

TAX EQUALIZATION AND REDUCTION ACT

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Tim Quinn

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions relating to tax.

Highlighted Provisions:

This bill:

- ▶ amends the corporate franchise and income tax rate and the individual income tax rate;
- ▶ amends the calculation of certain tax credits to match the applicable income tax rate;
- ▶ modifies the calculation of the Utah personal exemption for purposes of the taxpayer tax credit;
- ▶ enacts a tax credit for social security benefits that are included in the claimant's federal adjusted gross income;
- ▶ provides that a claimant may claim either the retirement tax credit or the nonrefundable tax credit for social security benefits;
- ▶ enacts a refundable state earned income tax credit for certain individuals who are experiencing intergenerational poverty;
- ▶ requires the Department of Workforce Services to notify individuals who are experiencing intergenerational poverty of the state earned income tax credit and to provide certain information about those individuals to the State Tax Commission;
- ▶ specifies procedures for the administration of the earned income tax credit for



- 28 certain individuals who are experiencing intergenerational poverty;
- 29 ▶ provides, amends, and repeals sales and use tax definitions;
- 30 ▶ imposes a tax on the total premiums received by admitted insurers writing health
- 31 insurance in this state;
- 32 ▶ decreases the general state sales and use tax rate;
- 33 ▶ imposes a state sales and use tax on amounts paid or charged for services;
- 34 ▶ repeals certain sales and use tax exemptions;
- 35 ▶ provides that certain services are exempt from the sales and use tax;
- 36 ▶ creates the Sales and Use Tax Base Expansion Restricted Account;
- 37 ▶ requires certain state sales and use tax revenue and local option sales and use tax
- 38 revenue to be deposited into the Sales and Use Tax Base Expansion Restricted
- 39 Account;
- 40 ▶ requires the State Tax Commission to make certain reports to the Revenue and
- 41 Taxation Interim Committee;
- 42 ▶ amends the local option sales and use tax distribution formula for the general
- 43 county, city, town, or metro township sales and use tax and the county option sales
- 44 and use tax;
- 45 ▶ reduces certain local option sales and use tax rates;
- 46 ▶ enacts a real estate transfer tax;
- 47 ▶ specifies that the following written instruments are subject to the real estate transfer
- 48 tax:
 - 49 • written instruments for the sale or exchange of property or any interest in the
 - 50 property or any combination of sales or exchanges or any assignment or transfer
 - 51 of property or any interest in the property; and
 - 52 • deeds or instruments of conveyance of property or any interest in property, for
 - 53 consideration;
 - 54 ▶ specifies written instruments that are exempt from the real estate transfer tax;
 - 55 ▶ specifies procedures for the collection and enforcement of the real estate transfer
 - 56 tax; and
 - 57 ▶ makes technical and conforming changes.

58 Money Appropriated in this Bill:

59 None

60 **Other Special Clauses:**

61 This bill provides a special effective date.

62 **Utah Code Sections Affected:**

63 AMENDS:

64 **15A-1-204**, as last amended by Laws of Utah 2017, Chapter 18

65 **31A-8-103**, as last amended by Laws of Utah 2018, Chapter 391

66 **35A-8-308**, as last amended by Laws of Utah 2017, Chapters 181 and 421

67 **35A-8-309**, as last amended by Laws of Utah 2017, Chapters 181 and 421

68 **59-1-1503**, as last amended by Laws of Utah 2012, Chapter 399

69 **59-7-104**, as last amended by Laws of Utah 2018, Chapter 456

70 **59-7-201**, as last amended by Laws of Utah 2018, Chapter 456

71 **59-7-610**, as last amended by Laws of Utah 2015, Chapter 283

72 **59-7-620**, as last amended by Laws of Utah 2017, Chapter 222

73 **59-9-101**, as last amended by Laws of Utah 2017, Chapters 28, 168, and 363

74 **59-10-104**, as last amended by Laws of Utah 2018, Chapter 456

75 **59-10-529.1**, as enacted by Laws of Utah 2015, Chapter 369

76 **59-10-1002.2**, as last amended by Laws of Utah 2016, Chapter 263

77 **59-10-1007**, as last amended by Laws of Utah 2015, Chapter 283

78 **59-10-1017**, as last amended by Laws of Utah 2017, Chapter 389

79 **59-10-1017.1**, as enacted by Laws of Utah 2017, Chapter 389

80 **59-10-1018**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 3

81 **59-10-1019**, as renumbered and amended by Laws of Utah 2008, Chapter 389

82 **59-10-1022**, as enacted by Laws of Utah 2008, Chapter 389

83 **59-10-1023**, as enacted by Laws of Utah 2008, Chapter 389

84 **59-10-1028**, as last amended by Laws of Utah 2012, Chapter 399

85 **59-10-1035**, as last amended by Laws of Utah 2017, Chapter 222

86 **59-10-1036**, as enacted by Laws of Utah 2016, Chapter 55

87 **59-12-102**, as last amended by Laws of Utah 2018, Chapters 25, 281, 415, 424, and 472

88 **59-12-103**, as amended by Statewide Initiative -- Proposition 3, Nov. 6, 2018

89 **59-12-104**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 6

- 90 [59-12-104.2](#), as last amended by Laws of Utah 2016, Chapter 135
- 91 [59-12-104.5](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 92 [59-12-104.6](#), as enacted by Laws of Utah 2011, Chapter 288
- 93 [59-12-107](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 94 [59-12-204](#), as last amended by Laws of Utah 2014, Chapter 258
- 95 [59-12-205](#), as last amended by Laws of Utah 2018, Chapters 258, 312, and 330
- 96 [59-12-211](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 97 [59-12-301](#), as last amended by Laws of Utah 2015, Chapter 283
- 98 [59-12-302](#), as last amended by Laws of Utah 2018, Chapters 258 and 312
- 99 [59-12-352](#), as last amended by Laws of Utah 2009, Chapter 92
- 100 [59-12-353](#), as last amended by Laws of Utah 2015, Chapter 258
- 101 [59-12-354](#), as last amended by Laws of Utah 2018, Chapters 258 and 312
- 102 [59-12-355](#), as last amended by Laws of Utah 2004, Chapter 255
- 103 [59-12-401](#), as last amended by Laws of Utah 2017, Chapter 422
- 104 [59-12-402](#), as last amended by Laws of Utah 2017, Chapter 422
- 105 [59-12-402.1](#), as last amended by Laws of Utah 2017, Chapter 422
- 106 [59-12-403](#), as last amended by Laws of Utah 2018, Chapters 258 and 312
- 107 [59-12-603](#), as last amended by Laws of Utah 2018, Chapters 258 and 312
- 108 [59-12-703](#), as last amended by Laws of Utah 2017, Chapters 181 and 422
- 109 [59-12-802](#), as last amended by Laws of Utah 2017, Chapter 422
- 110 [59-12-804](#), as last amended by Laws of Utah 2017, Chapter 422
- 111 [59-12-1102](#), as last amended by Laws of Utah 2016, Chapter 364
- 112 [59-12-1302](#), as last amended by Laws of Utah 2017, Chapter 422
- 113 [59-12-1402](#), as last amended by Laws of Utah 2017, Chapter 422
- 114 [59-12-2003](#), as last amended by Laws of Utah 2017, Chapter 422
- 115 [59-12-2103](#), as last amended by Laws of Utah 2017, Chapter 422
- 116 [59-12-2206](#), as last amended by Laws of Utah 2018, Chapters 258 and 312
- 117 [59-12-2213](#), as last amended by Laws of Utah 2011, Chapter 223
- 118 [59-12-2214](#), as last amended by Laws of Utah 2015, Chapter 421
- 119 [59-12-2215](#), as enacted by Laws of Utah 2010, Chapter 263
- 120 [59-12-2216](#), as enacted by Laws of Utah 2010, Chapter 263

