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HYGIENE TAX ACT

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Susan Duckworth

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends sales and use tax provisions.

Highlighted Provisions:

This bill:

- ▶ modifies definitions;
- ▶ increases the general state sales and use tax rate;
- ▶ adds a sales and use tax exemption for certain incontinence care items, feminine hygiene products, and diapers; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

- 35A-8-308**, as last amended by Laws of Utah 2017, Chapters 181 and 421
- 35A-8-309**, as last amended by Laws of Utah 2017, Chapters 181 and 421
- 59-12-102**, as last amended by Laws of Utah 2018, Chapters 25, 281, 415, 424, and 472
- 59-12-103**, as amended by Statewide Initiative -- Proposition 3, Nov. 6, 2018
- 59-12-104**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 6



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

Section 1. Section **35A-8-308** is amended to read:

35A-8-308. Throughput Infrastructure Fund.

(1) There is created an enterprise fund known as the Throughput Infrastructure Fund.

(2) The fund consists of money generated from the following revenue sources:

(a) all amounts transferred to the fund [~~under Subsection 59-12-103(12)~~] by statute;

(b) any voluntary contributions received;

(c) appropriations made to the fund by the Legislature; and

(d) all amounts received from the repayment of loans made by the impact board under

Section **35A-8-309**.

(3) The state treasurer shall:

(a) invest the money in the fund by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act; and

(b) deposit all interest or other earnings derived from those investments into the fund.

Section 2. Section **35A-8-309** is amended to read:

35A-8-309. Throughput Infrastructure Fund administered by impact board --

Uses -- Review by board -- Annual report.

(1) The impact board shall:

(a) make grants and loans from the Throughput Infrastructure Fund created in Section **35A-8-308** for a throughput infrastructure project;

(b) use money transferred to the Throughput Infrastructure Fund [~~in accordance with Subsection 59-12-103(12)~~] by statute to provide a loan or grant to finance the cost of acquisition or construction of a throughput infrastructure project to one or more local political subdivisions, including a Utah interlocal entity created under Title 11, Chapter 13, Interlocal Cooperation Act;

(c) administer the Throughput Infrastructure Fund in a manner that will keep a portion of the fund revolving;

(d) determine provisions for repayment of loans;

(e) establish criteria for awarding loans and grants; and

(f) establish criteria for determining eligibility for assistance under this section.

59 (2) The cost of acquisition or construction of a throughput infrastructure project
60 includes amounts for working capital, reserves, transaction costs, and other amounts
61 determined by the impact board to be allocable to a throughput infrastructure project.

62 (3) The impact board may restructure or forgive all or part of a local political
63 subdivision's or interlocal entity's obligation to repay loans for extenuating circumstances.

64 (4) In order to receive assistance under this section, a local political subdivision or an
65 interlocal entity shall submit a formal application containing the information that the impact
66 board requires.

67 (5) (a) The impact board shall:

68 (i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant
69 before approving the loan or grant and may condition its approval on whatever assurances the
70 impact board considers necessary to ensure that proceeds of the loan or grant will be used in
71 accordance with this section;

72 (ii) ensure that each loan specifies terms for interest deferments, accruals, and
73 scheduled principal repayment; and

74 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations of
75 the appropriate local political subdivision or interlocal entity issued to the impact board and
76 payable from the net revenues of a throughput infrastructure project.

77 (b) An instrument described in Subsection (5)(a)(iii) may be:

78 (i) non-recourse to the local political subdivision or interlocal entity; and

79 (ii) limited to a pledge of the net revenues from a throughput infrastructure project.

80 (6) (a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate
81 from the Throughput Infrastructure Fund to the board those amounts that are appropriated by
82 the Legislature for the administration of the Throughput Infrastructure Fund.

83 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual
84 receipts to the fund.

85 (7) The board shall include in the annual written report described in Section
86 [35A-1-109](#):

87 (a) the number and type of loans and grants made under this section; and

88 (b) a list of local political subdivisions or interlocal entities that received assistance
89 under this section.

90 Section 3. Section **59-12-102** is amended to read:

91 **59-12-102. Definitions.**

92 As used in this chapter:

93 (1) "800 service" means a telecommunications service that:

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

95 (b) is typically marketed:

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

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

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

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

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

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

102 Federal Communications Commission.

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

104 (i) a subscriber purchases;

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

106 the subscriber's:

107 (A) prerecorded announcement; or

108 (B) live service; and

109 (iii) is typically marketed:

110 (A) under the name 900 service; or

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

112 Communications Commission.

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

114 (i) a collection service a seller of a telecommunications service provides to a

115 subscriber; or

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

117 (A) a product; or

118 (B) a service.

119 (3) (a) "Admission or user fees" includes season passes.

120 (b) "Admission or user fees" does not include annual membership dues to private

121 organizations.

122 (4) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on
123 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax
124 Agreement after November 12, 2002.

125 (5) "Agreement combined tax rate" means the sum of the tax rates:

126 (a) listed under Subsection (6); and

127 (b) that are imposed within a local taxing jurisdiction.

128 (6) "Agreement sales and use tax" means a tax imposed under:

129 (a) Subsection 59-12-103(2)(a)(i)(A);

130 (b) Subsection 59-12-103(2)(b)(i);

131 (c) Subsection 59-12-103(2)(c)(i);

132 (d) Subsection 59-12-103(2)(d)(i)(A)(I);

133 (e) Section 59-12-204;

134 (f) Section 59-12-401;

135 (g) Section 59-12-402;

136 (h) Section 59-12-402.1;

137 (i) Section 59-12-703;

138 (j) Section 59-12-802;

139 (k) Section 59-12-804;

140 (l) Section 59-12-1102;

141 (m) Section 59-12-1302;

142 (n) Section 59-12-1402;

143 (o) Section 59-12-1802;

144 (p) Section 59-12-2003;

145 (q) Section 59-12-2103;

146 (r) Section 59-12-2213;

147 (s) Section 59-12-2214;

148 (t) Section 59-12-2215;

149 (u) Section 59-12-2216;

150 (v) Section 59-12-2217;

151 (w) Section 59-12-2218;

- 152 (x) Section 59-12-2219; or
- 153 (y) Section 59-12-2220.
- 154 (7) "Aircraft" means the same as that term is defined in Section 72-10-102.
- 155 (8) "Aircraft maintenance, repair, and overhaul provider" means a business entity:
- 156 (a) except for:
- 157 (i) an airline as defined in Section 59-2-102; or
- 158 (ii) an affiliated group, as defined in Section 59-7-101, except that "affiliated group"
- 159 includes a corporation that is qualified to do business but is not otherwise doing business in the
- 160 state, of an airline; and
- 161 (b) that has the workers, expertise, and facilities to perform the following, regardless of
- 162 whether the business entity performs the following in this state:
- 163 (i) check, diagnose, overhaul, and repair:
- 164 (A) an onboard system of a fixed wing turbine powered aircraft; and
- 165 (B) the parts that comprise an onboard system of a fixed wing turbine powered aircraft;
- 166 (ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered aircraft
- 167 engine;
- 168 (iii) perform at least the following maintenance on a fixed wing turbine powered
- 169 aircraft:
- 170 (A) an inspection;
- 171 (B) a repair, including a structural repair or modification;
- 172 (C) changing landing gear; and
- 173 (D) addressing issues related to an aging fixed wing turbine powered aircraft;
- 174 (iv) completely remove the existing paint of a fixed wing turbine powered aircraft and
- 175 completely apply new paint to the fixed wing turbine powered aircraft; and
- 176 (v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that
- 177 results in a change in the fixed wing turbine powered aircraft's certification requirements by the
- 178 authority that certifies the fixed wing turbine powered aircraft.
- 179 (9) "Alcoholic beverage" means a beverage that:
- 180 (a) is suitable for human consumption; and
- 181 (b) contains .5% or more alcohol by volume.
- 182 (10) "Alternative energy" means:

- 183 (a) biomass energy;
- 184 (b) geothermal energy;
- 185 (c) hydroelectric energy;
- 186 (d) solar energy;
- 187 (e) wind energy; or
- 188 (f) energy that is derived from:
 - 189 (i) coal-to-liquids;
 - 190 (ii) nuclear fuel;
 - 191 (iii) oil-impregnated diatomaceous earth;
 - 192 (iv) oil sands;
 - 193 (v) oil shale;
 - 194 (vi) petroleum coke; or
 - 195 (vii) waste heat from:
 - 196 (A) an industrial facility; or
 - 197 (B) a power station in which an electric generator is driven through a process in which
 - 198 water is heated, turns into steam, and spins a steam turbine.

199 (11) (a) Subject to Subsection (11)(b), "alternative energy electricity production
200 facility" means a facility that:

- 201 (i) uses alternative energy to produce electricity; and
- 202 (ii) has a production capacity of two megawatts or greater.
- 203 (b) A facility is an alternative energy electricity production facility regardless of
204 whether the facility is:
 - 205 (i) connected to an electric grid; or
 - 206 (ii) located on the premises of an electricity consumer.

207 (12) (a) "Ancillary service" means a service associated with, or incidental to, the
208 provision of telecommunications service.

- 209 (b) "Ancillary service" includes:
 - 210 (i) a conference bridging service;
 - 211 (ii) a detailed communications billing service;
 - 212 (iii) directory assistance;
 - 213 (iv) a vertical service; or

214 (v) a voice mail service.

215 (13) "Area agency on aging" means the same as that term is defined in Section
216 62A-3-101.

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

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

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

223 (15) "Assisted cleaning or washing of tangible personal property" means cleaning or
224 washing of tangible personal property if the cleaning or washing labor is primarily performed
225 by an individual:

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

228 (b) at the direction of the seller of the cleaning or washing of the tangible personal
229 property.

230 (16) "Authorized carrier" means:

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

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

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

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

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

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

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

244 (B) animal waste;

- 245 (C) waste vegetable oil;
- 246 (D) methane or synthetic gas produced at a landfill, as a byproduct of the treatment of
247 wastewater residuals, or through the conversion of a waste material through a nonincineration,
248 thermal conversion process;
- 249 (E) aquatic plants; and
- 250 (F) agricultural products.
- 251 (b) "Biomass energy" does not include:
- 252 (i) black liquor; or
- 253 (ii) treated woods.
- 254 (18) (a) "Bundled transaction" means the sale of two or more items of tangible personal
255 property, products, or services if the tangible personal property, products, or services are:
- 256 (i) distinct and identifiable; and
- 257 (ii) sold for one nonitemized price.
- 258 (b) "Bundled transaction" does not include:
- 259 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on
260 the basis of the selection by the purchaser of the items of tangible personal property included in
261 the transaction;
- 262 (ii) the sale of real property;
- 263 (iii) the sale of services to real property;
- 264 (iv) the retail sale of tangible personal property and a service if:
- 265 (A) the tangible personal property:
- 266 (I) is essential to the use of the service; and
- 267 (II) is provided exclusively in connection with the service; and
- 268 (B) the service is the true object of the transaction;
- 269 (v) the retail sale of two services if:
- 270 (A) one service is provided that is essential to the use or receipt of a second service;
- 271 (B) the first service is provided exclusively in connection with the second service; and
- 272 (C) the second service is the true object of the transaction;
- 273 (vi) a transaction that includes tangible personal property or a product subject to
274 taxation under this chapter and tangible personal property or a product that is not subject to
275 taxation under this chapter if the:

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

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

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

282 (A) that retail sale includes:

283 (I) food and food ingredients;

284 (II) a drug;

285 (III) durable medical equipment;

286 (IV) mobility enhancing equipment;

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

288 (VI) a prosthetic device; or

289 (VII) a medical supply; and

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

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

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

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

297 (A) packaging that:

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

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

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

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

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

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

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

314 (A) a binding sales document; or

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

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

318 (A) a bill of sale;

319 (B) a contract;

320 (C) an invoice;

321 (D) a lease agreement;

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

323 (F) a price list;

324 (G) a rate card;

325 (H) a receipt; or

326 (I) a service agreement.

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

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

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

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

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

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

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

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

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

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

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

350 (i) on a transaction; and

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

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

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

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

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

357 (b) to perform all of a seller's sales and use tax functions for an agreement sales and
358 use tax other than the seller's obligation under Section 59-12-124 to remit a tax on the seller's
359 own purchases.

360 (21) (a) ~~[Subject to Subsection (21)(b)]~~ Except as provided in Subsection (21)(b) and
361 subject to Subsection (21)(c), "clothing" means all human wearing apparel suitable for general
362 use.

363 (b) "Clothing" does not include diapers.

364 ~~(b)~~ (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
365 Act, the commission shall make rules:

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

367 (ii) that are consistent with the list of items that constitute "clothing" under the
368 agreement and this Subsection (21).

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

370 (23) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other
371 fuels that does not constitute industrial use under Subsection [~~(56)~~] (58) or residential use
372 under Subsection [~~(106)~~] (108).

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

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

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

381 (c) "Common carrier" does not include a person that provides transportation network
382 services, as defined in Section 13-51-102.

383 (25) "Component part" includes:

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

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

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

389 (d) feed, seeds, and seedlings.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

413 (i) by a seller of:

414 (A) tangible personal property;

415 (B) a product transferred electronically; or

416 (C) services; and

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

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

421 (i) transportation;

422 (ii) shipping;

423 (iii) postage;

424 (iv) handling;

425 (v) crating; or

426 (vi) packing.

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

429 (34) "Diaper" means an absorbent garment worn by humans who are incapable of, or
430 have difficulty, controlling their bladder or bowel movements.

- 431 [~~(34)~~] (35) "Dietary supplement" means a product, other than tobacco, that:
- 432 (a) is intended to supplement the diet;
- 433 (b) contains one or more of the following dietary ingredients:
- 434 (i) a vitamin;
- 435 (ii) a mineral;
- 436 (iii) an herb or other botanical;
- 437 (iv) an amino acid;
- 438 (v) a dietary substance for use by humans to supplement the diet by increasing the total
- 439 dietary intake; or
- 440 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient
- 441 described in Subsections [~~(34)~~] (35)(b)(i) through (v);
- 442 (c) (i) except as provided in Subsection [~~(34)~~] (35)(c)(ii), is intended for ingestion in:
- 443 (A) tablet form;
- 444 (B) capsule form;
- 445 (C) powder form;
- 446 (D) softgel form;
- 447 (E) gelcap form; or
- 448 (F) liquid form; or
- 449 (ii) if the product is not intended for ingestion in a form described in Subsections [~~(34)~~]
- 450 (35)(c)(i)(A) through (F), is not represented:
- 451 (A) as conventional food; and
- 452 (B) for use as a sole item of:
- 453 (I) a meal; or
- 454 (II) the diet; and
- 455 (d) is required to be labeled as a dietary supplement:
- 456 (i) identifiable by the "Supplemental Facts" box found on the label; and
- 457 (ii) as required by 21 C.F.R. Sec. 101.36.
- 458 [~~(35)~~] (36) "Digital audio-visual work" means a series of related images which, when
- 459 shown in succession, imparts an impression of motion, together with accompanying sounds, if
- 460 any.
- 461 [~~(36)~~] (37) (a) "Digital audio work" means a work that results from the fixation of a

462 series of musical, spoken, or other sounds.

463 (b) "Digital audio work" includes a ringtone.

464 [~~37~~] (38) "Digital book" means a work that is generally recognized in the ordinary
465 and usual sense as a book.

466 [~~38~~] (39) (a) "Direct mail" means printed material delivered or distributed by United
467 States mail or other delivery service:

468 (i) to:

469 (A) a mass audience; or

470 (B) addressees on a mailing list provided:

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

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

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

474 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a
475 purchaser to a seller of direct mail for inclusion in a package containing the printed material.

476 (c) "Direct mail" does not include multiple items of printed material delivered to a
477 single address.

478 [~~39~~] (40) "Directory assistance" means an ancillary service of providing:

479 (a) address information; or

480 (b) telephone number information.

481 [~~40~~] (41) (a) "Disposable home medical equipment or supplies" means medical
482 equipment or supplies that:

483 (i) cannot withstand repeated use; and

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

485 (A) a health care facility as defined in Section 26-21-2;

486 (B) a health care provider as defined in Section 78B-3-403;

487 (C) an office of a health care provider described in Subsection [~~40~~] (41)(a)(ii)(B); or

488 (D) a person similar to a person described in Subsections [~~40~~] (41)(a)(ii)(A) through

489 (C).

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

491 (i) a drug;

492 (ii) durable medical equipment;

- 493 (iii) a hearing aid;
- 494 (iv) a hearing aid accessory;
- 495 (v) mobility enhancing equipment; or
- 496 (vi) tangible personal property used to correct impaired vision, including:
- 497 (A) eyeglasses; or
- 498 (B) contact lenses.
- 499 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 500 commission may by rule define what constitutes medical equipment or supplies.
- 501 ~~[(41)]~~ (42) "Drilling equipment manufacturer" means a facility:
- 502 (a) located in the state;
- 503 (b) with respect to which 51% or more of the manufacturing activities of the facility
- 504 consist of manufacturing component parts of drilling equipment;
- 505 (c) that uses pressure of 800,000 or more pounds per square inch as part of the
- 506 manufacturing process; and
- 507 (d) that uses a temperature of 2,000 or more degrees Fahrenheit as part of the
- 508 manufacturing process.
- 509 ~~[(42)]~~ (43) (a) "Drug" means a compound, substance, or preparation, or a component of
- 510 a compound, substance, or preparation that is:
- 511 (i) recognized in:
- 512 (A) the official United States Pharmacopoeia;
- 513 (B) the official Homeopathic Pharmacopoeia of the United States;
- 514 (C) the official National Formulary; or
- 515 (D) a supplement to a publication listed in Subsections ~~[(42)]~~ (43)(a)(i)(A) through
- 516 (C);
- 517 (ii) intended for use in the:
- 518 (A) diagnosis of disease;
- 519 (B) cure of disease;
- 520 (C) mitigation of disease;
- 521 (D) treatment of disease; or
- 522 (E) prevention of disease; or
- 523 (iii) intended to affect:

524 (A) the structure of the body; or

525 (B) any function of the body.

