

**Senator J. Stuart Adams** proposes the following substitute bill:

**REFINERY SALES AND USE TAX EXEMPTION AMENDMENTS**

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: J. Stuart Adams**

House Sponsor: Brad R. Wilson

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to a sales and use tax exemptions for certain refineries.

**Highlighted Provisions:**

This bill:

- ▶ provides definitions;
- ▶ provides a sales and use tax exemption for amounts paid or charged for a purchase or lease of machinery, equipment, or normal operating repair or replacement parts by a refiner;
- ▶ provides that beginning on a certain date, a refiner that seeks to be eligible for the sales and use tax exemption shall annually report certain information to the Office of Energy Development;
- ▶ requires the Office of Energy Development to annually certify that the refiner is eligible for the sales and use tax exemption if the refiner's refinery that is located within the state meets certain fuel standards;
- ▶ grants the Office of Energy Development rulemaking authority to administer the certification requirements; and
- ▶ makes technical and conforming changes.



26 **Money Appropriated in this Bill:**

27 None

28 **Other Special Clauses:**

29 This bill provides a special effective date.

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **59-12-104**, as last amended by Laws of Utah 2016, Third Special Session, Chapter 6

33 ENACTS:

34 **63M-4-701**, Utah Code Annotated 1953

35 **63M-4-702**, Utah Code Annotated 1953



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

38 Section 1. Section **59-12-104** is amended to read:

39 **59-12-104. Exemptions.**

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

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

43 (2) subject to Section **59-12-104.6**, sales to the state, its institutions, and its political  
44 subdivisions; however, this exemption does not apply to sales of:

45 (a) construction materials except:

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

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

53 (b) tangible personal property in connection with the construction, operation,  
54 maintenance, repair, or replacement of a project, as defined in Section **11-13-103**, or facilities  
55 providing additional project capacity, as defined in Section **11-13-103**;

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

- 57 (i) the proceeds of each sale do not exceed \$1; and
- 58 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
- 59 the cost of the item described in Subsection (3)(b) as goods consumed; and
- 60 (b) Subsection (3)(a) applies to:
  - 61 (i) food and food ingredients; or
  - 62 (ii) prepared food;
- 63 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:
  - 64 (i) alcoholic beverages;
  - 65 (ii) food and food ingredients; or
  - 66 (iii) prepared food;
- 67 (b) sales of tangible personal property or a product transferred electronically:
  - 68 (i) to a passenger;
  - 69 (ii) by a commercial airline carrier; and
  - 70 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 71 (c) services related to Subsection (4)(a) or (b);
- 72 (5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts
- 73 and equipment:
  - 74 (A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002
  - 75 North American Industry Classification System of the federal Executive Office of the
  - 76 President, Office of Management and Budget; and
  - 77 (II) for:
    - 78 (Aa) installation in an aircraft, including services relating to the installation of parts or
    - 79 equipment in the aircraft;
    - 80 (Bb) renovation of an aircraft; or
    - 81 (Cc) repair of an aircraft; or
  - 82 (B) for installation in an aircraft operated by a common carrier in interstate or foreign
  - 83 commerce; or
  - 84 (ii) beginning on October 1, 2008, sales of parts and equipment for installation in an
  - 85 aircraft operated by a common carrier in interstate or foreign commerce; and
  - 86 (b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,
  - 87 a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a

88 refund:

89 (i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;

90 (ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;

91 (iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for

92 the sale prior to filing for the refund;

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

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

95 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if

96 the person files for the refund on or before September 30, 2011;

97 (6) sales of commercials, motion picture films, prerecorded audio program tapes or

98 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture

99 exhibitor, distributor, or commercial television or radio broadcaster;

100 (7) (a) subject to Subsection (7)(b), sales of cleaning or washing of tangible personal

101 property if the cleaning or washing of the tangible personal property is not assisted cleaning or

102 washing of tangible personal property;

103 (b) if a seller that sells at the same business location assisted cleaning or washing of

104 tangible personal property and cleaning or washing of tangible personal property that is not

105 assisted cleaning or washing of tangible personal property, the exemption described in

106 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning

107 or washing of the tangible personal property; and

108 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,

109 Utah Administrative Rulemaking Act, the commission may make rules:

110 (i) governing the circumstances under which sales are at the same business location;

111 and

112 (ii) establishing the procedures and requirements for a seller to separately account for

113 sales of assisted cleaning or washing of tangible personal property;

114 (8) sales made to or by religious or charitable institutions in the conduct of their regular

