

Senator Jerry W. Stevenson proposes the following substitute bill:

MILITARY INSTALLATION DEVELOPMENT

AUTHORITY AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W. Stevenson

House Sponsor: Val L. Peterson

LONG TITLE

General Description:

This bill amends provisions of the Military Installation Development Authority Act.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates the Military Installation Development Authority accommodations tax;
- ▶ amends provisions related to sales and use tax;
- ▶ amends provisions related to the governing board of the Military Installation

Development Authority;

- ▶ amends provisions related to property tax within a project area;
- ▶ requires certain property owners to pay an annual payment to the authority;
- ▶ amends provisions related to allowable uses of funds; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **59-1-306**, as last amended by Laws of Utah 2017, Chapter 430

29 **59-12-104**, as last amended by Laws of Utah 2017, Chapters 264, 268, and 429

30 **63H-1-102**, as last amended by Laws of Utah 2017, Chapter 216

31 **63H-1-302**, as last amended by Laws of Utah 2013, Chapter 362

32 **63H-1-501**, as last amended by Laws of Utah 2015, Chapter 377

33 **63H-1-502**, as last amended by Laws of Utah 2015, Chapter 377

34 ENACTS:

35 **59-28-108**, Utah Code Annotated 1953

36 **63H-1-205**, Utah Code Annotated 1953



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

39 Section 1. Section **59-1-306** is amended to read:

40 **59-1-306. Definition -- State Tax Commission Administrative Charge Account --**
41 **Amount of administrative charge -- Deposit of revenues into the restricted account --**
42 **Interest deposited into General Fund -- Expenditure of money deposited into the**
43 **restricted account.**

44 (1) As used in this section, "qualifying tax, fee, or charge" means a tax, fee, or charge
45 the commission administers under:

- 46 (a) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
- 47 (b) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
- 48 (c) Section **19-6-714**;
- 49 (d) Section **19-6-805**;
- 50 (e) Chapter 12, Sales and Use Tax Act, other than a tax under Chapter 12, Part 1, Tax
- 51 Collection, or Chapter 12, Part 18, Additional State Sales and Use Tax Act;
- 52 (f) Section **59-27-105**; [~~or~~]
- 53 (g) Title 69, Chapter 2, Part 4, 911 Emergency Service Charges[~~;~~]; or
- 54 (h) Section **63H-1-205**.

55 (2) There is created a restricted account within the General Fund known as the "State
56 Tax Commission Administrative Charge Account."

57 (3) Subject to the other provisions of this section, the restricted account shall consist of
58 administrative charges the commission retains and deposits in accordance with this section.

59 (4) For purposes of this section, the administrative charge is a percentage of revenues
60 the commission collects from each qualifying tax, fee, or charge of not to exceed the lesser of:

61 (a) 1.5%; or

62 (b) an equal percentage of revenues the commission collects from each qualifying tax,
63 fee, or charge sufficient to cover the cost to the commission of administering the qualifying
64 taxes, fees, or charges.

65 (5) The commission shall deposit an administrative charge into the restricted account.

66 (6) Interest earned on the restricted account shall be deposited into the General Fund.

67 (7) The commission shall expend money appropriated by the Legislature to the
68 commission from the restricted account to administer qualifying taxes, fees, or charges.

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

70 **59-12-104. Exemptions.**

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

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

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

76 (a) construction materials except:

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

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

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

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

- 88 (i) the proceeds of each sale do not exceed \$1; and
- 89 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
- 90 the cost of the item described in Subsection (3)(b) as goods consumed; and
- 91 (b) Subsection (3)(a) applies to:
- 92 (i) food and food ingredients; or
- 93 (ii) prepared food;
- 94 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:
- 95 (i) alcoholic beverages;
- 96 (ii) food and food ingredients; or
- 97 (iii) prepared food;
- 98 (b) sales of tangible personal property or a product transferred electronically:
- 99 (i) to a passenger;
- 100 (ii) by a commercial airline carrier; and
- 101 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 102 (c) services related to Subsection (4)(a) or (b);
- 103 (5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts
- 104 and equipment:
- 105 (A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002
- 106 North American Industry Classification System of the federal Executive Office of the
- 107 President, Office of Management and Budget; and
- 108 (II) for:
- 109 (Aa) installation in an aircraft, including services relating to the installation of parts or
- 110 equipment in the aircraft;
- 111 (Bb) renovation of an aircraft; or
- 112 (Cc) repair of an aircraft; or
- 113 (B) for installation in an aircraft operated by a common carrier in interstate or foreign
- 114 commerce; or
- 115 (ii) beginning on October 1, 2008, sales of parts and equipment for installation in an
- 116 aircraft operated by a common carrier in interstate or foreign commerce; and
- 117 (b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,
- 118 a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a

119 refund:

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

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

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

123 the sale prior to filing for the refund;

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

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

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

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

128 (6) sales of commercials, motion picture films, prerecorded audio program tapes or
129 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture
130 exhibitor, distributor, or commercial television or radio broadcaster;

131 (7) (a) except as provided in Subsection (88) and subject to Subsection (7)(b), sales of
132 cleaning or washing of tangible personal property if the cleaning or washing of the tangible
133 personal property is not assisted cleaning or washing of tangible personal property;

134 (b) if a seller that sells at the same business location assisted cleaning or washing of
135 tangible personal property and cleaning or washing of tangible personal property that is not
136 assisted cleaning or washing of tangible personal property, the exemption described in
137 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning
138 or washing of the tangible personal property; and

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

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

142 and

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

145 (8) sales made to or by religious or charitable institutions in the conduct of their regular
146 religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are
147 fulfilled;