- 121 [59-12-2217](#), as last amended by Laws of Utah 2018, Chapter 424
- 122 [59-12-2218](#), as last amended by Laws of Utah 2018, Chapter 424
- 123 [59-12-2219](#), as last amended by Laws of Utah 2018, Chapters 330 and 424
- 124 [59-12-2220](#), as enacted by Laws of Utah 2018, Chapter 424
- 125 [59-28-103](#), as last amended by Laws of Utah 2018, Chapter 415
- 126 [59-28-105](#), as enacted by Laws of Utah 2017, Chapter 166
- 127 [63H-1-205](#), as enacted by Laws of Utah 2018, Chapter 442
- 128 [63M-4-702](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 6

129 ENACTS:

- 130 [35A-9-214](#), Utah Code Annotated 1953
- 131 [59-10-1041](#), Utah Code Annotated 1953
- 132 [59-10-1102.1](#), Utah Code Annotated 1953
- 133 [59-10-1112](#), Utah Code Annotated 1953
- 134 [59-12-103.3](#), Utah Code Annotated 1953
- 135 [59-12-103.4](#), Utah Code Annotated 1953
- 136 [59-30-101](#), Utah Code Annotated 1953
- 137 [59-30-102](#), Utah Code Annotated 1953
- 138 [59-30-103](#), Utah Code Annotated 1953
- 139 [59-30-104](#), Utah Code Annotated 1953
- 140 [59-30-105](#), Utah Code Annotated 1953
- 141 [59-30-106](#), Utah Code Annotated 1953
- 142 [59-30-107](#), Utah Code Annotated 1953
- 143 [59-30-108](#), Utah Code Annotated 1953

144 REPEALS:

- 145 [59-12-104.4](#), as enacted by Laws of Utah 2011, Chapter 314

146

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

148 Section 1. Section **15A-1-204** is amended to read:

149 **15A-1-204. Adoption of State Construction Code -- Amendments by commission**

150 **-- Approved codes -- Exemptions.**

151 (1) (a) The State Construction Code is the construction codes adopted with any

152 modifications in accordance with this section that the state and each political subdivision of the
153 state shall follow.

154 (b) A person shall comply with the applicable provisions of the State Construction
155 Code when:

156 (i) new construction is involved; and

157 (ii) the owner of an existing building, or the owner's agent, is voluntarily engaged in:

158 (A) the repair, renovation, remodeling, alteration, enlargement, rehabilitation,
159 conservation, or reconstruction of the building; or

160 (B) changing the character or use of the building in a manner that increases the
161 occupancy loads, other demands, or safety risks of the building.

162 (c) On and after July 1, 2010, the State Construction Code is the State Construction
163 Code in effect on July 1, 2010, until in accordance with this section:

164 (i) a new State Construction Code is adopted; or

165 (ii) one or more provisions of the State Construction Code are amended or repealed in
166 accordance with this section.

167 (d) A provision of the State Construction Code may be applicable:

168 (i) to the entire state; or

169 (ii) within a county, city, or town.

170 (2) (a) The Legislature shall adopt a State Construction Code by enacting legislation
171 that adopts a nationally recognized construction code with any modifications.

172 (b) Legislation described in Subsection (2)(a) shall state that the legislation takes effect
173 on the July 1 after the day on which the legislation is enacted, unless otherwise stated in the
174 legislation.

175 (c) Subject to Subsection (6), a State Construction Code adopted by the Legislature is
176 the State Construction Code until, in accordance with this section, the Legislature adopts a new
177 State Construction Code by:

178 (i) adopting a new State Construction Code in its entirety; or

179 (ii) amending or repealing one or more provisions of the State Construction Code.

180 (3) (a) Except as provided in Subsection (3)(b), for each update of a nationally
181 recognized construction code, the commission shall prepare a report described in Subsection

182 (4).

183 (b) For the provisions of a nationally recognized construction code that apply only to
184 detached one- and two-family dwellings and townhouses not more than three stories above
185 grade plane in height with separate means of egress and their accessory structures, the
186 commission shall:

187 (i) prepare a report described in Subsection (4) in 2021 and, thereafter, for every
188 second update of the nationally recognized construction code; and

189 (ii) not prepare a report described in Subsection (4) in 2018.

190 (4) (a) In accordance with Subsection (3), on or before September 1 of the same year as
191 the year designated in the title of a nationally recognized construction code, the commission
192 shall prepare and submit, in accordance with Section 68-3-14, a written report to the Business
193 and Labor Interim Committee that:

194 (i) states whether the commission recommends the Legislature adopt the update with
195 any modifications; and

196 (ii) describes the costs and benefits of each recommended change in the update or in
197 any modification.

198 (b) After the Business and Labor Interim Committee receives the report described in
199 Subsection (4)(a), the Business and Labor Interim Committee shall:

200 (i) study the recommendations; and

201 (ii) if the Business and Labor Interim Committee decides to recommend legislative
202 action to the Legislature, prepare legislation for consideration by the Legislature in the next
203 general session.

204 (5) (a) (i) The commission shall, by no later than September 1 of each year in which
205 the commission is not required to submit a report described in Subsection (4), submit, in
206 accordance with Section 68-3-14, a written report to the Business and Labor Interim
207 Committee recommending whether the Legislature should amend or repeal one or more
208 provisions of the State Construction Code.

209 (ii) As part of a recommendation described in Subsection (5)(a)(i), the commission
210 shall describe the costs and benefits of each proposed amendment or repeal.

211 (b) The commission may recommend legislative action related to the State
212 Construction Code:

213 (i) on its own initiative;

214 (ii) upon the recommendation of the division; or
215 (iii) upon the receipt of a request by one of the following that the commission
216 recommend legislative action related to the State Construction Code:
217 (A) a local regulator;
218 (B) a state regulator;
219 (C) a state agency involved with the construction and design of a building;
220 (D) the Construction Services Commission;
221 (E) the Electrician Licensing Board;
222 (F) the Plumbers Licensing Board; or
223 (G) a recognized construction-related association.
224 (c) If the Business and Labor Interim Committee decides to recommend legislative
225 action to the Legislature, the Business and Labor Interim Committee shall prepare legislation
226 for consideration by the Legislature in the next general session.
227 (6) (a) Notwithstanding the provisions of this section, the commission may, in
228 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, amend the State
229 Construction Code if the commission determines that waiting for legislative action in the next
230 general legislative session would:
231 (i) cause an imminent peril to the public health, safety, or welfare; or
232 (ii) place a person in violation of federal or other state law.
233 (b) If the commission amends the State Construction Code in accordance with this
234 Subsection (6), the commission shall file with the division:
235 (i) the text of the amendment to the State Construction Code; and
236 (ii) an analysis that includes the specific reasons and justifications for the commission's
237 findings.
238 (c) If the State Construction Code is amended under this Subsection (6), the division
239 shall:
240 (i) publish the amendment to the State Construction Code in accordance with Section
241 15A-1-205; and
242 (ii) prepare and submit, in accordance with Section 68-3-14, a written notice to the
243 Business and Labor Interim Committee containing the amendment to the State Construction
244 Code, including a copy of the commission's analysis described in Subsection (6)(b)(ii).