526 (b) "Drug" does not include:

527 (i) food and food ingredients;

528 (ii) a dietary supplement;

529 (iii) an alcoholic beverage; or

530 (iv) a prosthetic device.

531 ~~[(43)]~~ (44) (a) Except as provided in Subsection ~~[(43)]~~ (44)(c), "durable medical

532 equipment" means equipment that:

533 (i) can withstand repeated use;

534 (ii) is primarily and customarily used to serve a medical purpose;

535 (iii) generally is not useful to a person in the absence of illness or injury; and

536 (iv) is not worn in or on the body.

537 (b) "Durable medical equipment" includes parts used in the repair or replacement of the

538 equipment described in Subsection ~~[(43)]~~ (44)(a).

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

540 ~~[(44)]~~ (45) "Electronic" means:

541 (a) relating to technology; and

542 (b) having:

543 (i) electrical capabilities;

544 (ii) digital capabilities;

545 (iii) magnetic capabilities;

546 (iv) wireless capabilities;

547 (v) optical capabilities;

548 (vi) electromagnetic capabilities; or

549 (vii) capabilities similar to Subsections ~~[(44)]~~ (45)(b)(i) through (vi).

550 ~~[(45)]~~ (46) "Electronic financial payment service" means an establishment:

551 (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and

552 Clearinghouse Activities, of the 2012 North American Industry Classification System of the

553 federal Executive Office of the President, Office of Management and Budget; and

554 (b) that performs electronic financial payment services.

555 [~~(46)~~] (47) "Employee" means the same as that term is defined in Section 59-10-401.

556 (48) (a) "Feminine hygiene products" means:

557 (i) tampons;

558 (ii) panty liners;

559 (iii) menstrual cups;

560 (iv) sanitary napkins; or

561 (v) other similar tangible personal property designed for feminine hygiene in

562 connection with the human menstrual cycle.

563 (b) "Feminine hygiene products" does not include:

564 (i) soaps and cleaning solutions;

565 (ii) shampoo;

566 (iii) toothpaste;

567 (iv) mouthwash;

568 (v) antiperspirants; or

569 (vi) sun tan lotions and screens.

570 [~~(47)~~] (49) "Fixed guideway" means a public transit facility that uses and occupies:

571 (a) rail for the use of public transit; or

572 (b) a separate right-of-way for the use of public transit.

573 [~~(48)~~] (50) "Fixed wing turbine powered aircraft" means an aircraft that:

574 (a) is powered by turbine engines;

575 (b) operates on jet fuel; and

576 (c) has wings that are permanently attached to the fuselage of the aircraft.

577 [~~(49)~~] (51) "Fixed wireless service" means a telecommunications service that provides

578 radio communication between fixed points.

579 [~~(50)~~] (52) (a) "Food and food ingredients" means substances:

580 (i) regardless of whether the substances are in:

581 (A) liquid form;

582 (B) concentrated form;

583 (C) solid form;

584 (D) frozen form;

585 (E) dried form; or

586 (F) dehydrated form; and
587 (ii) that are:
588 (A) sold for:
589 (I) ingestion by humans; or
590 (II) chewing by humans; and
591 (B) consumed for the substance's:
592 (I) taste; or
593 (II) nutritional value.
594 (b) "Food and food ingredients" includes an item described in Subsection [~~(91)~~]
595 (93)(b)(iii).
596 (c) "Food and food ingredients" does not include:
597 (i) an alcoholic beverage;
598 (ii) tobacco; or
599 (iii) prepared food.
600 [~~(51)~~] (53) (a) "Fundraising sales" means sales:
601 (i) (A) made by a school; or
602 (B) made by a school student;
603 (ii) that are for the purpose of raising funds for the school to purchase equipment,
604 materials, or provide transportation; and
605 (iii) that are part of an officially sanctioned school activity.
606 (b) For purposes of Subsection [~~(51)~~] (53)(a)(iii), "officially sanctioned school activity"
607 means a school activity:
608 (i) that is conducted in accordance with a formal policy adopted by the school or school
609 district governing the authorization and supervision of fundraising activities;
610 (ii) that does not directly or indirectly compensate an individual teacher or other
611 educational personnel by direct payment, commissions, or payment in kind; and
612 (iii) the net or gross revenues from which are deposited in a dedicated account
613 controlled by the school or school district.
614 [~~(52)~~] (54) "Geothermal energy" means energy contained in heat that continuously
615 flows outward from the earth that is used as the sole source of energy to produce electricity.
616 [~~(53)~~] (55) "Governing board of the agreement" means the governing board of the

617 agreement that is:

- 618 (a) authorized to administer the agreement; and
- 619 (b) established in accordance with the agreement.

620 [~~54~~] (56) (a) For purposes of Subsection 59-12-104(41), "governmental entity"

621 means:

- 622 (i) the executive branch of the state, including all departments, institutions, boards,
623 divisions, bureaus, offices, commissions, and committees;
- 624 (ii) the judicial branch of the state, including the courts, the Judicial Council, the
625 Administrative Office of the Courts, and similar administrative units in the judicial branch;
- 626 (iii) the legislative branch of the state, including the House of Representatives, the
627 Senate, the Legislative Printing Office, the Office of Legislative Research and General
628 Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal
629 Analyst;
- 630 (iv) the National Guard;
- 631 (v) an independent entity as defined in Section 63E-1-102; or
- 632 (vi) a political subdivision as defined in Section 17B-1-102.

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

- 635 (i) a school;
- 636 (ii) the State Board of Education;
- 637 (iii) the State Board of Regents; or
- 638 (iv) an institution of higher education described in Section 53B-1-102.

639 [~~55~~] (57) "Hydroelectric energy" means water used as the sole source of energy to
640 produce electricity.

641 [~~56~~] (58) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil,
642 or other fuels:

- 643 (a) in mining or extraction of minerals;
- 644 (b) in agricultural operations to produce an agricultural product up to the time of
645 harvest or placing the agricultural product into a storage facility, including:
 - 646 (i) commercial greenhouses;
 - 647 (ii) irrigation pumps;

- 648 (iii) farm machinery;
- 649 (iv) implements of husbandry as defined in Section 41-1a-102 that are not registered
- 650 under Title 41, Chapter 1a, Part 2, Registration; and
- 651 (v) other farming activities;
- 652 (c) in manufacturing tangible personal property at an establishment described in:
- 653 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
- 654 the federal Executive Office of the President, Office of Management and Budget; or
- 655 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
- 656 American Industry Classification System of the federal Executive Office of the President,
- 657 Office of Management and Budget;
- 658 (d) by a scrap recycler if:
- 659 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
- 660 one or more of the following items into prepared grades of processed materials for use in new
- 661 products:
- 662 (A) iron;
- 663 (B) steel;
- 664 (C) nonferrous metal;
- 665 (D) paper;
- 666 (E) glass;
- 667 (F) plastic;
- 668 (G) textile; or
- 669 (H) rubber; and
- 670 (ii) the new products under Subsection [~~(56)~~] (58)(d)(i) would otherwise be made with
- 671 nonrecycled materials; or
- 672 (e) in producing a form of energy or steam described in Subsection 54-2-1(3)(a) by a
- 673 cogeneration facility as defined in Section 54-2-1.
- 674 [~~(57)~~] (59) (a) Except as provided in Subsection [~~(57)~~] (59)(b), "installation charge"
- 675 means a charge for installing:
- 676 (i) tangible personal property; or
- 677 (ii) a product transferred electronically.
- 678 (b) "Installation charge" does not include a charge for:

- 679 (i) repairs or renovations of:
680 (A) tangible personal property; or
681 (B) a product transferred electronically; or
682 (ii) attaching tangible personal property or a product transferred electronically:
683 (A) to other tangible personal property; and
684 (B) as part of a manufacturing or fabrication process.
- 685 [~~58~~] (60) "Institution of higher education" means an institution of higher education
686 listed in Section 53B-2-101.
- 687 [~~59~~] (61) (a) "Lease" or "rental" means a transfer of possession or control of tangible
688 personal property or a product transferred electronically for:
689 (i) (A) a fixed term; or
690 (B) an indeterminate term; and
691 (ii) consideration.
- 692 (b) "Lease" or "rental" includes an agreement covering a motor vehicle and trailer if the
693 amount of consideration may be increased or decreased by reference to the amount realized
694 upon sale or disposition of the property as defined in Section 7701(h)(1), Internal Revenue
695 Code.
- 696 (c) "Lease" or "rental" does not include:
697 (i) a transfer of possession or control of property under a security agreement or
698 deferred payment plan that requires the transfer of title upon completion of the required
699 payments;
700 (ii) a transfer of possession or control of property under an agreement that requires the
701 transfer of title:
702 (A) upon completion of required payments; and
703 (B) if the payment of an option price does not exceed the greater of:
704 (I) \$100; or
705 (II) 1% of the total required payments; or
706 (iii) providing tangible personal property along with an operator for a fixed period of
707 time or an indeterminate period of time if the operator is necessary for equipment to perform as
708 designed.
- 709 (d) For purposes of Subsection [~~59~~] (61)(c)(iii), an operator is necessary for

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

- 711 (i) set-up of tangible personal property;
- 712 (ii) maintenance of tangible personal property; or
- 713 (iii) inspection of tangible personal property.

714 ~~[(60)]~~ (62) "Life science establishment" means an establishment in this state that is
715 classified under the following NAICS codes of the 2007 North American Industry
716 Classification System of the federal Executive Office of the President, Office of Management
717 and Budget:

- 718 (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;
- 719 (b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus
720 Manufacturing; or
- 721 (c) NAICS Code 334517, Irradiation Apparatus Manufacturing.

722 ~~[(61)]~~ (63) "Life science research and development facility" means a facility owned,
723 leased, or rented by a life science establishment if research and development is performed in
724 51% or more of the total area of the facility.

725 ~~[(62)]~~ (64) "Load and leave" means delivery to a purchaser by use of a tangible storage
726 media if the tangible storage media is not physically transferred to the purchaser.

727 ~~[(63)]~~ (65) "Local taxing jurisdiction" means a:

- 728 (a) county that is authorized to impose an agreement sales and use tax;
- 729 (b) city that is authorized to impose an agreement sales and use tax; or
- 730 (c) town that is authorized to impose an agreement sales and use tax.

731 ~~[(64)]~~ (66) "Manufactured home" means the same as that term is defined in Section
732 [15A-1-302](#).

733 ~~[(65)]~~ (67) "Manufacturing facility" means:

- 734 (a) an establishment described in:
 - 735 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
736 the federal Executive Office of the President, Office of Management and Budget; or
 - 737 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
738 American Industry Classification System of the federal Executive Office of the President,
739 Office of Management and Budget;
- 740 (b) a scrap recycler if:

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

- 744 (A) iron;
- 745 (B) steel;
- 746 (C) nonferrous metal;
- 747 (D) paper;
- 748 (E) glass;
- 749 (F) plastic;
- 750 (G) textile; or
- 751 (H) rubber; and

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

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

756 ~~[(66)]~~ (68) "Member of the immediate family of the producer" means a person who is
757 related to a producer described in Subsection 59-12-104(20)(a) as a:

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

- 759 (i) an adopted child or adopted stepchild; or
- 760 (ii) a foster child or foster stepchild;

761 (b) grandchild or stepgrandchild;

762 (c) grandparent or stepgrandparent;

763 (d) nephew or stepnephew;

764 (e) niece or stepniece;

765 (f) parent or stepparent;

766 (g) sibling or stepsibling;

767 (h) spouse;

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

770 (j) person similar to a person described in Subsections ~~[(66)]~~ (68)(a) through (i) as
771 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah

772 Administrative Rulemaking Act.

773 ~~[(67)]~~ (69) "Mobile home" means the same as that term is defined in Section
774 15A-1-302.

775 ~~[(68)]~~ (70) "Mobile telecommunications service" means the same as that term is
776 defined in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

777 ~~[(69)]~~ (71) (a) "Mobile wireless service" means a telecommunications service,
778 regardless of the technology used, if:

- 779 (i) the origination point of the conveyance, routing, or transmission is not fixed;
- 780 (ii) the termination point of the conveyance, routing, or transmission is not fixed; or
- 781 (iii) the origination point described in Subsection ~~[(69)]~~ (71)(a)(i) and the termination
782 point described in Subsection ~~[(69)]~~ (71)(a)(ii) are not fixed.

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

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

787 ~~[(70)]~~ (72) (a) Except as provided in Subsection ~~[(70)]~~ (72)(c), "mobility enhancing
788 equipment" means equipment that is:

- 789 (i) primarily and customarily used to provide or increase the ability to move from one
790 place to another;
- 791 (ii) appropriate for use in a:
 - 792 (A) home; or
 - 793 (B) motor vehicle; and
 - 794 (iii) not generally used by persons with normal mobility.

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

797 (c) "Mobility enhancing equipment" does not include:

- 798 (i) a motor vehicle;
- 799 (ii) equipment on a motor vehicle if that equipment is normally provided by the motor
800 vehicle manufacturer;
- 801 (iii) durable medical equipment; or
- 802 (iv) a prosthetic device.

803 ~~[(71)]~~ (73) "Model 1 seller" means a seller registered under the agreement that has
804 selected a certified service provider as the seller's agent to perform all of the seller's sales and
805 use tax functions for agreement sales and use taxes other than the seller's obligation under
806 Section [59-12-124](#) to remit a tax on the seller's own purchases.

807 ~~[(72)]~~ (74) "Model 2 seller" means a seller registered under the agreement that:

808 (a) except as provided in Subsection ~~[(72)]~~ (74)(b), has selected a certified automated
809 system to perform the seller's sales tax functions for agreement sales and use taxes; and

810 (b) retains responsibility for remitting all of the sales tax:

811 (i) collected by the seller; and

812 (ii) to the appropriate local taxing jurisdiction.

813 ~~[(73)]~~ (75) (a) Subject to Subsection ~~[(73)]~~ (75)(b), "model 3 seller" means a seller
814 registered under the agreement that has:

815 (i) sales in at least five states that are members of the agreement;

816 (ii) total annual sales revenues of at least \$500,000,000;

817 (iii) a proprietary system that calculates the amount of tax:

818 (A) for an agreement sales and use tax; and

819 (B) due to each local taxing jurisdiction; and

820 (iv) entered into a performance agreement with the governing board of the agreement.

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

823 ~~[(74)]~~ (76) "Model 4 seller" means a seller that is registered under the agreement and is
824 not a model 1 seller, model 2 seller, or model 3 seller.

825 ~~[(75)]~~ (77) "Modular home" means a modular unit as defined in Section [15A-1-302](#).

826 ~~[(76)]~~ (78) "Motor vehicle" means the same as that term is defined in Section
827 [41-1a-102](#).

828 ~~[(77)]~~ (79) "Oil sands" means impregnated bituminous sands that:

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

831 (b) yield mixtures of liquid hydrocarbon; and

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

834 ~~[(78)]~~ (80) "Oil shale" means a group of fine black to dark brown shales containing
835 kerogen material that yields petroleum upon heating and distillation.

836 ~~[(79)]~~ (81) "Optional computer software maintenance contract" means a computer
837 software maintenance contract that a customer is not obligated to purchase as a condition to the
838 retail sale of computer software.

839 ~~[(80)]~~ (82) (a) "Other fuels" means products that burn independently to produce heat or
840 energy.

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

843 ~~[(81)]~~ (83) (a) "Paging service" means a telecommunications service that provides
844 transmission of a coded radio signal for the purpose of activating a specific pager.

845 (b) For purposes of Subsection ~~[(81)]~~ (83)(a), the transmission of a coded radio signal
846 includes a transmission by message or sound.

847 ~~[(82)]~~ (84) "Pawnbroker" means the same as that term is defined in Section
848 [13-32a-102](#).

849 ~~[(83)]~~ (85) "Pawn transaction" means the same as that term is defined in Section
850 [13-32a-102](#).

851 ~~[(84)]~~ (86) (a) "Permanently attached to real property" means that for tangible personal
852 property attached to real property:

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

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

855 (B) suggests that the tangible personal property will remain attached to the real
856 property in the same place over the useful life of the tangible personal property; or

857 (ii) if the tangible personal property is detached from the real property, the detachment
858 would:

859 (A) cause substantial damage to the tangible personal property; or

860 (B) require substantial alteration or repair of the real property to which the tangible
861 personal property is attached.

