service.

981 [~~96~~] (99) (a) "Prosthetic device" means a device that is worn on or in the body to:

982 (i) artificially replace a missing portion of the body;

983 (ii) prevent or correct a physical deformity or physical malfunction; or

984 (iii) support a weak or deformed portion of the body.

985 (b) "Prosthetic device" includes:

986 (i) parts used in the repairs or renovation of a prosthetic device;

987 (ii) replacement parts for a prosthetic device;

988 (iii) a dental prosthesis; or



- 989 (iv) a hearing aid.
- 990 (c) "Prosthetic device" does not include:
- 991 (i) corrective eyeglasses; or
- 992 (ii) contact lenses.
- 993 ~~[(97)]~~ (100) (a) "Protective equipment" means an item:
- 994 (i) for human wear; and
- 995 (ii) that is:
- 996 (A) designed as protection:
- 997 (I) to the wearer against injury or disease; or
- 998 (II) against damage or injury of other persons or property; and
- 999 (B) not suitable for general use.
- 1000 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1001 commission shall make rules:
- 1002 (i) listing the items that constitute "protective equipment"; and
- 1003 (ii) that are consistent with the list of items that constitute "protective equipment"
- 1004 under the agreement.
- 1005 ~~[(98)]~~ (101) (a) For purposes of Subsection 59-12-104(41), "publication" means any
- 1006 written or printed matter, other than a photocopy:
- 1007 (i) regardless of:
- 1008 (A) characteristics;
- 1009 (B) copyright;
- 1010 (C) form;
- 1011 (D) format;
- 1012 (E) method of reproduction; or
- 1013 (F) source; and
- 1014 (ii) made available in printed or electronic format.
- 1015 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1016 commission may by rule define the term "photocopy."
- 1017 ~~[(99)]~~ (102) (a) "Purchase price" and "sales price" mean the total amount of
- 1018 consideration:
- 1019 (i) valued in money; and

1020 (ii) for which tangible personal property, a product transferred electronically, or  
1021 services are:  
1022 (A) sold;  
1023 (B) leased; or  
1024 (C) rented.  
1025 (b) "Purchase price" and "sales price" include:  
1026 (i) the seller's cost of the tangible personal property, a product transferred  
1027 electronically, or services sold;  
1028 (ii) expenses of the seller, including:  
1029 (A) the cost of materials used;  
1030 (B) a labor cost;  
1031 (C) a service cost;  
1032 (D) interest;  
1033 (E) a loss;  
1034 (F) the cost of transportation to the seller; or  
1035 (G) a tax imposed on the seller;  
1036 (iii) a charge by the seller for any service necessary to complete the sale; or  
1037 (iv) consideration a seller receives from a person other than the purchaser if:  
1038 (A) (I) the seller actually receives consideration from a person other than the purchaser;  
1039 and  
1040 (II) the consideration described in Subsection [~~(99)~~] (102)(b)(iv)(A)(I) is directly  
1041 related to a price reduction or discount on the sale;  
1042 (B) the seller has an obligation to pass the price reduction or discount through to the  
1043 purchaser;  
1044 (C) the amount of the consideration attributable to the sale is fixed and determinable by  
1045 the seller at the time of the sale to the purchaser; and  
1046 (D) (I) (Aa) the purchaser presents a certificate, coupon, or other documentation to the  
1047 seller to claim a price reduction or discount; and  
1048 (Bb) a person other than the seller authorizes, distributes, or grants the certificate,  
1049 coupon, or other documentation with the understanding that the person other than the seller  
1050 will reimburse any seller to whom the certificate, coupon, or other documentation is presented;

1051 (II) the purchaser identifies that purchaser to the seller as a member of a group or  
1052 organization allowed a price reduction or discount, except that a preferred customer card that is  
1053 available to any patron of a seller does not constitute membership in a group or organization  
1054 allowed a price reduction or discount; or

1055 (III) the price reduction or discount is identified as a third party price reduction or  
1056 discount on the:

1057 (Aa) invoice the purchaser receives; or

1058 (Bb) certificate, coupon, or other documentation the purchaser presents.

1059 (c) "Purchase price" and "sales price" do not include:

1060 (i) a discount:

1061 (A) in a form including:

1062 (I) cash;

1063 (II) term; or

1064 (III) coupon;

1065 (B) that is allowed by a seller;

1066 (C) taken by a purchaser on a sale; and

1067 (D) that is not reimbursed by a third party; or

1068 (ii) subject to Subsections 59-12-103(2)(e)(ii) and (2)(f)(i), the following if separately  
1069 stated on an invoice, bill of sale, or similar document provided to the purchaser at the time of  
1070 sale or later, as demonstrated by the books and records the seller keeps at the time of the  
1071 transaction in the regular course of business, including books and records the seller keeps at the  
1072 time of the transaction in the regular course of business for nontax purposes, by a  
1073 preponderance of the facts and circumstances at the time of the transaction, and by the  
1074 understanding of all of the parties to the transaction:

1075 (A) the following from credit extended on the sale of tangible personal property or  
1076 services:

1077 (I) a carrying charge;

1078 (II) a financing charge; or

1079 (III) an interest charge;

1080 (B) a delivery charge;

1081 (C) an installation charge;

- 1082 (D) a manufacturer rebate on a motor vehicle; or
- 1083 (E) a tax or fee legally imposed directly on the consumer.
- 1084 [~~(100)~~] (103) "Purchaser" means a person to whom:
- 1085 (a) a sale of tangible personal property is made;
- 1086 (b) a product is transferred electronically; or
- 1087 (c) a service is furnished.
- 1088 [~~(101)~~] (104) "Qualifying enterprise data center" means an establishment that will:
- 1089 (a) own and operate a data center facility that will house a group of networked server
- 1090 computers in one physical location in order to centralize the dissemination, management, and
- 1091 storage of data and information;
- 1092 (b) be located in the state;
- 1093 (c) be a new operation constructed on or after July 1, 2016;
- 1094 (d) consist of one or more buildings that total 150,000 or more square feet;
- 1095 (e) be owned or leased by:
- 1096 (i) the establishment; or
- 1097 (ii) a person under common ownership, as defined in Section 59-7-101, of the
- 1098 establishment; and
- 1099 (f) be located on one or more parcels of land that are owned or leased by:
- 1100 (i) the establishment; or
- 1101 (ii) a person under common ownership, as defined in Section 59-7-101, of the
- 1102 establishment.
- 1103 [~~(102)~~] (105) "Regularly rented" means:
- 1104 (a) rented to a guest for value three or more times during a calendar year; or
- 1105 (b) advertised or held out to the public as a place that is regularly rented to guests for
- 1106 value.
- 1107 [~~(103)~~] (106) "Rental" [~~is-as~~] means the same as the term is defined in Subsection
- 1108 [~~(59)~~] (61).
- 1109 [~~(104)~~] (107) (a) Except as provided in Subsection [~~(104)~~] (107)(b), "repairs or
- 1110 renovations of tangible personal property" means:
- 1111 (i) a repair or renovation of tangible personal property that is not permanently attached
- 1112 to real property; or

1113 (ii) attaching tangible personal property or a product transferred electronically to other  
1114 tangible personal property or detaching tangible personal property or a product transferred  
1115 electronically from other tangible personal property if:

1116 (A) the other tangible personal property to which the tangible personal property or  
1117 product transferred electronically is attached or from which the tangible personal property or  
1118 product transferred electronically is detached is not permanently attached to real property; and

1119 (B) the attachment of tangible personal property or a product transferred electronically  
1120 to other tangible personal property or detachment of tangible personal property or a product  
1121 transferred electronically from other tangible personal property is made in conjunction with a  
1122 repair or replacement of tangible personal property or a product transferred electronically.

1123 (b) "Repairs or renovations of tangible personal property" does not include:

1124 (i) attaching prewritten computer software to other tangible personal property if the  
1125 other tangible personal property to which the prewritten computer software is attached is not  
1126 permanently attached to real property; or

1127 (ii) detaching prewritten computer software from other tangible personal property if the  
1128 other tangible personal property from which the prewritten computer software is detached is  
1129 not permanently attached to real property.

1130 [~~(105)~~] (108) "Research and development" means the process of inquiry or  
1131 experimentation aimed at the discovery of facts, devices, technologies, or applications and the  
1132 process of preparing those devices, technologies, or applications for marketing.

1133 [~~(106)~~] (109) (a) "Residential telecommunications services" means a  
1134 telecommunications service or an ancillary service that is provided to an individual for personal  
1135 use:

1136 (i) at a residential address; or

1137 (ii) at an institution, including a nursing home or a school, if the telecommunications  
1138 service or ancillary service is provided to and paid for by the individual residing at the  
1139 institution rather than the institution.

1140 (b) For purposes of Subsection [~~(106)~~] (109)(a)(i), a residential address includes an:

1141 (i) apartment; or

1142 (ii) other individual dwelling unit.

1143 [~~(107)~~] (110) "Residential use" means the use in or around a home, apartment building,

1144 sleeping quarters, and similar facilities or accommodations.