115 religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are

116 fulfilled;

117 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of

118 this state if the vehicle is:

- 119 (a) not registered in this state; and
- 120 (b) (i) not used in this state; or
- 121 (ii) used in this state:
- 122 (A) if the vehicle is not used to conduct business, for a time period that does not
- 123 exceed the longer of:
- 124 (I) 30 days in any calendar year; or
- 125 (II) the time period necessary to transport the vehicle to the borders of this state; or
- 126 (B) if the vehicle is used to conduct business, for the time period necessary to transport
- 127 the vehicle to the borders of this state;
- 128 (10) (a) amounts paid for an item described in Subsection (10)(b) if:
- 129 (i) the item is intended for human use; and
- 130 (ii) (A) a prescription was issued for the item; or
- 131 (B) the item was purchased by a hospital or other medical facility; and
- 132 (b) (i) Subsection (10)(a) applies to:
- 133 (A) a drug;
- 134 (B) a syringe; or
- 135 (C) a stoma supply; and
- 136 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 137 commission may by rule define the terms:
- 138 (A) "syringe"; or
- 139 (B) "stoma supply";
- 140 (11) purchases or leases exempt under Section [19-12-201](#);
- 141 (12) (a) sales of an item described in Subsection (12)(c) served by:
- 142 (i) the following if the item described in Subsection (12)(c) is not available to the
- 143 general public:
- 144 (A) a church; or
- 145 (B) a charitable institution;
- 146 (ii) an institution of higher education if:
- 147 (A) the item described in Subsection (12)(c) is not available to the general public; or
- 148 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan
- 149 offered by the institution of higher education; or

- 150 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 151 (i) a medical facility; or
- 152 (ii) a nursing facility; and
- 153 (c) Subsections (12)(a) and (b) apply to:
- 154 (i) food and food ingredients;
- 155 (ii) prepared food; or
- 156 (iii) alcoholic beverages;
- 157 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
- 158 or a product transferred electronically by a person:
- 159 (i) regardless of the number of transactions involving the sale of that tangible personal
- 160 property or product transferred electronically by that person; and
- 161 (ii) not regularly engaged in the business of selling that type of tangible personal
- 162 property or product transferred electronically;
- 163 (b) this Subsection (13) does not apply if:
- 164 (i) the sale is one of a series of sales of a character to indicate that the person is
- 165 regularly engaged in the business of selling that type of tangible personal property or product
- 166 transferred electronically;
- 167 (ii) the person holds that person out as regularly engaged in the business of selling that
- 168 type of tangible personal property or product transferred electronically;
- 169 (iii) the person sells an item of tangible personal property or product transferred
- 170 electronically that the person purchased as a sale that is exempt under Subsection (25); or
- 171 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of
- 172 this state in which case the tax is based upon:
- 173 (A) the bill of sale or other written evidence of value of the vehicle or vessel being
- 174 sold; or
- 175 (B) in the absence of a bill of sale or other written evidence of value, the fair market
- 176 value of the vehicle or vessel being sold at the time of the sale as determined by the
- 177 commission; and
- 178 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 179 commission shall make rules establishing the circumstances under which:
- 180 (i) a person is regularly engaged in the business of selling a type of tangible personal

181 property or product transferred electronically;

182 (ii) a sale of tangible personal property or a product transferred electronically is one of  
183 a series of sales of a character to indicate that a person is regularly engaged in the business of  
184 selling that type of tangible personal property or product transferred electronically; or

185 (iii) a person holds that person out as regularly engaged in the business of selling a type  
186 of tangible personal property or product transferred electronically;

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

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

189 (ii) of machinery, equipment, or normal operating repair or replacement parts if the  
190 machinery, equipment, or normal operating repair or replacement parts have an economic life  
191 of three or more years and are used:

192 (A) in the manufacturing process to manufacture an item sold as tangible personal  
193 property; or

194 (B) for a scrap recycler, to process an item sold as tangible personal property;

195 (b) amounts paid or charged for a purchase or lease:

196 (i) by an establishment:

197 (A) described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS Code  
198 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal Mining, or  
199 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the 2002 North  
200 American Industry Classification System of the federal Executive Office of the President,  
201 Office of Management and Budget; and

202 (B) located in the state; and

203 (ii) of machinery, equipment, or normal operating repair or replacement parts if the  
204 machinery, equipment, or normal operating repair or replacement parts have an economic life  
205 of three or more years and are used in:

206 (A) the production process to produce an item sold as tangible personal property;