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

150 (a) not registered in this state; and
151 (b) (i) not used in this state; or
152 (ii) used in this state:
153 (A) if the vehicle is not used to conduct business, for a time period that does not
154 exceed the longer of:
155 (I) 30 days in any calendar year; or
156 (II) the time period necessary to transport the vehicle to the borders of this state; or
157 (B) if the vehicle is used to conduct business, for the time period necessary to transport
158 the vehicle to the borders of this state;
159 (10) (a) amounts paid for an item described in Subsection (10)(b) if:
160 (i) the item is intended for human use; and
161 (ii) (A) a prescription was issued for the item; or
162 (B) the item was purchased by a hospital or other medical facility; and
163 (b) (i) Subsection (10)(a) applies to:
164 (A) a drug;
165 (B) a syringe; or
166 (C) a stoma supply; and
167 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
168 commission may by rule define the terms:
169 (A) "syringe"; or
170 (B) "stoma supply";
171 (11) purchases or leases exempt under Section [19-12-201](#);
172 (12) (a) sales of an item described in Subsection (12)(c) served by:
173 (i) the following if the item described in Subsection (12)(c) is not available to the
174 general public:
175 (A) a church; or
176 (B) a charitable institution;
177 (ii) an institution of higher education if:
178 (A) the item described in Subsection (12)(c) is not available to the general public; or
179 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan
180 offered by the institution of higher education; or

- 181 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 182 (i) a medical facility; or
- 183 (ii) a nursing facility; and
- 184 (c) Subsections (12)(a) and (b) apply to:
- 185 (i) food and food ingredients;
- 186 (ii) prepared food; or
- 187 (iii) alcoholic beverages;
- 188 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
- 189 or a product transferred electronically by a person:
- 190 (i) regardless of the number of transactions involving the sale of that tangible personal
- 191 property or product transferred electronically by that person; and
- 192 (ii) not regularly engaged in the business of selling that type of tangible personal
- 193 property or product transferred electronically;
- 194 (b) this Subsection (13) does not apply if:
- 195 (i) the sale is one of a series of sales of a character to indicate that the person is
- 196 regularly engaged in the business of selling that type of tangible personal property or product
- 197 transferred electronically;
- 198 (ii) the person holds that person out as regularly engaged in the business of selling that
- 199 type of tangible personal property or product transferred electronically;
- 200 (iii) the person sells an item of tangible personal property or product transferred
- 201 electronically that the person purchased as a sale that is exempt under Subsection (25); or
- 202 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of
- 203 this state in which case the tax is based upon:
- 204 (A) the bill of sale or other written evidence of value of the vehicle or vessel being
- 205 sold; or
- 206 (B) in the absence of a bill of sale or other written evidence of value, the fair market
- 207 value of the vehicle or vessel being sold at the time of the sale as determined by the
- 208 commission; and
- 209 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 210 commission shall make rules establishing the circumstances under which:
- 211 (i) a person is regularly engaged in the business of selling a type of tangible personal

212 property or product transferred electronically;

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

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

218 (14) amounts paid or charged for a purchase or lease of machinery, equipment, or
219 normal operating repair or replacement parts with an economic life of three or more years by:

220 (a) a manufacturing facility, except as provided in Subsection (86), that:

221 (i) is located in the state; and

222 (ii) uses the machinery, equipment, or normal operating repair or replacement parts:

223 (A) in the manufacturing process to manufacture an item sold as tangible personal
224 property, as the commission may define that phrase in accordance with Title 63G, Chapter 3,
225 Utah Administrative Rulemaking Act; or

226 (B) for a scrap recycler, to process an item sold as tangible personal property, as the
227 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
228 Administrative Rulemaking Act;

229 (b) an establishment, as the commission defines that term in accordance with Title 63G,
230 Chapter 3, Utah Administrative Rulemaking Act, that:

231 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
232 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal
233 Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the
234 2002 North American Industry Classification System of the federal Executive Office of the
235 President, Office of Management and Budget;

236 (ii) is located in the state; and

237 (iii) uses the machinery, equipment, or normal operating repair or replacement parts in:

238 (A) the production process to produce an item sold as tangible personal property, as the
239 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
240 Administrative Rulemaking Act;

241 (B) research and development, as the commission may define that phrase in accordance
242 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

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

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

247 (E) preventing, controlling, or reducing dust or other pollutants from mining; or

248 (c) an establishment, as the commission defines that term in accordance with Title 63G,
249 Chapter 3, Utah Administrative Rulemaking Act, that:

250 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
251 American Industry Classification System of the federal Executive Office of the President,
252 Office of Management and Budget;

253 (ii) is located in the state; and

254 (iii) uses the machinery, equipment, or normal operating repair or replacement parts in
255 the operation of the web search portal;

256 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:

257 (i) tooling;

258 (ii) special tooling;

259 (iii) support equipment;

260 (iv) special test equipment; or

261 (v) parts used in the repairs or renovations of tooling or equipment described in
262 Subsections (15)(a)(i) through (iv); and

263 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:

264 (i) the tooling, equipment, or parts are used or consumed exclusively in the
265 performance of any aerospace or electronics industry contract with the United States
266 government or any subcontract under that contract; and

267 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
268 title to the tooling, equipment, or parts is vested in the United States government as evidenced
269 by:

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

271 (B) listing on a government-approved property record if placing a government
272 identification tag on the tooling, equipment, or parts is impractical;

273 (16) sales of newspapers or newspaper subscriptions;

274 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a
275 product transferred electronically traded in as full or part payment of the purchase price, except
276 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,
277 trade-ins are limited to other vehicles only, and the tax is based upon:

278 (i) the bill of sale or other written evidence of value of the vehicle being sold and the
279 vehicle being traded in; or

280 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
281 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the
282 commission; and

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

286 (i) money;

287 (ii) electricity;

288 (iii) water;

289 (iv) gas; or

290 (v) steam;

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

295 (A) becomes part of real estate; or

296 (B) is installed by a:

297 (I) farmer;

298 (II) contractor; or

299 (III) subcontractor; or

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

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

305 (i) (A) subject to Subsection (18)(b)(i)(B), the following if used in a manner that is
306 incidental to farming:
307 (I) machinery;
308 (II) equipment;
309 (III) materials; or
310 (IV) supplies; and
311 (B) tangible personal property that is considered to be used in a manner that is
312 incidental to farming includes:
313 (I) hand tools; or
314 (II) maintenance and janitorial equipment and supplies;
315 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product
316 transferred electronically if the tangible personal property or product transferred electronically
317 is used in an activity other than farming; and
318 (B) tangible personal property or a product transferred electronically that is considered
319 to be used in an activity other than farming includes:
320 (I) office equipment and supplies; or
321 (II) equipment and supplies used in:
322 (Aa) the sale or distribution of farm products;
323 (Bb) research; or
324 (Cc) transportation; or
325 (iii) a vehicle required to be registered by the laws of this state during the period
326 ending two years after the date of the vehicle's purchase;
327 (19) sales of hay;
328 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or
329 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
330 garden, farm, or other agricultural produce is sold by:
331 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
332 agricultural produce;
333 (b) an employee of the producer described in Subsection (20)(a); or
334 (c) a member of the immediate family of the producer described in Subsection (20)(a);
335 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued

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

337 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
338 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
339 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
340 manufacturer, processor, wholesaler, or retailer;

341 (23) a product stored in the state for resale;

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

343 (i) the product is:

344 (A) purchased outside of this state;

345 (B) brought into this state:

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

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

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

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

352 (ii) for:

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

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

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

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

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

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

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

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

366 (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)

367 as in Subsection (63); or

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

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

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

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

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

382 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other
383 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code
384 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of
385 the President, Office of Management and Budget;

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

388 (a) not registered in this state; and

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

390 (ii) used in this state:

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

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

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

396 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time
397 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this

398 state;

399 (31) sales of aircraft manufactured in Utah;

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

401 providing telecommunications service;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

417 (38) sales to a ski resort of:

418 (a) snowmaking equipment;

419 (b) ski slope grooming equipment;

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

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

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

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

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

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

426 [59-12-102](#);

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

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

429 one or more assisted amusement devices, the exemption described in Subsection (40)(a)
430 applies if the seller separately accounts for the sales or rentals of the right to use or operate for
431 amusement, entertainment, or recreation for the assisted amusement devices; and

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

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

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

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

440 (i) a governmental entity; or

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

442 (A) a school; or

443 (B) the State Board of Education; or

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

445 (42) amounts paid for admission to an athletic event at an institution of higher
446 education that is subject to the provisions of Title IX of the Education Amendments of 1972,
447 20 U.S.C. Sec. 1681 et seq.;

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

449 (i) an area agency on aging; or

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

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

452 (44) sales or leases of semiconductor fabricating, processing, research, or development
453 materials regardless of whether the semiconductor fabricating, processing, research, or
454 development materials:

455 (a) actually come into contact with a semiconductor; or

456 (b) ultimately become incorporated into real property;

457 (45) an amount paid by or charged to a purchaser for accommodations and services
458 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section
459 59-12-104.2;

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

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

467 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
468 only to the portion of the tariff rate a customer pays under the tariff described in Subsection
469 (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the
470 customer would have paid absent the tariff;

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

473 (49) sales of water in a:

- 474 (a) pipe;
- 475 (b) conduit;
- 476 (c) ditch; or
- 477 (d) reservoir;

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

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

- 481 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 482 (ii) has a gold, silver, or platinum content of 50% or more; and

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

- 484 (i) ingot;
- 485 (ii) bar;
- 486 (iii) medallion; or
- 487 (iv) decorative coin;

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

489 (53) sales of a prosthetic device:

- 490 (a) for use on or in a human; and

491 (b) (i) for which a prescription is required; or
492 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
493 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
494 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery
495 or equipment is primarily used in the production or postproduction of the following media for
496 commercial distribution:

- 497 (i) a motion picture;
- 498 (ii) a television program;
- 499 (iii) a movie made for television;
- 500 (iv) a music video;
- 501 (v) a commercial;
- 502 (vi) a documentary; or
- 503 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
504 commission by administrative rule made in accordance with Subsection (54)(d); or

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

- 508 (i) a live musical performance;
- 509 (ii) a live news program; or
- 510 (iii) a live sporting event;

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

- 514 (i) NAICS Code 512110; or
- 515 (ii) NAICS Code 51219; and

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

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

519 or

- 520 (ii) define:

521 (A) "commercial distribution";

- 522 (B) "live musical performance";
- 523 (C) "live news program"; or
- 524 (D) "live sporting event";
- 525 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but
- 526 on or before June 30, 2027, of tangible personal property that:
 - 527 (i) is leased or purchased for or by a facility that:
 - 528 (A) is an alternative energy electricity production facility;
 - 529 (B) is located in the state; and
 - 530 (C) (I) becomes operational on or after July 1, 2004; or
 - 531 (II) has its generation capacity increased by one or more megawatts on or after July 1,
 - 532 2004, as a result of the use of the tangible personal property;
 - 533 (ii) has an economic life of five or more years; and
 - 534 (iii) is used to make the facility or the increase in capacity of the facility described in
 - 535 Subsection (55)(a)(i) operational up to the point of interconnection with an existing
 - 536 transmission grid including:
 - 537 (A) a wind turbine;
 - 538 (B) generating equipment;
 - 539 (C) a control and monitoring system;
 - 540 (D) a power line;
 - 541 (E) substation equipment;
 - 542 (F) lighting;
 - 543 (G) fencing;
 - 544 (H) pipes; or
 - 545 (I) other equipment used for locating a power line or pole; and
 - 546 (b) this Subsection (55) does not apply to:
 - 547 (i) tangible personal property used in construction of:
 - 548 (A) a new alternative energy electricity production facility; or
 - 549 (B) the increase in the capacity of an alternative energy electricity production facility;
 - 550 (ii) contracted services required for construction and routine maintenance activities;
 - 551 and
 - 552 (iii) unless the tangible personal property is used or acquired for an increase in capacity

553 of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or
554 acquired after:

555 (A) the alternative energy electricity production facility described in Subsection
556 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or

557 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described
558 in Subsection (55)(a)(iii);

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

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

562 (A) is a waste energy production facility;

563 (B) is located in the state; and

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

565 (II) has its generation capacity increased by one or more megawatts on or after July 1,
566 2004, as a result of the use of the tangible personal property;

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

568 (iii) is used to make the facility or the increase in capacity of the facility described in
569 Subsection (56)(a)(i) operational up to the point of interconnection with an existing
570 transmission grid including:

571 (A) generating equipment;

572 (B) a control and monitoring system;

573 (C) a power line;

574 (D) substation equipment;

575 (E) lighting;

576 (F) fencing;

577 (G) pipes; or

578 (H) other equipment used for locating a power line or pole; and

579 (b) this Subsection (56) does not apply to:

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

581 (A) a new waste energy facility; or

582 (B) the increase in the capacity of a waste energy facility;