1145 ~~[(+08)]~~ (111) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose  
1146 other than:

1147 (a) resale;

1148 (b) sublease; or

1149 (c) subrent.

1150 ~~[(+09)]~~ (112) (a) "Retailer" means any person engaged in a regularly organized

1151 business in tangible personal property or any other taxable transaction under Subsection

1152 [59-12-103](#)(1), and who is selling to the user or consumer and not for resale.

1153 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly

1154 engaged in the business of selling to users or consumers within the state.

1155 ~~[(+10)]~~ (113) (a) "Sale" means any transfer of title, exchange, or barter, conditional or

1156 otherwise, in any manner, of tangible personal property or any other taxable transaction under

1157 Subsection [59-12-103](#)(1), for consideration.

1158 (b) "Sale" includes:

1159 (i) installment and credit sales;

1160 (ii) any closed transaction constituting a sale;

1161 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this

1162 chapter;

1163 (iv) any transaction if the possession of property is transferred but the seller retains the

1164 title as security for the payment of the price; and

1165 (v) any transaction under which right to possession, operation, or use of any article of

1166 tangible personal property is granted under a lease or contract and the transfer of possession

1167 would be taxable if an outright sale were made.

1168 ~~[(+11)]~~ (114) "Sale at retail" ~~[is-as]~~ means the same as the term is defined in

1169 Subsection ~~[(+08)]~~ (111).

1170 ~~[(+12)]~~ (115) "Sale-leaseback transaction" means a transaction by which title to

1171 tangible personal property or a product transferred electronically that is subject to a tax under

1172 this chapter is transferred:

1173 (a) by a purchaser-lessee;

1174 (b) to a lessor;

1175 (c) for consideration; and  
1176 (d) if:  
1177 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase  
1178 of the tangible personal property or product transferred electronically;  
1179 (ii) the sale of the tangible personal property or product transferred electronically to the  
1180 lessor is intended as a form of financing:  
1181 (A) for the tangible personal property or product transferred electronically; and  
1182 (B) to the purchaser-lessee; and  
1183 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee  
1184 is required to:  
1185 (A) capitalize the tangible personal property or product transferred electronically for  
1186 financial reporting purposes; and  
1187 (B) account for the lease payments as payments made under a financing arrangement.  
1188 [~~(113)~~] (116) "Sales price" [~~is as~~] means the same as the term is defined in Subsection  
1189 [~~(99)~~] (102).  
1190 [~~(114)~~] (117) (a) "Sales relating to schools" means the following sales by, amounts  
1191 paid to, or amounts charged by a school:  
1192 (i) sales that are directly related to the school's educational functions or activities  
1193 including:  
1194 (A) the sale of:  
1195 (I) textbooks;  
1196 (II) textbook fees;  
1197 (III) laboratory fees;  
1198 (IV) laboratory supplies; or  
1199 (V) safety equipment;  
1200 (B) the sale of a uniform, protective equipment, or sports or recreational equipment  
1201 that:  
1202 (I) a student is specifically required to wear as a condition of participation in a  
1203 school-related event or school-related activity; and  
1204 (II) is not readily adaptable to general or continued usage to the extent that it takes the  
1205 place of ordinary clothing;

1206 (C) sales of the following if the net or gross revenues generated by the sales are  
1207 deposited into a school district fund or school fund dedicated to school meals:  
1208 (I) food and food ingredients; or  
1209 (II) prepared food; or  
1210 (D) transportation charges for official school activities; or  
1211 (ii) amounts paid to or amounts charged by a school for admission to a school-related  
1212 event or school-related activity.

1213 (b) "Sales relating to schools" does not include:  
1214 (i) bookstore sales of items that are not educational materials or supplies;  
1215 (ii) except as provided in Subsection [~~(114)~~] (117)(a)(i)(B):  
1216 (A) clothing;  
1217 (B) clothing accessories or equipment;  
1218 (C) protective equipment; or  
1219 (D) sports or recreational equipment; or  
1220 (iii) amounts paid to or amounts charged by a school for admission to a school-related  
1221 event or school-related activity if the amounts paid or charged are passed through to a person:

1222 (A) other than a:  
1223 (I) school;  
1224 (II) nonprofit organization authorized by a school board or a governing body of a  
1225 private school to organize and direct a competitive secondary school activity; or  
1226 (III) nonprofit association authorized by a school board or a governing body of a  
1227 private school to organize and direct a competitive secondary school activity; and  
1228 (B) that is required to collect sales and use taxes under this chapter.  
1229 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1230 commission may make rules defining the term "passed through."

1231 [~~(115)~~] (118) For purposes of this section and Section 59-12-104, "school":

1232 (a) means:  
1233 (i) an elementary school or a secondary school that:  
1234 (A) is a:  
1235 (I) public school; or  
1236 (II) private school; and



- 1237 (B) provides instruction for one or more grades kindergarten through 12; or
- 1238 (ii) a public school district; and
- 1239 (b) includes the Electronic High School as defined in Section [53A-15-1002](#).
- 1240 [~~(116)~~] (119) "Seller" means a person that makes a sale, lease, or rental of:
- 1241 (a) tangible personal property;
- 1242 (b) a product transferred electronically; or
- 1243 (c) a service.
- 1244 [~~(117)~~] (120) (a) "Semiconductor fabricating, processing, research, or development
- 1245 materials" means tangible personal property or a product transferred electronically if the
- 1246 tangible personal property or product transferred electronically is:
- 1247 (i) used primarily in the process of:
- 1248 (A) (I) manufacturing a semiconductor;
- 1249 (II) fabricating a semiconductor; or
- 1250 (III) research or development of a:
- 1251 (Aa) semiconductor; or
- 1252 (Bb) semiconductor manufacturing process; or
- 1253 (B) maintaining an environment suitable for a semiconductor; or
- 1254 (ii) consumed primarily in the process of:
- 1255 (A) (I) manufacturing a semiconductor;
- 1256 (II) fabricating a semiconductor; or
- 1257 (III) research or development of a:
- 1258 (Aa) semiconductor; or
- 1259 (Bb) semiconductor manufacturing process; or
- 1260 (B) maintaining an environment suitable for a semiconductor.
- 1261 (b) "Semiconductor fabricating, processing, research, or development materials"
- 1262 includes:
- 1263 (i) parts used in the repairs or renovations of tangible personal property or a product
- 1264 transferred electronically described in Subsection [~~(117)~~] (120)(a); or
- 1265 (ii) a chemical, catalyst, or other material used to:
- 1266 (A) produce or induce in a semiconductor a:
- 1267 (I) chemical change; or

- 1268 (II) physical change;
- 1269 (B) remove impurities from a semiconductor; or
- 1270 (C) improve the marketable condition of a semiconductor.
- 1271 [~~(118)~~] (121) "Senior citizen center" means a facility having the primary purpose of
- 1272 providing services to the aged as defined in Section 62A-3-101.
- 1273 [~~(119)~~] (122) (a) Subject to Subsections [~~(119)~~] (122)(b) and (c), "short-term lodging
- 1274 consumable" means tangible personal property that:
  - 1275 (i) a business that provides accommodations and services described in Subsection
  - 1276 59-12-103(1)(i) purchases as part of a transaction to provide the accommodations and services
  - 1277 to a purchaser;
  - 1278 (ii) is intended to be consumed by the purchaser; and
  - 1279 (iii) is:
    - 1280 (A) included in the purchase price of the accommodations and services; and
    - 1281 (B) not separately stated on an invoice, bill of sale, or other similar document provided
    - 1282 to the purchaser.
  - 1283 (b) "Short-term lodging consumable" includes:
    - 1284 (i) a beverage;
    - 1285 (ii) a brush or comb;
    - 1286 (iii) a cosmetic;
    - 1287 (iv) a hair care product;
    - 1288 (v) lotion;
    - 1289 (vi) a magazine;
    - 1290 (vii) makeup;
    - 1291 (viii) a meal;
    - 1292 (ix) mouthwash;
    - 1293 (x) nail polish remover;
    - 1294 (xi) a newspaper;
    - 1295 (xii) a notepad;
    - 1296 (xiii) a pen;
    - 1297 (xiv) a pencil;
    - 1298 (xv) a razor;

- 1299 (xvi) saline solution;
- 1300 (xvii) a sewing kit;
- 1301 (xviii) shaving cream;
- 1302 (xix) a shoe shine kit;
- 1303 (xx) a shower cap;
- 1304 (xxi) a snack item;
- 1305 (xxii) soap;
- 1306 (xxiii) toilet paper;
- 1307 (xxiv) a toothbrush;
- 1308 (xxv) toothpaste; or
- 1309 (xxvi) an item similar to Subsections [~~(119)~~] (122)(b)(i) through (xxv) as the
- 1310 commission may provide by rule made in accordance with Title 63G, Chapter 3, Utah
- 1311 Administrative Rulemaking Act.
- 1312 (c) "Short-term lodging consumable" does not include:
- 1313 (i) tangible personal property that is cleaned or washed to allow the tangible personal
- 1314 property to be reused; or
- 1315 (ii) a product transferred electronically.
- 1316 [~~(120)~~] (123) "Simplified electronic return" means the electronic return:
- 1317 (a) described in Section 318(C) of the agreement; and
- 1318 (b) approved by the governing board of the agreement.
- 1319 [~~(121)~~] (124) "Solar energy" means the sun used as the sole source of energy for
- 1320 producing electricity.
- 1321 [~~(122)~~] (125) (a) "Sports or recreational equipment" means an item:
- 1322 (i) designed for human use; and
- 1323 (ii) that is:
- 1324 (A) worn in conjunction with:
- 1325 (I) an athletic activity; or
- 1326 (II) a recreational activity; and
- 1327 (B) not suitable for general use.
- 1328 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1329 commission shall make rules:

- 1330 (i) listing the items that constitute "sports or recreational equipment"; and
- 1331 (ii) that are consistent with the list of items that constitute "sports or recreational
- 1332 equipment" under the agreement.
- 1333 [~~(123)~~] (126) "State" means the state of Utah, its departments, and agencies.
- 1334 [~~(124)~~] (127) "Storage" means any keeping or retention of tangible personal property or
- 1335 any other taxable transaction under Subsection 59-12-103(1), in this state for any purpose
- 1336 except sale in the regular course of business.
- 1337 [~~(125)~~] (128) (a) Except as provided in Subsection [~~(125)~~] (128)(d) or (e), "tangible
- 1338 personal property" means personal property that:
- 1339 (i) may be:
- 1340 (A) seen;
- 1341 (B) weighed;
- 1342 (C) measured;
- 1343 (D) felt; or
- 1344 (E) touched; or
- 1345 (ii) is in any manner perceptible to the senses.
- 1346 (b) "Tangible personal property" includes:
- 1347 (i) electricity;
- 1348 (ii) water;
- 1349 (iii) gas;
- 1350 (iv) steam; or
- 1351 (v) prewritten computer software, regardless of the manner in which the prewritten
- 1352 computer software is transferred.
- 1353 (c) "Tangible personal property" includes the following regardless of whether the item
- 1354 is attached to real property:
- 1355 (i) a dishwasher;
- 1356 (ii) a dryer;
- 1357 (iii) a freezer;
- 1358 (iv) a microwave;
- 1359 (v) a refrigerator;
- 1360 (vi) a stove;

- 1361 (vii) a washer; or
- 1362 (viii) an item similar to Subsections [~~(125)~~] (128)(c)(i) through (vii) as determined by
- 1363 the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 1364 Rulemaking Act.
- 1365 (d) "Tangible personal property" does not include a product that is transferred
- 1366 electronically.
- 1367 (e) "Tangible personal property" does not include the following if attached to real
- 1368 property, regardless of whether the attachment to real property is only through a line that
- 1369 supplies water, electricity, gas, telephone, cable, or supplies a similar item as determined by the
- 1370 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 1371 Rulemaking Act:
- 1372 (i) a hot water heater;
- 1373 (ii) a water filtration system; or
- 1374 (iii) a water softener system.
- 1375 [~~(126)~~] (129) (a) "Telecommunications enabling or facilitating equipment, machinery,
- 1376 or software" means an item listed in Subsection [~~(126)~~] (129)(b) if that item is purchased or
- 1377 leased primarily to enable or facilitate one or more of the following to function:
- 1378 (i) telecommunications switching or routing equipment, machinery, or software; or
- 1379 (ii) telecommunications transmission equipment, machinery, or software.
- 1380 (b) The following apply to Subsection [~~(126)~~] (129)(a):
- 1381 (i) a pole;
- 1382 (ii) software;
- 1383 (iii) a supplementary power supply;
- 1384 (iv) temperature or environmental equipment or machinery;
- 1385 (v) test equipment;
- 1386 (vi) a tower; or
- 1387 (vii) equipment, machinery, or software that functions similarly to an item listed in
- 1388 Subsections [~~(126)~~] (129)(b)(i) through (vi) as determined by the commission by rule made in
- 1389 accordance with Subsection [~~(126)~~] (129)(c).
- 1390 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1391 commission may by rule define what constitutes equipment, machinery, or software that

1392 functions similarly to an item listed in Subsections [~~(126)~~] (129)(b)(i) through (vi).

1393 [~~(127)~~] (130) "Telecommunications equipment, machinery, or software required for  
1394 911 service" means equipment, machinery, or software that is required to comply with 47  
1395 C.F.R. Sec. 20.18.

1396 [~~(128)~~] (131) "Telecommunications maintenance or repair equipment, machinery, or  
1397 software" means equipment, machinery, or software purchased or leased primarily to maintain  
1398 or repair one or more of the following, regardless of whether the equipment, machinery, or  
1399 software is purchased or leased as a spare part or as an upgrade or modification to one or more  
1400 of the following:

- 1401 (a) telecommunications enabling or facilitating equipment, machinery, or software;
- 1402 (b) telecommunications switching or routing equipment, machinery, or software; or
- 1403 (c) telecommunications transmission equipment, machinery, or software.

1404 [~~(129)~~] (132) (a) "Telecommunications service" means the electronic conveyance,  
1405 routing, or transmission of audio, data, video, voice, or any other information or signal to a  
1406 point, or among or between points.

1407 (b) "Telecommunications service" includes:

1408 (i) an electronic conveyance, routing, or transmission with respect to which a computer  
1409 processing application is used to act:

1410 (A) on the code, form, or protocol of the content;

1411 (B) for the purpose of electronic conveyance, routing, or transmission; and

1412 (C) regardless of whether the service:

1413 (I) is referred to as voice over Internet protocol service; or

1414 (II) is classified by the Federal Communications Commission as enhanced or value  
1415 added;

1416 (ii) an 800 service;

1417 (iii) a 900 service;

1418 (iv) a fixed wireless service;

1419 (v) a mobile wireless service;

1420 (vi) a postpaid calling service;

1421 (vii) a prepaid calling service;

1422 (viii) a prepaid wireless calling service; or

- 1423 (ix) a private communications service.
- 1424 (c) "Telecommunications service" does not include:
- 1425 (i) advertising, including directory advertising;
- 1426 (ii) an ancillary service;
- 1427 (iii) a billing and collection service provided to a third party;
- 1428 (iv) a data processing and information service if:
- 1429 (A) the data processing and information service allows data to be:
- 1430 (I) (Aa) acquired;
- 1431 (Bb) generated;
- 1432 (Cc) processed;
- 1433 (Dd) retrieved; or
- 1434 (Ee) stored; and
- 1435 (II) delivered by an electronic transmission to a purchaser; and
- 1436 (B) the purchaser's primary purpose for the underlying transaction is the processed data
- 1437 or information;
- 1438 (v) installation or maintenance of the following on a customer's premises:
- 1439 (A) equipment; or
- 1440 (B) wiring;
- 1441 (vi) Internet access service;
- 1442 (vii) a paging service;
- 1443 (viii) a product transferred electronically, including:
- 1444 (A) music;
- 1445 (B) reading material;
- 1446 (C) a ring tone;
- 1447 (D) software; or
- 1448 (E) video;
- 1449 (ix) a radio and television audio and video programming service:
- 1450 (A) regardless of the medium; and
- 1451 (B) including:
- 1452 (I) furnishing conveyance, routing, or transmission of a television audio and video
- 1453 programming service by a programming service provider;

- 1454 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or
- 1455 (III) audio and video programming services delivered by a commercial mobile radio
- 1456 service provider as defined in 47 C.F.R. Sec. 20.3;
- 1457 (x) a value-added nonvoice data service; or
- 1458 (xi) tangible personal property.
- 1459 ~~[(130)]~~ (133) (a) "Telecommunications service provider" means a person that:
- 1460 (i) owns, controls, operates, or manages a telecommunications service; and
- 1461 (ii) engages in an activity described in Subsection ~~[(130)]~~ (133)(a)(i) for the shared use
- 1462 with or resale to any person of the telecommunications service.
- 1463 (b) A person described in Subsection ~~[(130)]~~ (133)(a) is a telecommunications service
- 1464 provider whether or not the Public Service Commission of Utah regulates:
- 1465 (i) that person; or
- 1466 (ii) the telecommunications service that the person owns, controls, operates, or
- 1467 manages.
- 1468 ~~[(131)]~~ (134) (a) "Telecommunications switching or routing equipment, machinery, or
- 1469 software" means an item listed in Subsection ~~[(131)]~~ (134)(b) if that item is purchased or
- 1470 leased primarily for switching or routing:
- 1471 (i) an ancillary service;
- 1472 (ii) data communications;
- 1473 (iii) voice communications; or
- 1474 (iv) telecommunications service.
- 1475 (b) The following apply to Subsection ~~[(131)]~~ (134)(a):
- 1476 (i) a bridge;
- 1477 (ii) a computer;
- 1478 (iii) a cross connect;
- 1479 (iv) a modem;
- 1480 (v) a multiplexer;
- 1481 (vi) plug in circuitry;
- 1482 (vii) a router;
- 1483 (viii) software;
- 1484 (ix) a switch; or



1485 (x) equipment, machinery, or software that functions similarly to an item listed in  
1486 Subsections [~~(131)~~] (134)(b)(i) through (ix) as determined by the commission by rule made in  
1487 accordance with Subsection [~~(131)~~] (134)(c).