245 (d) If not formally adopted by the Legislature at the next annual general session, an
246 amendment to the State Construction Code under this Subsection (6) is repealed on the July 1
247 immediately following the next annual general session that follows the adoption of the
248 amendment.

249 (7) (a) The division, in consultation with the commission, may approve, without
250 adopting, one or more approved codes, including a specific edition of a construction code, for
251 use by a compliance agency.

252 (b) If the code adopted by a compliance agency is an approved code described in
253 Subsection (7)(a), the compliance agency may:

254 (i) adopt an ordinance requiring removal, demolition, or repair of a building;

255 (ii) adopt, by ordinance or rule, a dangerous building code; or

256 (iii) adopt, by ordinance or rule, a building rehabilitation code.

257 (8) Except as provided in Subsections (6), (7), (9), and (10), or as expressly provided in
258 state law, a state executive branch entity or political subdivision of the state may not, after
259 December 1, 2016, adopt or enforce a rule, ordinance, or requirement that applies to a subject
260 specifically addressed by, and that is more restrictive than, the State Construction Code.

261 (9) A state executive branch entity or political subdivision of the state may:

262 (a) enforce a federal law or regulation;

263 (b) adopt or enforce a rule, ordinance, or requirement if the rule, ordinance, or
264 requirement applies only to a facility or construction owned or used by a state entity or a
265 political subdivision of the state; or

266 (c) enforce a rule, ordinance, or requirement:

267 (i) that the state executive branch entity or political subdivision adopted or made
268 effective before July 1, 2015; and

269 (ii) for which the state executive branch entity or political subdivision can demonstrate,
270 with substantial evidence, that the rule, ordinance, or requirement is necessary to protect an
271 individual from a condition likely to cause imminent injury or death.

272 (10) The Department of Health or the Department of Environmental Quality may
273 enforce a rule or requirement adopted before January 1, 2015.

274 (11) (a) Except as provided in Subsection (11)(b), a structure used solely in
275 conjunction with agriculture use, and not for human occupancy, or a structure that is no more

276 than 1,500 square feet and used solely for the type of sales described in Subsection
277 [59-12-104](#)~~(20)~~(16), is exempt from the permit requirements of the State Construction Code.

278 (b) (i) Unless exempted by a provision other than Subsection (11)(a), a plumbing,
279 electrical, and mechanical permit may be required when that work is included in a structure
280 described in Subsection (11)(a).

281 (ii) Unless located in whole or in part in an agricultural protection area created under
282 Title 17, Chapter 41, Agriculture and Industrial Protection Areas, a structure described in
283 Subsection (11)(a) is not exempt from a permit requirement if the structure is located on land
284 that is:

- 285 (A) within the boundaries of a city or town, and less than five contiguous acres; or
- 286 (B) within a subdivision for which the county has approved a subdivision plat under
287 Title 17, Chapter 27a, Part 6, Subdivisions, and less than two contiguous acres.

288 Section 2. Section **31A-8-103** is amended to read:

289 **31A-8-103. Applicability to other provisions of law.**

290 (1) (a) Except for exemptions specifically granted under this title, an organization is
291 subject to regulation under all of the provisions of this title.

292 (b) Notwithstanding any provision of this title, an organization licensed under this
293 chapter:

294 (i) is wholly exempt from:

- 295 (A) Chapter 7, Nonprofit Health Service Insurance Corporations;
- 296 (B) Chapter 9, Insurance Fraternal;
- 297 (C) Chapter 10, Annuities;
- 298 (D) Chapter 11, Motor Clubs;
- 299 (E) Chapter 12, State Risk Management Fund; and
- 300 (F) Chapter 19a, Utah Rate Regulation Act; and

301 (ii) is not subject to:

- 302 (A) Chapter 3, Department Funding, Fees, and Taxes, except for Part 1, Funding the
303 Insurance Department;
- 304 (B) Section [31A-4-107](#);
- 305 (C) Chapter 5, Domestic Stock and Mutual Insurance Corporations, except for
306 provisions specifically made applicable by this chapter;

307 (D) Chapter 14, Foreign Insurers, except for provisions specifically made applicable by
308 this chapter;

309 (E) Chapter 17, Determination of Financial Condition, except:

310 (I) Part 2, Qualified Assets, and Part 6, Risk-Based Capital; or

311 (II) as made applicable by the commissioner by rule consistent with this chapter;

312 (F) Chapter 18, Investments, except as made applicable by the commissioner by rule
313 consistent with this chapter; and

314 (G) Chapter 22, Contracts in Specific Lines, except for Part 6, Accident and Health
315 Insurance, Part 7, Group Accident and Health Insurance, and Part 12, Reinsurance.

316 (2) The commissioner may by rule waive other specific provisions of this title that the
317 commissioner considers inapplicable to limited health plans, upon a finding that the waiver
318 will not endanger the interests of:

319 (a) enrollees;

320 (b) investors; or

321 (c) the public.

322 (3) Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act, and Title 16,
323 Chapter 10a, Utah Revised Business Corporation Act, do not apply to an organization except as
324 specifically made applicable by:

325 (a) this chapter;

326 (b) a provision referenced under this chapter; or

327 (c) a rule adopted by the commissioner to deal with corporate law issues of health
328 maintenance organizations that are not settled under this chapter.

329 (4) (a) Whenever in this chapter, Chapter 5, Domestic Stock and Mutual Insurance
330 Corporations, or Chapter 14, Foreign Insurers, is made applicable to an organization, the
331 application is:

332 (i) of those provisions that apply to a mutual corporation if the organization is
333 nonprofit; and

334 (ii) of those that apply to a stock corporation if the organization is for profit.

335 (b) When Chapter 5, Domestic Stock and Mutual Insurance Corporations, or Chapter
336 14, Foreign Insurers, is made applicable to an organization under this chapter, "mutual" means
337 nonprofit organization.

338 (5) Solicitation of enrollees by an organization is not a violation of any provision of
339 law relating to solicitation or advertising by health professionals if that solicitation is made in
340 accordance with:

341 (a) this chapter; and

342 (b) Chapter 23a, Insurance Marketing - Licensing Producers, Consultants, and
343 Reinsurance Intermediaries.

344 (6) This title does not prohibit any health maintenance organization from meeting the
345 requirements of any federal law that enables the health maintenance organization to:

346 (a) receive federal funds; or

347 (b) obtain or maintain federal qualification status.

348 (7) Except as provided in Chapter 45, Managed Care Organizations, an organization is
349 exempt from statutes in this title or department rules that restrict or limit the organization's
350 freedom of choice in contracting with or selecting health care providers, including Section
351 31A-22-618.

352 [~~(8) An organization is exempt from the assessment or payment of premium taxes
353 imposed by Sections 59-9-101 through 59-9-104.~~]

354 Section 3. Section 35A-8-308 is amended to read:

355 **35A-8-308. Throughput Infrastructure Fund.**

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

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

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

359 (b) any voluntary contributions received;

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

361 (d) all amounts received from the repayment of loans made by the impact board under
362 Section 35A-8-309.