207 (B) research and development;

208 (C) transporting, storing, or managing tailings, overburden, or similar waste materials  
209 produced from mining;

210 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in  
211 mining; or

212 (E) preventing, controlling, or reducing dust or other pollutants from mining;  
213 (c) amounts paid or charged for a purchase or lease:  
214 (i) by an establishment:  
215 (A) described in NAICS Code 518112, Web Search Portals, of the 2002 North  
216 American Industry Classification System of the federal Executive Office of the President,  
217 Office of Management and Budget; and  
218 (B) located in the state; and  
219 (ii) of machinery, equipment, or normal operating repair or replacement parts if the  
220 machinery, equipment, or normal operating repair or replacement parts:  
221 (A) are used in the operation of the web search portal; and  
222 (B) have an economic life of three or more years; and  
223 (d) for purposes of this Subsection (14) and in accordance with Title 63G, Chapter 3,  
224 Utah Administrative Rulemaking Act, the commission:  
225 (i) shall by rule define the term "establishment"; and  
226 (ii) may by rule define what constitutes:  
227 (A) processing an item sold as tangible personal property;  
228 (B) the production process, to produce an item sold as tangible personal property; or  
229 (C) research and development;  
230 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:  
231 (i) tooling;  
232 (ii) special tooling;  
233 (iii) support equipment;  
234 (iv) special test equipment; or  
235 (v) parts used in the repairs or renovations of tooling or equipment described in  
236 Subsections (15)(a)(i) through (iv); and  
237 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:  
238 (i) the tooling, equipment, or parts are used or consumed exclusively in the  
239 performance of any aerospace or electronics industry contract with the United States  
240 government or any subcontract under that contract; and  
241 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),  
242 title to the tooling, equipment, or parts is vested in the United States government as evidenced



243 by:

244 (A) a government identification tag placed on the tooling, equipment, or parts; or

245 (B) listing on a government-approved property record if placing a government

246 identification tag on the tooling, equipment, or parts is impractical;

247 (16) sales of newspapers or newspaper subscriptions;

248 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a

249 product transferred electronically traded in as full or part payment of the purchase price, except

250 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,

251 trade-ins are limited to other vehicles only, and the tax is based upon:

252 (i) the bill of sale or other written evidence of value of the vehicle being sold and the

253 vehicle being traded in; or

254 (ii) in the absence of a bill of sale or other written evidence of value, the then existing

255 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the

256 commission; and

257 (b) Subsection (17)(a) does not apply to the following items of tangible personal

258 property or products transferred electronically traded in as full or part payment of the purchase

259 price:

260 (i) money;

261 (ii) electricity;

262 (iii) water;

263 (iv) gas; or

264 (v) steam;

265 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property

266 or a product transferred electronically used or consumed primarily and directly in farming

267 operations, regardless of whether the tangible personal property or product transferred

268 electronically:

269 (A) becomes part of real estate; or

270 (B) is installed by a:

271 (I) farmer;

272 (II) contractor; or

273 (III) subcontractor; or

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

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

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

281 (I) machinery;

282 (II) equipment;

283 (III) materials; or

284 (IV) supplies; and

285 (B) tangible personal property that is considered to be used in a manner that is  
286 incidental to farming includes:

287 (I) hand tools; or

288 (II) maintenance and janitorial equipment and supplies;

289 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product  
290 transferred electronically if the tangible personal property or product transferred electronically  
291 is used in an activity other than farming; and

292 (B) tangible personal property or a product transferred electronically that is considered  
293 to be used in an activity other than farming includes:

294 (I) office equipment and supplies; or

295 (II) equipment and supplies used in:

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

297 (Bb) research; or

298 (Cc) transportation; or

299 (iii) a vehicle required to be registered by the laws of this state during the period  
300 ending two years after the date of the vehicle's purchase;

301 (19) sales of hay;

302 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or  
303 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or  
304 garden, farm, or other agricultural produce is sold by:

- 305 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other  
306 agricultural produce;
- 307 (b) an employee of the producer described in Subsection (20)(a); or  
308 (c) a member of the immediate family of the producer described in Subsection (20)(a);
- 309 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued  
310 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
- 311 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,  
312 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,  
313 wholesaler, or retailer for use in packaging tangible personal property to be sold by that  
314 manufacturer, processor, wholesaler, or retailer;
- 315 (23) a product stored in the state for resale;
- 316 (24) (a) purchases of a product if:  
317 (i) the product is:  
318 (A) purchased outside of this state;  
319 (B) brought into this state:  
320 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and  
321 (II) by a nonresident person who is not living or working in this state at the time of the  
322 purchase;
- 323 (C) used for the personal use or enjoyment of the nonresident person described in  
324 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and
- 325 (D) not used in conducting business in this state; and
- 326 (ii) for:  
327 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of  
328 the product for a purpose for which the product is designed occurs outside of this state;
- 329 (B) a boat, the boat is registered outside of this state; or  
330 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered  
331 outside of this state;
- 332 (b) the exemption provided for in Subsection (24)(a) does not apply to:  
333 (i) a lease or rental of a product; or  
334 (ii) a sale of a vehicle exempt under Subsection (33); and  
335 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for

336 purposes of Subsection (24)(a), the commission may by rule define what constitutes the  
337 following:

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

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

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

344 (25) a product purchased for resale in this state, in the regular course of business, either  
345 in its original form or as an ingredient or component part of a manufactured or compounded  
346 product;

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

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

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

356 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other  
357 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code  
358 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of  
359 the President, Office of Management and Budget;

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

362 (a) not registered in this state; and

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

364 (ii) used in this state:

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

- 367 (I) 30 days in any calendar year; or  
368 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to  
369 the borders of this state; or  
370 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time  
371 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this  
372 state;
- 373 (31) sales of aircraft manufactured in Utah;  
374 (32) amounts paid for the purchase of telecommunications service for purposes of  
375 providing telecommunications service;  
376 (33) sales, leases, or uses of the following:  
377 (a) a vehicle by an authorized carrier; or  
378 (b) tangible personal property that is installed on a vehicle:  
379 (i) sold or leased to or used by an authorized carrier; and  
380 (ii) before the vehicle is placed in service for the first time;  
381 (34) (a) 45% of the sales price of any new manufactured home; and  
382 (b) 100% of the sales price of any used manufactured home;  
383 (35) sales relating to schools and fundraising sales;  
384 (36) sales or rentals of durable medical equipment if:  
385 (a) a person presents a prescription for the durable medical equipment; and  
386 (b) the durable medical equipment is used for home use only;  
387 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in  
388 Section 72-11-102; and  
389 (b) the commission shall by rule determine the method for calculating sales exempt  
390 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;  
391 (38) sales to a ski resort of:  
392 (a) snowmaking equipment;  
393 (b) ski slope grooming equipment;  
394 (c) passenger ropeways as defined in Section 72-11-102; or  
395 (d) parts used in the repairs or renovations of equipment or passenger ropeways  
396 described in Subsections (38)(a) through (c);  
397 (39) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;

398 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for  
399 amusement, entertainment, or recreation an unassisted amusement device as defined in Section  
400 [59-12-102](#);

401 (b) if a seller that sells or rents at the same business location the right to use or operate  
402 for amusement, entertainment, or recreation one or more unassisted amusement devices and  
403 one or more assisted amusement devices, the exemption described in Subsection (40)(a)  
404 applies if the seller separately accounts for the sales or rentals of the right to use or operate for  
405 amusement, entertainment, or recreation for the assisted amusement devices; and

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

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

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

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

414 (i) a governmental entity; or

415 (ii) an entity within the state system of public education, including:

416 (A) a school; or

417 (B) the State Board of Education; or

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

419 (42) amounts paid for admission to an athletic event at an institution of higher  
420 education that is subject to the provisions of Title IX of the Education Amendments of 1972,  
421 20 U.S.C. Sec. 1681 et seq.;

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

423 (i) an area agency on aging; or

424 (ii) a senior citizen center owned by a county, city, or town; or

425 (b) sales made by a senior citizen center that contracts with an area agency on aging;

426 (44) sales or leases of semiconductor fabricating, processing, research, or development  
427 materials regardless of whether the semiconductor fabricating, processing, research, or  
428 development materials:

- 429 (a) actually come into contact with a semiconductor; or
- 430 (b) ultimately become incorporated into real property;
- 431 (45) an amount paid by or charged to a purchaser for accommodations and services
- 432 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section
- 433 59-12-104.2;
- 434 (46) beginning on September 1, 2001, the lease or use of a vehicle issued a temporary
- 435 sports event registration certificate in accordance with Section 41-3-306 for the event period
- 436 specified on the temporary sports event registration certificate;
- 437 (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff
- 438 adopted by the Public Service Commission only for purchase of electricity produced from a
- 439 new alternative energy source built after January 1, 2016, as designated in the tariff by the
- 440 Public Service Commission;
- 441 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
- 442 only to the portion of the tariff rate a customer pays under the tariff described in Subsection
- 443 (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the
- 444 customer would have paid absent the tariff;
- 445 (48) sales or rentals of mobility enhancing equipment if a person presents a
- 446 prescription for the mobility enhancing equipment;
- 447 (49) sales of water in a:
- 448 (a) pipe;
- 449 (b) conduit;
- 450 (c) ditch; or
- 451 (d) reservoir;
- 452 (50) sales of currency or coins that constitute legal tender of a state, the United States,
- 453 or a foreign nation;
- 454 (51) (a) sales of an item described in Subsection (51)(b) if the item:
- 455 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 456 (ii) has a gold, silver, or platinum content of 50% or more; and
- 457 (b) Subsection (51)(a) applies to a gold, silver, or platinum:
- 458 (i) ingot;
- 459 (ii) bar;

460 (iii) medallion; or  
461 (iv) decorative coin;  
462 (52) amounts paid on a sale-leaseback transaction;  
463 (53) sales of a prosthetic device:  
464 (a) for use on or in a human; and  
465 (b) (i) for which a prescription is required; or  
466 (ii) if the prosthetic device is purchased by a hospital or other medical facility;  
467 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of  
468 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery  
469 or equipment is primarily used in the production or postproduction of the following media for  
470 commercial distribution:  
471 (i) a motion picture;  
472 (ii) a television program;  
473 (iii) a movie made for television;  
474 (iv) a music video;  
475 (v) a commercial;  
476 (vi) a documentary; or  
477 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the  
478 commission by administrative rule made in accordance with Subsection (54)(d); or  
479 (b) purchases, leases, or rentals of machinery or equipment by an establishment  
480 described in Subsection (54)(c) that is used for the production or postproduction of the  
481 following are subject to the taxes imposed by this chapter:  
482 (i) a live musical performance;  
483 (ii) a live news program; or  
484 (iii) a live sporting event;  
485 (c) the following establishments listed in the 1997 North American Industry  
486 Classification System of the federal Executive Office of the President, Office of Management  
487 and Budget, apply to Subsections (54)(a) and (b):  
488 (i) NAICS Code 512110; or  
489 (ii) NAICS Code 51219; and  
490 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the



491 commission may by rule:

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

493 or

494 (ii) define:

495 (A) "commercial distribution";

496 (B) "live musical performance";

497 (C) "live news program"; or

498 (D) "live sporting event";

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

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

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

503 (B) is located in the state; and

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

505 (II) has its generation capacity increased by one or more megawatts on or after July 1,  
506 2004, as a result of the use of the tangible personal property;

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

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

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

511 (A) a wind turbine;

512 (B) generating equipment;

513 (C) a control and monitoring system;

514 (D) a power line;

515 (E) substation equipment;

516 (F) lighting;

517 (G) fencing;

518 (H) pipes; or

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

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

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

- 522 (A) a new alternative energy electricity production facility; or
- 523 (B) the increase in the capacity of an alternative energy electricity production facility;
- 524 (ii) contracted services required for construction and routine maintenance activities;
- 525 and
- 526 (iii) unless the tangible personal property is used or acquired for an increase in capacity
- 527 of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or
- 528 acquired after:
  - 529 (A) the alternative energy electricity production facility described in Subsection
  - 530 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
  - 531 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described
  - 532 in Subsection (55)(a)(iii);
  - 533 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but
  - 534 on or before June 30, 2027, of tangible personal property that:
    - 535 (i) is leased or purchased for or by a facility that:
      - 536 (A) is a waste energy production facility;
      - 537 (B) is located in the state; and
      - 538 (C) (I) becomes operational on or after July 1, 2004; or
      - 539 (II) has its generation capacity increased by one or more megawatts on or after July 1,
      - 540 2004, as a result of the use of the tangible personal property;
      - 541 (ii) has an economic life of five or more years; and
      - 542 (iii) is used to make the facility or the increase in capacity of the facility described in
      - 543 Subsection (56)(a)(i) operational up to the point of interconnection with an existing
      - 544 transmission grid including:
        - 545 (A) generating equipment;
        - 546 (B) a control and monitoring system;
        - 547 (C) a power line;
        - 548 (D) substation equipment;
        - 549 (E) lighting;
        - 550 (F) fencing;
        - 551 (G) pipes; or
        - 552 (H) other equipment used for locating a power line or pole; and