862 (b) "Permanently attached to real property" includes:

863 (i) the attachment of an accessory to the tangible personal property if the accessory is:

864 (A) essential to the operation of the tangible personal property; and

- 865 (B) attached only to facilitate the operation of the tangible personal property;
- 866 (ii) a temporary detachment of tangible personal property from real property for a
- 867 repair or renovation if the repair or renovation is performed where the tangible personal
- 868 property and real property are located; or
- 869 (iii) property attached to oil, gas, or water pipelines, except for the property listed in
- 870 Subsection [~~84~~] (86)(c)(iii) or (iv).
- 871 (c) "Permanently attached to real property" does not include:
- 872 (i) the attachment of portable or movable tangible personal property to real property if
- 873 that portable or movable tangible personal property is attached to real property only for:
- 874 (A) convenience;
- 875 (B) stability; or
- 876 (C) for an obvious temporary purpose;
- 877 (ii) the detachment of tangible personal property from real property except for the
- 878 detachment described in Subsection [~~84~~] (86)(b)(ii);
- 879 (iii) an attachment of the following tangible personal property to real property if the
- 880 attachment to real property is only through a line that supplies water, electricity, gas,
- 881 telecommunications, cable, or supplies a similar item as determined by the commission by rule
- 882 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:
- 883 (A) a computer;
- 884 (B) a telephone;
- 885 (C) a television; or
- 886 (D) tangible personal property similar to Subsections [~~84~~] (86)(c)(iii)(A) through (C)
- 887 as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah
- 888 Administrative Rulemaking Act; or
- 889 (iv) an item listed in Subsection [~~125~~] (127)(c).
- 890 [~~85~~] (87) "Person" includes any individual, firm, partnership, joint venture,
- 891 association, corporation, estate, trust, business trust, receiver, syndicate, this state, any county,
- 892 city, municipality, district, or other local governmental entity of the state, or any group or
- 893 combination acting as a unit.
- 894 [~~86~~] (88) "Place of primary use":
- 895 (a) for telecommunications service other than mobile telecommunications service,

896 means the street address representative of where the customer's use of the telecommunications
897 service primarily occurs, which shall be:

- 898 (i) the residential street address of the customer; or
- 899 (ii) the primary business street address of the customer; or
- 900 (b) for mobile telecommunications service, means the same as that term is defined in
901 the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

902 ~~[(87)]~~ (89) (a) "Postpaid calling service" means a telecommunications service a person
903 obtains by making a payment on a call-by-call basis:

- 904 (i) through the use of a:
 - 905 (A) bank card;
 - 906 (B) credit card;
 - 907 (C) debit card; or
 - 908 (D) travel card; or
- 909 (ii) by a charge made to a telephone number that is not associated with the origination
910 or termination of the telecommunications service.

911 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling
912 service, that would be a prepaid wireless calling service if the service were exclusively a
913 telecommunications service.

914 ~~[(88)]~~ (90) "Postproduction" means an activity related to the finishing or duplication of
915 a medium described in Subsection [59-12-104\(54\)\(a\)](#).

916 ~~[(89)]~~ (91) "Prepaid calling service" means a telecommunications service:

- 917 (a) that allows a purchaser access to telecommunications service that is exclusively
918 telecommunications service;
- 919 (b) that:
 - 920 (i) is paid for in advance; and
 - 921 (ii) enables the origination of a call using an:
 - 922 (A) access number; or
 - 923 (B) authorization code;
 - 924 (c) that is dialed:
 - 925 (i) manually; or
 - 926 (ii) electronically; and

- 927 (d) sold in predetermined units or dollars that decline:
- 928 (i) by a known amount; and
- 929 (ii) with use.
- 930 [~~(90)~~] (92) "Prepaid wireless calling service" means a telecommunications service:
- 931 (a) that provides the right to utilize:
- 932 (i) mobile wireless service; and
- 933 (ii) other service that is not a telecommunications service, including:
- 934 (A) the download of a product transferred electronically;
- 935 (B) a content service; or
- 936 (C) an ancillary service;
- 937 (b) that:
- 938 (i) is paid for in advance; and
- 939 (ii) enables the origination of a call using an:
- 940 (A) access number; or
- 941 (B) authorization code;
- 942 (c) that is dialed:
- 943 (i) manually; or
- 944 (ii) electronically; and
- 945 (d) sold in predetermined units or dollars that decline:
- 946 (i) by a known amount; and
- 947 (ii) with use.
- 948 [~~(91)~~] (93) (a) "Prepared food" means:
- 949 (i) food:
- 950 (A) sold in a heated state; or
- 951 (B) heated by a seller;
- 952 (ii) two or more food ingredients mixed or combined by the seller for sale as a single
- 953 item; or
- 954 (iii) except as provided in Subsection [~~(91)~~] (93)(c), food sold with an eating utensil
- 955 provided by the seller, including a:
- 956 (A) plate;
- 957 (B) knife;

- 958 (C) fork;
- 959 (D) spoon;
- 960 (E) glass;
- 961 (F) cup;
- 962 (G) napkin; or
- 963 (H) straw.
- 964 (b) "Prepared food" does not include:
- 965 (i) food that a seller only:
- 966 (A) cuts;
- 967 (B) repackages; or
- 968 (C) pasteurizes; or
- 969 (ii) (A) the following:
- 970 (I) raw egg;
- 971 (II) raw fish;
- 972 (III) raw meat;
- 973 (IV) raw poultry; or
- 974 (V) a food containing an item described in Subsections [~~91~~] (93)(b)(ii)(A)(I) through
- 975 (IV); and
- 976 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the
- 977 Food and Drug Administration's Food Code that a consumer cook the items described in
- 978 Subsection [~~91~~] (93)(b)(ii)(A) to prevent food borne illness; or
- 979 (iii) the following if sold without eating utensils provided by the seller:
- 980 (A) food and food ingredients sold by a seller if the seller's proper primary
- 981 classification under the 2002 North American Industry Classification System of the federal
- 982 Executive Office of the President, Office of Management and Budget, is manufacturing in
- 983 Sector 311, Food Manufacturing, except for Subsector 3118, Bakeries and Tortilla
- 984 Manufacturing;
- 985 (B) food and food ingredients sold in an unheated state:
- 986 (I) by weight or volume; and
- 987 (II) as a single item; or
- 988 (C) a bakery item, including:

- 989 (I) a bagel;
- 990 (II) a bar;
- 991 (III) a biscuit;
- 992 (IV) bread;
- 993 (V) a bun;
- 994 (VI) a cake;
- 995 (VII) a cookie;
- 996 (VIII) a croissant;
- 997 (IX) a danish;
- 998 (X) a donut;
- 999 (XI) a muffin;
- 1000 (XII) a pastry;
- 1001 (XIII) a pie;
- 1002 (XIV) a roll;
- 1003 (XV) a tart;
- 1004 (XVI) a torte; or
- 1005 (XVII) a tortilla.

1006 (c) An eating utensil provided by the seller does not include the following used to
1007 transport the food:

- 1008 (i) a container; or
- 1009 (ii) packaging.

1010 [~~92~~] (94) "Prescription" means an order, formula, or recipe that is issued:

- 1011 (a) (i) orally;
- 1012 (ii) in writing;
- 1013 (iii) electronically; or
- 1014 (iv) by any other manner of transmission; and
- 1015 (b) by a licensed practitioner authorized by the laws of a state.

1016 [~~93~~] (95) (a) Except as provided in Subsection [~~93~~] (95)(b)(ii) or (iii), "prewritten
1017 computer software" means computer software that is not designed and developed:

- 1018 (i) by the author or other creator of the computer software; and
- 1019 (ii) to the specifications of a specific purchaser.

- 1020 (b) "Prewritten computer software" includes:
- 1021 (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer
- 1022 software is not designed and developed:
- 1023 (A) by the author or other creator of the computer software; and
- 1024 (B) to the specifications of a specific purchaser;
- 1025 (ii) computer software designed and developed by the author or other creator of the
- 1026 computer software to the specifications of a specific purchaser if the computer software is sold
- 1027 to a person other than the purchaser; or
- 1028 (iii) except as provided in Subsection [~~93~~] (95)(c), prewritten computer software or a
- 1029 prewritten portion of prewritten computer software:
- 1030 (A) that is modified or enhanced to any degree; and
- 1031 (B) if the modification or enhancement described in Subsection [~~93~~] (95)(b)(iii)(A) is
- 1032 designed and developed to the specifications of a specific purchaser.
- 1033 (c) "Prewritten computer software" does not include a modification or enhancement
- 1034 described in Subsection [~~93~~] (95)(b)(iii) if the charges for the modification or enhancement
- 1035 are:
- 1036 (i) reasonable; and
- 1037 (ii) subject to Subsections 59-12-103(2)(e)(ii) and (2)(f)(i), separately stated on the
- 1038 invoice or other statement of price provided to the purchaser at the time of sale or later, as
- 1039 demonstrated by:
- 1040 (A) the books and records the seller keeps at the time of the transaction in the regular
- 1041 course of business, including books and records the seller keeps at the time of the transaction in
- 1042 the regular course of business for nontax purposes;
- 1043 (B) a preponderance of the facts and circumstances at the time of the transaction; and
- 1044 (C) the understanding of all of the parties to the transaction.
- 1045 [~~94~~] (96) (a) "Private communications service" means a telecommunications service:
- 1046 (i) that entitles a customer to exclusive or priority use of one or more communications
- 1047 channels between or among termination points; and
- 1048 (ii) regardless of the manner in which the one or more communications channels are
- 1049 connected.
- 1050 (b) "Private communications service" includes the following provided in connection

1051 with the use of one or more communications channels:

1052 (i) an extension line;

1053 (ii) a station;

1054 (iii) switching capacity; or

1055 (iv) another associated service that is provided in connection with the use of one or

1056 more communications channels as defined in Section [59-12-215](#).

1057 ~~[(95)]~~ [\(97\)](#) (a) Except as provided in Subsection ~~[(95)]~~ [\(97\)](#)(b), "product transferred

1058 electronically" means a product transferred electronically that would be subject to a tax under

1059 this chapter if that product was transferred in a manner other than electronically.

1060 (b) "Product transferred electronically" does not include:

1061 (i) an ancillary service;

1062 (ii) computer software; or

1063 (iii) a telecommunications service.

1064 ~~[(96)]~~ [\(98\)](#) (a) "Prosthetic device" means a device that is worn on or in the body to:

1065 (i) artificially replace a missing portion of the body;

1066 (ii) prevent or correct a physical deformity or physical malfunction; or

1067 (iii) support a weak or deformed portion of the body.

1068 (b) "Prosthetic device" includes:

1069 (i) parts used in the repairs or renovation of a prosthetic device;

1070 (ii) replacement parts for a prosthetic device;

1071 (iii) a dental prosthesis; or

1072 (iv) a hearing aid.

1073 (c) "Prosthetic device" does not include:

1074 (i) corrective eyeglasses; or

1075 (ii) contact lenses.

1076 ~~[(97)]~~ [\(99\)](#) (a) "Protective equipment" means an item:

1077 (i) for human wear; and

1078 (ii) that is:

1079 (A) designed as protection:

1080 (I) to the wearer against injury or disease; or

1081 (II) against damage or injury of other persons or property; and

1082 (B) not suitable for general use.

1083 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1084 commission shall make rules:

1085 (i) listing the items that constitute "protective equipment"; and

1086 (ii) that are consistent with the list of items that constitute "protective equipment"
1087 under the agreement.

1088 [~~98~~] (100) (a) For purposes of Subsection 59-12-104(41), "publication" means any
1089 written or printed matter, other than a photocopy:

1090 (i) regardless of:

1091 (A) characteristics;

1092 (B) copyright;

1093 (C) form;

1094 (D) format;

1095 (E) method of reproduction; or

1096 (F) source; and

1097 (ii) made available in printed or electronic format.

1098 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1099 commission may by rule define the term "photocopy."

1100 [~~99~~] (101) (a) "Purchase price" and "sales price" mean the total amount of
1101 consideration:

1102 (i) valued in money; and

1103 (ii) for which tangible personal property, a product transferred electronically, or
1104 services are:

1105 (A) sold;

1106 (B) leased; or

1107 (C) rented.

1108 (b) "Purchase price" and "sales price" include:

1109 (i) the seller's cost of the tangible personal property, a product transferred
1110 electronically, or services sold;

1111 (ii) expenses of the seller, including:

1112 (A) the cost of materials used;

- 1113 (B) a labor cost;
- 1114 (C) a service cost;
- 1115 (D) interest;
- 1116 (E) a loss;
- 1117 (F) the cost of transportation to the seller; or
- 1118 (G) a tax imposed on the seller;
- 1119 (iii) a charge by the seller for any service necessary to complete the sale; or
- 1120 (iv) consideration a seller receives from a person other than the purchaser if:
- 1121 (A) (I) the seller actually receives consideration from a person other than the purchaser;
- 1122 and
- 1123 (II) the consideration described in Subsection [~~(99)~~] (101)(b)(iv)(A)(I) is directly
- 1124 related to a price reduction or discount on the sale;
- 1125 (B) the seller has an obligation to pass the price reduction or discount through to the
- 1126 purchaser;
- 1127 (C) the amount of the consideration attributable to the sale is fixed and determinable by
- 1128 the seller at the time of the sale to the purchaser; and
- 1129 (D) (I) (Aa) the purchaser presents a certificate, coupon, or other documentation to the
- 1130 seller to claim a price reduction or discount; and
- 1131 (Bb) a person other than the seller authorizes, distributes, or grants the certificate,
- 1132 coupon, or other documentation with the understanding that the person other than the seller
- 1133 will reimburse any seller to whom the certificate, coupon, or other documentation is presented;
- 1134 (II) the purchaser identifies that purchaser to the seller as a member of a group or
- 1135 organization allowed a price reduction or discount, except that a preferred customer card that is
- 1136 available to any patron of a seller does not constitute membership in a group or organization
- 1137 allowed a price reduction or discount; or
- 1138 (III) the price reduction or discount is identified as a third party price reduction or
- 1139 discount on the:
- 1140 (Aa) invoice the purchaser receives; or
- 1141 (Bb) certificate, coupon, or other documentation the purchaser presents.
- 1142 (c) "Purchase price" and "sales price" do not include:
- 1143 (i) a discount:

- 1144 (A) in a form including:
- 1145 (I) cash;
- 1146 (II) term; or
- 1147 (III) coupon;
- 1148 (B) that is allowed by a seller;
- 1149 (C) taken by a purchaser on a sale; and
- 1150 (D) that is not reimbursed by a third party; or
- 1151 (ii) subject to Subsections 59-12-103(2)(e)(ii) and (2)(f)(i), the following if separately
- 1152 stated on an invoice, bill of sale, or similar document provided to the purchaser at the time of
- 1153 sale or later, as demonstrated by the books and records the seller keeps at the time of the
- 1154 transaction in the regular course of business, including books and records the seller keeps at the
- 1155 time of the transaction in the regular course of business for nontax purposes, by a
- 1156 preponderance of the facts and circumstances at the time of the transaction, and by the
- 1157 understanding of all of the parties to the transaction:
- 1158 (A) the following from credit extended on the sale of tangible personal property or
- 1159 services:
- 1160 (I) a carrying charge;
- 1161 (II) a financing charge; or
- 1162 (III) an interest charge;
- 1163 (B) a delivery charge;
- 1164 (C) an installation charge;
- 1165 (D) a manufacturer rebate on a motor vehicle; or
- 1166 (E) a tax or fee legally imposed directly on the consumer.
- 1167 [~~(100)~~] (102) "Purchaser" means a person to whom:
- 1168 (a) a sale of tangible personal property is made;
- 1169 (b) a product is transferred electronically; or
- 1170 (c) a service is furnished.
- 1171 [~~(101)~~] (103) "Qualifying enterprise data center" means an establishment that will:
- 1172 (a) own and operate a data center facility that will house a group of networked server
- 1173 computers in one physical location in order to centralize the dissemination, management, and
- 1174 storage of data and information;

- 1175 (b) be located in the state;
- 1176 (c) be a new operation constructed on or after July 1, 2016;
- 1177 (d) consist of one or more buildings that total 150,000 or more square feet;
- 1178 (e) be owned or leased by:
 - 1179 (i) the establishment; or
 - 1180 (ii) a person under common ownership, as defined in Section 59-7-101, of the
 - 1181 establishment; and
- 1182 (f) be located on one or more parcels of land that are owned or leased by:
 - 1183 (i) the establishment; or
 - 1184 (ii) a person under common ownership, as defined in Section 59-7-101, of the
 - 1185 establishment.
- 1186 [~~(102)~~] (104) "Regularly rented" means:
 - 1187 (a) rented to a guest for value three or more times during a calendar year; or
 - 1188 (b) advertised or held out to the public as a place that is regularly rented to guests for
 - 1189 value.
- 1190 [~~(103)~~] (105) "Rental" means the same as that term is defined in Subsection [~~(59)~~] (61).
- 1191 [~~(104)~~] (106) (a) Except as provided in Subsection [~~(104)~~] (106)(b), "repairs or
- 1192 renovations of tangible personal property" means:
 - 1193 (i) a repair or renovation of tangible personal property that is not permanently attached
 - 1194 to real property; or
 - 1195 (ii) attaching tangible personal property or a product transferred electronically to other
 - 1196 tangible personal property or detaching tangible personal property or a product transferred
 - 1197 electronically from other tangible personal property if:
 - 1198 (A) the other tangible personal property to which the tangible personal property or
 - 1199 product transferred electronically is attached or from which the tangible personal property or
 - 1200 product transferred electronically is detached is not permanently attached to real property; and
 - 1201 (B) the attachment of tangible personal property or a product transferred electronically
 - 1202 to other tangible personal property or detachment of tangible personal property or a product
 - 1203 transferred electronically from other tangible personal property is made in conjunction with a
 - 1204 repair or replacement of tangible personal property or a product transferred electronically.
- 1205 (b) "Repairs or renovations of tangible personal property" does not include:

1206 (i) attaching prewritten computer software to other tangible personal property if the
1207 other tangible personal property to which the prewritten computer software is attached is not
1208 permanently attached to real property; or

1209 (ii) detaching prewritten computer software from other tangible personal property if the
1210 other tangible personal property from which the prewritten computer software is detached is
1211 not permanently attached to real property.