363 (3) The state treasurer shall:

364 (a) invest the money in the fund by following the procedures and requirements of Title
365 51, Chapter 7, State Money Management Act; and

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

367 Section 4. Section 35A-8-309 is amended to read:

368 **35A-8-309. Throughput Infrastructure Fund administered by impact board --**

369 **Uses -- Review by board -- Annual report.**

370 (1) The impact board shall:

371 (a) make grants and loans from the Throughput Infrastructure Fund created in Section
372 35A-8-308 for a throughput infrastructure project;373 (b) use money transferred to the Throughput Infrastructure Fund [~~in accordance with~~
374 ~~Subsection 59-12-103(12)~~] by statute to provide a loan or grant to finance the cost of
375 acquisition or construction of a throughput infrastructure project to one or more local political
376 subdivisions, including a Utah interlocal entity created under Title 11, Chapter 13, Interlocal
377 Cooperation Act;378 (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion
379 of the fund revolving;

380 (d) determine provisions for repayment of loans;

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

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

383 (2) The cost of acquisition or construction of a throughput infrastructure project
384 includes amounts for working capital, reserves, transaction costs, and other amounts
385 determined by the impact board to be allocable to a throughput infrastructure project.386 (3) The impact board may restructure or forgive all or part of a local political
387 subdivision's or interlocal entity's obligation to repay loans for extenuating circumstances.388 (4) In order to receive assistance under this section, a local political subdivision or an
389 interlocal entity shall submit a formal application containing the information that the impact
390 board requires.

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

392 (i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant
393 before approving the loan or grant and may condition its approval on whatever assurances the
394 impact board considers necessary to ensure that proceeds of the loan or grant will be used in
395 accordance with this section;396 (ii) ensure that each loan specifies terms for interest deferments, accruals, and
397 scheduled principal repayment; and398 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations of
399 the appropriate local political subdivision or interlocal entity issued to the impact board and

400 payable from the net revenues of a throughput infrastructure project.

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

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

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

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

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

409 (7) The board shall include in the annual written report described in Section
410 [35A-1-109](#):

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

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

414 Section 5. Section **35A-9-214** is enacted to read:

415 **35A-9-214. Tax credit notification -- Intergenerational poverty report to State**
416 **Tax Commission.**

417 (1) As used in this section, "commission" means the State Tax Commission.

418 (2) (a) On or before January 31, the department shall provide notice of the tax credit
419 available under Section [59-10-1112](#) to an individual who the department identifies as
420 experiencing intergenerational poverty due to:

421 (i) the individual's receipt of public assistance during the previous calendar year;

422 (ii) the individual's receipt of public assistance for not less than 12 months since the
423 individual reached age 18; and

424 (iii) the individual's or the individual's family's receipt of public assistance for not less
425 than 12 months during the individual's childhood.

426 (b) The notice described in Subsection (2)(a) shall explain the eligibility requirements
427 and the method for claiming a tax credit under Section [59-10-1112](#).

428 (3) (a) On or before March 1, the department shall provide the commission with an
429 electronic report stating, for each individual to whom the department sent the notice described
430 in Subsection (2):

- 431 (i) the name of the individual; and
432 (ii) the social security number of the individual.
433 (b) The department and the commission shall provide for the security and
434 confidentiality of the information contained in the electronic report.

435 Section 6. Section **59-1-1503** is amended to read:

436 **59-1-1503. Nonrefundable credit -- Sales and use tax exemption -- Sales and use**
437 **tax remittance.**

438 (1) A nonrefundable individual income tax credit is allowed as provided in Section
439 **59-10-1028** related to a capital gain on a transaction involving the exchange of one form of
440 legal tender for another form of legal tender.

441 (2) Sales of currency or coin are exempt from sales and use taxes as provided in
442 Subsection **59-12-104**~~[(50)]~~(40).

443 (3) The remittance of a sales and use tax on a transaction involving specie legal tender
444 is as provided in Section **59-12-107**.

445 Section 7. Section **59-7-104** is amended to read:

446 **59-7-104. Tax -- Minimum tax.**

447 (1) Each domestic and foreign corporation, except a corporation that is exempt under
448 Section **59-7-102**, shall pay an annual tax to the state based on the corporation's Utah taxable
449 income for the taxable year for the privilege of exercising the corporation's corporate franchise
450 or for the privilege of doing business in the state.

451 (2) The tax shall be ~~[4.95%]~~ 4.75% of a corporation's Utah taxable income.

452 (3) The minimum tax a corporation shall pay under this chapter is \$100.

453 Section 8. Section **59-7-201** is amended to read:

454 **59-7-201. Tax -- Minimum tax.**

455 (1) There is imposed upon each corporation, except a corporation that is exempt under
456 Section **59-7-102**, a tax upon the corporation's Utah taxable income for the taxable year that is
457 derived from sources within this state other than income for any period that the corporation is
458 required to include in the corporation's tax base under Section **59-7-104**.

459 (2) The tax imposed by Subsection (1) shall be ~~[4.95%]~~ 4.75% of a corporation's Utah
460 taxable income.

461 (3) In no case shall the tax be less than \$100.

462 Section 9. Section **59-7-610** is amended to read:

463 **59-7-610. Recycling market development zones tax credit.**

464 (1) For taxable years beginning on or after January 1, 1996, a business operating in a
465 recycling market development zone as defined in Section **63N-2-402** may claim a tax credit as
466 provided in this section.

467 (a) (i) There shall be allowed a nonrefundable tax credit of [~~5%~~] 4.75% of the purchase
468 price paid for machinery and equipment used directly in:

469 (A) commercial composting; or

470 (B) manufacturing facilities or plant units that:

471 (I) manufacture, process, compound, or produce recycled items of tangible personal
472 property for sale; or

473 (II) reduce or reuse postconsumer waste material.

474 (ii) The Governor's Office of Economic Development shall certify that the machinery
475 and equipment described in Subsection (1)(a)(i) are integral to the composting or recycling
476 process:

477 (A) on a form provided by the commission; and

478 (B) before a taxpayer is allowed a tax credit under this section.

479 (iii) The Governor's Office of Economic Development shall provide a taxpayer seeking
480 to claim a tax credit under this section with a copy of the form described in Subsection
481 (1)(a)(ii).

482 (iv) The taxpayer described in Subsection (1)(a)(iii) shall retain a copy of the form
483 received under Subsection (1)(a)(iii).

484 (b) There shall be allowed a nonrefundable tax credit equal to 20% of net expenditures
485 up to \$10,000 to third parties for rent, wages, supplies, tools, test inventory, and utilities made
486 by the taxpayer for establishing and operating recycling or composting technology in Utah,
487 with an annual maximum tax credit of \$2,000.

488 (2) The total nonrefundable tax credit allowed under this section may not exceed 40%
489 of the Utah income tax liability of the taxpayer prior to any tax credits in the taxable year of
490 purchase prior to claiming the tax credit authorized by this section.

491 (3) (a) Any tax credit not used for the taxable year in which the purchase price on
492 composting or recycling machinery and equipment was paid may be carried over for credit

493 against the business' income taxes in the three succeeding taxable years until the total tax credit
494 amount is used.

495 (b) Tax credits not claimed by a business on the business' state income tax return
496 within three years are forfeited.

497 (4) The commission shall make rules governing what information shall be filed with
498 the commission to verify the entitlement to and amount of a tax credit.

499 (5) (a) Notwithstanding Subsection (1)(a), for taxable years beginning on or after
500 January 1, 2001, a taxpayer may not claim or carry forward a tax credit described in Subsection
501 (1)(a) in a taxable year during which the taxpayer claims or carries forward a tax credit under
502 Section [63N-2-213](#).