553 (b) this Subsection (56) does not apply to:  
554 (i) tangible personal property used in construction of:  
555 (A) a new waste energy facility; or  
556 (B) the increase in the capacity of a waste energy facility;  
557 (ii) contracted services required for construction and routine maintenance activities;  
558 and  
559 (iii) unless the tangible personal property is used or acquired for an increase in capacity  
560 described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:  
561 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as  
562 described in Subsection (56)(a)(iii); or  
563 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described  
564 in Subsection (56)(a)(iii);  
565 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on  
566 or before June 30, 2027, of tangible personal property that:  
567 (i) is leased or purchased for or by a facility that:  
568 (A) is located in the state;  
569 (B) produces fuel from alternative energy, including:  
570 (I) methanol; or  
571 (II) ethanol; and  
572 (C) (I) becomes operational on or after July 1, 2004; or  
573 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as  
574 a result of the installation of the tangible personal property;  
575 (ii) has an economic life of five or more years; and  
576 (iii) is installed on the facility described in Subsection (57)(a)(i);  
577 (b) this Subsection (57) does not apply to:  
578 (i) tangible personal property used in construction of:  
579 (A) a new facility described in Subsection (57)(a)(i); or  
580 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or  
581 (ii) contracted services required for construction and routine maintenance activities;  
582 and  
583 (iii) unless the tangible personal property is used or acquired for an increase in capacity

584 described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:

585 (A) the facility described in Subsection (57)(a)(i) is operational; or

586 (B) the increased capacity described in Subsection (57)(a)(i) is operational;

587 (58) (a) subject to Subsection (58)(b) or (c), sales of tangible personal property or a  
588 product transferred electronically to a person within this state if that tangible personal property  
589 or product transferred electronically is subsequently shipped outside the state and incorporated  
590 pursuant to contract into and becomes a part of real property located outside of this state;

591 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other  
592 state or political entity to which the tangible personal property is shipped imposes a sales, use,  
593 gross receipts, or other similar transaction excise tax on the transaction against which the other  
594 state or political entity allows a credit for sales and use taxes imposed by this chapter; and

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

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

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

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

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

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

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

607 (59) purchases:

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

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

610 (A) names; or

611 (B) addresses; or

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

613 (A) names; or

614 (B) addresses; and

615 (b) used to send direct mail;

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

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

618 (b) redeemed or repurchased within the time period established in a written agreement

619 between the person and the pawnbroker for redeeming or repurchasing the product;

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

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

622 and

623 (ii) has a useful economic life of one or more years; and

624 (b) the following apply to Subsection (61)(a):

625 (i) telecommunications enabling or facilitating equipment, machinery, or software;

626 (ii) telecommunications equipment, machinery, or software required for 911 service;

627 (iii) telecommunications maintenance or repair equipment, machinery, or software;

628 (iv) telecommunications switching or routing equipment, machinery, or software; or

629 (v) telecommunications transmission equipment, machinery, or software;

630 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible

631 personal property or a product transferred electronically that are used in the research and

632 development of alternative energy technology; and

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

634 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes

635 purchases of tangible personal property or a product transferred electronically that are used in

636 the research and development of alternative energy technology;

637 (63) (a) purchases of tangible personal property or a product transferred electronically

638 if:

639 (i) the tangible personal property or product transferred electronically is:

640 (A) purchased outside of this state;

641 (B) brought into this state at any time after the purchase described in Subsection

642 (63)(a)(i)(A); and

643 (C) used in conducting business in this state; and

644 (ii) for:

645 (A) tangible personal property or a product transferred electronically other than the

646 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property  
647 for a purpose for which the property is designed occurs outside of this state; or

648 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered  
649 outside of this state;

650 (b) the exemption provided for in Subsection (63)(a) does not apply to:

651 (i) a lease or rental of tangible personal property or a product transferred electronically;

652 or

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

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

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

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

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

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

665 (a) a person presents a prescription for the disposable home medical equipment or  
666 supplies;

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

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

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

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

673 (65) sales:

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

676 (b) of tangible personal property to a subcontractor of a public transit district, if the

677 tangible personal property is:

678 (i) clearly identified; and

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

680 (66) sales of construction materials:

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

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

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

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

685 (c) if the construction materials are:

686 (i) clearly identified;

687 (ii) segregated; and

688 (iii) installed or converted to real property:

689 (A) owned or operated by the international airport described in Subsection (66)(b); and

690 (B) located at the international airport described in Subsection (66)(b);

691 (67) sales of construction materials:

692 (a) purchased on or after July 1, 2008;

693 (b) purchased by, on behalf of, or for the benefit of a new airport:

694 (i) located within a county of the second class; and

695 (ii) that is owned or operated by a city in which an airline as defined in Section

696 [59-2-102](#) is headquartered; and

697 (c) if the construction materials are:

698 (i) clearly identified;

699 (ii) segregated; and

700 (iii) installed or converted to real property:

701 (A) owned or operated by the new airport described in Subsection (67)(b);

702 (B) located at the new airport described in Subsection (67)(b); and

703 (C) as part of the construction of the new airport described in Subsection (67)(b);

704 (68) sales of fuel to a common carrier that is a railroad for use in a locomotive engine;

705 (69) purchases and sales described in Section [63H-4-111](#);

706 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and

707 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of

708 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration  
709 lists a state or country other than this state as the location of registry of the fixed wing turbine  
710 powered aircraft; or

711 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul  
712 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of  
713 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration  
714 lists a state or country other than this state as the location of registry of the fixed wing turbine  
715 powered aircraft;

716 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:

717 (a) to a person admitted to an institution of higher education; and

718 (b) by a seller, other than a bookstore owned by an institution of higher education, if  
719 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a  
720 textbook for a higher education course;

721 (72) a license fee or tax a municipality imposes in accordance with Subsection  
722 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced  
723 level of municipal services;

724 (73) amounts paid or charged for construction materials used in the construction of a  
725 new or expanding life science research and development facility in the state, if the construction  
726 materials are:

727 (a) clearly identified;

728 (b) segregated; and

729 (c) installed or converted to real property;

730 (74) amounts paid or charged for:

731 (a) a purchase or lease of machinery and equipment that:

732 (i) are used in performing qualified research:

733 (A) as defined in Section 41(d), Internal Revenue Code; and

734 (B) in the state; and

735 (ii) have an economic life of three or more years; and

736 (b) normal operating repair or replacement parts:

737 (i) for the machinery and equipment described in Subsection (74)(a); and

738 (ii) that have an economic life of three or more years;



739 (75) a sale or lease of tangible personal property used in the preparation of prepared  
740 food if:

741 (a) for a sale:

742 (i) the ownership of the seller and the ownership of the purchaser are identical; and

743 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that  
744 tangible personal property prior to making the sale; or

745 (b) for a lease:

746 (i) the ownership of the lessor and the ownership of the lessee are identical; and

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

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

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

753 (ii) the machinery or equipment:

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

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

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

758 (A) amounts paid or charged as admission or user fees described in Subsection

759 59-12-103(1)(f); and

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

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

764 (i) amounts paid or charged as admission or user fees described in Subsection

765 59-12-103(1)(f); and

766 (ii) subject to taxation under this chapter;

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

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

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

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

773 (i) digital audiowork;

774 (ii) digital audio-visual work; or

775 (iii) digital book;

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

778 (a) machinery and equipment that:

779 (i) are used in the operation of the electronic financial payment service; and

780 (ii) have an economic life of three or more years; and

781 (b) normal operating repair or replacement parts that:

782 (i) are used in the operation of the electronic financial payment service; and

783 (ii) have an economic life of three or more years;

784 (80) beginning on April 1, 2013, sales of a fuel cell as defined in Section 54-15-102;

785 (81) amounts paid or charged for a purchase or lease of tangible personal property or a  
786 product transferred electronically if the tangible personal property or product transferred  
787 electronically:

788 (a) is stored, used, or consumed in the state; and

789 (b) is temporarily brought into the state from another state:

790 (i) during a disaster period as defined in Section 53-2a-1202;

791 (ii) by an out-of-state business as defined in Section 53-2a-1202;

792 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and

793 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;

794 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined  
795 in Section 39-9-102, made pursuant to Title 39, Chapter 9, State Morale, Welfare, and  
796 Recreation Program;

797 (83) amounts paid or charged for a purchase or lease of molten magnesium;

798 (84) (a) except as provided in Subsection (84)(b), amounts paid or charged for a  
799 purchase or lease made by a drilling equipment manufacturer of machinery, equipment,  
800 materials, or normal operating repair or replacement parts:

801 (i) that are used or consumed exclusively in the drilling equipment manufacturer's  
802 manufacturing process; and

803 (ii) except for office:

804 (A) equipment; or

805 (B) supplies; and

806 (b) beginning on July 1, 2015, and ending on June 30, 2017, a person may claim an  
807 exemption described in Subsection (84)(a) only by filing for a refund:

808 (i) of 50% of the tax paid on the amounts paid or charged; and

809 (ii) in accordance with Section [59-1-1410](#); ~~and~~

810 (85) amounts paid or charged for a purchase or lease made by a qualifying enterprise  
811 data center of machinery, equipment, or normal operating repair or replacement parts, if the  
812 machinery, equipment, or normal operating repair or replacement parts:

813 (a) are used in the operation of the establishment; and

814 (b) have an economic life of one or more years[-]; and

815 (86) amounts paid or charged for a purchase or lease of machinery, equipment, or  
816 normal operating repair or replacement parts:

817 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined  
818 in Section [63M-4-701](#) located in the state;

819 (b) if the machinery, equipment, or normal operating repair or replacement parts are  
820 used in:

821 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is  
822 added to gasoline or diesel fuel;

823 (ii) research and development;

824 (iii) transporting, storing, or managing waste materials produced from refining gasoline  
825 or diesel fuel, or adding blendstock to gasoline or diesel fuel;

826 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in  
827 refining; or

828 (v) preventing, controlling, or reducing pollutants from refining; and

829 (c) beginning on July 1, 2021, if the person has obtained a form certified by the Office  
830 of Energy Development under Section [63M-4-702](#) that the refiner complies with the United  
831 States Environmental Protection Agency's Tier 3 gasoline sulfur standard described in 40

832 C.F.R. Sec. 80.1603.

833 Section 2. Section **63M-4-701** is enacted to read:

834 **Part 7. Refiner Gasoline Sulfur Standard Sales and Use Tax Exemption Reporting.**

835 **63M-4-701. Definitions.**

836 As used in this section:

837 (1) "Blending stock," "blendstock," or "component" means any liquid compound that is  
838 blended with other liquid compounds to produce gasoline.

839 (2) "Refiner" means any person who owns, leases, operates, controls, or supervises a  
840 refinery.

841 (3) "Refinery" means a facility where gasoline or diesel fuel is produced,  
842 including a facility at which blendstocks are combined to produce gasoline or diesel  
843 fuel, or at which blendstock is added to gasoline or diesel fuel.

844 Section 3. Section **63M-4-702** is enacted to read:

845 **63M-4-702. Refiner gasoline standard reporting -- Office of Energy Development**  
846 **certification of sales and use tax exemption eligibility.**

847 (1) (a) Beginning on July 1, 2021, a refiner that seeks to be eligible for a sales and use  
848 tax exemption under Subsection [59-12-104](#)(86) shall annually report to the office whether the  
849 refiner's facility that is located within the state will have an average gasoline sulfur level of 10  
850 parts per million (ppm) using the formulas prescribed in 40 C.F.R. Sec. 80.1603, excluding the  
851 offset for credit use and transfer as prescribed in 40 C.F.R. Sec. 80.1616.

852 (b) Fuels that are not subject to the standards and requirements of 40 C.F.R. Sec.  
853 80.1603 as specified in 40 C.F.R. Sec. 1601 are not subject to the reporting provisions under  
854 Subsection (1)(a).

855 (2) (a) Beginning on July 1, 2021, the office shall annually certify that the refiner is  
856 eligible for the sales and use tax exemption under Subsection [59-12-104](#)(86):

857 (i) on a form provided by the Tax Commission that shall be retained by the refiner  
858 claiming the sales and use tax exemption under Subsection [59-12-104](#)(86);

859 (ii) if the refiner's refinery that is located within the state wholesales gasoline with an  
860 average sulfur level of 10 parts per million (ppm) within the state using the formulas prescribed  
861 in 40 C.F.R. Sec. 80.1603, excluding the offset for credit use and transfer as prescribed in 40  
862 C.F.R. Sec. 80.1616, in the previous calendar year; and

863 (iii) before a taxpayer is allowed the sales and use tax exemption under Subsection  
864 59-12-104(86).

865 (b) The certification provided by the office under Subsection (2)(a) shall be renewed  
866 annually.

867 (c) The office:

868 (i) shall accept a copy of a report submitted by a refiner to the Environmental  
869 Protection Agency under 40 C.F.R. Sec. 80.1652 as sufficient evidence of the refiner's average  
870 gasoline sulfur level; or

871 (ii) may establish another reporting mechanism through rules made under Subsection  
872 (3).

873 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
874 office may make rules to implement this section.

875 **Section 4. Effective date.**

876 This bill takes effect on January 1, 2018.