1212 ~~[(105)]~~ (107) "Research and development" means the process of inquiry or
1213 experimentation aimed at the discovery of facts, devices, technologies, or applications and the
1214 process of preparing those devices, technologies, or applications for marketing.

1215 ~~[(106)]~~ (108) (a) "Residential telecommunications services" means a
1216 telecommunications service or an ancillary service that is provided to an individual for personal
1217 use:

1218 (i) at a residential address; or

1219 (ii) at an institution, including a nursing home or a school, if the telecommunications
1220 service or ancillary service is provided to and paid for by the individual residing at the
1221 institution rather than the institution.

1222 (b) For purposes of Subsection ~~[(106)]~~ (108)(a)(i), a residential address includes an:

1223 (i) apartment; or

1224 (ii) other individual dwelling unit.

1225 ~~[(107)]~~ (109) "Residential use" means the use in or around a home, apartment building,
1226 sleeping quarters, and similar facilities or accommodations.

1227 ~~[(108)]~~ (110) (a) "Retailer" means any person engaged in a regularly organized
1228 business in tangible personal property or any other taxable transaction under Subsection
1229 59-12-103(1), and who is selling to the user or consumer and not for resale.

1230 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly
1231 engaged in the business of selling to users or consumers within the state.

1232 ~~[(109)]~~ (111) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose
1233 other than:

1234 (a) resale;

1235 (b) sublease; or

1236 (c) subrent.

1237 ~~[(110)]~~ (112) (a) "Sale" means any transfer of title, exchange, or barter, conditional or
1238 otherwise, in any manner, of tangible personal property or any other taxable transaction under
1239 Subsection 59-12-103(1), for consideration.

1240 (b) "Sale" includes:

1241 (i) installment and credit sales;

1242 (ii) any closed transaction constituting a sale;

1243 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this
1244 chapter;

1245 (iv) any transaction if the possession of property is transferred but the seller retains the
1246 title as security for the payment of the price; and

1247 (v) any transaction under which right to possession, operation, or use of any article of
1248 tangible personal property is granted under a lease or contract and the transfer of possession
1249 would be taxable if an outright sale were made.

1250 ~~[(111)]~~ (113) "Sale at retail" means the same as that term is defined in Subsection
1251 ~~[(109)]~~ (111).

1252 ~~[(112)]~~ (114) "Sale-leaseback transaction" means a transaction by which title to
1253 tangible personal property or a product transferred electronically that is subject to a tax under
1254 this chapter is transferred:

1255 (a) by a purchaser-lessee;

1256 (b) to a lessor;

1257 (c) for consideration; and

1258 (d) if:

1259 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase
1260 of the tangible personal property or product transferred electronically;

1261 (ii) the sale of the tangible personal property or product transferred electronically to the
1262 lessor is intended as a form of financing:

1263 (A) for the tangible personal property or product transferred electronically; and

1264 (B) to the purchaser-lessee; and

1265 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee
1266 is required to:

1267 (A) capitalize the tangible personal property or product transferred electronically for

1268 financial reporting purposes; and
1269 (B) account for the lease payments as payments made under a financing arrangement.
1270 [~~(113)~~] (115) "Sales price" means the same as that term is defined in Subsection [~~(99)~~]
1271 (101).
1272 [~~(114)~~] (116) (a) "Sales relating to schools" means the following sales by, amounts
1273 paid to, or amounts charged by a school:
1274 (i) sales that are directly related to the school's educational functions or activities
1275 including:
1276 (A) the sale of:
1277 (I) textbooks;
1278 (II) textbook fees;
1279 (III) laboratory fees;
1280 (IV) laboratory supplies; or
1281 (V) safety equipment;
1282 (B) the sale of a uniform, protective equipment, or sports or recreational equipment
1283 that:
1284 (I) a student is specifically required to wear as a condition of participation in a
1285 school-related event or school-related activity; and
1286 (II) is not readily adaptable to general or continued usage to the extent that it takes the
1287 place of ordinary clothing;
1288 (C) sales of the following if the net or gross revenues generated by the sales are
1289 deposited into a school district fund or school fund dedicated to school meals:
1290 (I) food and food ingredients; or
1291 (II) prepared food; or
1292 (D) transportation charges for official school activities; or
1293 (ii) amounts paid to or amounts charged by a school for admission to a school-related
1294 event or school-related activity.
1295 (b) "Sales relating to schools" does not include:
1296 (i) bookstore sales of items that are not educational materials or supplies;
1297 (ii) except as provided in Subsection [~~(114)~~] (116)(a)(i)(B):
1298 (A) clothing;

- 1299 (B) clothing accessories or equipment;
- 1300 (C) protective equipment; or
- 1301 (D) sports or recreational equipment; or
- 1302 (iii) amounts paid to or amounts charged by a school for admission to a school-related
- 1303 event or school-related activity if the amounts paid or charged are passed through to a person:
- 1304 (A) other than a:
- 1305 (I) school;
- 1306 (II) nonprofit organization authorized by a school board or a governing body of a
- 1307 private school to organize and direct a competitive secondary school activity; or
- 1308 (III) nonprofit association authorized by a school board or a governing body of a
- 1309 private school to organize and direct a competitive secondary school activity; and
- 1310 (B) that is required to collect sales and use taxes under this chapter.
- 1311 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1312 commission may make rules defining the term "passed through."
- 1313 [~~(115)~~] (117) For purposes of this section and Section 59-12-104, "school":
- 1314 (a) means:
- 1315 (i) an elementary school or a secondary school that:
- 1316 (A) is a:
- 1317 (I) public school; or
- 1318 (II) private school; and
- 1319 (B) provides instruction for one or more grades kindergarten through 12; or
- 1320 (ii) a public school district; and
- 1321 (b) includes the Electronic High School as defined in Section 53E-10-601.
- 1322 [~~(116)~~] (118) "Seller" means a person that makes a sale, lease, or rental of:
- 1323 (a) tangible personal property;
- 1324 (b) a product transferred electronically; or
- 1325 (c) a service.
- 1326 [~~(117)~~] (119) (a) "Semiconductor fabricating, processing, research, or development
- 1327 materials" means tangible personal property or a product transferred electronically if the
- 1328 tangible personal property or product transferred electronically is:
- 1329 (i) used primarily in the process of:

- 1330 (A) (I) manufacturing a semiconductor;
- 1331 (II) fabricating a semiconductor; or
- 1332 (III) research or development of a:
- 1333 (Aa) semiconductor; or
- 1334 (Bb) semiconductor manufacturing process; or
- 1335 (B) maintaining an environment suitable for a semiconductor; or
- 1336 (ii) consumed primarily in the process of:
- 1337 (A) (I) manufacturing a semiconductor;
- 1338 (II) fabricating a semiconductor; or
- 1339 (III) research or development of a:
- 1340 (Aa) semiconductor; or
- 1341 (Bb) semiconductor manufacturing process; or
- 1342 (B) maintaining an environment suitable for a semiconductor.
- 1343 (b) "Semiconductor fabricating, processing, research, or development materials"
- 1344 includes:
- 1345 (i) parts used in the repairs or renovations of tangible personal property or a product
- 1346 transferred electronically described in Subsection [~~(117)~~] (119)(a); or
- 1347 (ii) a chemical, catalyst, or other material used to:
- 1348 (A) produce or induce in a semiconductor a:
- 1349 (I) chemical change; or
- 1350 (II) physical change;
- 1351 (B) remove impurities from a semiconductor; or
- 1352 (C) improve the marketable condition of a semiconductor.
- 1353 [~~(118)~~] (120) "Senior citizen center" means a facility having the primary purpose of
- 1354 providing services to the aged as defined in Section 62A-3-101.
- 1355 [~~(119)~~] (121) (a) Subject to Subsections [~~(119)~~] (121)(b) and (c), "short-term lodging
- 1356 consumable" means tangible personal property that:
- 1357 (i) a business that provides accommodations and services described in Subsection
- 1358 59-12-103(1)(i) purchases as part of a transaction to provide the accommodations and services
- 1359 to a purchaser;
- 1360 (ii) is intended to be consumed by the purchaser; and

- 1361 (iii) is:
- 1362 (A) included in the purchase price of the accommodations and services; and
- 1363 (B) not separately stated on an invoice, bill of sale, or other similar document provided
- 1364 to the purchaser.
- 1365 (b) "Short-term lodging consumable" includes:
- 1366 (i) a beverage;
- 1367 (ii) a brush or comb;
- 1368 (iii) a cosmetic;
- 1369 (iv) a hair care product;
- 1370 (v) lotion;
- 1371 (vi) a magazine;
- 1372 (vii) makeup;
- 1373 (viii) a meal;
- 1374 (ix) mouthwash;
- 1375 (x) nail polish remover;
- 1376 (xi) a newspaper;
- 1377 (xii) a notepad;
- 1378 (xiii) a pen;
- 1379 (xiv) a pencil;
- 1380 (xv) a razor;
- 1381 (xvi) saline solution;
- 1382 (xvii) a sewing kit;
- 1383 (xviii) shaving cream;
- 1384 (xix) a shoe shine kit;
- 1385 (xx) a shower cap;
- 1386 (xxi) a snack item;
- 1387 (xxii) soap;
- 1388 (xxiii) toilet paper;
- 1389 (xxiv) a toothbrush;
- 1390 (xxv) toothpaste; or
- 1391 (xxvi) an item similar to Subsections [~~(119)~~] (121)(b)(i) through (xxv) as the

1392 commission may provide by rule made in accordance with Title 63G, Chapter 3, Utah
1393 Administrative Rulemaking Act.

1394 (c) "Short-term lodging consumable" does not include:

1395 (i) tangible personal property that is cleaned or washed to allow the tangible personal
1396 property to be reused; or

1397 (ii) a product transferred electronically.

1398 [~~(120)~~] (122) "Simplified electronic return" means the electronic return:

1399 (a) described in Section 318(C) of the agreement; and

1400 (b) approved by the governing board of the agreement.

1401 [~~(121)~~] (123) "Solar energy" means the sun used as the sole source of energy for
1402 producing electricity.

1403 [~~(122)~~] (124) (a) "Sports or recreational equipment" means an item:

1404 (i) designed for human use; and

1405 (ii) that is:

1406 (A) worn in conjunction with:

1407 (I) an athletic activity; or

1408 (II) a recreational activity; and

1409 (B) not suitable for general use.

1410 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1411 commission shall make rules:

1412 (i) listing the items that constitute "sports or recreational equipment"; and

1413 (ii) that are consistent with the list of items that constitute "sports or recreational
1414 equipment" under the agreement.

1415 [~~(123)~~] (125) "State" means the state of Utah, its departments, and agencies.

1416 [~~(124)~~] (126) "Storage" means any keeping or retention of tangible personal property or
1417 any other taxable transaction under Subsection 59-12-103(1), in this state for any purpose
1418 except sale in the regular course of business.

1419 [~~(125)~~] (127) (a) Except as provided in Subsection [~~(125)~~] (127)(d) or (e), "tangible
1420 personal property" means personal property that:

1421 (i) may be:

1422 (A) seen;

- 1423 (B) weighed;
- 1424 (C) measured;
- 1425 (D) felt; or
- 1426 (E) touched; or
- 1427 (ii) is in any manner perceptible to the senses.
- 1428 (b) "Tangible personal property" includes:
- 1429 (i) electricity;
- 1430 (ii) water;
- 1431 (iii) gas;
- 1432 (iv) steam; or
- 1433 (v) prewritten computer software, regardless of the manner in which the prewritten
- 1434 computer software is transferred.
- 1435 (c) "Tangible personal property" includes the following regardless of whether the item
- 1436 is attached to real property:
- 1437 (i) a dishwasher;
- 1438 (ii) a dryer;
- 1439 (iii) a freezer;
- 1440 (iv) a microwave;
- 1441 (v) a refrigerator;
- 1442 (vi) a stove;
- 1443 (vii) a washer; or
- 1444 (viii) an item similar to Subsections [~~(125)~~] (127)(c)(i) through (vii) as determined by
- 1445 the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 1446 Rulemaking Act.
- 1447 (d) "Tangible personal property" does not include a product that is transferred
- 1448 electronically.
- 1449 (e) "Tangible personal property" does not include the following if attached to real
- 1450 property, regardless of whether the attachment to real property is only through a line that
- 1451 supplies water, electricity, gas, telephone, cable, or supplies a similar item as determined by the
- 1452 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 1453 Rulemaking Act:

- 1454 (i) a hot water heater;
- 1455 (ii) a water filtration system; or
- 1456 (iii) a water softener system.
- 1457 ~~[(126)]~~ (128) (a) "Telecommunications enabling or facilitating equipment, machinery,
- 1458 or software" means an item listed in Subsection ~~[(126)]~~ (128)(b) if that item is purchased or
- 1459 leased primarily to enable or facilitate one or more of the following to function:
 - 1460 (i) telecommunications switching or routing equipment, machinery, or software; or
 - 1461 (ii) telecommunications transmission equipment, machinery, or software.
- 1462 (b) The following apply to Subsection ~~[(126)]~~ (128)(a):
 - 1463 (i) a pole;
 - 1464 (ii) software;
 - 1465 (iii) a supplementary power supply;
 - 1466 (iv) temperature or environmental equipment or machinery;
 - 1467 (v) test equipment;
 - 1468 (vi) a tower; or
 - 1469 (vii) equipment, machinery, or software that functions similarly to an item listed in
 - 1470 Subsections ~~[(126)]~~ (128)(b)(i) through (vi) as determined by the commission by rule made in
 - 1471 accordance with Subsection ~~[(126)]~~ (128)(c).
- 1472 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1473 commission may by rule define what constitutes equipment, machinery, or software that
- 1474 functions similarly to an item listed in Subsections ~~[(126)]~~ (128)(b)(i) through (vi).
- 1475 ~~[(127)]~~ (129) "Telecommunications equipment, machinery, or software required for
- 1476 911 service" means equipment, machinery, or software that is required to comply with 47
- 1477 C.F.R. Sec. 20.18.
- 1478 ~~[(128)]~~ (130) "Telecommunications maintenance or repair equipment, machinery, or
- 1479 software" means equipment, machinery, or software purchased or leased primarily to maintain
- 1480 or repair one or more of the following, regardless of whether the equipment, machinery, or
- 1481 software is purchased or leased as a spare part or as an upgrade or modification to one or more
- 1482 of the following:
 - 1483 (a) telecommunications enabling or facilitating equipment, machinery, or software;
 - 1484 (b) telecommunications switching or routing equipment, machinery, or software; or

- 1485 (c) telecommunications transmission equipment, machinery, or software.
- 1486 [~~(129)~~] (131) (a) "Telecommunications service" means the electronic conveyance,
- 1487 routing, or transmission of audio, data, video, voice, or any other information or signal to a
- 1488 point, or among or between points.
- 1489 (b) "Telecommunications service" includes:
- 1490 (i) an electronic conveyance, routing, or transmission with respect to which a computer
- 1491 processing application is used to act:
- 1492 (A) on the code, form, or protocol of the content;
- 1493 (B) for the purpose of electronic conveyance, routing, or transmission; and
- 1494 (C) regardless of whether the service:
- 1495 (I) is referred to as voice over Internet protocol service; or
- 1496 (II) is classified by the Federal Communications Commission as enhanced or value
- 1497 added;
- 1498 (ii) an 800 service;
- 1499 (iii) a 900 service;
- 1500 (iv) a fixed wireless service;
- 1501 (v) a mobile wireless service;
- 1502 (vi) a postpaid calling service;
- 1503 (vii) a prepaid calling service;
- 1504 (viii) a prepaid wireless calling service; or
- 1505 (ix) a private communications service.
- 1506 (c) "Telecommunications service" does not include:
- 1507 (i) advertising, including directory advertising;
- 1508 (ii) an ancillary service;
- 1509 (iii) a billing and collection service provided to a third party;
- 1510 (iv) a data processing and information service if:
- 1511 (A) the data processing and information service allows data to be:
- 1512 (I) (Aa) acquired;
- 1513 (Bb) generated;
- 1514 (Cc) processed;
- 1515 (Dd) retrieved; or

- 1516 (Ee) stored; and
- 1517 (II) delivered by an electronic transmission to a purchaser; and
- 1518 (B) the purchaser's primary purpose for the underlying transaction is the processed data
- 1519 or information;
- 1520 (v) installation or maintenance of the following on a customer's premises:
- 1521 (A) equipment; or
- 1522 (B) wiring;
- 1523 (vi) Internet access service;
- 1524 (vii) a paging service;
- 1525 (viii) a product transferred electronically, including:
- 1526 (A) music;
- 1527 (B) reading material;
- 1528 (C) a ring tone;
- 1529 (D) software; or
- 1530 (E) video;
- 1531 (ix) a radio and television audio and video programming service:
- 1532 (A) regardless of the medium; and
- 1533 (B) including:
- 1534 (I) furnishing conveyance, routing, or transmission of a television audio and video
- 1535 programming service by a programming service provider;
- 1536 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or
- 1537 (III) audio and video programming services delivered by a commercial mobile radio
- 1538 service provider as defined in 47 C.F.R. Sec. 20.3;
- 1539 (x) a value-added nonvoice data service; or
- 1540 (xi) tangible personal property.
- 1541 ~~[(130)]~~ (132) (a) "Telecommunications service provider" means a person that:
- 1542 (i) owns, controls, operates, or manages a telecommunications service; and
- 1543 (ii) engages in an activity described in Subsection ~~[(130)]~~ (132)(a)(i) for the shared use
- 1544 with or resale to any person of the telecommunications service.
- 1545 (b) A person described in Subsection ~~[(130)]~~ (132)(a) is a telecommunications service
- 1546 provider whether or not the Public Service Commission of Utah regulates:

- 1547 (i) that person; or
- 1548 (ii) the telecommunications service that the person owns, controls, operates, or
- 1549 manages.