503 (b) For a taxable year other than a taxable year during which the taxpayer may not
504 claim or carry forward a tax credit in accordance with Subsection (5)(a), a taxpayer may claim
505 or carry forward a tax credit described in Subsection (1)(a):

506 (i) if the taxpayer may claim or carry forward the tax credit in accordance with
507 Subsections (1) and (2); and

508 (ii) subject to Subsections (3) and (4).

509 (6) Notwithstanding Subsection (1)(b), for taxable years beginning on or after January
510 1, 2001, a taxpayer may not claim a tax credit described in Subsection (1)(b) in a taxable year
511 during which the taxpayer claims or carries forward a tax credit under Section [63N-2-213](#).

512 (7) A taxpayer may not claim or carry forward a tax credit available under this section
513 for a taxable year during which the taxpayer has claimed the targeted business income tax
514 credit available under Section [63N-2-305](#).

515 Section 10. Section **59-7-620** is amended to read:

516 **59-7-620. Nonrefundable tax credit for contribution to state Achieving a Better**
517 **Life Experience Program account.**

518 (1) As used in this section:

519 (a) "Account" means an account in a qualified ABLE program where the designated
520 beneficiary of the account is a resident of this state.

521 (b) "Contributor" means a corporation that:

522 (i) makes a contribution to an account; and

523 (ii) receives a statement from the qualified ABLE program itemizing the contribution.

524 (c) "Designated beneficiary" means the same as that term is defined in 26 U.S.C. Sec.
525 529A.

526 (d) "Qualified ABLE program" means the same as that term is defined in Section
527 35A-12-102.

528 (2) A contributor to an account may claim a nonrefundable tax credit as provided in
529 this section.

530 (3) Subject to the other provisions of this section, the tax credit is equal to the product
531 of:

532 (a) [~~5%~~] 4.75%; and

533 (b) the total amount of contributions:

534 (i) the contributor makes for the taxable year; and

535 (ii) for which the contributor receives a statement from the qualified ABLE program
536 itemizing the contributions.

537 (4) A contributor may not claim a tax credit under this section:

538 (a) for an amount of excess contribution to an account that is returned to the
539 contributor; or

540 (b) with respect to an amount the contributor deducts on a federal income tax return.

541 (5) A tax credit under this section may not be carried forward or carried back.

542 Section 11. Section **59-9-101** is amended to read:

543 **59-9-101. Tax basis -- Rates -- Exemptions -- Rate reductions.**

544 (1) (a) Except as provided in Subsection (1)(b), (1)(d), or (5), an admitted insurer shall
545 pay to the commission on or before March 31 in each year, a tax of 2-1/4% of the total
546 premiums received by it during the preceding calendar year from insurance covering property
547 or risks located in this state.

548 (b) This Subsection (1) does not apply to:

549 (i) workers' compensation insurance, assessed under Subsection (2);

550 (ii) title insurance premiums taxed under Subsection (3);

551 (iii) annuity considerations;

552 (iv) insurance premiums paid by an institution within the state system of higher
553 education as specified in Section 53B-1-102; and

554 (v) ocean marine insurance.

- 555 (c) The taxable premium under this Subsection (1) shall be reduced by:
- 556 (i) the premiums returned or credited to policyholders on direct business subject to tax
557 in this state;
- 558 (ii) the premiums received for reinsurance of property or risks located in this state; and
- 559 (iii) the dividends, including premium reduction benefits maturing within the year:
- 560 (A) paid or credited to policyholders in this state; or
- 561 (B) applied in abatement or reduction of premiums due during the preceding calendar
562 year.
- 563 (d) (i) For purposes of this Subsection (1)(d):
- 564 (A) "Utah variable life insurance premium" means an insurance premium paid:
- 565 (I) by:
- 566 (Aa) a corporation; or
- 567 (Bb) a trust established or funded by a corporation; and
- 568 (II) for variable life insurance covering risks located within the state.
- 569 (B) "Variable life insurance" means an insurance policy that provides for life
570 insurance, the amount or duration of which varies according to the investment experience of
571 one or more separate accounts that are established and maintained by the insurer pursuant to
572 Title 31A, Insurance Code.
- 573 (ii) Notwithstanding Subsection (1)(a), beginning on January 1, 2006, the tax on that
574 portion of the total premiums subject to a tax under Subsection (1)(a) that is a Utah variable
575 life insurance premium shall be calculated as follows:
- 576 (A) 2-1/4% of the first \$100,000 of Utah variable life insurance premiums:
- 577 (I) paid for each variable life insurance policy; and
- 578 (II) received by the admitted insurer in the preceding calendar year; and
- 579 (B).08% of the Utah variable life insurance premiums that exceed \$100,000:
- 580 (I) paid for the policy described in Subsection (1)(d)(ii)(A); and
- 581 (II) received by the admitted insurer in the preceding calendar year.
- 582 (2) (a) An admitted insurer writing workers' compensation insurance in this state shall
583 pay to the tax commission, on or before March 31 in each year, a premium assessment on the
584 basis of the total workers' compensation premium income received by the insurer from workers'
585 compensation insurance in this state during the preceding calendar year as follows:

586 (i) on or before December 31, 2010, an amount of equal to or greater than 1%, but
587 equal to or less than 5.75% of the total workers' compensation premium income described in
588 this Subsection (2);

589 (ii) on and after January 1, 2011, but on or before December 31, 2022, an amount of
590 equal to or greater than 1%, but equal to or less than 4.25% of the total workers' compensation
591 premium income described in this Subsection (2); and

592 (iii) on and after January 1, 2023, an amount equal to 1.25% of the total workers'
593 compensation premium income described in this Subsection (2).

594 (b) Total workers' compensation premium income means the net written premium as
595 calculated before any premium reduction for any insured employer's deductible, retention, or
596 reimbursement amounts and also those amounts equivalent to premiums as provided in Section
597 [34A-2-202](#).

598 (c) The percentage of premium assessment applicable for a calendar year shall be
599 determined by the Labor Commission under Subsection (2)(d). The total premium income
600 shall be reduced in the same manner as provided in Subsections (1)(c)(i) and (1)(c)(ii), but not
601 as provided in Subsection (1)(c)(iii). The commission shall promptly remit from the premium
602 assessment collected under this Subsection (2):

603 (i) income to the state treasurer for credit to the Employers' Reinsurance Fund created
604 under Subsection [34A-2-702](#)(1) as follows:

605 (A) on or before December 31, 2009, an amount of up to 5% of the total workers'
606 compensation premium income;

607 (B) on and after January 1, 2010, but on or before December 31, 2010, an amount of up
608 to 4.5% of the total workers' compensation premium income;

609 (C) on and after January 1, 2011, but on or before December 31, 2022, an amount of up
610 to 3% of the total workers' compensation premium income; and

611 (D) on and after January 1, 2023, 0% of the total workers' compensation premium
612 income;

613 (ii) an amount equal to .25% of the total workers' compensation premium income to
614 the state treasurer for credit to the Workplace Safety Account created by Section [34A-2-701](#);

615 (iii) an amount of up to .5% and any remaining assessed percentage of the total
616 workers' compensation premium income to the state treasurer for credit to the Uninsured

617 Employers' Fund created under Section 34A-2-704; and

618 (iv) beginning on January 1, 2010, .5% of the total workers' compensation premium
619 income to the state treasurer for credit to the Industrial Accident Restricted Account created in
620 Section 34A-2-705.

621 (d) (i) The Labor Commission shall determine the amount of the premium assessment
622 for each year on or before each October 15 of the preceding year. The Labor Commission shall
623 make this determination following a public hearing. The determination shall be based upon the
624 recommendations of a qualified actuary.