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

584 and

585 (iii) unless the tangible personal property is used or acquired for an increase in capacity
586 described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:

587 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as
588 described in Subsection (56)(a)(iii); or

589 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described
590 in Subsection (56)(a)(iii);

591 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on
592 or before June 30, 2027, of tangible personal property that:

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

594 (A) is located in the state;

595 (B) produces fuel from alternative energy, including:

596 (I) methanol; or

597 (II) ethanol; and

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

599 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as
600 a result of the installation of the tangible personal property;

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

602 (iii) is installed on the facility described in Subsection (57)(a)(i);

603 (b) this Subsection (57) does not apply to:

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

605 (A) a new facility described in Subsection (57)(a)(i); or

606 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or

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

608 and

609 (iii) unless the tangible personal property is used or acquired for an increase in capacity
610 described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:

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

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

613 (58) (a) subject to Subsection (58)(b) or (c), sales of tangible personal property or a
614 product transferred electronically to a person within this state if that tangible personal property

615 or product transferred electronically is subsequently shipped outside the state and incorporated
616 pursuant to contract into and becomes a part of real property located outside of this state;

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

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

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

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

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

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

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

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

633 (59) purchases:

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

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

636 (A) names; or

637 (B) addresses; or

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

639 (A) names; or

640 (B) addresses; and

641 (b) used to send direct mail;

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

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

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

646 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:
647 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
648 and
649 (ii) has a useful economic life of one or more years; and
650 (b) the following apply to Subsection (61)(a):
651 (i) telecommunications enabling or facilitating equipment, machinery, or software;
652 (ii) telecommunications equipment, machinery, or software required for 911 service;
653 (iii) telecommunications maintenance or repair equipment, machinery, or software;
654 (iv) telecommunications switching or routing equipment, machinery, or software; or
655 (v) telecommunications transmission equipment, machinery, or software;
656 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
657 personal property or a product transferred electronically that are used in the research and
658 development of alternative energy technology; and
659 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
660 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes
661 purchases of tangible personal property or a product transferred electronically that are used in
662 the research and development of alternative energy technology;
663 (63) (a) purchases of tangible personal property or a product transferred electronically
664 if:
665 (i) the tangible personal property or product transferred electronically is:
666 (A) purchased outside of this state;
667 (B) brought into this state at any time after the purchase described in Subsection
668 (63)(a)(i)(A); and
669 (C) used in conducting business in this state; and
670 (ii) for:
671 (A) tangible personal property or a product transferred electronically other than the
672 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property
673 for a purpose for which the property is designed occurs outside of this state; or
674 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered
675 outside of this state;
676 (b) the exemption provided for in Subsection (63)(a) does not apply to:

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

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

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

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

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

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

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

691 (a) a person presents a prescription for the disposable home medical equipment or
692 supplies;

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

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

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

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

699 (65) sales:

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

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

704 (i) clearly identified; and

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

706 (66) sales of construction materials:

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

- 708 (b) purchased by, on behalf of, or for the benefit of an international airport:
- 709 (i) located within a county of the first class; and
- 710 (ii) that has a United States customs office on its premises; and
- 711 (c) if the construction materials are:
- 712 (i) clearly identified;
- 713 (ii) segregated; and
- 714 (iii) installed or converted to real property:
- 715 (A) owned or operated by the international airport described in Subsection (66)(b); and
- 716 (B) located at the international airport described in Subsection (66)(b);
- 717 (67) sales of construction materials:
- 718 (a) purchased on or after July 1, 2008;
- 719 (b) purchased by, on behalf of, or for the benefit of a new airport:
- 720 (i) located within a county of the second class; and
- 721 (ii) that is owned or operated by a city in which an airline as defined in Section
- 722 [59-2-102](#) is headquartered; and
- 723 (c) if the construction materials are:
- 724 (i) clearly identified;
- 725 (ii) segregated; and
- 726 (iii) installed or converted to real property:
- 727 (A) owned or operated by the new airport described in Subsection (67)(b);
- 728 (B) located at the new airport described in Subsection (67)(b); and
- 729 (C) as part of the construction of the new airport described in Subsection (67)(b);
- 730 (68) sales of fuel to a common carrier that is a railroad for use in a locomotive engine;
- 731 (69) purchases and sales described in Section [63H-4-111](#);
- 732 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and
- 733 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of
- 734 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
- 735 lists a state or country other than this state as the location of registry of the fixed wing turbine
- 736 powered aircraft; or
- 737 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
- 738 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of

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

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

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

744 (b) by a seller, other than a bookstore owned by an institution of higher education, if
745 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a
746 textbook for a higher education course;

747 (72) a license fee or tax a municipality imposes in accordance with Subsection
748 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced
749 level of municipal services;

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

753 (a) clearly identified;

754 (b) segregated; and

755 (c) installed or converted to real property;

756 (74) amounts paid or charged for:

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

758 (i) are used in performing qualified research:

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

760 (B) in the state; and

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

762 (b) normal operating repair or replacement parts:

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

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

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

767 (a) for a sale:

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

769 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that

770 tangible personal property prior to making the sale; or
771 (b) for a lease:
772 (i) the ownership of the lessor and the ownership of the lessee are identical; and
773 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible
774 personal property prior to making the lease;
775 (76) (a) purchases of machinery or equipment if:
776 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
777 Gambling, and Recreation Industries, of the 2012 North American Industry Classification
778 System of the federal Executive Office of the President, Office of Management and Budget;
779 (ii) the machinery or equipment:
780 (A) has an economic life of three or more years; and
781 (B) is used by one or more persons who pay admission or user fees described in
782 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and
783 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
784 (A) amounts paid or charged as admission or user fees described in Subsection
785 59-12-103(1)(f); and
786 (B) subject to taxation under this chapter; and
787 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
788 commission may make rules for verifying that 51% of a purchaser's sales revenue for the
789 previous calendar quarter is:
790 (i) amounts paid or charged as admission or user fees described in Subsection
791 59-12-103(1)(f); and
792 (ii) subject to taxation under this chapter;
793 (77) purchases of a short-term lodging consumable by a business that provides
794 accommodations and services described in Subsection 59-12-103(1)(i);
795 (78) amounts paid or charged to access a database:
796 (a) if the primary purpose for accessing the database is to view or retrieve information
797 from the database; and
798 (b) not including amounts paid or charged for a:
799 (i) digital audiowork;
800 (ii) digital audio-visual work; or