1488 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1489 commission may by rule define what constitutes equipment, machinery, or software that  
1490 functions similarly to an item listed in Subsections [~~(131)~~] (134)(b)(i) through (ix).

1491 [~~(132)~~] (135) (a) "Telecommunications transmission equipment, machinery, or  
1492 software" means an item listed in Subsection [~~(132)~~] (135)(b) if that item is purchased or  
1493 leased primarily for sending, receiving, or transporting:

1494 (i) an ancillary service;

1495 (ii) data communications;

1496 (iii) voice communications; or

1497 (iv) telecommunications service.

1498 (b) The following apply to Subsection [~~(132)~~] (135)(a):

1499 (i) an amplifier;

1500 (ii) a cable;

1501 (iii) a closure;

1502 (iv) a conduit;

1503 (v) a controller;

1504 (vi) a duplexer;

1505 (vii) a filter;

1506 (viii) an input device;

1507 (ix) an input/output device;

1508 (x) an insulator;

1509 (xi) microwave machinery or equipment;

1510 (xii) an oscillator;

1511 (xiii) an output device;

1512 (xiv) a pedestal;

1513 (xv) a power converter;

1514 (xvi) a power supply;

1515 (xvii) a radio channel;

- 1516 (xviii) a radio receiver;
- 1517 (xix) a radio transmitter;
- 1518 (xx) a repeater;
- 1519 (xxi) software;
- 1520 (xxii) a terminal;
- 1521 (xxiii) a timing unit;
- 1522 (xxiv) a transformer;
- 1523 (xxv) a wire; or
- 1524 (xxvi) equipment, machinery, or software that functions similarly to an item listed in
- 1525 Subsections [~~(132)~~] (135)(b)(i) through (xxv) as determined by the commission by rule made in
- 1526 accordance with Subsection [~~(132)~~] (135)(c).
- 1527 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1528 commission may by rule define what constitutes equipment, machinery, or software that
- 1529 functions similarly to an item listed in Subsections [~~(132)~~] (135)(b)(i) through (xxv).
- 1530 [~~(133)~~] (136) (a) "Textbook for a higher education course" means a textbook or other
- 1531 printed material that is required for a course:
- 1532 (i) offered by an institution of higher education; and
- 1533 (ii) that the purchaser of the textbook or other printed material attends or will attend.
- 1534 (b) "Textbook for a higher education course" includes a textbook in electronic format.
- 1535 [~~(134)~~] (137) "Tobacco" means:
- 1536 (a) a cigarette;
- 1537 (b) a cigar;
- 1538 (c) chewing tobacco;
- 1539 (d) pipe tobacco; or
- 1540 (e) any other item that contains tobacco.
- 1541 [~~(135)~~] (138) "Unassisted amusement device" means an amusement device, skill
- 1542 device, or ride device that is started and stopped by the purchaser or renter of the right to use or
- 1543 operate the amusement device, skill device, or ride device.
- 1544 [~~(136)~~] (139) (a) "Use" means the exercise of any right or power over tangible personal
- 1545 property, a product transferred electronically, or a service under Subsection [59-12-103\(1\)](#),
- 1546 incident to the ownership or the leasing of that tangible personal property, product transferred

1547 electronically, or service.

1548 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal  
1549 property, a product transferred electronically, or a service in the regular course of business and  
1550 held for resale.

1551 [(137)] (140) "Value-added nonvoice data service" means a service:

1552 (a) that otherwise meets the definition of a telecommunications service except that a  
1553 computer processing application is used to act primarily for a purpose other than conveyance,  
1554 routing, or transmission; and

1555 (b) with respect to which a computer processing application is used to act on data or  
1556 information:

1557 (i) code;

1558 (ii) content;

1559 (iii) form; or

1560 (iv) protocol.

1561 [(138)] (141) (a) Subject to Subsection [(138)] (141)(b), "vehicle" means the following  
1562 that are required to be titled, registered, or titled and registered:

1563 (i) an aircraft as defined in Section 72-10-102;

1564 (ii) a vehicle as defined in Section 41-1a-102;

1565 (iii) an off-highway vehicle as defined in Section 41-22-2; or

1566 (iv) a vessel as defined in Section 41-1a-102.

1567 (b) For purposes of Subsection 59-12-104(33) only, "vehicle" includes:

1568 (i) a vehicle described in Subsection [(138)] (141)(a); or

1569 (ii) (A) a locomotive;

1570 (B) a freight car;

1571 (C) railroad work equipment; or

1572 (D) other railroad rolling stock.

1573 [(139)] (142) "Vehicle dealer" means a person engaged in the business of buying,  
1574 selling, or exchanging a vehicle [as defined in Subsection (138)].

1575 [(140)] (143) (a) "Vertical service" means an ancillary service that:

1576 (i) is offered in connection with one or more telecommunications services; and

1577 (ii) offers an advanced calling feature that allows a customer to:

1578 (A) identify a caller; and

1579 (B) manage multiple calls and call connections.

1580 (b) "Vertical service" includes an ancillary service that allows a customer to manage a  
1581 conference bridging service.

1582 ~~[(141)]~~ (144) (a) "Voice mail service" means an ancillary service that enables a  
1583 customer to receive, send, or store a recorded message.

1584 (b) "Voice mail service" does not include a vertical service that a customer is required  
1585 to have in order to utilize a voice mail service.

1586 ~~[(142)]~~ (145) (a) Except as provided in Subsection ~~[(142)]~~ (145)(b), "waste energy  
1587 facility" means a facility that generates electricity:

1588 (i) using as the primary source of energy waste materials that would be placed in a  
1589 landfill or refuse pit if it were not used to generate electricity, including:

1590 (A) tires;

1591 (B) waste coal;

1592 (C) oil shale; or

1593 (D) municipal solid waste; and

1594 (ii) in amounts greater than actually required for the operation of the facility.

1595 (b) "Waste energy facility" does not include a facility that incinerates:

1596 (i) hospital waste as defined in 40 C.F.R. 60.51c; or

1597 (ii) medical/infectious waste as defined in 40 C.F.R. 60.51c.

1598 ~~[(143)]~~ (146) "Watercraft" means a vessel as defined in Section [73-18-2](#).

1599 (147) (a) Except as provided in Subsection (147)(b), "wildlife" means an animal living  
1600 in nature that is:

1601 (i) a cougar;

1602 (ii) a bear; or

1603 (iii) a hoofed vertebrate animal.

1604 (b) "Wildlife" does not include a feral animal.

1605 ~~[(144)]~~ (148) "Wind energy" means wind used as the sole source of energy to produce  
1606 electricity.

1607 ~~[(145)]~~ (149) "ZIP Code" means a Zoning Improvement Plan Code assigned to a  
1608 geographic location by the United States Postal Service.

1609 Section 2. Section **59-12-104** is amended to read:

1610 **59-12-104. Exemptions.**

1611 Exemptions from the taxes imposed by this chapter are as follows:

1612 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax  
1613 under Chapter 13, Motor and Special Fuel Tax Act;

1614 (2) subject to Section [59-12-104.6](#), sales to the state, its institutions, and its political  
1615 subdivisions; however, this exemption does not apply to sales of:

1616 (a) construction materials except:

1617 (i) construction materials purchased by or on behalf of institutions of the public  
1618 education system as defined in Utah Constitution, Article X, Section 2, provided the  
1619 construction materials are clearly identified and segregated and installed or converted to real  
1620 property which is owned by institutions of the public education system; and

1621 (ii) construction materials purchased by the state, its institutions, or its political  
1622 subdivisions which are installed or converted to real property by employees of the state, its  
1623 institutions, or its political subdivisions; or

1624 (b) tangible personal property in connection with the construction, operation,  
1625 maintenance, repair, or replacement of a project, as defined in Section [11-13-103](#), or facilities  
1626 providing additional project capacity, as defined in Section [11-13-103](#);

1627 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:

1628 (i) the proceeds of each sale do not exceed \$1; and

1629 (ii) the seller or operator of the vending machine reports an amount equal to 150% of  
1630 the cost of the item described in Subsection (3)(b) as goods consumed; and

1631 (b) Subsection (3)(a) applies to:

1632 (i) food and food ingredients; or

1633 (ii) prepared food;

1634 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:

1635 (i) alcoholic beverages;

1636 (ii) food and food ingredients; or

1637 (iii) prepared food;

1638 (b) sales of tangible personal property or a product transferred electronically:

1639 (i) to a passenger;