625 (ii) The actuary shall recommend a premium assessment rate sufficient to provide
626 payments of benefits and expenses from the Employers' Reinsurance Fund and to project a
627 funded condition with assets greater than liabilities by no later than June 30, 2025.

628 (iii) The actuary shall recommend a premium assessment rate sufficient to provide
629 payments of benefits and expenses from the Uninsured Employers' Fund and to maintain it at a
630 funded condition with assets equal to or greater than liabilities.

631 (iv) At the end of each fiscal year the minimum approximate assets in the Employers'
632 Reinsurance Fund shall be \$5,000,000 which amount shall be adjusted each year beginning in
633 1990 by multiplying by the ratio that the total workers' compensation premium income for the
634 preceding calendar year bears to the total workers' compensation premium income for the
635 calendar year 1988.

636 (v) The requirements of Subsection (2)(d)(iv) cease when the future annual
637 disbursements from the Employers' Reinsurance Fund are projected to be less than the
638 calculations of the corresponding future minimum required assets. The Labor Commission
639 shall, after a public hearing, determine if the future annual disbursements are less than the
640 corresponding future minimum required assets from projections provided by the actuary.

641 (vi) At the end of each fiscal year the minimum approximate assets in the Uninsured
642 Employers' Fund shall be \$2,000,000, which amount shall be adjusted each year beginning in
643 1990 by multiplying by the ratio that the total workers' compensation premium income for the
644 preceding calendar year bears to the total workers' compensation premium income for the
645 calendar year 1988.

646 (e) A premium assessment that is to be transferred into the General Fund may be
647 collected on premiums received from Utah public agencies.

648 (3) An admitted insurer writing title insurance in this state shall pay to the commission,
649 on or before March 31 in each year, a tax of .45% of the total premium received by either the
650 insurer or by its agents during the preceding calendar year from title insurance concerning
651 property located in this state. In calculating this tax, "premium" includes the charges made to
652 an insured under or to an applicant for a policy or contract of title insurance for:

653 (a) the assumption by the title insurer of the risks assumed by the issuance of the policy
654 or contract of title insurance; and

655 (b) abstracting title, title searching, examining title, or determining the insurability of
656 title, and every other activity, exclusive of escrow, settlement, or closing charges, whether
657 denominated premium or otherwise, made by a title insurer, an agent of a title insurer, a title
658 insurance producer, or any of them.

659 (4) Beginning July 1, 1986, a former county mutual and a former mutual benefit
660 association shall pay the premium tax or assessment due under this chapter. Premiums
661 received after July 1, 1986, shall be considered in determining the tax or assessment.

662 ~~[(5) The following insurers are not subject to the premium tax on health care insurance~~
663 ~~that would otherwise be applicable under Subsection (1):]~~

664 (5) The following admitted insurers writing health insurance, as defined in Section
665 31A-1-301, in this state shall pay to the State Tax Commission, on or before March 31 in each
666 year, a tax of 1% of the total premiums received by the insurer during the preceding calendar
667 year from health insurance in this state:

668 (a) an insurer licensed under Title 31A, Chapter 5, Domestic Stock and Mutual
669 Insurance Corporations;

670 (b) an insurer licensed under Title 31A, Chapter 7, Nonprofit Health Service Insurance
671 Corporations;

672 (c) an insurer licensed under Title 31A, Chapter 8, Health Maintenance Organizations
673 and Limited Health Plans;

674 (d) an insurer licensed under Title 31A, Chapter 9, Insurance Fraternal;

675 (e) an insurer licensed under Title 31A, Chapter 11, Motor Clubs; and

676 (f) an insurer licensed under Title 31A, Chapter 14, Foreign Insurers.

677 (6) A captive insurer, as provided in Section 31A-3-304, that pays a fee imposed under
678 Section 31A-3-304 is not subject to the premium tax under this section.

679 (7) An insurer issuing multiple policies to an insured may not artificially allocate the
680 premiums among the policies for purposes of reducing the aggregate premium tax or
681 assessment applicable to the policies.

682 (8) The retaliatory provisions of Title 31A, Chapter 3, Department Funding, Fees, and
683 Taxes, apply to the tax or assessment imposed under this chapter.

684 Section 12. Section **59-10-104** is amended to read:

685 **59-10-104. Tax basis -- Tax rate -- Exemption.**

686 (1) A tax is imposed on the state taxable income of a resident individual as provided in
687 this section.

688 (2) For purposes of Subsection (1), for a taxable year, the tax is an amount equal to the
689 product of:

690 (a) the resident individual's state taxable income for that taxable year; and

691 (b) [~~4.95%~~] 4.75%.

692 (3) This section does not apply to a resident individual exempt from taxation under
693 Section 59-10-104.1.

694 Section 13. Section **59-10-529.1** is amended to read:

695 **59-10-529.1. Time period for commission to issue a refund.**

696 (1) Except as provided in Subsection (2), the commission may not issue a refund
697 before March 1.

698 (2) The commission may issue a refund before March 1 if, before March 1, the
699 commission determines that:

700 (a) (i) an employer has filed the one or more forms in accordance with Subsection

701 59-10-406(8) the employer is required to file with respect to an individual; and

702 (ii) for a refund of a tax credit described in Section 59-10-1112, the Department of
703 Workforce Services has submitted the electronic report required by Section 35A-9-214; and

704 (b) the individual has filed a return in accordance with this chapter.

705 Section 14. Section **59-10-1002.2** is amended to read:

706 **59-10-1002.2. Apportionment of tax credits.**

707 (1) A nonresident individual or a part-year resident individual that claims a tax credit
708 in accordance with Section 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1022, 59-10-1023,
709 59-10-1024, [~~or~~] 59-10-1028, or 59-10-1041 may only claim an apportioned amount of the tax

710 credit equal to:

711 (a) for a nonresident individual, the product of:

712 (i) the state income tax percentage for the nonresident individual; and

713 (ii) the amount of the tax credit that the nonresident individual would have been

714 allowed to claim but for the apportionment requirements of this section; or

715 (b) for a part-year resident individual, the product of:

716 (i) the state income tax percentage for the part-year resident individual; and

717 (ii) the amount of the tax credit that the part-year resident individual would have been

718 allowed to claim but for the apportionment requirements of this section.

719 (2) A nonresident estate or trust that claims a tax credit in accordance with Section

720 [59-10-1017](#), [59-10-1020](#), [59-10-1022](#), [59-10-1024](#), or [59-10-1028](#) may only claim an

721 apportioned amount of the tax credit equal to the product of:

722 (a) the state income tax percentage for the nonresident estate or trust; and

723 (b) the amount of the tax credit that the nonresident estate or trust would have been

724 allowed to claim but for the apportionment requirements of this section.

725 Section 15. Section **59-10-1007** is amended to read:

726 **59-10-1007. Recycling market development zones tax credit.**

727 (1) For taxable years beginning on or after January 1, 1996, a claimant, estate, or trust

728 in a recycling market development zone as defined in Section [63N-2-402](#) may claim a

729 nonrefundable tax credit as provided in this section.

730 (a) (i) There shall be allowed a tax credit of [~~5%~~] 4.75% of the purchase price paid for
731 machinery and equipment used directly in:

732 (A) commercial composting; or

733 (B) manufacturing facilities or plant units that:

734 (I) manufacture, process, compound, or produce recycled items of tangible personal
735 property for sale; or

736 (II) reduce or reuse postconsumer waste material.