- 801 (iii) digital book;
- 802 (79) amounts paid or charged for a purchase or lease made by an electronic financial
- 803 payment service, of:
 - 804 (a) machinery and equipment that:
 - 805 (i) are used in the operation of the electronic financial payment service; and
 - 806 (ii) have an economic life of three or more years; and
 - 807 (b) normal operating repair or replacement parts that:
 - 808 (i) are used in the operation of the electronic financial payment service; and
 - 809 (ii) have an economic life of three or more years;
- 810 (80) beginning on April 1, 2013, sales of a fuel cell as defined in Section 54-15-102;
- 811 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
- 812 product transferred electronically if the tangible personal property or product transferred
- 813 electronically:
 - 814 (a) is stored, used, or consumed in the state; and
 - 815 (b) is temporarily brought into the state from another state:
 - 816 (i) during a disaster period as defined in Section 53-2a-1202;
 - 817 (ii) by an out-of-state business as defined in Section 53-2a-1202;
 - 818 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
 - 819 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
- 820 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined
- 821 in Section 39-9-102, made pursuant to Title 39, Chapter 9, State Morale, Welfare, and
- 822 Recreation Program;
- 823 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 824 (84) (a) except as provided in Subsection (84)(b), amounts paid or charged for a
- 825 purchase or lease made by a drilling equipment manufacturer of machinery, equipment,
- 826 materials, or normal operating repair or replacement parts:
 - 827 (i) that are used or consumed exclusively in the drilling equipment manufacturer's
 - 828 manufacturing process; and
 - 829 (ii) except for office:
 - 830 (A) equipment; or
 - 831 (B) supplies; and

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

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

835 (ii) in accordance with Section 59-1-1410;

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

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

840 (b) have an economic life of one or more years; and

841 (86) amounts paid or charged for a purchase or lease of machinery, equipment, or
842 normal operating repair or replacement parts by a manufacturing facility that:

843 (a) is an establishment, as the commission defines that term in accordance with Title
844 63G, Chapter 3, Utah Administrative Rulemaking Act;

845 (b) is described in NAICS Code 336111, Automobile Manufacturing, of the 2002
846 North American Industry Classification System of the federal Executive Office of the
847 President, Office of Management and Budget;

848 (c) is located in the state; and

849 (d) uses the machinery, equipment, or normal operating repair or replacement parts in
850 the manufacturing process to manufacture an item sold as tangible personal property, as the
851 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
852 Administrative Rulemaking Act;

853 (87) amounts paid or charged for a purchase or lease of equipment or normal operating
854 repair or replacement parts with an economic life of less than three years by a manufacturing
855 facility that:

856 (a) is an establishment, as the commission defines that term in accordance with Title
857 63G, Chapter 3, Utah Administrative Rulemaking Act;

858 (b) is described in NAICS Code 325120, Industrial Gas Manufacturing, of the 2002
859 North American Industry Classification System of the federal Executive Office of the
860 President, Office of Management and Budget;

861 (c) is located in the state; and

862 (d) uses the equipment or normal operating repair or replacement parts to manufacture

863 hydrogen;

864 (88) sales of cleaning or washing of a vehicle, except for cleaning or washing of a
865 vehicle that includes cleaning or washing of the interior of the vehicle; [~~and~~]

866 (89) amounts paid or charged for a purchase or lease of machinery, equipment, normal
867 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used
868 or consumed:

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

871 (b) if the machinery, equipment, normal operating repair or replacement parts,
872 catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:

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

875 (ii) research and development;

876 (iii) transporting, storing, or managing raw materials, work in process, finished
877 products, and waste materials produced from refining gasoline or diesel fuel, or adding
878 blendstock to gasoline or diesel fuel;

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

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

882 (c) beginning on July 1, 2021, if the person has obtained a form certified by the Office
883 of Energy Development under Subsection [63M-4-702\(2\)](#)[~~;~~]; and

884 (90) amounts paid to or charged by a proprietor for accommodations and services, as
885 defined in Section [63H-1-205](#), if the proprietor is subject to the MIDA accommodations tax
886 imposed under Section [63H-1-205](#).

887 Section 3. Section **59-28-108** is enacted to read:

888 **59-28-108. Military installation development authority exemption.**

889 Amounts paid or charged for accommodations and services, as defined in Section
890 [63H-1-205](#), are exempt from the tax described in Section [59-28-103](#), if the amounts are paid to
891 or charged by a proprietor subject to the MIDA accommodations tax imposed under Section
892 [63H-1-205](#).

893 Section 4. Section **63H-1-102** is amended to read:

894 **63H-1-102. Definitions.**

895 As used in this chapter:

896 (1) "Authority" means the Military Installation Development Authority, created under
897 Section [63H-1-201](#).

898 (2) "Base taxable value" means:

899 (a) for military land or other land that was exempt from a property tax at the time that a
900 project area was created that included the military land or other land, a taxable value of zero; or901 (b) for private property that is included in a project area, the taxable value of the
902 property within any portion of the project area, as designated by board resolution, from which
903 the property tax allocation will be collected, as shown upon the assessment roll last equalized
904 before the year in which the authority [~~issues a building permit for a building within that~~
905 ~~portion of~~] creates the project area.906 (3) "Board" means the governing body of the authority created under Section
907 [63H-1-301](#).908 (4) (a) "Dedicated tax collections" means the property tax that remains after the
909 authority is paid the property tax allocation [~~it~~] the authority is entitled to receive under
910 Subsection [63H-1-501](#)(1), for a property tax levied by:911 (i) a county, including a district the county has established under Subsection [17-34-3](#)(2)
912 to levy a property tax under Title 17, Chapter 34, Municipal-Type Services to Unincorporated
913 Areas; or

914 (ii) an included municipality.

915 (b) "Dedicated tax collections" does not include a county additional property tax or
916 multicounty assessing and collecting levy imposed in accordance with Section [59-2-1602](#).

917 (5) (a) "Development" means an activity occurring:

918 (i) on land within a project area that is owned or operated by the military, the authority,
919 another public entity, or a private entity; or [~~an activity occurring~~]

920 (ii) on military land associated with a project area.