1550 ~~[(131)]~~ (133) (a) "Telecommunications switching or routing equipment, machinery, or

1551 software" means an item listed in Subsection ~~[(131)]~~ (133)(b) if that item is purchased or

1552 leased primarily for switching or routing:

- 1553 (i) an ancillary service;
- 1554 (ii) data communications;
- 1555 (iii) voice communications; or
- 1556 (iv) telecommunications service.

1557 (b) The following apply to Subsection ~~[(131)]~~ (133)(a):

- 1558 (i) a bridge;
- 1559 (ii) a computer;
- 1560 (iii) a cross connect;
- 1561 (iv) a modem;
- 1562 (v) a multiplexer;
- 1563 (vi) plug in circuitry;
- 1564 (vii) a router;
- 1565 (viii) software;
- 1566 (ix) a switch; or
- 1567 (x) equipment, machinery, or software that functions similarly to an item listed in
- 1568 Subsections ~~[(131)]~~ (133)(b)(i) through (ix) as determined by the commission by rule made in
- 1569 accordance with Subsection ~~[(131)]~~ (133)(c).

1570 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

1571 commission may by rule define what constitutes equipment, machinery, or software that

1572 functions similarly to an item listed in Subsections ~~[(131)]~~ (133)(b)(i) through (ix).

1573 ~~[(132)]~~ (134) (a) "Telecommunications transmission equipment, machinery, or

1574 software" means an item listed in Subsection ~~[(132)]~~ (134)(b) if that item is purchased or

1575 leased primarily for sending, receiving, or transporting:

- 1576 (i) an ancillary service;
- 1577 (ii) data communications;

- 1578 (iii) voice communications; or
- 1579 (iv) telecommunications service.
- 1580 (b) The following apply to Subsection [~~(132)~~] (134)(a):
- 1581 (i) an amplifier;
- 1582 (ii) a cable;
- 1583 (iii) a closure;
- 1584 (iv) a conduit;
- 1585 (v) a controller;
- 1586 (vi) a duplexer;
- 1587 (vii) a filter;
- 1588 (viii) an input device;
- 1589 (ix) an input/output device;
- 1590 (x) an insulator;
- 1591 (xi) microwave machinery or equipment;
- 1592 (xii) an oscillator;
- 1593 (xiii) an output device;
- 1594 (xiv) a pedestal;
- 1595 (xv) a power converter;
- 1596 (xvi) a power supply;
- 1597 (xvii) a radio channel;
- 1598 (xviii) a radio receiver;
- 1599 (xix) a radio transmitter;
- 1600 (xx) a repeater;
- 1601 (xxi) software;
- 1602 (xxii) a terminal;
- 1603 (xxiii) a timing unit;
- 1604 (xxiv) a transformer;
- 1605 (xxv) a wire; or
- 1606 (xxvi) equipment, machinery, or software that functions similarly to an item listed in
- 1607 Subsections [~~(132)~~] (134)(b)(i) through (xxv) as determined by the commission by rule made in
- 1608 accordance with Subsection [~~(132)~~] (134)(c).

1609 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1610 commission may by rule define what constitutes equipment, machinery, or software that
1611 functions similarly to an item listed in Subsections [~~(132)~~] (134)(b)(i) through (xxv).

1612 [~~(133)~~] (135) (a) "Textbook for a higher education course" means a textbook or other
1613 printed material that is required for a course:

1614 (i) offered by an institution of higher education; and

1615 (ii) that the purchaser of the textbook or other printed material attends or will attend.

1616 (b) "Textbook for a higher education course" includes a textbook in electronic format.

1617 [~~(134)~~] (136) "Tobacco" means:

1618 (a) a cigarette;

1619 (b) a cigar;

1620 (c) chewing tobacco;

1621 (d) pipe tobacco; or

1622 (e) any other item that contains tobacco.

1623 [~~(135)~~] (137) "Unassisted amusement device" means an amusement device, skill
1624 device, or ride device that is started and stopped by the purchaser or renter of the right to use or
1625 operate the amusement device, skill device, or ride device.

1626 [~~(136)~~] (138) (a) "Use" means the exercise of any right or power over tangible personal
1627 property, a product transferred electronically, or a service under Subsection 59-12-103(1),
1628 incident to the ownership or the leasing of that tangible personal property, product transferred
1629 electronically, or service.

1630 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal
1631 property, a product transferred electronically, or a service in the regular course of business and
1632 held for resale.

1633 [~~(137)~~] (139) "Value-added nonvoice data service" means a service:

1634 (a) that otherwise meets the definition of a telecommunications service except that a
1635 computer processing application is used to act primarily for a purpose other than conveyance,
1636 routing, or transmission; and

1637 (b) with respect to which a computer processing application is used to act on data or
1638 information:

1639 (i) code;

- 1640 (ii) content;
- 1641 (iii) form; or
- 1642 (iv) protocol.

1643 ~~[(138)]~~ (140) (a) Subject to Subsection ~~[(138)]~~ (140)(b), "vehicle" means the following
1644 that are required to be titled, registered, or titled and registered:

- 1645 (i) an aircraft as defined in Section 72-10-102;
- 1646 (ii) a vehicle as defined in Section 41-1a-102;
- 1647 (iii) an off-highway vehicle as defined in Section 41-22-2; or
- 1648 (iv) a vessel as defined in Section 41-1a-102.

1649 (b) For purposes of Subsection 59-12-104(33) only, "vehicle" includes:

- 1650 (i) a vehicle described in Subsection ~~[(138)]~~ (140)(a); or
- 1651 (ii) (A) a locomotive;
- 1652 (B) a freight car;
- 1653 (C) railroad work equipment; or
- 1654 (D) other railroad rolling stock.

1655 ~~[(139)]~~ (141) "Vehicle dealer" means a person engaged in the business of buying,
1656 selling, or exchanging a vehicle as defined in Subsection ~~[(138)]~~ (140).

1657 ~~[(140)]~~ (142) (a) "Vertical service" means an ancillary service that:

- 1658 (i) is offered in connection with one or more telecommunications services; and
- 1659 (ii) offers an advanced calling feature that allows a customer to:
 - 1660 (A) identify a caller; and
 - 1661 (B) manage multiple calls and call connections.

1662 (b) "Vertical service" includes an ancillary service that allows a customer to manage a
1663 conference bridging service.

1664 ~~[(141)]~~ (143) (a) "Voice mail service" means an ancillary service that enables a
1665 customer to receive, send, or store a recorded message.

1666 (b) "Voice mail service" does not include a vertical service that a customer is required
1667 to have in order to utilize a voice mail service.

1668 ~~[(142)]~~ (144) (a) Except as provided in Subsection ~~[(142)]~~ (144)(b), "waste energy
1669 facility" means a facility that generates electricity:

- 1670 (i) using as the primary source of energy waste materials that would be placed in a

1671 landfill or refuse pit if it were not used to generate electricity, including:

1672 (A) tires;

1673 (B) waste coal;

1674 (C) oil shale; or

1675 (D) municipal solid waste; and

1676 (ii) in amounts greater than actually required for the operation of the facility.

1677 (b) "Waste energy facility" does not include a facility that incinerates:

1678 (i) hospital waste as defined in 40 C.F.R. 60.51c; or

1679 (ii) medical/infectious waste as defined in 40 C.F.R. 60.51c.

1680 [~~(143)~~] (145) "Watercraft" means a vessel as defined in Section 73-18-2.

1681 [~~(144)~~] (146) "Wind energy" means wind used as the sole source of energy to produce
1682 electricity.

1683 [~~(145)~~] (147) "ZIP Code" means a Zoning Improvement Plan Code assigned to a
1684 geographic location by the United States Postal Service.

1685 Section 4. Section **59-12-103** is amended to read:

1686 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
1687 **tax revenue.**

1688 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
1689 sales price for amounts paid or charged for the following transactions:

1690 (a) retail sales of tangible personal property made within the state;

1691 (b) amounts paid for:

1692 (i) telecommunications service, other than mobile telecommunications service, that
1693 originates and terminates within the boundaries of this state;

1694 (ii) mobile telecommunications service that originates and terminates within the
1695 boundaries of one state only to the extent permitted by the Mobile Telecommunications
1696 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

1697 (iii) an ancillary service associated with a:

1698 (A) telecommunications service described in Subsection (1)(b)(i); or

1699 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

1700 (c) sales of the following for commercial use:

1701 (i) gas;

- 1702 (ii) electricity;
- 1703 (iii) heat;
- 1704 (iv) coal;
- 1705 (v) fuel oil; or
- 1706 (vi) other fuels;
- 1707 (d) sales of the following for residential use:
- 1708 (i) gas;
- 1709 (ii) electricity;
- 1710 (iii) heat;
- 1711 (iv) coal;
- 1712 (v) fuel oil; or
- 1713 (vi) other fuels;
- 1714 (e) sales of prepared food;
- 1715 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or
- 1716 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 1717 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 1718 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 1719 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 1720 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 1721 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 1722 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 1723 exhibition, cultural, or athletic activity;
- 1724 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 1725 property, unless Section [59-12-104](#) provides for an exemption from sales and use tax for:
- 1726 (i) the tangible personal property; and
- 1727 (ii) parts used in the repairs or renovations of the tangible personal property described
- 1728 in Subsection (1)(g)(i), regardless of whether:
- 1729 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 1730 property; or
- 1731 (B) the particular parts used in the repairs or renovations of that tangible personal
- 1732 property are exempt from a tax under this chapter;

1733 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
 1734 assisted cleaning or washing of tangible personal property;

1735 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
 1736 accommodations and services that are regularly rented for less than 30 consecutive days;

1737 (j) amounts paid or charged for laundry or dry cleaning services;

1738 (k) amounts paid or charged for leases or rentals of tangible personal property if within
 1739 this state the tangible personal property is:

1740 (i) stored;

1741 (ii) used; or

1742 (iii) otherwise consumed;

1743 (l) amounts paid or charged for tangible personal property if within this state the
 1744 tangible personal property is:

1745 (i) stored;

1746 (ii) used; or

1747 (iii) consumed; and

1748 (m) amounts paid or charged for a sale:

1749 (i) (A) of a product transferred electronically; or

1750 (B) of a repair or renovation of a product transferred electronically; and

1751 (ii) regardless of whether the sale provides:

1752 (A) a right of permanent use of the product; or

1753 (B) a right to use the product that is less than a permanent use, including a right:

1754 (I) for a definite or specified length of time; and

1755 (II) that terminates upon the occurrence of a condition.

1756 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
 1757 is imposed on a transaction described in Subsection (1) equal to the sum of:

1758 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

1759 [~~(A) (I) through March 31, 2019, 4.70%; and~~]

1760 [~~(H) (A) [beginning on April 1, 2019, 4.70%~~] 4.71% plus the rate specified in
 1761 Subsection [~~(14)] (12)(a); and~~

1762 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
 1763 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

1764 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
1765 State Sales and Use Tax Act; and

1766 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
1767 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
1768 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
1769 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

1770 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
1771 transaction under this chapter other than this part.

1772 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
1773 on a transaction described in Subsection (1)(d) equal to the sum of:

1774 (i) a state tax imposed on the transaction at a tax rate of 2%; and

1775 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
1776 transaction under this chapter other than this part.

1777 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
1778 on amounts paid or charged for food and food ingredients equal to the sum of:

1779 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
1780 a tax rate of 1.75%; and

1781 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
1782 amounts paid or charged for food and food ingredients under this chapter other than this part.

1783 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
1784 tangible personal property other than food and food ingredients, a state tax and a local tax is
1785 imposed on the entire bundled transaction equal to the sum of:

1786 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

1787 (I) the tax rate described in Subsection (2)(a)(i)(A); and

1788 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
1789 Sales and Use Tax Act, if the location of the transaction as determined under Sections

1790 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
1791 Additional State Sales and Use Tax Act; and

1792 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
1793 Sales and Use Tax Act, if the location of the transaction as determined under Sections

1794 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which

1795 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

1796 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
1797 described in Subsection (2)(a)(ii).

1798 (ii) If an optional computer software maintenance contract is a bundled transaction that
1799 consists of taxable and nontaxable products that are not separately itemized on an invoice or
1800 similar billing document, the purchase of the optional computer software maintenance contract
1801 is 40% taxable under this chapter and 60% nontaxable under this chapter.

1802 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
1803 transaction described in Subsection (2)(d)(i) or (ii):

1804 (A) if the sales price of the bundled transaction is attributable to tangible personal
1805 property, a product, or a service that is subject to taxation under this chapter and tangible
1806 personal property, a product, or service that is not subject to taxation under this chapter, the
1807 entire bundled transaction is subject to taxation under this chapter unless:

1808 (I) the seller is able to identify by reasonable and verifiable standards the tangible
1809 personal property, product, or service that is not subject to taxation under this chapter from the
1810 books and records the seller keeps in the seller's regular course of business; or

1811 (II) state or federal law provides otherwise; or

1812 (B) if the sales price of a bundled transaction is attributable to two or more items of
1813 tangible personal property, products, or services that are subject to taxation under this chapter
1814 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
1815 higher tax rate unless:

1816 (I) the seller is able to identify by reasonable and verifiable standards the tangible
1817 personal property, product, or service that is subject to taxation under this chapter at the lower
1818 tax rate from the books and records the seller keeps in the seller's regular course of business; or

1819 (II) state or federal law provides otherwise.

1820 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
1821 seller's regular course of business includes books and records the seller keeps in the regular
1822 course of business for nontax purposes.

1823 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
1824 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
1825 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental

1826 of tangible personal property, other property, a product, or a service that is not subject to
1827 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
1828 the seller, at the time of the transaction:

1829 (A) separately states the portion of the transaction that is not subject to taxation under
1830 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

1831 (B) is able to identify by reasonable and verifiable standards, from the books and
1832 records the seller keeps in the seller's regular course of business, the portion of the transaction
1833 that is not subject to taxation under this chapter.

1834 (ii) A purchaser and a seller may correct the taxability of a transaction if:

1835 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
1836 the transaction that is not subject to taxation under this chapter was not separately stated on an
1837 invoice, bill of sale, or similar document provided to the purchaser because of an error or
1838 ignorance of the law; and

1839 (B) the seller is able to identify by reasonable and verifiable standards, from the books
1840 and records the seller keeps in the seller's regular course of business, the portion of the
1841 transaction that is not subject to taxation under this chapter.

1842 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
1843 in the seller's regular course of business includes books and records the seller keeps in the
1844 regular course of business for nontax purposes.

1845 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
1846 personal property, products, or services that are subject to taxation under this chapter at
1847 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
1848 unless the seller, at the time of the transaction:

1849 (A) separately states the items subject to taxation under this chapter at each of the
1850 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

1851 (B) is able to identify by reasonable and verifiable standards the tangible personal
1852 property, product, or service that is subject to taxation under this chapter at the lower tax rate
1853 from the books and records the seller keeps in the seller's regular course of business.

1854 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
1855 seller's regular course of business includes books and records the seller keeps in the regular
1856 course of business for nontax purposes.

1857 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
1858 rate imposed under the following shall take effect on the first day of a calendar quarter:

1859 (i) Subsection (2)(a)(i)(A);

1860 (ii) Subsection (2)(b)(i);

1861 (iii) Subsection (2)(c)(i); or

1862 (iv) Subsection (2)(d)(i)(A)(I).

1863 (h) (i) A tax rate increase takes effect on the first day of the first billing period that

1864 begins on or after the effective date of the tax rate increase if the billing period for the

1865 transaction begins before the effective date of a tax rate increase imposed under:

1866 (A) Subsection (2)(a)(i)(A);

1867 (B) Subsection (2)(b)(i);

1868 (C) Subsection (2)(c)(i); or

1869 (D) Subsection (2)(d)(i)(A)(I).