- 1640 (ii) by a commercial airline carrier; and
- 1641 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 1642 (c) services related to Subsection (4)(a) or (b);
- 1643 (5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts
- 1644 and equipment:
- 1645 (A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002
- 1646 North American Industry Classification System of the federal Executive Office of the
- 1647 President, Office of Management and Budget; and
- 1648 (II) for:
- 1649 (Aa) installation in an aircraft, including services relating to the installation of parts or
- 1650 equipment in the aircraft;
- 1651 (Bb) renovation of an aircraft; or
- 1652 (Cc) repair of an aircraft; or
- 1653 (B) for installation in an aircraft operated by a common carrier in interstate or foreign
- 1654 commerce; or
- 1655 (ii) beginning on October 1, 2008, sales of parts and equipment for installation in an
- 1656 aircraft operated by a common carrier in interstate or foreign commerce; and
- 1657 (b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,
- 1658 a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a
- 1659 refund:
- 1660 (i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;
- 1661 (ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;
- 1662 (iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for
- 1663 the sale prior to filing for the refund;
- 1664 (iv) for sales and use taxes paid under this chapter on the sale;
- 1665 (v) in accordance with Section 59-1-1410; and
- 1666 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if
- 1667 the person files for the refund on or before September 30, 2011;
- 1668 (6) sales of commercials, motion picture films, prerecorded audio program tapes or
- 1669 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture
- 1670 exhibitor, distributor, or commercial television or radio broadcaster;

1671 (7) (a) subject to Subsection (7)(b), sales of cleaning or washing of tangible personal  
1672 property if the cleaning or washing of the tangible personal property is not assisted cleaning or  
1673 washing of tangible personal property;

1674 (b) if a seller that sells at the same business location assisted cleaning or washing of  
1675 tangible personal property and cleaning or washing of tangible personal property that is not  
1676 assisted cleaning or washing of tangible personal property, the exemption described in  
1677 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning  
1678 or washing of the tangible personal property; and

1679 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,  
1680 Utah Administrative Rulemaking Act, the commission may make rules:

1681 (i) governing the circumstances under which sales are at the same business location;  
1682 and

1683 (ii) establishing the procedures and requirements for a seller to separately account for  
1684 sales of assisted cleaning or washing of tangible personal property;

1685 (8) sales made to or by religious or charitable institutions in the conduct of their regular  
1686 religious or charitable functions and activities, if the requirements of Section [59-12-104.1](#) are  
1687 fulfilled;

1688 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of  
1689 this state if the vehicle is:

1690 (a) not registered in this state; and

1691 (b) (i) not used in this state; or

1692 (ii) used in this state:

1693 (A) if the vehicle is not used to conduct business, for a time period that does not  
1694 exceed the longer of:

1695 (I) 30 days in any calendar year; or

1696 (II) the time period necessary to transport the vehicle to the borders of this state; or

1697 (B) if the vehicle is used to conduct business, for the time period necessary to transport  
1698 the vehicle to the borders of this state;

1699 (10) (a) amounts paid for an item described in Subsection (10)(b) if:

1700 (i) the item is intended for human use; and

1701 (ii) (A) a prescription was issued for the item; or

- 1702 (B) the item was purchased by a hospital or other medical facility; and
- 1703 (b) (i) Subsection (10)(a) applies to:
- 1704 (A) a drug;
- 1705 (B) a syringe; or
- 1706 (C) a stoma supply; and
- 1707 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1708 commission may by rule define the terms:
- 1709 (A) "syringe"; or
- 1710 (B) "stoma supply";
- 1711 (11) purchases or leases exempt under Section [19-12-201](#);
- 1712 (12) (a) sales of an item described in Subsection (12)(c) served by:
- 1713 (i) the following if the item described in Subsection (12)(c) is not available to the
- 1714 general public:
- 1715 (A) a church; or
- 1716 (B) a charitable institution;
- 1717 (ii) an institution of higher education if:
- 1718 (A) the item described in Subsection (12)(c) is not available to the general public; or
- 1719 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan
- 1720 offered by the institution of higher education; or
- 1721 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 1722 (i) a medical facility; or
- 1723 (ii) a nursing facility; and
- 1724 (c) Subsections (12)(a) and (b) apply to:
- 1725 (i) food and food ingredients;
- 1726 (ii) prepared food; or
- 1727 (iii) alcoholic beverages;
- 1728 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
- 1729 or a product transferred electronically by a person:
- 1730 (i) regardless of the number of transactions involving the sale of that tangible personal
- 1731 property or product transferred electronically by that person; and
- 1732 (ii) not regularly engaged in the business of selling that type of tangible personal



1733 property or product transferred electronically;

1734 (b) this Subsection (13) does not apply if:

1735 (i) the sale is one of a series of sales of a character to indicate that the person is

1736 regularly engaged in the business of selling that type of tangible personal property or product

1737 transferred electronically;

1738 (ii) the person holds that person out as regularly engaged in the business of selling that

1739 type of tangible personal property or product transferred electronically;

1740 (iii) the person sells an item of tangible personal property or product transferred

1741 electronically that the person purchased as a sale that is exempt under Subsection (25); or

1742 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of

1743 this state in which case the tax is based upon:

1744 (A) the bill of sale or other written evidence of value of the vehicle or vessel being

1745 sold; or

1746 (B) in the absence of a bill of sale or other written evidence of value, the fair market

1747 value of the vehicle or vessel being sold at the time of the sale as determined by the

1748 commission; and

1749 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

1750 commission shall make rules establishing the circumstances under which:

1751 (i) a person is regularly engaged in the business of selling a type of tangible personal

1752 property or product transferred electronically;

1753 (ii) a sale of tangible personal property or a product transferred electronically is one of

1754 a series of sales of a character to indicate that a person is regularly engaged in the business of

1755 selling that type of tangible personal property or product transferred electronically; or

1756 (iii) a person holds that person out as regularly engaged in the business of selling a type

1757 of tangible personal property or product transferred electronically;

1758 (14) (a) amounts paid or charged for a purchase or lease:

1759 (i) by a manufacturing facility located in the state; and

1760 (ii) of machinery, equipment, or normal operating repair or replacement parts if the

1761 machinery, equipment, or normal operating repair or replacement parts have an economic life

1762 of three or more years and are used:

1763 (A) in the manufacturing process to manufacture an item sold as tangible personal

1764 property; or  
1765 (B) for a scrap recycler, to process an item sold as tangible personal property;  
1766 (b) amounts paid or charged for a purchase or lease:  
1767 (i) by an establishment:  
1768 (A) described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS Code  
1769 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal Mining, or  
1770 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the 2002 North  
1771 American Industry Classification System of the federal Executive Office of the President,  
1772 Office of Management and Budget; and  
1773 (B) located in the state; and  
1774 (ii) of machinery, equipment, or normal operating repair or replacement parts if the  
1775 machinery, equipment, or normal operating repair or replacement parts have an economic life  
1776 of three or more years and are used in:  
1777 (A) the production process to produce an item sold as tangible personal property;  
1778 (B) research and development;  
1779 (C) transporting, storing, or managing tailings, overburden, or similar waste materials  
1780 produced from mining;  
1781 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in  
1782 mining; or  
1783 (E) preventing, controlling, or reducing dust or other pollutants from mining;  
1784 (c) amounts paid or charged for a purchase or lease:  
1785 (i) by an establishment:  
1786 (A) described in NAICS Code 518112, Web Search Portals, of the 2002 North  
1787 American Industry Classification System of the federal Executive Office of the President,  
1788 Office of Management and Budget; and  
1789 (B) located in the state; and  
1790 (ii) of machinery, equipment, or normal operating repair or replacement parts if the  
1791 machinery, equipment, or normal operating repair or replacement parts:  
1792 (A) are used in the operation of the web search portal; and  
1793 (B) have an economic life of three or more years; and  
1794 (d) for purposes of this Subsection (14) and in accordance with Title 63G, Chapter 3,

- 1795 Utah Administrative Rulemaking Act, the commission:
- 1796 (i) shall by rule define the term "establishment"; and
- 1797 (ii) may by rule define what constitutes:
- 1798 (A) processing an item sold as tangible personal property;
- 1799 (B) the production process, to produce an item sold as tangible personal property; or
- 1800 (C) research and development;
- 1801 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:
- 1802 (i) tooling;
- 1803 (ii) special tooling;
- 1804 (iii) support equipment;
- 1805 (iv) special test equipment; or
- 1806 (v) parts used in the repairs or renovations of tooling or equipment described in
- 1807 Subsections (15)(a)(i) through (iv); and
- 1808 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
- 1809 (i) the tooling, equipment, or parts are used or consumed exclusively in the
- 1810 performance of any aerospace or electronics industry contract with the United States
- 1811 government or any subcontract under that contract; and
- 1812 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
- 1813 title to the tooling, equipment, or parts is vested in the United States government as evidenced
- 1814 by:
- 1815 (A) a government identification tag placed on the tooling, equipment, or parts; or
- 1816 (B) listing on a government-approved property record if placing a government
- 1817 identification tag on the tooling, equipment, or parts is impractical;
- 1818 (16) sales of newspapers or newspaper subscriptions;
- 1819 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a
- 1820 product transferred electronically traded in as full or part payment of the purchase price, except
- 1821 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,
- 1822 trade-ins are limited to other vehicles only, and the tax is based upon:
- 1823 (i) the bill of sale or other written evidence of value of the vehicle being sold and the
- 1824 vehicle being traded in; or
- 1825 (ii) in the absence of a bill of sale or other written evidence of value, the then existing

