

**TAX REVISIONS**

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Tim Quinn**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies the Sales and Use Tax Act by amending provisions relating to the taxation of food and food ingredients and tax rates.

**Highlighted Provisions:**

This bill:

- ▶ increases the general state sales and use tax rate; and
- ▶ reduces the state sales and use tax rate on food and food ingredients.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-12-103**, as last amended by Laws of Utah 2017, Chapters 234, 421, and 422

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

Section 1. Section **59-12-103** is amended to read:

**59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.**

(1) A tax is imposed on the purchaser as provided in this part on the purchase price or



28 sales price for amounts paid or charged for the following transactions:  
29       (a) retail sales of tangible personal property made within the state;  
30       (b) amounts paid for:  
31           (i) telecommunications service, other than mobile telecommunications service, that  
32 originates and terminates within the boundaries of this state;  
33           (ii) mobile telecommunications service that originates and terminates within the  
34 boundaries of one state only to the extent permitted by the Mobile Telecommunications  
35 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or  
36       (iii) an ancillary service associated with a:  
37           (A) telecommunications service described in Subsection (1)(b)(i); or  
38           (B) mobile telecommunications service described in Subsection (1)(b)(ii);  
39       (c) sales of the following for commercial use:  
40           (i) gas;  
41           (ii) electricity;  
42           (iii) heat;  
43           (iv) coal;  
44           (v) fuel oil; or  
45           (vi) other fuels;  
46       (d) sales of the following for residential use:  
47           (i) gas;  
48           (ii) electricity;  
49           (iii) heat;  
50           (iv) coal;  
51           (v) fuel oil; or  
52           (vi) other fuels;  
53       (e) sales of prepared food;  
54       (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or  
55 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,  
56 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,  
57 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit  
58 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf

59 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,  
60 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,  
61 horseback rides, sports activities, or any other amusement, entertainment, recreation,  
62 exhibition, cultural, or athletic activity;

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

65 (i) the tangible personal property; and

66 (ii) parts used in the repairs or renovations of the tangible personal property described  
67 in Subsection (1)(g)(i), regardless of whether:

68 (A) any parts are actually used in the repairs or renovations of that tangible personal  
69 property; or

70 (B) the particular parts used in the repairs or renovations of that tangible personal  
71 property are exempt from a tax under this chapter;

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

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

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

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

79 (i) stored;

80 (ii) used; or

81 (iii) otherwise consumed;

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

84 (i) stored;

85 (ii) used; or

86 (iii) consumed; and

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

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

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

- 90 (ii) regardless of whether the sale provides:
- 91 (A) a right of permanent use of the product; or
- 92 (B) a right to use the product that is less than a permanent use, including a right:
- 93 (I) for a definite or specified length of time; and
- 94 (II) that terminates upon the occurrence of a condition.
- 95 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
- 96 is imposed on a transaction described in Subsection (1) equal to the sum of:
- 97 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 98 (A) [~~4.70%~~] 4.94%; and
- 99 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
- 100 and Use Tax Act, if the location of the transaction as determined under Sections [59-12-211](#)
- 101 through [59-12-215](#) is in a county in which the state imposes the tax under Part 18, Additional
- 102 State Sales and Use Tax Act; and
- 103 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
- 104 and Use Tax Act, if the location of the transaction as determined under Sections [59-12-211](#)
- 105 through [59-12-215](#) is in a city, town, or the unincorporated area of a county in which the state
- 106 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 107 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 108 transaction under this chapter other than this part.
- 109 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
- 110 on a transaction described in Subsection (1)(d) equal to the sum of:
- 111 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 112 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 113 transaction under this chapter other than this part.
- 114 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
- 115 on amounts paid or charged for food and food ingredients equal to the sum of:
- 116 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
- 117 a tax rate of [~~1.75%~~] 0%; and
- 118 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 119 amounts paid or charged for food and food ingredients under this chapter other than this part.
- 120 (d) (i) For a bundled transaction that is attributable to food and food ingredients and

121 tangible personal property other than food and food ingredients, a state tax and a local tax is  
122 imposed on the entire bundled transaction equal to the sum of:

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

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

125 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
126 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
127 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
128 Additional State Sales and Use Tax Act; and

129 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
130 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
131 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
132 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

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

149 (B) if the sales price of a bundled transaction is attributable to two or more items of  
150 tangible personal property, products, or services that are subject to taxation under this chapter  
151 at different rates, the entire bundled transaction is subject to taxation under this chapter at the

152 higher tax rate unless:

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

156 (II) state or federal law provides otherwise.

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

160 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)  
161 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
162 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
163 of tangible personal property, other property, a product, or a service that is not subject to  
164 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
165 the seller, at the time of the transaction:

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

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

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

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

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

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

182 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible

183 personal property, products, or services that are subject to taxation under this chapter at  
184 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate  
185 unless the seller, at the time of the transaction:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

237 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
238 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)  
239 through (g):

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

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

242 (B) for the fiscal year; or

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

244 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount



245 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the  
246 Department of Natural Resources to:

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

249 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
250 act, to political subdivisions of the state to implement the measures described in Subsections  
251 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

263 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
264 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
265 created in Section 4-18-106.