1870 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing

1871 statement for the billing period is rendered on or after the effective date of the repeal of the tax

1872 or the tax rate decrease imposed under:

1873 (A) Subsection (2)(a)(i)(A);

1874 (B) Subsection (2)(b)(i);

1875 (C) Subsection (2)(c)(i); or

1876 (D) Subsection (2)(d)(i)(A)(I).

1877 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is

1878 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or

1879 change in a tax rate takes effect:

1880 (A) on the first day of a calendar quarter; and

1881 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

1882 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

1883 (A) Subsection (2)(a)(i)(A);

1884 (B) Subsection (2)(b)(i);

1885 (C) Subsection (2)(c)(i); or

1886 (D) Subsection (2)(d)(i)(A)(I).

1887 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

1888 the commission may by rule define the term "catalogue sale."
1889 (3) (a) The following state taxes shall be deposited into the General Fund:
1890 (i) the tax imposed by Subsection (2)(a)(i)(A);
1891 (ii) the tax imposed by Subsection (2)(b)(i);
1892 (iii) the tax imposed by Subsection (2)(c)(i); or
1893 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
1894 (b) The following local taxes shall be distributed to a county, city, or town as provided
1895 in this chapter:
1896 (i) the tax imposed by Subsection (2)(a)(ii);
1897 (ii) the tax imposed by Subsection (2)(b)(ii);
1898 (iii) the tax imposed by Subsection (2)(c)(ii); and
1899 (iv) the tax imposed by Subsection (2)(d)(i)(B).
1900 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1901 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
1902 through (g):
1903 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
1904 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
1905 (B) for the fiscal year; or
1906 (ii) \$17,500,000.
1907 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
1908 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
1909 Department of Natural Resources to:
1910 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
1911 protect sensitive plant and animal species; or
1912 (B) award grants, up to the amount authorized by the Legislature in an appropriations
1913 act, to political subdivisions of the state to implement the measures described in Subsections
1914 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.
1915 (ii) Money transferred to the Department of Natural Resources under Subsection
1916 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
1917 person to list or attempt to have listed a species as threatened or endangered under the
1918 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

- 1919 (iii) At the end of each fiscal year:
- 1920 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
- 1921 Conservation and Development Fund created in Section 73-10-24;
- 1922 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
- 1923 Program Subaccount created in Section 73-10c-5; and
- 1924 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
- 1925 Program Subaccount created in Section 73-10c-5.
- 1926 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
- 1927 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
- 1928 created in Section 4-18-106.
- 1929 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
- 1930 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
- 1931 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
- 1932 water rights.
- 1933 (ii) At the end of each fiscal year:
- 1934 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
- 1935 Conservation and Development Fund created in Section 73-10-24;
- 1936 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
- 1937 Program Subaccount created in Section 73-10c-5; and
- 1938 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
- 1939 Program Subaccount created in Section 73-10c-5.
- 1940 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
- 1941 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and
- 1942 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.
- 1943 (ii) In addition to the uses allowed of the Water Resources Conservation and
- 1944 Development Fund under Section 73-10-24, the Water Resources Conservation and
- 1945 Development Fund may also be used to:
- 1946 (A) conduct hydrologic and geotechnical investigations by the Division of Water
- 1947 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
- 1948 quantifying surface and ground water resources and describing the hydrologic systems of an
- 1949 area in sufficient detail so as to enable local and state resource managers to plan for and

1950 accommodate growth in water use without jeopardizing the resource;

1951 (B) fund state required dam safety improvements; and

1952 (C) protect the state's interest in interstate water compact allocations, including the
1953 hiring of technical and legal staff.

1954 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
1955 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
1956 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

1957 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
1958 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
1959 created in Section 73-10c-5 for use by the Division of Drinking Water to:

1960 (i) provide for the installation and repair of collection, treatment, storage, and
1961 distribution facilities for any public water system, as defined in Section 19-4-102;

1962 (ii) develop underground sources of water, including springs and wells; and

1963 (iii) develop surface water sources.

1964 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1965 2006, the difference between the following amounts shall be expended as provided in this
1966 Subsection (5), if that difference is greater than \$1:

1967 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
1968 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

1969 (ii) \$17,500,000.

1970 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

1971 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
1972 credits; and

1973 (B) expended by the Department of Natural Resources for watershed rehabilitation or
1974 restoration.

1975 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
1976 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
1977 created in Section 73-10-24.

1978 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
1979 remaining difference described in Subsection (5)(a) shall be:

1980 (A) transferred each fiscal year to the Division of Water Resources as dedicated

1981 credits; and

1982 (B) expended by the Division of Water Resources for cloud-seeding projects
1983 authorized by Title 73, Chapter 15, Modification of Weather.

1984 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
1985 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
1986 created in Section 73-10-24.

1987 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
1988 remaining difference described in Subsection (5)(a) shall be deposited into the Water
1989 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
1990 Division of Water Resources for:

1991 (i) preconstruction costs:

1992 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
1993 26, Bear River Development Act; and

1994 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
1995 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

1996 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
1997 Chapter 26, Bear River Development Act;

1998 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
1999 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

2000 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
2001 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

2002 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
2003 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be
2004 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
2005 incurred for employing additional technical staff for the administration of water rights.

2006 (f) At the end of each fiscal year, any unexpended dedicated credits described in
2007 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
2008 Fund created in Section 73-10-24.

2009 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the
2010 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
2011 (1) for the fiscal year shall be deposited as follows:

2012 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)
2013 shall be deposited into the Transportation Investment Fund of 2005 created by Section
2014 [72-2-124](#);

2015 (b) for fiscal year 2017-18 only:

2016 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the
2017 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and

2018 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the
2019 Water Infrastructure Restricted Account created by Section [73-10g-103](#);

2020 (c) for fiscal year 2018-19 only:

2021 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the
2022 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and

2023 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the
2024 Water Infrastructure Restricted Account created by Section [73-10g-103](#);

2025 (d) for fiscal year 2019-20 only:

2026 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the
2027 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and

2028 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the
2029 Water Infrastructure Restricted Account created by Section [73-10g-103](#);

2030 (e) for fiscal year 2020-21 only:

2031 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the
2032 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and

2033 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the
2034 Water Infrastructure Restricted Account created by Section [73-10g-103](#); and

2035 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described
2036 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account
2037 created by Section [73-10g-103](#).

2038 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
2039 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,
2040 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
2041 created by Section [72-2-124](#):

2042 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of

2043 the revenues collected from the following taxes, which represents a portion of the
2044 approximately 17% of sales and use tax [~~revenues~~] revenue generated annually by the sales and
2045 use tax on vehicles and vehicle-related products:

2046 (A) the tax imposed by Subsection (2)(a)(i)(A) at a [~~4.7%~~] 4.71% rate;

2047 (B) the tax imposed by Subsection (2)(b)(i);

2048 (C) the tax imposed by Subsection (2)(c)(i); and

2049 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

2050 (ii) an amount equal to 30% of the growth in the amount of [~~revenues~~] revenue

2051 collected in the current fiscal year from the sales and use taxes described in Subsections

2052 (7)(a)(i)(A) through (D) that exceeds the amount collected from the sales and use taxes

2053 described in Subsections (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

2054 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of
2055 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total
2056 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)
2057 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
2058 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
2059 (7)(a) equal to the product of:

2060 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the
2061 previous fiscal year; and

2062 (B) the total sales and use tax revenue generated by the taxes described in Subsections
2063 (7)(a)(i)(A) through (D) in the current fiscal year.

2064 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
2065 Subsection (7)(a) would exceed 17% of the [~~revenues~~] revenue collected from the sales and use
2066 taxes described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division
2067 of Finance shall deposit 17% of the [~~revenues~~] revenue collected from the sales and use taxes
2068 described in Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection
2069 (7)(a).

2070 (iii) In all subsequent fiscal years after a year in which 17% of the [~~revenues~~] revenue
2071 collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was
2072 deposited under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the
2073 [~~revenues~~] revenue collected from the sales and use taxes described in Subsections (7)(a)(i)(A)

2074 through (D) in the current fiscal year under Subsection (7)(a).

2075 (8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited
2076 under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall
2077 deposit \$64,000,000 of the ~~[revenues]~~ revenue generated by the taxes listed under Subsection
2078 (3)(a) into the Transportation Investment Fund of 2005 created by Section [72-2-124](#).

2079 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
2080 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit
2081 \$63,000,000 of the ~~[revenues]~~ revenue generated by the taxes listed under Subsection (3)(a)
2082 into the Transportation Investment Fund of 2005 created by Section [72-2-124](#).

2083 (c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
2084 Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or
2085 after July 1, 2018, the commission shall ~~[annually]~~ deposit annually into the Transportation
2086 Investment Fund of 2005 created by Section [72-2-124](#) a portion of the taxes listed under
2087 Subsection (3)(a) in an amount equal to 3.68% of the ~~[revenues]~~ revenue collected from the
2088 following taxes:

2089 (A) the tax imposed by Subsection (2)(a)(i)(A) at a ~~[4.7%]~~ 4.71% rate;

2090 (B) the tax imposed by Subsection (2)(b)(i);

2091 (C) the tax imposed by Subsection (2)(c)(i); and

2092 (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

2093 (ii) For a fiscal year beginning on or after July 1, 2019, the commission shall ~~[annually]~~
2094 reduce annually the deposit into the Transportation Investment Fund of 2005 under Subsection
2095 (8)(c)(i) by an amount that is equal to 35% of the amount of revenue generated in the current
2096 fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or
2097 received for sale or use in this state that exceeds 29.4 cents per gallon.

2098 (iii) The commission shall ~~[annually]~~ deposit annually the amount described in
2099 Subsection (8)(c)(ii) into the Transit and Transportation Investment Fund created in Section
2100 [72-2-124](#).

2101 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
2102 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
2103 created by Section [35A-8-1009](#) and expended as provided in Section [35A-8-1009](#).

2104 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),

2105 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17
2106 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund
2107 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on
2108 the transactions described in Subsection (1).

2109 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in
2110 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance
2111 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
2112 amount of revenue described as follows:

2113 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%
2114 tax rate on the transactions described in Subsection (1);

2115 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%
2116 tax rate on the transactions described in Subsection (1);

2117 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%
2118 tax rate on the transactions described in Subsection (1);

2119 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a
2120 .05% tax rate on the transactions described in Subsection (1); and

2121 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%
2122 tax rate on the transactions described in Subsection (1).

2123 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not
2124 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts
2125 paid or charged for food and food ingredients, except for tax revenue generated by a bundled
2126 transaction attributable to food and food ingredients and tangible personal property other than
2127 food and food ingredients described in Subsection (2)(d).

2128 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
2129 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that
2130 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of
2131 Finance shall, for two consecutive fiscal years, [~~annually~~] deposit annually \$1,900,000 of the
2132 revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation
2133 Fund, created in Section 63N-2-512.

2134 [~~(12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the~~
2135 ~~Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed~~

2136 under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section
2137 [35A-8-308](#).]

2138 [~~(b)~~ Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division
2139 of Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under
2140 Subsection (3)(a) into the Throughput Infrastructure Fund created by Section [35A-8-308](#).]

2141 [~~(13)~~ Notwithstanding Subsections (4) through (12) and (14), an amount required to be
2142 expended or deposited in accordance with Subsections (4) through (12) and (14) may not
2143 include an amount the Division of Finance deposits in accordance with Section [59-12-103.2](#).]

2144 [~~(14)~~] (12) (a) The rate specified in this subsection is 0.15%.

2145 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall:

2146 (i) on or before September 30, 2019, transfer the amount of revenue generated by a
2147 0.15% tax rate imposed beginning on April 1, 2019, and ending on June 30, 2019, on the
2148 transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) as dedicated
2149 credits to the Division of Health Care Financing, created in Section [26-18-2.1](#); and

2150 (ii) for a fiscal year beginning on or after fiscal year 2019-20, annually transfer the
2151 amount of revenue generated by a 0.15% tax rate on the transactions that are subject to the
2152 sales and use tax under Subsection (2)(a)(i)(A) as dedicated credits to the Division of Health
2153 Care Financing.

2154 (c) The revenue described in Subsection [~~(14)~~] (12)(b) that the Division of Finance
2155 transfers to the Division of Health Care Financing as dedicated credits shall be expended for
2156 the following uses:

2157 (i) implementation of the Medicaid expansion described in Sections [26-18-3.1\(4\)](#) and
2158 [26-18-3.9\(2\)\(b\)](#);

2159 (ii) if revenue remains after the use specified in Subsection [~~(14)~~] (12)(c)(i), other
2160 measures required by Section [26-18-3.9](#); and

2161 (iii) if revenue remains after the uses specified in Subsections [~~(14)~~] (12)(c)(i) and (ii),
2162 other measures described in Title 26, Chapter 18, Medical Assistance Act.

2163 Section 5. Section **59-12-104** is amended to read:

2164 **59-12-104. Exemptions.**

2165 Exemptions from the taxes imposed by this chapter are as follows:

2166 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax

2167 under Chapter 13, Motor and Special Fuel Tax Act;

2168 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political
2169 subdivisions; however, this exemption does not apply to sales of:

2170 (a) construction materials except:

2171 (i) construction materials purchased by or on behalf of institutions of the public
2172 education system as defined in Utah Constitution, Article X, Section 2, provided the
2173 construction materials are clearly identified and segregated and installed or converted to real
2174 property which is owned by institutions of the public education system; and

2175 (ii) construction materials purchased by the state, its institutions, or its political
2176 subdivisions which are installed or converted to real property by employees of the state, its
2177 institutions, or its political subdivisions; or

2178 (b) tangible personal property in connection with the construction, operation,
2179 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities
2180 providing additional project capacity, as defined in Section 11-13-103;

2181 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:

2182 (i) the proceeds of each sale do not exceed \$1; and

2183 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
2184 the cost of the item described in Subsection (3)(b) as goods consumed; and

2185 (b) Subsection (3)(a) applies to:

2186 (i) food and food ingredients; or

2187 (ii) prepared food;

2188 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:

2189 (i) alcoholic beverages;

2190 (ii) food and food ingredients; or

2191 (iii) prepared food;

2192 (b) sales of tangible personal property or a product transferred electronically:

2193 (i) to a passenger;

2194 (ii) by a commercial airline carrier; and

2195 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or

2196 (c) services related to Subsection (4)(a) or (b);

2197 [~~(5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts~~

2198 and equipment;]

2199 ~~[(A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002~~

2200 ~~North American Industry Classification System of the federal Executive Office of the~~

2201 ~~President, Office of Management and Budget, and]~~

2202 ~~[(H) for:]~~

2203 ~~[(Aa) installation in an aircraft, including services relating to the installation of parts or~~

2204 ~~equipment in the aircraft;]~~

2205 ~~[(Bb) renovation of an aircraft; or]~~

2206 ~~[(Cc) repair of an aircraft; or]~~

2207 ~~[(B) for installation in an aircraft operated by a common carrier in interstate or foreign~~

2208 ~~commerce; or]~~

2209 ~~[(ii) beginning on October 1, 2008, sales of parts and equipment for installation in an~~

2210 ~~aircraft operated by a common carrier in interstate or foreign commerce; and]~~

2211 ~~[(b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,~~

2212 ~~a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a~~

2213 ~~refund:]~~

2214 ~~[(i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;]~~

2215 ~~[(ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;]~~

2216 ~~[(iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for~~

2217 ~~the sale prior to filing for the refund;]~~

2218 ~~[(iv) for sales and use taxes paid under this chapter on the sale;]~~

2219 ~~[(v) in accordance with Section 59-1-1410; and]~~

2220 ~~[(vi) subject to any extension allowed for filing for a refund under Section 59-1-1410,~~

2221 ~~if the person files for the refund on or before September 30, 2011;]~~

2222 (5) sales of parts and equipment for installation in an aircraft operated by a common

2223 carrier in interstate or foreign commerce;

2224 (6) sales of commercials, motion picture films, prerecorded audio program tapes or

2225 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture

2226 exhibitor, distributor, or commercial television or radio broadcaster;

2227 (7) (a) except as provided in Subsection ~~[(88)]~~ (85) and subject to Subsection (7)(b),

2228 sales of cleaning or washing of tangible personal property if the cleaning or washing of the

2229 tangible personal property is not assisted cleaning or washing of tangible personal property;

2230 (b) if a seller that sells at the same business location assisted cleaning or washing of
2231 tangible personal property and cleaning or washing of tangible personal property that is not
2232 assisted cleaning or washing of tangible personal property, the exemption described in
2233 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning
2234 or washing of the tangible personal property; and

2235 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,
2236 Utah Administrative Rulemaking Act, the commission may make rules:

2237 (i) governing the circumstances under which sales are at the same business location;
2238 and

2239 (ii) establishing the procedures and requirements for a seller to separately account for
2240 sales of assisted cleaning or washing of tangible personal property;

2241 (8) sales made to or by religious or charitable institutions in the conduct of their regular
2242 religious or charitable functions and activities, if the requirements of Section [59-12-104.1](#) are
2243 fulfilled;

2244 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of
2245 this state if the vehicle is:

2246 (a) not registered in this state; and

2247 (b) (i) not used in this state; or

2248 (ii) used in this state:

2249 (A) if the vehicle is not used to conduct business, for a time period that does not
2250 exceed the longer of:

2251 (I) 30 days in any calendar year; or

2252 (II) the time period necessary to transport the vehicle to the borders of this state; or

2253 (B) if the vehicle is used to conduct business, for the time period necessary to transport
2254 the vehicle to the borders of this state;

2255 (10) (a) amounts paid for ~~[an item described in Subsection (10)(b) if]~~ the following
2256 items:

2257 (i) a bed pad or bed liner that is marketed for human incontinence care;

2258 (ii) feminine hygiene products; or

2259 (iii) diapers; or

2260 (b) amounts paid for a drug, a syringe, or a stoma supply if:
2261 (i) the item is intended for human use; and
2262 (ii) (A) a prescription was issued for the item; or
2263 (B) the item was purchased by a hospital or other medical facility; [~~and~~]
2264 [~~(b)(i) Subsection (10)(a) applies to:~~
2265 [~~(A) a drug;~~
2266 [~~(B) a syringe; or~~
2267 [~~(C) a stoma supply; and~~
2268 [~~(ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;~~
2269 ~~the commission may by rule define the terms:]~~
2270 [~~(A) "syringe"; or~~
2271 [~~(B) "stoma supply";~~
2272 (11) purchases or leases exempt under Section 19-12-201;
2273 (12) (a) sales of an item described in Subsection (12)(c) served by:
2274 (i) the following if the item described in Subsection (12)(c) is not available to the
2275 general public:
2276 (A) a church; or
2277 (B) a charitable institution; or
2278 (ii) an institution of higher education if:
2279 (A) the item described in Subsection (12)(c) is not available to the general public; or
2280 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan
2281 offered by the institution of higher education; or
2282 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
2283 (i) a medical facility; or
2284 (ii) a nursing facility; and
2285 (c) Subsections (12)(a) and (b) apply to:
2286 (i) food and food ingredients;
2287 (ii) prepared food; or
2288 (iii) alcoholic beverages;
2289 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
2290 or a product transferred electronically by a person:

2291 (i) regardless of the number of transactions involving the sale of that tangible personal
2292 property or product transferred electronically by that person; and

2293 (ii) not regularly engaged in the business of selling that type of tangible personal
2294 property or product transferred electronically;

2295 (b) this Subsection (13) does not apply if:

2296 (i) the sale is one of a series of sales of a character to indicate that the person is
2297 regularly engaged in the business of selling that type of tangible personal property or product
2298 transferred electronically;

2299 (ii) the person holds that person out as regularly engaged in the business of selling that
2300 type of tangible personal property or product transferred electronically;

2301 (iii) the person sells an item of tangible personal property or product transferred
2302 electronically that the person purchased as a sale that is exempt under Subsection (25); or

2303 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of
2304 this state in which case the tax is based upon:

2305 (A) the bill of sale or other written evidence of value of the vehicle or vessel being
2306 sold; or

2307 (B) in the absence of a bill of sale or other written evidence of value, the fair market
2308 value of the vehicle or vessel being sold at the time of the sale as determined by the
2309 commission; and

2310 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2311 commission shall make rules establishing the circumstances under which:

2312 (i) a person is regularly engaged in the business of selling a type of tangible personal
2313 property or product transferred electronically;

2314 (ii) a sale of tangible personal property or a product transferred electronically is one of
2315 a series of sales of a character to indicate that a person is regularly engaged in the business of
2316 selling that type of tangible personal property or product transferred electronically; or

2317 (iii) a person holds that person out as regularly engaged in the business of selling a type
2318 of tangible personal property or product transferred electronically;

2319 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal
2320 operating repair or replacement parts, or materials, except for office equipment or office
2321 supplies, by:

- 2322 (a) a manufacturing facility that:
- 2323 (i) is located in the state; and
- 2324 (ii) uses or consumes the machinery, equipment, normal operating repair or
- 2325 replacement parts, or materials:
- 2326 (A) in the manufacturing process to manufacture an item sold as tangible personal
- 2327 property, as the commission may define that phrase in accordance with Title 63G, Chapter 3,
- 2328 Utah Administrative Rulemaking Act; or
- 2329 (B) for a scrap recycler, to process an item sold as tangible personal property, as the
- 2330 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
- 2331 Administrative Rulemaking Act;
- 2332 (b) an establishment, as the commission defines that term in accordance with Title
- 2333 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 2334 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
- 2335 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal
- 2336 Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the
- 2337 2002 North American Industry Classification System of the federal Executive Office of the
- 2338 President, Office of Management and Budget;
- 2339 (ii) is located in the state; and
- 2340 (iii) uses or consumes the machinery, equipment, normal operating repair or
- 2341 replacement parts, or materials in:
- 2342 (A) the production process to produce an item sold as tangible personal property, as the
- 2343 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
- 2344 Administrative Rulemaking Act;
- 2345 (B) research and development, as the commission may define that phrase in accordance
- 2346 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 2347 (C) transporting, storing, or managing tailings, overburden, or similar waste materials
- 2348 produced from mining;
- 2349 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in
- 2350 mining; or
- 2351 (E) preventing, controlling, or reducing dust or other pollutants from mining; or
- 2352 (c) an establishment, as the commission defines that term in accordance with Title 63G,

2353 Chapter 3, Utah Administrative Rulemaking Act, that:

2354 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
2355 American Industry Classification System of the federal Executive Office of the President,
2356 Office of Management and Budget;

2357 (ii) is located in the state; and

2358 (iii) uses or consumes the machinery, equipment, normal operating repair or
2359 replacement parts, or materials in the operation of the web search portal;

2360 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:

2361 (i) tooling;

2362 (ii) special tooling;

2363 (iii) support equipment;

2364 (iv) special test equipment; or

2365 (v) parts used in the repairs or renovations of tooling or equipment described in
2366 Subsections (15)(a)(i) through (iv); and

2367 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:

2368 (i) the tooling, equipment, or parts are used or consumed exclusively in the
2369 performance of any aerospace or electronics industry contract with the United States
2370 government or any subcontract under that contract; and

2371 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
2372 title to the tooling, equipment, or parts is vested in the United States government as evidenced
2373 by:

2374 (A) a government identification tag placed on the tooling, equipment, or parts; or

2375 (B) listing on a government-approved property record if placing a government
2376 identification tag on the tooling, equipment, or parts is impractical;

2377 (16) sales of newspapers or newspaper subscriptions;

2378 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a
2379 product transferred electronically traded in as full or part payment of the purchase price, except
2380 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,
2381 trade-ins are limited to other vehicles only, and the tax is based upon:

2382 (i) the bill of sale or other written evidence of value of the vehicle being sold and the
2383 vehicle being traded in; or

2384 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
2385 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the
2386 commission; and

2387 (b) Subsection (17)(a) does not apply to the following items of tangible personal
2388 property or products transferred electronically traded in as full or part payment of the purchase
2389 price:

2390 (i) money;

2391 (ii) electricity;

2392 (iii) water;

2393 (iv) gas; or

2394 (v) steam;

2395 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property
2396 or a product transferred electronically used or consumed primarily and directly in farming
2397 operations, regardless of whether the tangible personal property or product transferred
2398 electronically:

2399 (A) becomes part of real estate; or

2400 (B) is installed by a~~[(H)]~~ farmer~~[(H)]~~, contractor~~[(H)]~~, or ~~[(H)]~~ subcontractor; or

2401 (ii) sales of parts used in the repairs or renovations of tangible personal property or a
2402 product transferred electronically if the tangible personal property or product transferred
2403 electronically is exempt under Subsection (18)(a)(i); and

2404 (b) amounts paid or charged for the following are subject to the taxes imposed by this
2405 chapter:

2406 (i) (A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or
2407 supplies if used in a manner that is incidental to farming; and

2408 (B) tangible personal property that is considered to be used in a manner that is
2409 incidental to farming includes:

2410 (I) hand tools; or

2411 (II) maintenance and janitorial equipment and supplies;

2412 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product
2413 transferred electronically if the tangible personal property or product transferred electronically
2414 is used in an activity other than farming; and

2415 (B) tangible personal property or a product transferred electronically that is considered
2416 to be used in an activity other than farming includes:

2417 (I) office equipment and supplies; or
2418 (II) equipment and supplies used in:

2419 (Aa) the sale or distribution of farm products;
2420 (Bb) research; or
2421 (Cc) transportation; or
2422 (iii) a vehicle required to be registered by the laws of this state during the period
2423 ending two years after the date of the vehicle's purchase;

2424 (19) sales of hay;
2425 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or
2426 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
2427 garden, farm, or other agricultural produce is sold by:

2428 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
2429 agricultural produce;
2430 (b) an employee of the producer described in Subsection (20)(a); or
2431 (c) a member of the immediate family of the producer described in Subsection (20)(a);

2432 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued
2433 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

2434 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
2435 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
2436 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
2437 manufacturer, processor, wholesaler, or retailer;

2438 (23) a product stored in the state for resale;

2439 (24) (a) purchases of a product if:

2440 (i) the product is:

2441 (A) purchased outside of this state;
2442 (B) brought into this state:

2443 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
2444 (II) by a nonresident person who is not living or working in this state at the time of the
2445 purchase;

2446 (C) used for the personal use or enjoyment of the nonresident person described in
2447 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and
2448 (D) not used in conducting business in this state; and
2449 (ii) for:
2450 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of
2451 the product for a purpose for which the product is designed occurs outside of this state;
2452 (B) a boat, the boat is registered outside of this state; or
2453 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered
2454 outside of this state;
2455 (b) the exemption provided for in Subsection (24)(a) does not apply to:
2456 (i) a lease or rental of a product; or
2457 (ii) a sale of a vehicle exempt under Subsection (33); and
2458 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
2459 purposes of Subsection (24)(a), the commission may by rule define what constitutes the
2460 following:
2461 (i) conducting business in this state if that phrase has the same meaning in this
2462 Subsection (24) as in Subsection (63);
2463 (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)
2464 as in Subsection (63); or
2465 (iii) a purpose for which a product is designed if that phrase has the same meaning in
2466 this Subsection (24) as in Subsection (63);
2467 (25) a product purchased for resale in the regular course of business, either in its
2468 original form or as an ingredient or component part of a manufactured or compounded product;
2469 (26) a product upon which a sales or use tax was paid to some other state, or one of its
2470 subdivisions, except that the state shall be paid any difference between the tax paid and the tax
2471 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if
2472 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax
2473 Act;
2474 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a
2475 person for use in compounding a service taxable under the subsections;
2476 (28) purchases made in accordance with the special supplemental nutrition program for

- 2477 women, infants, and children established in 42 U.S.C. Sec. 1786;
- 2478 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other
- 2479 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code
- 2480 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of
- 2481 the President, Office of Management and Budget;
- 2482 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
- 2483 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:
- 2484 (a) not registered in this state; and
- 2485 (b) (i) not used in this state; or
- 2486 (ii) used in this state:
- 2487 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a
- 2488 time period that does not exceed the longer of:
- 2489 (I) 30 days in any calendar year; or
- 2490 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to
- 2491 the borders of this state; or
- 2492 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time
- 2493 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this
- 2494 state;
- 2495 (31) sales of aircraft manufactured in Utah;
- 2496 (32) amounts paid for the purchase of telecommunications service for purposes of
- 2497 providing telecommunications service;
- 2498 (33) sales, leases, or uses of the following:
- 2499 (a) a vehicle by an authorized carrier; or
- 2500 (b) tangible personal property that is installed on a vehicle:
- 2501 (i) sold or leased to or used by an authorized carrier; and
- 2502 (ii) before the vehicle is placed in service for the first time;
- 2503 (34) (a) 45% of the sales price of any new manufactured home; and
- 2504 (b) 100% of the sales price of any used manufactured home;
- 2505 (35) sales relating to schools and fundraising sales;
- 2506 (36) sales or rentals of durable medical equipment if:
- 2507 (a) a person presents a prescription for the durable medical equipment; and

2508 (b) the durable medical equipment is used for home use only;

2509 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in

2510 Section [72-11-102](#); and

2511 (b) the commission shall by rule determine the method for calculating sales exempt

2512 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;

2513 (38) sales to a ski resort of:

2514 (a) snowmaking equipment;

2515 (b) ski slope grooming equipment;

2516 (c) passenger ropeways as defined in Section [72-11-102](#); or

2517 (d) parts used in the repairs or renovations of equipment or passenger ropeways

2518 described in Subsections (38)(a) through (c);

2519 (39) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;

2520 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for

2521 amusement, entertainment, or recreation an unassisted amusement device as defined in Section

2522 [59-12-102](#);

2523 (b) if a seller that sells or rents at the same business location the right to use or operate

2524 for amusement, entertainment, or recreation one or more unassisted amusement devices and

2525 one or more assisted amusement devices, the exemption described in Subsection (40)(a)

2526 applies if the seller separately accounts for the sales or rentals of the right to use or operate for

2527 amusement, entertainment, or recreation for the assisted amusement devices; and

2528 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,

2529 Utah Administrative Rulemaking Act, the commission may make rules:

2530 (i) governing the circumstances under which sales are at the same business location;

2531 and

2532 (ii) establishing the procedures and requirements for a seller to separately account for

2533 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for

2534 assisted amusement devices;

2535 (41) (a) sales of photocopies by:

2536 (i) a governmental entity; or

2537 (ii) an entity within the state system of public education, including:

2538 (A) a school; or

- 2539 (B) the State Board of Education; or
- 2540 (b) sales of publications by a governmental entity;
- 2541 (42) amounts paid for admission to an athletic event at an institution of higher
- 2542 education that is subject to the provisions of Title IX of the Education Amendments of 1972,
- 2543 20 U.S.C. Sec. 1681 et seq.;
- 2544 (43) (a) sales made to or by:
- 2545 (i) an area agency on aging; or
- 2546 (ii) a senior citizen center owned by a county, city, or town; or
- 2547 (b) sales made by a senior citizen center that contracts with an area agency on aging;
- 2548 (44) sales or leases of semiconductor fabricating, processing, research, or development
- 2549 materials regardless of whether the semiconductor fabricating, processing, research, or
- 2550 development materials:
- 2551 (a) actually come into contact with a semiconductor; or
- 2552 (b) ultimately become incorporated into real property;
- 2553 (45) an amount paid by or charged to a purchaser for accommodations and services
- 2554 described in Subsection [59-12-103\(1\)\(i\)](#) to the extent the amount is exempt under Section
- 2555 [59-12-104.2](#);
- 2556 (46) [~~beginning on September 1, 2001,~~] the lease or use of a vehicle issued a temporary
- 2557 sports event registration certificate in accordance with Section [41-3-306](#) for the event period
- 2558 specified on the temporary sports event registration certificate;
- 2559 (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff
- 2560 adopted by the Public Service Commission only for purchase of electricity produced from a
- 2561 new alternative energy source built after January 1, 2016, as designated in the tariff by the
- 2562 Public Service Commission; and
- 2563 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
- 2564 only to the portion of the tariff rate a customer pays under the tariff described in Subsection
- 2565 (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the
- 2566 customer would have paid absent the tariff;
- 2567 (48) sales or rentals of mobility enhancing equipment if a person presents a
- 2568 prescription for the mobility enhancing equipment;
- 2569 (49) sales of water in a:

- 2570 (a) pipe;
- 2571 (b) conduit;
- 2572 (c) ditch; or
- 2573 (d) reservoir;
- 2574 (50) sales of currency or coins that constitute legal tender of a state, the United States,
- 2575 or a foreign nation;
- 2576 (51) (a) sales of an item described in Subsection (51)(b) if the item:
 - 2577 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and
 - 2578 (ii) has a gold, silver, or platinum content of 50% or more; and
- 2579 (b) Subsection (51)(a) applies to a gold, silver, or platinum:
 - 2580 (i) ingot;
 - 2581 (ii) bar;
 - 2582 (iii) medallion; or
 - 2583 (iv) decorative coin;
- 2584 (52) amounts paid on a sale-leaseback transaction;
- 2585 (53) sales of a prosthetic device:
 - 2586 (a) for use on or in a human; and
 - 2587 (b) (i) for which a prescription is required; or
 - 2588 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
- 2589 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
- 2590 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery
- 2591 or equipment is primarily used in the production or postproduction of the following media for
- 2592 commercial distribution:
 - 2593 (i) a motion picture;
 - 2594 (ii) a television program;
 - 2595 (iii) a movie made for television;
 - 2596 (iv) a music video;
 - 2597 (v) a commercial;
 - 2598 (vi) a documentary; or
 - 2599 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
 - 2600 commission by administrative rule made in accordance with Subsection (54)(d); or

2601 (b) purchases, leases, or rentals of machinery or equipment by an establishment
2602 described in Subsection (54)(c) that is used for the production or postproduction of the
2603 following are subject to the taxes imposed by this chapter:

- 2604 (i) a live musical performance;
- 2605 (ii) a live news program; or
- 2606 (iii) a live sporting event;

2607 (c) the following establishments listed in the 1997 North American Industry
2608 Classification System of the federal Executive Office of the President, Office of Management
2609 and Budget, apply to Subsections (54)(a) and (b):

- 2610 (i) NAICS Code 512110; or
- 2611 (ii) NAICS Code 51219; and

2612 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2613 commission may by rule:

- 2614 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);

2615 or

- 2616 (ii) define:
 - 2617 (A) "commercial distribution";
 - 2618 (B) "live musical performance";
 - 2619 (C) "live news program"; or
 - 2620 (D) "live sporting event";