921 (b) "Development" includes the demolition, construction, reconstruction, modification,
922 expansion, or improvement of a building, facility, utility, landscape, parking lot, park, trail, or
923 recreational amenity.

924 (6) "Development project" means a project to develop land within a project area.

- 925 (7) "Elected member" means a member of the authority board who:
- 926 (a) is a mayor or member of a legislative body appointed under Subsection
- 927 [63H-1-302](#)(2)(b); or
- 928 (b) (i) is appointed to the authority board under Subsection [63H-1-302](#)(2)(a) or (3); and
- 929 (ii) concurrently serves in an elected state, county, or municipal office.
- 930 (8) "Included municipality" means a municipality, some or all of which is included
- 931 within a project area.
- 932 (9) (a) "Military" means a branch of the armed forces of the United States, including
- 933 the Utah National Guard.
- 934 (b) "Military" includes, in relation to property, property that is occupied by the military
- 935 and is owned by the government of the United States or the state.
- 936 (10) "Military Installation Development Authority energy tax" or "MIDA energy tax"
- 937 means the tax levied under Section [63H-1-204](#).
- 938 (11) "Military Installation Development Authority accommodations tax" or "MIDA
- 939 accommodations tax" means the tax imposed under Section [63H-1-205](#).
- 940 [~~(11)~~] (12) "Military land" means land or a facility, including leased land or a leased
- 941 facility, that is part of or affiliated with a base, camp, post, station, yard, center, or installation
- 942 under the jurisdiction of the United States Department of Defense or the Utah National Guard.
- 943 [~~(12)~~] (13) "Municipal energy tax" means a municipal energy sales and use tax under
- 944 Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act.
- 945 [~~(13)~~] (14) "Municipal services revenue" means revenue that the authority:
- 946 (a) collects from the authority's:
- 947 (i) levy of a municipal energy tax;
- 948 (ii) levy of a MIDA energy tax;
- 949 (iii) levy of a telecommunications tax;
- 950 (iv) imposition of a transient room tax; and
- 951 (v) imposition of a resort communities tax;
- 952 (b) receives under Subsection [59-12-205](#)(2)(b)(ii); and
- 953 (c) receives as dedicated tax collections.
- 954 [~~(14)~~] (15) "Municipal tax" means a municipal energy tax, MIDA energy tax, MIDA
- 955 accommodations tax, telecommunications tax, transient room tax, or resort communities tax.

956 ~~[(15)]~~ (16) "Project area" means the land, including military land, whether consisting
957 of a single contiguous area or multiple noncontiguous areas, described in a project area plan or
958 draft project area plan, where the development project set forth in the project area plan or draft
959 project area plan takes place or is proposed to take place.

960 ~~[(16)]~~ (17) "Project area budget" means a multiyear projection of annual or cumulative
961 revenues and expenses and other fiscal matters pertaining to a project area that includes:

962 (a) the base taxable value of property in the project area;

963 (b) the projected property tax allocation expected to be generated within the project
964 area;

965 (c) the amount of the property tax allocation expected to be shared with other taxing
966 entities;

967 (d) the amount of the property tax allocation expected to be used to implement the
968 project area plan, including the estimated amount of the property tax allocation to be used for
969 land acquisition, public improvements, infrastructure improvements, and loans, grants, or other
970 incentives to private and public entities;

971 (e) the property tax allocation expected to be used to cover the cost of administering
972 the project area plan;

973 (f) if the property tax allocation is to be collected at different times or from different
974 portions of the project area, or both:

975 (i) (A) the tax identification numbers of the parcels from which the property tax
976 allocation will be collected; or

977 (B) a legal description of the portion of the project area from which the property tax
978 allocation will be collected; and

979 (ii) an estimate of when other portions of the project area will become subject to
980 collection of the property tax allocation; and

981 (g) for property that the authority owns or leases and expects to sell or sublease, the
982 expected total cost of the property to the authority and the expected selling price or lease
983 payments.

984 ~~[(17)]~~ (18) "Project area plan" means a written plan that, after ~~[its]~~ the plan's effective
985 date, guides and controls the development within a project area.

986 ~~[(18)]~~ (19) (a) "Property tax" includes a privilege tax, except as described in

987 Subsection [~~(18)~~] (19)(b), and each levy on an ad valorem basis on tangible or intangible
988 personal or real property.

989 (b) "Property tax" does not include a privilege tax on the taxable value;

990 (i) attributable to a portion of a facility leased to the military for a calendar year when:

991 [~~(i)~~] (A) a lessee of military land has constructed a facility on the military land that is
992 part of a project area;

993 [~~(ii)~~] (B) the lessee leases space in the facility to the military for the entire calendar
994 year; and

995 [~~(iii)~~] (C) the lease rate paid by the military for the space is \$1 or less for the entire
996 calendar year, not including any common charges that are reimbursements for actual
997 expenses[-]; or

998 (ii) of a hotel that is owned by the authority, regardless of whether the authority enters
999 into a long-term operating agreement with a privately owned entity in which the privately
1000 owned entity agrees to operate the hotel.

1001 [~~(19)~~] (20) "Property tax allocation" means the difference between:

1002 (a) the amount of property tax revenues generated each tax year by all taxing entities
1003 from the area within a project area designated in the project area plan as the area from which
1004 the property tax allocation is to be collected, using the current assessed value of the property;
1005 and

1006 (b) the amount of property tax revenues that would be generated from that same area
1007 using the base taxable value of the property.

1008 [~~(20)~~] (21) "Public entity" means:

1009 (a) the state, including each department or agency of the state; or

1010 (b) a political subdivision of the state, including a county, city, town, school district,
1011 local district, special service district, or interlocal cooperation entity.

1012 [~~(21)~~] (22) (a) "Publicly owned infrastructure and improvements" means infrastructure,
1013 improvements, facilities, or buildings that benefit the public and are:

1014 (i) publicly owned by the military, the authority, or another public entity;

1015 (ii) owned by a utility; or

1016 (iii) publicly maintained or operated by the military, the authority, or another public
1017 entity.