1826 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the  
1827 commission; and

1828 (b) Subsection (17)(a) does not apply to the following items of tangible personal  
1829 property or products transferred electronically traded in as full or part payment of the purchase  
1830 price:

1831 (i) money;

1832 (ii) electricity;

1833 (iii) water;

1834 (iv) gas; or

1835 (v) steam;

1836 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property  
1837 or a product transferred electronically used or consumed primarily and directly in farming  
1838 operations, regardless of whether the tangible personal property or product transferred  
1839 electronically:

1840 (A) becomes part of real estate; or

1841 (B) is installed by a:

1842 (I) farmer;

1843 (II) contractor; or

1844 (III) subcontractor; or

1845 (ii) sales of parts used in the repairs or renovations of tangible personal property or a  
1846 product transferred electronically if the tangible personal property or product transferred  
1847 electronically is exempt under Subsection (18)(a)(i); and

1848 (b) amounts paid or charged for the following are subject to the taxes imposed by this  
1849 chapter:

1850 (i) (A) subject to Subsection (18)(b)(i)(B), the following if used in a manner that is  
1851 incidental to farming:

1852 (I) machinery;

1853 (II) equipment;

1854 (III) materials; or

1855 (IV) supplies; and

1856 (B) tangible personal property that is considered to be used in a manner that is

1857 incidental to farming includes:

1858 (I) hand tools; or

1859 (II) maintenance and janitorial equipment and supplies;

1860 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product

1861 transferred electronically if the tangible personal property or product transferred electronically

1862 is used in an activity other than farming; and

1863 (B) tangible personal property or a product transferred electronically that is considered

1864 to be used in an activity other than farming includes:

1865 (I) office equipment and supplies; or

1866 (II) equipment and supplies used in:

1867 (Aa) the sale or distribution of farm products;

1868 (Bb) research; or

1869 (Cc) transportation; or

1870 (iii) a vehicle required to be registered by the laws of this state during the period

1871 ending two years after the date of the vehicle's purchase;

1872 (19) sales of hay;

1873 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or

1874 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or

1875 garden, farm, or other agricultural produce is sold by:

1876 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other

1877 agricultural produce;

1878 (b) an employee of the producer described in Subsection (20)(a); or

1879 (c) a member of the immediate family of the producer described in Subsection (20)(a);

1880 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued

1881 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

1882 (22) except for nonreturnable containers, nonreturnable labels, nonreturnable bags,

1883 nonreturnable shipping cases, and nonreturnable casings for use in packaging purchased in the

1884 course of providing hunting guide services or outfitting services, sales of nonreturnable

1885 containers, nonreturnable labels, nonreturnable bags, nonreturnable shipping cases, and

1886 nonreturnable casings to a manufacturer, processor, wholesaler, or retailer for use in packaging

1887 tangible personal property to be sold by that manufacturer, processor, wholesaler, or retailer;

1888 (23) except for a product purchased in the course of providing hunting guide services  
1889 or outfitting services, a product stored in the state for resale;

1890 (24) (a) purchases of a product if:

1891 (i) the product is:

1892 (A) purchased outside of this state;

1893 (B) brought into this state:

1894 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and

1895 (II) by a nonresident person who is not living or working in this state at the time of the  
1896 purchase;

1897 (C) used for the personal use or enjoyment of the nonresident person described in  
1898 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and

1899 (D) not used in conducting business in this state; and

1900 (ii) for:

1901 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of  
1902 the product for a purpose for which the product is designed occurs outside of this state;

1903 (B) a boat, the boat is registered outside of this state; or

1904 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered  
1905 outside of this state;

1906 (b) the exemption provided for in Subsection (24)(a) does not apply to:

1907 (i) a lease or rental of a product; or

1908 (ii) a sale of a vehicle exempt under Subsection (33); and

1909 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
1910 purposes of Subsection (24)(a), the commission may by rule define what constitutes the  
1911 following:

1912 (i) conducting business in this state if that phrase has the same meaning in this  
1913 Subsection (24) as in Subsection (63);

1914 (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)  
1915 as in Subsection (63); or

1916 (iii) a purpose for which a product is designed if that phrase has the same meaning in  
1917 this Subsection (24) as in Subsection (63);

1918 (25) except for a product purchased in the course of providing hunting guide services

1919 or outfitting services, a product purchased for resale in this state, in the regular course of  
1920 business, either in its original form or as an ingredient or component part of a manufactured or  
1921 compounded product;

1922 (26) a product upon which a sales or use tax was paid to some other state, or one of its  
1923 subdivisions, except that the state shall be paid any difference between the tax paid and the tax  
1924 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if  
1925 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax  
1926 Act;

1927 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a  
1928 person for use in compounding a service taxable under the subsections;

1929 (28) purchases made in accordance with the special supplemental nutrition program for  
1930 women, infants, and children established in 42 U.S.C. Sec. 1786;

1931 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other  
1932 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code  
1933 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of  
1934 the President, Office of Management and Budget;

1935 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State  
1936 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:

1937 (a) not registered in this state; and

1938 (b) (i) not used in this state; or

1939 (ii) used in this state:

1940 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a  
1941 time period that does not exceed the longer of:

1942 (I) 30 days in any calendar year; or

1943 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to  
1944 the borders of this state; or

1945 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time  
1946 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this  
1947 state;

1948 (31) sales of aircraft manufactured in Utah;

1949 (32) amounts paid for the purchase of telecommunications service for purposes of

1950 providing telecommunications service;

1951 (33) sales, leases, or uses of the following:

1952 (a) a vehicle by an authorized carrier; or

1953 (b) tangible personal property that is installed on a vehicle:

1954 (i) sold or leased to or used by an authorized carrier; and

1955 (ii) before the vehicle is placed in service for the first time;

1956 (34) (a) 45% of the sales price of any new manufactured home; and

1957 (b) 100% of the sales price of any used manufactured home;

1958 (35) sales relating to schools and fundraising sales;

1959 (36) sales or rentals of durable medical equipment if:

1960 (a) a person presents a prescription for the durable medical equipment; and

1961 (b) the durable medical equipment is used for home use only;

1962 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in

1963 Section [72-11-102](#); and

1964 (b) the commission shall by rule determine the method for calculating sales exempt

1965 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;

1966 (38) sales to a ski resort of:

1967 (a) snowmaking equipment;

1968 (b) ski slope grooming equipment;

1969 (c) passenger ropeways as defined in Section [72-11-102](#); or

1970 (d) parts used in the repairs or renovations of equipment or passenger ropeways

1971 described in Subsections (38)(a) through (c);

1972 (39) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;

1973 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for

1974 amusement, entertainment, or recreation an unassisted amusement device as defined in Section

1975 [59-12-102](#);

1976 (b) if a seller that sells or rents at the same business location the right to use or operate

1977 for amusement, entertainment, or recreation one or more unassisted amusement devices and

1978 one or more assisted amusement devices, the exemption described in Subsection (40)(a)

1979 applies if the seller separately accounts for the sales or rentals of the right to use or operate for

1980 amusement, entertainment, or recreation for the assisted amusement devices; and



1981 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,  
1982 Utah Administrative Rulemaking Act, the commission may make rules:

1983 (i) governing the circumstances under which sales are at the same business location;  
1984 and

1985 (ii) establishing the procedures and requirements for a seller to separately account for  
1986 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for  
1987 assisted amusement devices;

1988 (41) (a) sales of photocopies by:

1989 (i) a governmental entity; or  
1990 (ii) an entity within the state system of public education, including:

1991 (A) a school; or  
1992 (B) the State Board of Education; or

1993 (b) sales of publications by a governmental entity;

1994 (42) amounts paid for admission to an athletic event at an institution of higher  
1995 education that is subject to the provisions of Title IX of the Education Amendments of 1972,  
1996 20 U.S.C. Sec. 1681 et seq.;

1997 (43) (a) sales made to or by:

1998 (i) an area agency on aging; or  
1999 (ii) a senior citizen center owned by a county, city, or town; or  
2000 (b) sales made by a senior citizen center that contracts with an area agency on aging;

2001 (44) sales or leases of semiconductor fabricating, processing, research, or development  
2002 materials regardless of whether the semiconductor fabricating, processing, research, or  
2003 development materials:

2004 (a) actually come into contact with a semiconductor; or  
2005 (b) ultimately become incorporated into real property;

2006 (45) an amount paid by or charged to a purchaser for accommodations and services  
2007 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section  
2008 59-12-104.2;

2009 (46) beginning on September 1, 2001, the lease or use of a vehicle issued a temporary  
2010 sports event registration certificate in accordance with Section 41-3-306 for the event period  
2011 specified on the temporary sports event registration certificate;

2012 (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff  
2013 adopted by the Public Service Commission only for purchase of electricity produced from a  
2014 new alternative energy source built after January 1, 2016, as designated in the tariff by the  
2015 Public Service Commission;

2016 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies  
2017 only to the portion of the tariff rate a customer pays under the tariff described in Subsection  
2018 (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the  
2019 customer would have paid absent the tariff;