737 (ii) The Governor's Office of Economic Development shall certify that the machinery

738 and equipment described in Subsection (1)(a)(i) are integral to the composting or recycling

739 process:

740 (A) on a form provided by the commission; and

741 (B) before a claimant, estate, or trust is allowed a tax credit under this section.

742 (iii) The Governor's Office of Economic Development shall provide a claimant, estate,
743 or trust seeking to claim a tax credit under this section with a copy of the form described in
744 Subsection (1)(a)(ii).

745 (iv) The claimant, estate, or trust described in Subsection (1)(a)(iii) shall retain a copy
746 of the form received under Subsection (1)(a)(iii).

747 (b) There shall be allowed a tax credit equal to 20% of net expenditures up to \$10,000
748 to third parties for rent, wages, supplies, tools, test inventory, and utilities made by the
749 claimant, estate, or trust for establishing and operating recycling or composting technology in
750 Utah, with an annual maximum tax credit of \$2,000.

751 (2) The total tax credit allowed under this section may not exceed 40% of the Utah
752 income tax liability of the claimant, estate, or trust prior to any tax credits in the taxable year of
753 purchase prior to claiming the tax credit authorized by this section.

754 (3) (a) Any tax credit not used for the taxable year in which the purchase price on
755 composting or recycling machinery and equipment was paid may be carried forward against the
756 claimant's, estate's, or trusts's tax liability under this chapter in the three succeeding taxable
757 years until the total tax credit amount is used.

758 (b) Tax credits not claimed by a claimant, estate, or trust on the claimant's, estate's, or
759 trust's tax return under this chapter within three years are forfeited.

760 (4) The commission shall make rules governing what information shall be filed with
761 the commission to verify the entitlement to and amount of a tax credit.

762 (5) (a) Notwithstanding Subsection (1)(a), for taxable years beginning on or after
763 January 1, 2001, a claimant, estate, or trust may not claim or carry forward a tax credit
764 described in Subsection (1)(a) in a taxable year during which the claimant, estate, or trust
765 claims or carries forward a tax credit under Section [63N-2-213](#).

766 (b) For a taxable year other than a taxable year during which the claimant, estate, or
767 trust may not claim or carry forward a tax credit in accordance with Subsection (5)(a), a
768 claimant, estate, or trust may claim or carry forward a tax credit described in Subsection (1)(a):

769 (i) if the claimant, estate, or trust may claim or carry forward the tax credit in
770 accordance with Subsections (1) and (2); and

771 (ii) subject to Subsections (3) and (4).

772 (6) Notwithstanding Subsection (1)(b), for taxable years beginning on or after January
773 1, 2001, a claimant, estate, or trust may not claim a tax credit described in Subsection (1)(b) in
774 a taxable year during which the claimant, estate, or trust claims or carries forward a tax credit
775 under Section 63N-2-213.

776 (7) A claimant, estate, or trust may not claim or carry forward a tax credit available
777 under this section for a taxable year during which the claimant, estate, or trust has claimed the
778 targeted business income tax credit available under Section 63N-2-305.

779 Section 16. Section 59-10-1017 is amended to read:

780 **59-10-1017. Utah Educational Savings Plan tax credit.**

781 (1) As used in this section:

782 (a) "Account owner" means the same as that term is defined in Section 53B-8a-102.

783 (b) "Grantor trust" means the same as that term is defined in Section 53B-8a-102.5.

784 (c) "Higher education costs" means the same as that term is defined in Section
785 53B-8a-102.5.

786 (d) "Maximum amount of a qualified investment for the taxable year" means, for a
787 taxable year, the product of [~~5%~~] 4.75% and:

788 (i) subject to Subsection (1)(d)(iii), for a claimant, estate, or trust that is an account
789 owner, if that claimant, estate, or trust is other than husband and wife account owners who file
790 a single return jointly, the maximum amount of a qualified investment:

791 (A) listed in Subsection 53B-8a-106(1)(e)(ii); and

792 (B) increased or kept for that taxable year in accordance with Subsections
793 53B-8a-106(1)(f) and (g);

794 (ii) subject to Subsection (1)(d)(iii), for claimants who are husband and wife account
795 owners who file a single return jointly, the maximum amount of a qualified investment:

796 (A) listed in Subsection 53B-8a-106(1)(e)(iii); and

797 (B) increased or kept for that taxable year in accordance with Subsections
798 53B-8a-106(1)(f) and (g); or

799 (iii) for a grantor trust:

800 (A) if the owner of the grantor trust has a single filing status or head of household

801 filing status as defined in Section 59-10-1018, the amount described in Subsection (1)(d)(i); or

802 (B) if the owner of the grantor trust has a joint filing status as defined in Section

803 59-10-1018, the amount described in Subsection (1)(d)(ii).

804 (e) "Owner of the grantor trust" means the same as that term is defined in Section
805 53B-8a-102.5.

806 (f) "Qualified investment" means the same as that term is defined in Section
807 53B-8a-102.5.

808 (2) Except as provided in Section 59-10-1002.2 and subject to the other provisions of
809 this section, a claimant, estate, or trust that is an account owner may claim a nonrefundable tax
810 credit equal to the product of:

811 (a) the amount of a qualified investment made:

812 (i) during the taxable year; and

813 (ii) into an account owned by the claimant, estate, or trust; and

814 (b) [~~5%~~] 4.75%.

815 (3) A claimant, estate, or trust, or a person other than the claimant, estate, or trust, may
816 make a qualified investment described in Subsection (2).

817 (4) A claimant, estate, or trust that is an account owner may not claim a tax credit
818 under this section with respect to any portion of a qualified investment described in Subsection
819 (2) that a claimant, estate, trust, or person described in Subsection (3) deducts on a federal
820 income tax return.

821 (5) A tax credit under this section may not exceed the maximum amount of a qualified
822 investment for the taxable year.

823 (6) A claimant, estate, or trust that is an account owner may not carry forward or carry
824 back the tax credit under this section.

825 (7) A claimant, estate, or trust may claim a tax credit under this section in addition to
826 the tax credit described in Section 59-10-1017.1.

827 Section 17. Section 59-10-1017.1 is amended to read:

828 **59-10-1017.1. Student Prosperity Savings Program tax credit.**

829 (1) As used in this section, "qualified donation" means an amount donated, in
830 accordance with Section 53B-8a-203, to the Student Prosperity Savings Program created in
831 Section 53B-8a-202.

832 (2) A claimant, estate, or trust may claim a nonrefundable tax credit for a qualified
833 donation.

834 (3) The tax credit equals the product of:

835 (a) the qualified donation; and

836 (b) ~~[5%]~~ 4.75%.

837 (4) A claimant, estate, or trust may not claim a tax credit under this section with
838 respect to any portion of a qualified donation that a claimant, estate, or trust deducts on a
839 federal income tax return.

840 (5) A claimant, estate, or trust may not carry forward or carry back the portion of the
841 tax credit allowed by this section that exceeds the claimant's, estate's, or trust's tax liability for
842 the taxable year in which the claimant, estate, or trust claims the tax credit.

843 (6) A claimant, estate, or trust may claim a tax credit under this section in addition to
844 the tax credit described in Section [59-10-1017](#).

845 Section 18. Section **59-10-1018** is amended to read:

846 **59-10-1018. Definitions -- Nonrefundable taxpayer tax credits.**

847 (1) As used in this section:

848 (a) "Head of household filing status" means a head of household, as defined in Section
849 2(b), Internal Revenue Code, who files a single federal individual income tax return for the
850 taxable year.