1018 (b) "Publicly owned infrastructure and improvements" includes:
1019 (i) facilities, lines, or systems that provide water, chilled water, steam, sewer, storm
1020 drainage, natural gas, electricity, or telecommunications; and
1021 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking
1022 facilities, and public transportation facilities.
1023 [~~(22)~~] (23) "Remaining municipal services revenue" means municipal services revenue
1024 that the authority has not:
1025 (a) spent during [~~its~~] the authority's fiscal year for municipal services as provided in
1026 Subsection [63H-1-503\(1\)](#)[~~;~~]; or
1027 (b) redirected to use in accordance with Subsection [63H-1-502\(3\)](#).
1028 [~~(23)~~] (24) "Resort communities tax" means a sales and use tax imposed under Section
1029 [59-12-401](#).
1030 [~~(24)~~] (25) "Taxable value" means the value of property as shown on the last equalized
1031 assessment roll as certified by the county assessor.
1032 [~~(25)~~] (26) "Taxing entity" means a public entity that levies a tax on property within a
1033 project area.
1034 [~~(26)~~] (27) "Telecommunications tax" means a telecommunications license tax under
1035 Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act.
1036 [~~(27)~~] (28) "Transient room tax" means a tax under Section [59-12-352](#).
1037 Section 5. Section **63H-1-205** is enacted to read:
1038 **63H-1-205. MIDA accommodations tax.**
1039 (1) As used in this section:
1040 (a) "Accommodations and services" means an accommodation or service described in
1041 Subsection [59-12-103\(1\)\(i\)](#).
1042 (b) "Accommodations and services" does not include amounts paid or charged that are
1043 not part of a rental room rate.
1044 (2) By ordinance, the authority board may impose a MIDA accommodations tax on a
1045 provider for amounts paid or charged for accommodations and services, if the place of
1046 accommodation is located on authority-owned or other government-owned property within the
1047 project area.
1048 (3) The maximum rate of the MIDA accommodations tax is 15% of the amounts paid

1049 to or charged by the provider for accommodations and services.

1050 (4) A provider may recover an amount equal to the MIDA accommodations tax from
1051 customers, if the provider includes the amount as a separate billing line item.

1052 (5) If the authority imposes the tax described in this section, neither the authority nor a
1053 public entity may impose, on the amounts paid or charged for accommodations and services,
1054 any other tax described in:

1055 (a) Title 59, Chapter 12, Sales and Use Tax Act; or

1056 (b) Title 59, Chapter 28, State Transient Room Tax Act.

1057 (6) Except as provided in Subsection (7) or (8), the tax imposed under this section shall
1058 be administered, collected, and enforced in accordance with:

1059 (a) the same procedures used to administer, collect, and enforce the tax under:

1060 (i) Title 59, Chapter 12, Part 1, Tax Collection; or

1061 (ii) Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and

1062 (b) Title 59, Chapter 1, General Taxation Policies.

1063 (7) The location of a transaction shall be determined in accordance with Sections
1064 [59-12-211](#) through [59-12-215](#).

1065 (8) A tax under this section is not subject to Section [59-12-107.1](#) or [59-12-123](#) or
1066 Subsections [59-12-205](#)(2) through (7).

1067 (9) The State Tax Commission shall:

1068 (a) except as provided in Subsection (9)(b), distribute the revenue collected from the
1069 tax to the authority; and

1070 (b) retain and deposit an administrative charge in accordance with Section [59-1-306](#)
1071 from revenue the commission collects from a tax under this section.

1072 (10) (a) If the authority imposes, repeals, or changes the rate of tax under this section,
1073 the implementation, repeal, or change shall take effect:

1074 (i) on the first day of a calendar quarter; and

1075 (ii) after a 90-day period beginning on the date the State Tax Commission receives the
1076 notice described in Subsection (10)(b) from the authority.

1077 (b) The notice required in Subsection (10)(a)(ii) shall state:

1078 (i) that the authority will impose, repeal, or change the rate of a tax under this section;

1079 (ii) the effective date of the implementation, repeal, or change of the tax; and

1080 (iii) the rate of the tax.

1081 (11) In addition to the uses permitted under Section 63H-1-502, the authority may
1082 allocate revenue from the MIDA accommodations tax to a county in which a place of
1083 accommodation that is subject to the MIDA accommodations tax is located, if:

1084 (a) the county had a transient room tax described in Section 59-12-301 in effect at the
1085 time the authority board imposed a MIDA accommodations tax by ordinance; and

1086 (b) the revenue replaces revenue that the county received from a county transient room
1087 tax described Section 59-12-301 for the county's general operations and administrative
1088 expenses.

1089 Section 6. Section **63H-1-302** is amended to read:

1090 **63H-1-302. Number of board members -- Appointment.**

1091 (1) The authority's board shall consist of seven members.

1092 (2) ~~[Five]~~ The governor shall appoint five members of the board ~~[shall be appointed by~~
1093 ~~the governor]~~ as follows:

1094 (a) one member shall be appointed who is interested in supporting military efforts in
1095 the state;

1096 (b) subject to Subsection (4)(d), three members shall be appointed, each of whom is a
1097 mayor or member of the legislative body of a municipality or county that is adjacent or in close
1098 proximity to a project area or proposed project area; and

1099 (c) one member shall be appointed from the executive branch or a state agency that is
1100 involved with military issues.

1101 (3) The president of the Senate and the speaker of the House of Representatives shall
1102 each appoint one board member.

1103 (4) (a) Each vacancy shall be filled in the same manner under this section as the
1104 appointment of the member whose vacancy is being filled.

1105 (b) Each person appointed to fill a vacancy shall serve the remaining unexpired term of
1106 the member whose vacancy the person is filling.

1107 (c) If a mayor or member of a legislative body appointed under Subsection (2)(b)
1108 leaves office as mayor or a member of the legislative body, a vacancy on the board occurs and
1109 the governor shall appoint another mayor or member of a legislative body, as provided in
1110 Subsection (2)(b), to fill the vacancy.