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

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

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

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

275 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

276 Program Subaccount created in Section 73-10c-5.

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

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

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

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

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

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

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

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

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

300 (iii) develop surface water sources.

301 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
302 2006, the difference between the following amounts shall be expended as provided in this  
303 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

324 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the  
325 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
326 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
327 Division of Water Resources for:

328 (i) preconstruction costs:

329 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
330 26, Bear River Development Act; and

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

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

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

337 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and

338 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

339 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to  
340 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be  
341 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
342 incurred for employing additional technical staff for the administration of water rights.

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

346 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the  
347 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection  
348 (1) for the fiscal year shall be deposited as follows:

349 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)  
350 shall be deposited into the Transportation Investment Fund of 2005 created by Section  
351 72-2-124;

352 (b) for fiscal year 2017-18 only:

353 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the  
354 Transportation Investment Fund of 2005 created by Section 72-2-124; and

355 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the  
356 Water Infrastructure Restricted Account created by Section 73-10g-103;

357 (c) for fiscal year 2018-19 only:

358 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the  
359 Transportation Investment Fund of 2005 created by Section 72-2-124; and

360 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the  
361 Water Infrastructure Restricted Account created by Section 73-10g-103;

362 (d) for fiscal year 2019-20 only:

363 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the  
364 Transportation Investment Fund of 2005 created by Section 72-2-124; and

365 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the  
366 Water Infrastructure Restricted Account created by Section 73-10g-103;

367 (e) for fiscal year 2020-21 only:

368 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the

369 Transportation Investment Fund of 2005 created by Section 72-2-124; and

370 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the

371 Water Infrastructure Restricted Account created by Section 73-10g-103; and

372 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described

373 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account

374 created by Section 73-10g-103.

375 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in

376 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,

377 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005

378 created by Section 72-2-124:

379 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of

380 the revenues collected from the following taxes, which represents a portion of the

381 approximately 17% of sales and use tax revenues generated annually by the sales and use tax

382 on vehicles and vehicle-related products:

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

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

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

386 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

387 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the

388 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through

389 (D) that exceeds the amount collected from the sales and use taxes described in Subsections

390 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

391 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of

392 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total

393 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)

394 generated in the current fiscal year than the total percentage of sales and use taxes deposited in

395 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection

396 (7)(a) equal to the product of:

397 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the

398 previous fiscal year; and

399 (B) the total sales and use tax revenue generated by the taxes described in Subsections

400 (7)(a)(i)(A) through (D) in the current fiscal year.

401 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under  
402 Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes  
403 described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of  
404 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in  
405 Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

406 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected  
407 from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited  
408 under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues  
409 collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the  
410 current fiscal year under Subsection (7)(a).

411 (8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited  
412 under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall  
413 deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into  
414 the Transportation Investment Fund of 2005 created by Section [72-2-124](#).

415 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
416 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit  
417 \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the  
418 Transportation Investment Fund of 2005 created by Section [72-2-124](#).

419 (c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
420 Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or  
421 after July 1, 2018, the commission shall annually deposit into the Transportation Investment  
422 Fund of 2005 created by Section [72-2-124](#) a portion of the taxes listed under Subsection (3)(a)  
423 in an amount equal to 3.68% of the revenues collected from the following taxes:

- 424 (A) the tax imposed by Subsection (2)(a)(i)(A);
- 425 (B) the tax imposed by Subsection (2)(b)(i);
- 426 (C) the tax imposed by Subsection (2)(c)(i); and
- 427 (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

428 (ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually  
429 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i)  
430 by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year

431 by the portion of the tax imposed on motor and special fuel that is sold, used, or received for  
432 sale or use in this state that exceeds 29.4 cents per gallon.

433 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
434 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
435 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

436 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),  
437 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17  
438 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund  
439 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on  
440 the transactions described in Subsection (1).

441 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in  
442 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance  
443 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the  
444 amount of revenue described as follows:

445 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%  
446 tax rate on the transactions described in Subsection (1);

447 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%  
448 tax rate on the transactions described in Subsection (1);

449 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%  
450 tax rate on the transactions described in Subsection (1);

451 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a  
452 .05% tax rate on the transactions described in Subsection (1); and

453 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%  
454 tax rate on the transactions described in Subsection (1).

455 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not  
456 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts  
457 paid or charged for food and food ingredients, except for tax revenue generated by a bundled  
458 transaction attributable to food and food ingredients and tangible personal property other than  
459 food and food ingredients described in Subsection (2)(d).

460 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
461 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that

462 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of  
463 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue  
464 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,  
465 created in Section 63N-2-512.

466 (12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the  
467 Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed  
468 under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

469 (b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of  
470 Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under  
471 Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

472 (13) Notwithstanding Subsections (4) through (12), an amount required to be expended  
473 or deposited in accordance with Subsections (4) through (12) may not include an amount the  
474 Division of Finance deposits in accordance with Section 59-12-103.2.

475 Section 2. **Effective date.**

476 This bill takes effect on July 1, 2018.

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