2020 (48) sales or rentals of mobility enhancing equipment if a person presents a  
2021 prescription for the mobility enhancing equipment;

2022 (49) sales of water in a:

2023 (a) pipe;

2024 (b) conduit;

2025 (c) ditch; or

2026 (d) reservoir;

2027 (50) sales of currency or coins that constitute legal tender of a state, the United States,  
2028 or a foreign nation;

2029 (51) (a) sales of an item described in Subsection (51)(b) if the item:

2030 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and

2031 (ii) has a gold, silver, or platinum content of 50% or more; and

2032 (b) Subsection (51)(a) applies to a gold, silver, or platinum:

2033 (i) ingot;

2034 (ii) bar;

2035 (iii) medallion; or

2036 (iv) decorative coin;

2037 (52) amounts paid on a sale-leaseback transaction;

2038 (53) sales of a prosthetic device:

2039 (a) for use on or in a human; and

2040 (b) (i) for which a prescription is required; or

2041 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

2042 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of

2043 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery  
2044 or equipment is primarily used in the production or postproduction of the following media for  
2045 commercial distribution:

- 2046 (i) a motion picture;
- 2047 (ii) a television program;
- 2048 (iii) a movie made for television;
- 2049 (iv) a music video;
- 2050 (v) a commercial;
- 2051 (vi) a documentary; or
- 2052 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the

2053 commission by administrative rule made in accordance with Subsection (54)(d); or

- 2054 (b) purchases, leases, or rentals of machinery or equipment by an establishment  
2055 described in Subsection (54)(c) that is used for the production or postproduction of the  
2056 following are subject to the taxes imposed by this chapter:

- 2057 (i) a live musical performance;
- 2058 (ii) a live news program; or
- 2059 (iii) a live sporting event;

2060 (c) the following establishments listed in the 1997 North American Industry  
2061 Classification System of the federal Executive Office of the President, Office of Management  
2062 and Budget, apply to Subsections (54)(a) and (b):

- 2063 (i) NAICS Code 512110; or
- 2064 (ii) NAICS Code 51219; and

2065 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2066 commission may by rule:

- 2067 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);

2068 or

- 2069 (ii) define:

- 2070 (A) "commercial distribution";
- 2071 (B) "live musical performance";
- 2072 (C) "live news program"; or
- 2073 (D) "live sporting event";

2074 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but  
2075 on or before June 30, 2027, of tangible personal property that:

2076 (i) is leased or purchased for or by a facility that:

2077 (A) is an alternative energy electricity production facility;

2078 (B) is located in the state; and

2079 (C) (I) becomes operational on or after July 1, 2004; or

2080 (II) has its generation capacity increased by one or more megawatts on or after July 1,  
2081 2004, as a result of the use of the tangible personal property;

2082 (ii) has an economic life of five or more years; and

2083 (iii) is used to make the facility or the increase in capacity of the facility described in

2084 Subsection (55)(a)(i) operational up to the point of interconnection with an existing  
2085 transmission grid including:

2086 (A) a wind turbine;

2087 (B) generating equipment;

2088 (C) a control and monitoring system;

2089 (D) a power line;

2090 (E) substation equipment;

2091 (F) lighting;

2092 (G) fencing;

2093 (H) pipes; or

2094 (I) other equipment used for locating a power line or pole; and

2095 (b) this Subsection (55) does not apply to:

2096 (i) tangible personal property used in construction of:

2097 (A) a new alternative energy electricity production facility; or

2098 (B) the increase in the capacity of an alternative energy electricity production facility;

2099 (ii) contracted services required for construction and routine maintenance activities;

2100 and

2101 (iii) unless the tangible personal property is used or acquired for an increase in capacity  
2102 of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or  
2103 acquired after:

2104 (A) the alternative energy electricity production facility described in Subsection

2105 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or  
2106 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described  
2107 in Subsection (55)(a)(iii);  
2108 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but  
2109 on or before June 30, 2027, of tangible personal property that:  
2110 (i) is leased or purchased for or by a facility that:  
2111 (A) is a waste energy production facility;  
2112 (B) is located in the state; and  
2113 (C) (I) becomes operational on or after July 1, 2004; or  
2114 (II) has its generation capacity increased by one or more megawatts on or after July 1,  
2115 2004, as a result of the use of the tangible personal property;  
2116 (ii) has an economic life of five or more years; and  
2117 (iii) is used to make the facility or the increase in capacity of the facility described in  
2118 Subsection (56)(a)(i) operational up to the point of interconnection with an existing  
2119 transmission grid including:  
2120 (A) generating equipment;  
2121 (B) a control and monitoring system;  
2122 (C) a power line;  
2123 (D) substation equipment;  
2124 (E) lighting;  
2125 (F) fencing;  
2126 (G) pipes; or  
2127 (H) other equipment used for locating a power line or pole; and  
2128 (b) this Subsection (56) does not apply to:  
2129 (i) tangible personal property used in construction of:  
2130 (A) a new waste energy facility; or  
2131 (B) the increase in the capacity of a waste energy facility;  
2132 (ii) contracted services required for construction and routine maintenance activities;  
2133 and  
2134 (iii) unless the tangible personal property is used or acquired for an increase in capacity  
2135 described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:

- 2136 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as  
2137 described in Subsection (56)(a)(iii); or
- 2138 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described  
2139 in Subsection (56)(a)(iii);
- 2140 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on  
2141 or before June 30, 2027, of tangible personal property that:
- 2142 (i) is leased or purchased for or by a facility that:
- 2143 (A) is located in the state;
- 2144 (B) produces fuel from alternative energy, including:
- 2145 (I) methanol; or
- 2146 (II) ethanol; and
- 2147 (C) (I) becomes operational on or after July 1, 2004; or
- 2148 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as  
2149 a result of the installation of the tangible personal property;
- 2150 (ii) has an economic life of five or more years; and
- 2151 (iii) is installed on the facility described in Subsection (57)(a)(i);
- 2152 (b) this Subsection (57) does not apply to:
- 2153 (i) tangible personal property used in construction of:
- 2154 (A) a new facility described in Subsection (57)(a)(i); or
- 2155 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or
- 2156 (ii) contracted services required for construction and routine maintenance activities;
- 2157 and
- 2158 (iii) unless the tangible personal property is used or acquired for an increase in capacity  
2159 described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:
- 2160 (A) the facility described in Subsection (57)(a)(i) is operational; or
- 2161 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
- 2162 (58) (a) subject to Subsection (58)(b) or (c), sales of tangible personal property or a  
2163 product transferred electronically to a person within this state if that tangible personal property  
2164 or product transferred electronically is subsequently shipped outside the state and incorporated  
2165 pursuant to contract into and becomes a part of real property located outside of this state;
- 2166 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other

2167 state or political entity to which the tangible personal property is shipped imposes a sales, use,  
2168 gross receipts, or other similar transaction excise tax on the transaction against which the other  
2169 state or political entity allows a credit for sales and use taxes imposed by this chapter; and

2170 (c) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,  
2171 a person may claim the exemption allowed by this Subsection (58) for a sale by filing for a  
2172 refund:

2173 (i) if the sale is made on or after July 1, 2004, but on or before June 30, 2008;

2174 (ii) as if this Subsection (58) as in effect on July 1, 2008, were in effect on the day on  
2175 which the sale is made;

2176 (iii) if the person did not claim the exemption allowed by this Subsection (58) for the  
2177 sale prior to filing for the refund;

2178 (iv) for sales and use taxes paid under this chapter on the sale;

2179 (v) in accordance with Section 59-1-1410; and

2180 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if  
2181 the person files for the refund on or before June 30, 2011;

2182 (59) purchases:

2183 (a) of one or more of the following items in printed or electronic format:

2184 (i) a list containing information that includes one or more:

2185 (A) names; or

2186 (B) addresses; or

2187 (ii) a database containing information that includes one or more:

2188 (A) names; or

2189 (B) addresses; and

2190 (b) used to send direct mail;

2191 (60) redemptions or repurchases of a product by a person if that product was:

2192 (a) delivered to a pawnbroker as part of a pawn transaction; and

2193 (b) redeemed or repurchased within the time period established in a written agreement  
2194 between the person and the pawnbroker for redeeming or repurchasing the product;

2195 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:

2196 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;

2197 and

2198 (ii) has a useful economic life of one or more years; and  
2199 (b) the following apply to Subsection (61)(a):  
2200 (i) telecommunications enabling or facilitating equipment, machinery, or software;  
2201 (ii) telecommunications equipment, machinery, or software required for 911 service;  
2202 (iii) telecommunications maintenance or repair equipment, machinery, or software;  
2203 (iv) telecommunications switching or routing equipment, machinery, or software; or  
2204 (v) telecommunications transmission equipment, machinery, or software;  
2205 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible  
2206 personal property or a product transferred electronically that are used in the research and  
2207 development of alternative energy technology; and  
2208 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2209 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes  
2210 purchases of tangible personal property or a product transferred electronically that are used in  
2211 the research and development of alternative energy technology;  
2212 (63) (a) purchases of tangible personal property or a product transferred electronically  
2213 if:  
2214 (i) the tangible personal property or product transferred electronically is:  
2215 (A) purchased outside of this state;  
2216 (B) brought into this state at any time after the purchase described in Subsection  
2217 (63)(a)(i)(A); and  
2218 (C) used in conducting business in this state; and  
2219 (ii) for:  
2220 (A) tangible personal property or a product transferred electronically other than the  
2221 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property  
2222 for a purpose for which the property is designed occurs outside of this state; or  
2223 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered  
2224 outside of this state;  
2225 (b) the exemption provided for in Subsection (63)(a) does not apply to:  
2226 (i) a lease or rental of tangible personal property or a product transferred electronically;  
2227 or  
2228 (ii) a sale of a vehicle exempt under Subsection (33); and