2621 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but
2622 on or before June 30, 2027, of tangible personal property that:

- 2623 (i) is leased or purchased for or by a facility that:
 - 2624 (A) is an alternative energy electricity production facility;
 - 2625 (B) is located in the state; and
 - 2626 (C) (I) becomes operational on or after July 1, 2004; or
 - 2627 (II) has its generation capacity increased by one or more megawatts on or after July 1,
2628 2004, as a result of the use of the tangible personal property;
- 2629 (ii) has an economic life of five or more years; and
- 2630 (iii) is used to make the facility or the increase in capacity of the facility described in
2631 Subsection (55)(a)(i) operational up to the point of interconnection with an existing

2632 transmission grid including:

2633 (A) a wind turbine;

2634 (B) generating equipment;

2635 (C) a control and monitoring system;

2636 (D) a power line;

2637 (E) substation equipment;

2638 (F) lighting;

2639 (G) fencing;

2640 (H) pipes; or

2641 (I) other equipment used for locating a power line or pole; and

2642 (b) this Subsection (55) does not apply to:

2643 (i) tangible personal property used in construction of:

2644 (A) a new alternative energy electricity production facility; or

2645 (B) the increase in the capacity of an alternative energy electricity production facility;

2646 (ii) contracted services required for construction and routine maintenance activities;

2647 and

2648 (iii) unless the tangible personal property is used or acquired for an increase in capacity

2649 of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or

2650 acquired after:

2651 (A) the alternative energy electricity production facility described in Subsection

2652 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or

2653 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described

2654 in Subsection (55)(a)(iii);

2655 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but

2656 on or before June 30, 2027, of tangible personal property that:

2657 (i) is leased or purchased for or by a facility that:

2658 (A) is a waste energy production facility;

2659 (B) is located in the state; and

2660 (C) (I) becomes operational on or after July 1, 2004; or

2661 (II) has its generation capacity increased by one or more megawatts on or after July 1,

2662 2004, as a result of the use of the tangible personal property;

- 2663 (ii) has an economic life of five or more years; and
- 2664 (iii) is used to make the facility or the increase in capacity of the facility described in
- 2665 Subsection (56)(a)(i) operational up to the point of interconnection with an existing
- 2666 transmission grid including:
 - 2667 (A) generating equipment;
 - 2668 (B) a control and monitoring system;
 - 2669 (C) a power line;
 - 2670 (D) substation equipment;
 - 2671 (E) lighting;
 - 2672 (F) fencing;
 - 2673 (G) pipes; or
 - 2674 (H) other equipment used for locating a power line or pole; and
- 2675 (b) this Subsection (56) does not apply to:
 - 2676 (i) tangible personal property used in construction of:
 - 2677 (A) a new waste energy facility; or
 - 2678 (B) the increase in the capacity of a waste energy facility;
 - 2679 (ii) contracted services required for construction and routine maintenance activities;
- 2680 and
 - 2681 (iii) unless the tangible personal property is used or acquired for an increase in capacity
 - 2682 described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:
 - 2683 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as
 - 2684 described in Subsection (56)(a)(iii); or
 - 2685 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described
 - 2686 in Subsection (56)(a)(iii);
- 2687 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on
- 2688 or before June 30, 2027, of tangible personal property that:
 - 2689 (i) is leased or purchased for or by a facility that:
 - 2690 (A) is located in the state;
 - 2691 (B) produces fuel from alternative energy, including:
 - 2692 (I) methanol; or
 - 2693 (II) ethanol; and

2694 (C) (I) becomes operational on or after July 1, 2004; or
 2695 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as
 2696 a result of the installation of the tangible personal property;
 2697 (ii) has an economic life of five or more years; and
 2698 (iii) is installed on the facility described in Subsection (57)(a)(i);
 2699 (b) this Subsection (57) does not apply to:
 2700 (i) tangible personal property used in construction of:
 2701 (A) a new facility described in Subsection (57)(a)(i); or
 2702 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or
 2703 (ii) contracted services required for construction and routine maintenance activities;
 2704 and
 2705 (iii) unless the tangible personal property is used or acquired for an increase in capacity
 2706 described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:
 2707 (A) the facility described in Subsection (57)(a)(i) is operational; or
 2708 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
 2709 (58) (a) subject to Subsection (58)(b) [~~or (c)~~], sales of tangible personal property or a
 2710 product transferred electronically to a person within this state if that tangible personal property
 2711 or product transferred electronically is subsequently shipped outside the state and incorporated
 2712 pursuant to contract into and becomes a part of real property located outside of this state; and
 2713 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
 2714 state or political entity to which the tangible personal property is shipped imposes a sales, use,
 2715 gross receipts, or other similar transaction excise tax on the transaction against which the other
 2716 state or political entity allows a credit for sales and use taxes imposed by this chapter; [~~and~~
 2717 [~~(c) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,~~
 2718 ~~a person may claim the exemption allowed by this Subsection (58) for a sale by filing for a~~
 2719 ~~refund:]~~
 2720 [~~(i) if the sale is made on or after July 1, 2004, but on or before June 30, 2008;]~~
 2721 [~~(ii) as if this Subsection (58) as in effect on July 1, 2008, were in effect on the day on~~
 2722 ~~which the sale is made;]~~
 2723 [~~(iii) if the person did not claim the exemption allowed by this Subsection (58) for the~~
 2724 ~~sale prior to filing for the refund;]~~

2725 ~~[(iv) for sales and use taxes paid under this chapter on the sale;]~~
 2726 ~~[(v) in accordance with Section 59-1-1410; and]~~
 2727 ~~[(vi) subject to any extension allowed for filing for a refund under Section 59-1-1410,~~
 2728 ~~if the person files for the refund on or before June 30, 2011;]~~
 2729 (59) purchases:
 2730 (a) of one or more of the following items in printed or electronic format:
 2731 (i) a list containing information that includes one or more~~[(A)]~~ names~~;~~ or ~~[(B)]~~
 2732 addresses; or
 2733 (ii) a database containing information that includes one or more~~[(A)]~~ names~~;~~ or ~~[(B)]~~
 2734 addresses; and
 2735 (b) used to send direct mail;
 2736 (60) redemptions or repurchases of a product by a person if that product was:
 2737 (a) delivered to a pawnbroker as part of a pawn transaction; and
 2738 (b) redeemed or repurchased within the time period established in a written agreement
 2739 between the person and the pawnbroker for redeeming or repurchasing the product;
 2740 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:
 2741 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
 2742 and
 2743 (ii) has a useful economic life of one or more years; and
 2744 (b) the following apply to Subsection (61)(a):
 2745 (i) telecommunications enabling or facilitating equipment, machinery, or software;
 2746 (ii) telecommunications equipment, machinery, or software required for 911 service;
 2747 (iii) telecommunications maintenance or repair equipment, machinery, or software;
 2748 (iv) telecommunications switching or routing equipment, machinery, or software; or
 2749 (v) telecommunications transmission equipment, machinery, or software;
 2750 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
 2751 personal property or a product transferred electronically that are used in the research and
 2752 development of alternative energy technology; and
 2753 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 2754 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes
 2755 purchases of tangible personal property or a product transferred electronically that are used in

2756 the research and development of alternative energy technology;

2757 (63) (a) purchases of tangible personal property or a product transferred electronically

2758 if:

2759 (i) the tangible personal property or product transferred electronically is:

2760 (A) purchased outside of this state;

2761 (B) brought into this state at any time after the purchase described in Subsection

2762 (63)(a)(i)(A); and

2763 (C) used in conducting business in this state; and

2764 (ii) for:

2765 (A) tangible personal property or a product transferred electronically other than the

2766 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property

2767 for a purpose for which the property is designed occurs outside of this state; or

2768 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered

2769 outside of this state;

2770 (b) the exemption provided for in Subsection (63)(a) does not apply to:

2771 (i) a lease or rental of tangible personal property or a product transferred electronically;

2772 or

2773 (ii) a sale of a vehicle exempt under Subsection (33); and

2774 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for

2775 purposes of Subsection (63)(a), the commission may by rule define what constitutes the

2776 following:

2777 (i) conducting business in this state if that phrase has the same meaning in this

2778 Subsection (63) as in Subsection (24);

2779 (ii) the first use of tangible personal property or a product transferred electronically if

2780 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or

2781 (iii) a purpose for which tangible personal property or a product transferred

2782 electronically is designed if that phrase has the same meaning in this Subsection (63) as in

2783 Subsection (24);

2784 (64) sales of disposable home medical equipment or supplies if:

2785 (a) a person presents a prescription for the disposable home medical equipment or

2786 supplies;

2787 (b) the disposable home medical equipment or supplies are used exclusively by the
2788 person to whom the prescription described in Subsection (64)(a) is issued; and

2789 (c) the disposable home medical equipment and supplies are listed as eligible for
2790 payment under:

2791 (i) Title XVIII, federal Social Security Act; or

2792 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

2793 (65) sales:

2794 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit

2795 District Act; or

2796 (b) of tangible personal property to a subcontractor of a public transit district, if the
2797 tangible personal property is:

2798 (i) clearly identified; and

2799 (ii) installed or converted to real property owned by the public transit district;

2800 (66) sales of construction materials:

2801 (a) purchased on or after July 1, 2010;

2802 (b) purchased by, on behalf of, or for the benefit of an international airport:

2803 (i) located within a county of the first class; and

2804 (ii) that has a United States customs office on its premises; and

2805 (c) if the construction materials are:

2806 (i) clearly identified;

2807 (ii) segregated; and

2808 (iii) installed or converted to real property:

2809 (A) owned or operated by the international airport described in Subsection (66)(b); and

2810 (B) located at the international airport described in Subsection (66)(b);

2811 (67) sales of construction materials:

2812 (a) purchased on or after July 1, 2008;

2813 (b) purchased by, on behalf of, or for the benefit of a new airport:

2814 (i) located within a county of the second class; and

2815 (ii) that is owned or operated by a city in which an airline as defined in Section

2816 [59-2-102](#) is headquartered; and

2817 (c) if the construction materials are:

- 2818 (i) clearly identified;
- 2819 (ii) segregated; and
- 2820 (iii) installed or converted to real property:
- 2821 (A) owned or operated by the new airport described in Subsection (67)(b);
- 2822 (B) located at the new airport described in Subsection (67)(b); and
- 2823 (C) as part of the construction of the new airport described in Subsection (67)(b);
- 2824 (68) sales of fuel to a common carrier that is a railroad for use in a locomotive engine;
- 2825 (69) purchases and sales described in Section [63H-4-111](#);
- 2826 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and
- 2827 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of
- 2828 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
- 2829 lists a state or country other than this state as the location of registry of the fixed wing turbine
- 2830 powered aircraft; or
- 2831 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
- 2832 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of
- 2833 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
- 2834 lists a state or country other than this state as the location of registry of the fixed wing turbine
- 2835 powered aircraft;
- 2836 (71) subject to Section [59-12-104.4](#), sales of a textbook for a higher education course:
- 2837 (a) to a person admitted to an institution of higher education; and
- 2838 (b) by a seller, other than a bookstore owned by an institution of higher education, if
- 2839 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a
- 2840 textbook for a higher education course;
- 2841 (72) a license fee or tax a municipality imposes in accordance with Subsection
- 2842 [10-1-203\(5\)](#) on a purchaser from a business for which the municipality provides an enhanced
- 2843 level of municipal services;
- 2844 (73) amounts paid or charged for construction materials used in the construction of a
- 2845 new or expanding life science research and development facility in the state, if the construction
- 2846 materials are:
- 2847 (a) clearly identified;
- 2848 (b) segregated; and

- 2849 (c) installed or converted to real property;
- 2850 (74) amounts paid or charged for:
- 2851 (a) a purchase or lease of machinery and equipment that:
- 2852 (i) are used in performing qualified research:
- 2853 (A) as defined in Section 41(d), Internal Revenue Code; and
- 2854 (B) in the state; and
- 2855 (ii) have an economic life of three or more years; and
- 2856 (b) normal operating repair or replacement parts:
- 2857 (i) for the machinery and equipment described in Subsection (74)(a); and
- 2858 (ii) that have an economic life of three or more years;
- 2859 (75) a sale or lease of tangible personal property used in the preparation of prepared
- 2860 food if:
- 2861 (a) for a sale:
- 2862 (i) the ownership of the seller and the ownership of the purchaser are identical; and
- 2863 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
- 2864 tangible personal property prior to making the sale; or
- 2865 (b) for a lease:
- 2866 (i) the ownership of the lessor and the ownership of the lessee are identical; and
- 2867 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible
- 2868 personal property prior to making the lease;
- 2869 (76) (a) purchases of machinery or equipment if:
- 2870 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
- 2871 Gambling, and Recreation Industries, of the 2012 North American Industry Classification
- 2872 System of the federal Executive Office of the President, Office of Management and Budget;
- 2873 (ii) the machinery or equipment:
- 2874 (A) has an economic life of three or more years; and
- 2875 (B) is used by one or more persons who pay admission or user fees described in
- 2876 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and
- 2877 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
- 2878 (A) amounts paid or charged as admission or user fees described in Subsection
- 2879 59-12-103(1)(f); and

- 2880 (B) subject to taxation under this chapter; and
- 2881 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2882 commission may make rules for verifying that 51% of a purchaser's sales revenue for the
- 2883 previous calendar quarter is:
- 2884 (i) amounts paid or charged as admission or user fees described in Subsection
- 2885 59-12-103(1)(f); and
- 2886 (ii) subject to taxation under this chapter;
- 2887 (77) purchases of a short-term lodging consumable by a business that provides
- 2888 accommodations and services described in Subsection 59-12-103(1)(i);
- 2889 (78) amounts paid or charged to access a database:
- 2890 (a) if the primary purpose for accessing the database is to view or retrieve information
- 2891 from the database; and
- 2892 (b) not including amounts paid or charged for a:
- 2893 (i) digital audiowork;
- 2894 (ii) digital audio-visual work; or
- 2895 (iii) digital book;
- 2896 (79) amounts paid or charged for a purchase or lease made by an electronic financial
- 2897 payment service, of:
- 2898 (a) machinery and equipment that:
- 2899 (i) are used in the operation of the electronic financial payment service; and
- 2900 (ii) have an economic life of three or more years; and
- 2901 (b) normal operating repair or replacement parts that:
- 2902 (i) are used in the operation of the electronic financial payment service; and
- 2903 (ii) have an economic life of three or more years;
- 2904 (80) [~~beginning on April 1, 2013,~~] sales of a fuel cell as defined in Section 54-15-102;
- 2905 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
- 2906 product transferred electronically if the tangible personal property or product transferred
- 2907 electronically:
- 2908 (a) is stored, used, or consumed in the state; and
- 2909 (b) is temporarily brought into the state from another state:
- 2910 (i) during a disaster period as defined in Section 53-2a-1202;

- 2911 (ii) by an out-of-state business as defined in Section [53-2a-1202](#);
- 2912 (iii) for a declared state disaster or emergency as defined in Section [53-2a-1202](#); and
- 2913 (iv) for disaster- or emergency-related work as defined in Section [53-2a-1202](#);
- 2914 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined
- 2915 in Section [39-9-102](#), made pursuant to Title 39, Chapter 9, State Morale, Welfare, and
- 2916 Recreation Program;
- 2917 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 2918 (84) amounts paid or charged for a purchase or lease made by a qualifying enterprise
- 2919 data center of machinery, equipment, or normal operating repair or replacement parts, if the
- 2920 machinery, equipment, or normal operating repair or replacement parts:
- 2921 (a) are used in the operation of the establishment; and
- 2922 (b) have an economic life of one or more years;
- 2923 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a
- 2924 vehicle that includes cleaning or washing of the interior of the vehicle;
- 2925 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
- 2926 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used
- 2927 or consumed:
- 2928 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
- 2929 in Section [63M-4-701](#) located in the state;
- 2930 (b) if the machinery, equipment, normal operating repair or replacement parts,
- 2931 catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:
- 2932 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
- 2933 added to gasoline or diesel fuel;
- 2934 (ii) research and development;
- 2935 (iii) transporting, storing, or managing raw materials, work in process, finished
- 2936 products, and waste materials produced from refining gasoline or diesel fuel, or adding
- 2937 blendstock to gasoline or diesel fuel;
- 2938 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
- 2939 refining; or
- 2940 (v) preventing, controlling, or reducing pollutants from refining; and
- 2941 (c) beginning on July 1, 2021, if the person has obtained a form certified by the Office

2942 of Energy Development under Subsection [63M-4-702\(2\)](#);

2943 (87) amounts paid to or charged by a proprietor for accommodations and services, as
2944 defined in Section [63H-1-205](#), if the proprietor is subject to the MIDA accommodations tax
2945 imposed under Section [63H-1-205](#); and

2946 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal
2947 operating repair or replacement parts, or materials, except for office equipment or office
2948 supplies, by an establishment, as the commission defines that term in accordance with Title
2949 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

2950 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North
2951 American Industry Classification System of the federal Executive Office of the President,
2952 Office of Management and Budget;

2953 (b) is located in this state; and

2954 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
2955 materials in the operation of the establishment.

2956 Section 6. **Effective date.**

2957 This bill takes effect on July 1, 2019.