1111 (d) If there are more than three project areas located in different counties or
 1112 municipalities, ~~[at the expiration of a member's term who is appointed under Subsection~~
 1113 ~~(2)(b),]~~ the governor ~~[shall appoint]:~~

1114 ~~[(i) a mayor of a municipality or county that:]~~

1115 ~~[(A) is adjacent to or in close proximity to a project area; and]~~

1116 ~~[(B) is not already represented on the board; or]~~

1117 ~~[(ii) a member of a legislative body of a municipality or county that:]~~

1118 ~~[(A) is adjacent to or in close proximity to a project area; and]~~

1119 ~~[(B) is not already represented on the board.]~~

1120 (i) shall appoint at least one member under Subsection (2)(b) who represents a
 1121 municipality or county that is adjacent to or in close proximity to the highest-value project area,
 1122 as measured by the planned taxable value of the land within the project area to be developed by
 1123 the private sector;

1124 (ii) shall appoint at least one member under Subsection (2)(b) who represents a
 1125 municipality or county that is adjacent to or in close proximity to the second-highest-value
 1126 project area, as measured by the planned taxable value of the land within the project area to be
 1127 developed by the private sector; and

1128 (iii) may appoint one member under Subsection (2)(b) who represents a municipality or
 1129 county that is adjacent to or in close proximity to a project area for which there is no
 1130 representation on the board.

1131 (e) A member of the board appointed by the governor, president of the Senate, or
 1132 speaker of the House of Representatives serves at the pleasure of and may be removed and
 1133 replaced at any time, with or without cause, by the governor, president of the Senate, or speaker
 1134 of the House of Representatives, respectively.

1135 (5) The authority may:

1136 (a) appoint nonvoting members of the board, including a member from a municipality
 1137 or county that is adjacent to or in close proximity to a project area for which there is no
 1138 representation on the board under Subsection (2)(b); and

1139 (b) set terms for nonvoting members appointed under Subsection (5)(a).

1140 Section 7. Section **63H-1-501** is amended to read:

1141 **63H-1-501. Authority receipt and use of property tax allocation -- Distribution of**

1142 **property tax allocation.**

1143 (1) (a) The authority may:

1144 (i) subject to Subsection (1)(b), receive up to 75% of the property tax allocation for up
1145 to 25 years, as provided in this part; and1146 (ii) use the property tax allocation during and after the period described in Subsection
1147 (1)(a)(i).1148 (b) With respect to a parcel located within a project area, the 25-year period described
1149 in Subsection (1)(a)(i) shall begin on the day on which the authority receives the first property
1150 tax allocation from that parcel.1151 (2) Improvements on a parcel within a project area become subject to property tax on
1152 January 1 immediately following the day on which the authority or an entity designated by the
1153 authority issues a certificate of occupancy with respect to those improvements.1154 (3) (a) If the authority or an entity designated by the authority has not issued a
1155 certificate of occupancy for a private parcel within a project area, the private parcel owner shall
1156 enter into a contract with the authority to make an annual payment to the authority:1157 (i) that is equal to the taxable value of the parcel above the base taxable value of the
1158 parcel; and1159 (ii) until the parcel becomes subject to the property tax described in Subsection (2).1160 (b) The authority may use the revenue from payments described in Subsection (3)(a)
1161 for any purpose described in Subsection [63H-1-502\(1\)](#).1162 [~~3~~] (4) Each county that collects property tax on property within a project area shall
1163 pay and distribute to the authority the property tax allocation and dedicated tax collections that
1164 the authority is entitled to collect under this title, in the manner and at the time provided in
1165 Section [59-2-1365](#).1166 [~~4~~] (5) (a) The board shall determine by resolution when the entire project area or an
1167 individual parcel within a project area is subject to property tax allocation.1168 (b) The board shall amend the project area budget to reflect whether a parcel within a
1169 project area is subject to property tax allocation.1170 Section 8. Section [63H-1-502](#) is amended to read:1171 **[63H-1-502](#). Allowable uses of property tax allocation and other funds.**

1172 (1) Other than municipal services revenue, the authority may use the property tax

1173 allocation and other funds available to the authority:

1174 (a) for any purpose authorized under this chapter;

1175 (b) for administrative, overhead, legal, and other operating expenses of the authority;

1176 (c) to pay for, including financing or refinancing, all or part of the development of land

1177 within the project area from which the property tax allocation or other funds were collected,

1178 including assisting the ongoing operation of a development or facility within the project area;

1179 (d) to pay the cost of the installation and construction of publicly owned infrastructure

1180 and improvements within the project area from which the property tax allocation funds were

1181 collected;

1182 (e) to pay the cost of the installation of publicly owned infrastructure and

1183 improvements, including a passenger ropeway, as defined in Section 72-11-102, outside the

1184 project area if:

1185 (i) the authority board determines by resolution that the infrastructure and

1186 improvements are of benefit to the project area; and

1187 (ii) for a passenger ropeway, at least one end of the ropeway is located within the

1188 project area; ~~and~~

1189 (f) to pay the principal and interest on bonds issued by the authority[-];

1190 (g) to pay for a morale, welfare, and recreation program of a United States Air Force

1191 base in Utah, affiliated with the project area from which the funds were collected; or

1192 (h) to pay for the promotion of;

1193 (i) a development within the project area; or

1194 (ii) amenities outside of the project area that are associated with a development within

1195 the project area.

1196 (2) The authority may use revenue generated from the operation of publicly owned

1197 infrastructure operated by the authority or improvements operated by the authority to:

1198 (a) operate and maintain the infrastructure or improvements; and

1199 (b) pay for authority operating expenses, including administrative, overhead, and legal

1200 expenses.

1201 (3) For purposes of Subsection (1), the authority may use:

1202 (a) tax ~~[revenues]~~ revenue received under Subsection 59-12-205(2)(b)(ii);

1203 (b) resort communities tax ~~[revenues generated from a project area that contains private~~

1204 ~~land; and~~ revenue;

1205 (c) MIDA energy tax revenue, received under Section [63H-1-204](#), which does not have
1206 to be used in the project area where the revenue was generated[-];

1207 (d) MIDA accommodations tax revenue, received under Section [63H-1-205](#);

1208 (e) transient room tax revenue generated from hotels located on authority-owned or
1209 other public-entity-owned property;

1210 (f) municipal energy tax revenue generated from hotels located on authority-owned or
1211 other public-entity-owned property; or

1212 (g) payments received under Subsection [63H-1-501](#)(3).

1213 (4) The determination of the authority board under Subsection (1)(e) regarding benefit
1214 to the project area is final.