2229 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
2230 purposes of Subsection (63)(a), the commission may by rule define what constitutes the  
2231 following:

2232 (i) conducting business in this state if that phrase has the same meaning in this  
2233 Subsection (63) as in Subsection (24);

2234 (ii) the first use of tangible personal property or a product transferred electronically if  
2235 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or

2236 (iii) a purpose for which tangible personal property or a product transferred  
2237 electronically is designed if that phrase has the same meaning in this Subsection (63) as in  
2238 Subsection (24);

2239 (64) sales of disposable home medical equipment or supplies if:

2240 (a) a person presents a prescription for the disposable home medical equipment or  
2241 supplies;

2242 (b) the disposable home medical equipment or supplies are used exclusively by the  
2243 person to whom the prescription described in Subsection (64)(a) is issued; and

2244 (c) the disposable home medical equipment and supplies are listed as eligible for  
2245 payment under:

2246 (i) Title XVIII, federal Social Security Act; or

2247 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

2248 (65) sales:

2249 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit  
2250 District Act; or

2251 (b) of tangible personal property to a subcontractor of a public transit district, if the  
2252 tangible personal property is:

2253 (i) clearly identified; and

2254 (ii) installed or converted to real property owned by the public transit district;

2255 (66) sales of construction materials:

2256 (a) purchased on or after July 1, 2010;

2257 (b) purchased by, on behalf of, or for the benefit of an international airport:

2258 (i) located within a county of the first class; and

2259 (ii) that has a United States customs office on its premises; and

- 2260 (c) if the construction materials are:
- 2261 (i) clearly identified;
- 2262 (ii) segregated; and
- 2263 (iii) installed or converted to real property:
- 2264 (A) owned or operated by the international airport described in Subsection (66)(b); and
- 2265 (B) located at the international airport described in Subsection (66)(b);
- 2266 (67) sales of construction materials:
- 2267 (a) purchased on or after July 1, 2008;
- 2268 (b) purchased by, on behalf of, or for the benefit of a new airport:
- 2269 (i) located within a county of the second class; and
- 2270 (ii) that is owned or operated by a city in which an airline as defined in Section
- 2271 [59-2-102](#) is headquartered; and
- 2272 (c) if the construction materials are:
- 2273 (i) clearly identified;
- 2274 (ii) segregated; and
- 2275 (iii) installed or converted to real property:
- 2276 (A) owned or operated by the new airport described in Subsection (67)(b);
- 2277 (B) located at the new airport described in Subsection (67)(b); and
- 2278 (C) as part of the construction of the new airport described in Subsection (67)(b);
- 2279 (68) sales of fuel to a common carrier that is a railroad for use in a locomotive engine;
- 2280 (69) purchases and sales described in Section [63H-4-111](#);
- 2281 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and
- 2282 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of
- 2283 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
- 2284 lists a state or country other than this state as the location of registry of the fixed wing turbine
- 2285 powered aircraft; or
- 2286 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
- 2287 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of
- 2288 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
- 2289 lists a state or country other than this state as the location of registry of the fixed wing turbine
- 2290 powered aircraft;

- 2291 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:  
2292 (a) to a person admitted to an institution of higher education; and  
2293 (b) by a seller, other than a bookstore owned by an institution of higher education, if  
2294 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a  
2295 textbook for a higher education course;
- 2296 (72) a license fee or tax a municipality imposes in accordance with Subsection  
2297 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced  
2298 level of municipal services;
- 2299 (73) amounts paid or charged for construction materials used in the construction of a  
2300 new or expanding life science research and development facility in the state, if the construction  
2301 materials are:
- 2302 (a) clearly identified;  
2303 (b) segregated; and  
2304 (c) installed or converted to real property;
- 2305 (74) amounts paid or charged for:
- 2306 (a) a purchase or lease of machinery and equipment that:  
2307 (i) are used in performing qualified research:  
2308 (A) as defined in Section 41(d), Internal Revenue Code; and  
2309 (B) in the state; and  
2310 (ii) have an economic life of three or more years; and  
2311 (b) normal operating repair or replacement parts:  
2312 (i) for the machinery and equipment described in Subsection (74)(a); and  
2313 (ii) that have an economic life of three or more years;
- 2314 (75) a sale or lease of tangible personal property used in the preparation of prepared  
2315 food if:
- 2316 (a) for a sale:  
2317 (i) the ownership of the seller and the ownership of the purchaser are identical; and  
2318 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that  
2319 tangible personal property prior to making the sale; or  
2320 (b) for a lease:  
2321 (i) the ownership of the lessor and the ownership of the lessee are identical; and

2322 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible  
2323 personal property prior to making the lease;

2324 (76) (a) purchases of machinery or equipment if:

2325 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,  
2326 Gambling, and Recreation Industries, of the 2012 North American Industry Classification  
2327 System of the federal Executive Office of the President, Office of Management and Budget;

2328 (ii) the machinery or equipment:

2329 (A) has an economic life of three or more years; and

2330 (B) is used by one or more persons who pay admission or user fees described in  
2331 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and

2332 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:

2333 (A) amounts paid or charged as admission or user fees described in Subsection  
2334 59-12-103(1)(f); and

2335 (B) subject to taxation under this chapter; and

2336 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2337 commission may make rules for verifying that 51% of a purchaser's sales revenue for the  
2338 previous calendar quarter is:

2339 (i) amounts paid or charged as admission or user fees described in Subsection  
2340 59-12-103(1)(f); and

2341 (ii) subject to taxation under this chapter;

2342 (77) purchases of a short-term lodging consumable by a business that provides  
2343 accommodations and services described in Subsection 59-12-103(1)(i);

2344 (78) amounts paid or charged to access a database:

2345 (a) if the primary purpose for accessing the database is to view or retrieve information  
2346 from the database; and

2347 (b) not including amounts paid or charged for a:

2348 (i) digital audiowork;

2349 (ii) digital audio-visual work; or

2350 (iii) digital book;

2351 (79) amounts paid or charged for a purchase or lease made by an electronic financial  
2352 payment service, of:

- 2353 (a) machinery and equipment that:
- 2354 (i) are used in the operation of the electronic financial payment service; and
- 2355 (ii) have an economic life of three or more years; and
- 2356 (b) normal operating repair or replacement parts that:
- 2357 (i) are used in the operation of the electronic financial payment service; and
- 2358 (ii) have an economic life of three or more years;
- 2359 (80) beginning on April 1, 2013, sales of a fuel cell as defined in Section 54-15-102;
- 2360 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
- 2361 product transferred electronically if the tangible personal property or product transferred
- 2362 electronically:
- 2363 (a) is stored, used, or consumed in the state; and
- 2364 (b) is temporarily brought into the state from another state:
- 2365 (i) during a disaster period as defined in Section 53-2a-1202;
- 2366 (ii) by an out-of-state business as defined in Section 53-2a-1202;
- 2367 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
- 2368 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
- 2369 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined
- 2370 in Section 39-9-102, made pursuant to Title 39, Chapter 9, State Morale, Welfare, and
- 2371 Recreation Program;
- 2372 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 2373 (84) (a) except as provided in Subsection (84)(b), amounts paid or charged for a
- 2374 purchase or lease made by a drilling equipment manufacturer of machinery, equipment,
- 2375 materials, or normal operating repair or replacement parts:
- 2376 (i) that are used or consumed exclusively in the drilling equipment manufacturer's
- 2377 manufacturing process; and
- 2378 (ii) except for office:
- 2379 (A) equipment; or
- 2380 (B) supplies; and
- 2381 (b) beginning on July 1, 2015, and ending on June 30, 2017, a person may claim an
- 2382 exemption described in Subsection (84)(a) only by filing for a refund:
- 2383 (i) of 50% of the tax paid on the amounts paid or charged; and

2384 (ii) in accordance with Section 59-1-1410; [~~and~~]  
2385 (85) amounts paid or charged for a purchase or lease made by a qualifying enterprise  
2386 data center of machinery, equipment, or normal operating repair or replacement parts, if the  
2387 machinery, equipment, or normal operating repair or replacement parts:  
2388 (a) are used in the operation of the establishment; and  
2389 (b) have an economic life of one or more years[-]; and  
2390 (86) amounts paid or charged for a purchase of hunting guide services or outfitting  
2391 services.  
2392 Section 3. **Effective date.**  
2393 This bill takes effect on July 1, 2017.

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**