851 (b) "Income threshold" means:

852 (i) for a claimant who has a single filing status, an adjusted gross income of \$42,000;

853 (ii) for a claimant who has a head of household filing status, an adjusted gross income
854 of \$56,000; and

855 (iii) for a claimant who has a joint filing status, an adjusted gross income of \$70,000.

856 ~~[(b)]~~ (c) "Joint filing status" means:

857 (i) spouses who file a single return jointly under this chapter for a taxable year; or

858 (ii) a surviving spouse, as defined in Section 2(a), Internal Revenue Code, who files a
859 single federal individual income tax return for the taxable year.

860 ~~[(c)]~~ (d) "Qualifying dependent" means an individual with respect to whom the
861 claimant is allowed to claim a tax credit under Section 24, Internal Revenue Code, on the
862 claimant's federal individual income tax return for the taxable year.

863 ~~[(d)]~~ (e) "Single filing status" means:

864 (i) a single individual who files a single federal individual income tax return for the

865 taxable year; or

866 (ii) a married individual who:

867 (A) does not file a single federal individual income tax return jointly with that married
868 individual's spouse for the taxable year; and

869 (B) files a single federal individual income tax return for the taxable year.

870 ~~[(e)]~~ (f) "State or local income tax" means the lesser of:

871 (i) the amount of state or local income tax that the claimant:

872 (A) pays for the taxable year; and

873 (B) reports on the claimant's federal individual income tax return for the taxable year,
874 regardless of whether the claimant is allowed an itemized deduction on the claimant's federal
875 individual income tax return for the taxable year for the full amount of state or local income tax
876 paid; and

877 (ii) \$10,000.

878 ~~[(f)]~~ (g) (i) "Utah itemized deduction" means the amount the claimant deducts as
879 allowed as an itemized deduction on the claimant's federal individual income tax return for that
880 taxable year minus any amount of state or local income tax for the taxable year.

881 (ii) "Utah itemized deduction" does not include any amount of qualified business
882 income that the claimant subtracts as allowed by Section 199A, Internal Revenue Code, on the
883 claimant's federal income tax return for that taxable year.

884 ~~[(g)]~~ (h) "Utah personal exemption" means, subject to Subsection (6):

885 (i) for a claimant whose adjusted gross income exceeds the income threshold for the
886 claimant's filing status, \$565 multiplied by the number of the claimant's qualifying
887 dependents[-]; or

888 (ii) for a claimant whose adjusted gross income is equal to or less than the income
889 threshold for the claimant's filing status, \$3,113 multiplied by the number of the claimant's
890 qualifying dependents.

891 (2) Except as provided in Section 59-10-1002.2, and subject to Subsections (3) through
892 (5), a claimant may claim a nonrefundable tax credit against taxes otherwise due under this part
893 equal to the sum of:

894 (a) (i) for a claimant that deducts the standard deduction on the claimant's federal
895 individual income tax return for the taxable year, 6% of the amount the claimant deducts as

896 allowed as the standard deduction on the claimant's federal individual income tax return for
897 that taxable year; or

898 (ii) for a claimant that itemizes deductions on the claimant's federal individual income
899 tax return for the taxable year, 6% of the amount of the claimant's Utah itemized deduction;
900 and

901 (b) 6% of the claimant's Utah personal exemption.

902 (3) A claimant may not carry forward or carry back a tax credit under this section.

903 (4) The tax credit allowed by Subsection (2) shall be reduced by \$.013 for each dollar
904 by which a claimant's state taxable income exceeds:

905 (a) for a claimant who has a single filing status, \$12,000;

906 (b) for a claimant who has a head of household filing status, \$18,000; or

907 (c) for a claimant who has a joint filing status, \$24,000.

908 (5) (a) For a taxable year beginning on or after January 1, 2009, the commission shall
909 increase or decrease annually the following dollar amounts by a percentage equal to the
910 percentage difference between the consumer price index for the preceding calendar year and
911 the consumer price index for calendar year 2007:

912 (i) the dollar amount listed in Subsection (4)(a); and

913 (ii) the dollar amount listed in Subsection (4)(b).

914 (b) After the commission increases or decreases the dollar amounts listed in Subsection
915 (5)(a), the commission shall round those dollar amounts listed in Subsection (5)(a) to the
916 nearest whole dollar.

917 (c) After the commission rounds the dollar amounts as required by Subsection (5)(b),
918 the commission shall increase or decrease the dollar amount listed in Subsection (4)(c) so that
919 the dollar amount listed in Subsection (4)(c) is equal to the product of:

920 (i) the dollar amount listed in Subsection (4)(a); and

921 (ii) two.

922 (d) For purposes of Subsection (5)(a), the commission shall calculate the consumer
923 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

924 (6) (a) For a taxable year beginning on or after January 1, 2019, the commission shall
925 increase annually the Utah personal exemption [~~amount~~] amounts listed in Subsection [~~(+)(g)~~]
926 (1)(h) by a percentage equal to the percentage by which the consumer price index for the

927 preceding calendar year exceeds the consumer price index for calendar year 2017.

928 (b) After the commission increases the Utah personal exemption [~~amount~~] amounts as
 929 described in Subsection (6)(a), the commission shall round the Utah personal exemption
 930 [~~amount~~] amounts to the nearest whole dollar.

931 (c) For purposes of Subsection (6)(a), the commission shall calculate the consumer
 932 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

933 Section 19. Section **59-10-1019** is amended to read:

934 **59-10-1019. Definitions -- Nonrefundable retirement tax credits.**

935 (1) As used in this section:

936 (a) "Eligible over age 65 [~~or older~~] retiree" means a claimant, regardless of whether
 937 that claimant is retired, who:

938 (i) is over 65 years of age [~~or older~~]; and

939 (ii) was born on or before December 31, 1952.

940 [~~(b) (i) "Eligible retirement income" means income received by an eligible under age
 941 65 retiree as a pension or annuity if that pension or annuity is:]~~

942 [~~(A) paid to the eligible under age 65 retiree or the surviving spouse of an eligible
 943 under age 65 retiree; and]~~

944 [~~(B) (I) paid from an annuity contract purchased by an employer under a plan that
 945 meets the requirements of Section 404(a)(2), Internal Revenue Code;]~~

946 [~~(H) purchased by an employee under a plan that meets the requirements of Section
 947 408, Internal Revenue Code; or]~~

948 [~~(HH) paid by:]~~

949 [~~(Aa) the United States;]~~

950 [~~(Bb) a state or a political subdivision of a state; or]~~

951 [~~(Cc) the District of Columbia.]~~

952 [~~(ii) "Eligible retirement income" does not include amounts received by the spouse of a
 953 living eligible under age 65 retiree because of the eligible under age 65 retiree's having been
 954 employed in a community property state.]~~

955 [(c) "Eligible under age 65 retiree" means a claimant, regardless of whether that
 956 claimant is retired, who:]

957 [(i) is younger than 65 years of age;]

958 ~~[(ii) was born on or before December 31, 1952; and]~~
 959 ~~[(iii) has eligible retirement income for the taxable year for which a tax credit is~~
 960 ~~claimed under this section.]~~

961 ~~[(d)]~~ (b) "Head of household filing status" is as defined in Section 59-10-1018.

962 ~~[(e)]~~ (c) "Joint filing status" is as defined in Section 59-10-1018.

963 ~~[(f)]~~ (d) "Married filing separately status" means a married individual who:

964 (i) does not file a single federal individual income tax return jointly with that married
 965 individual's spouse for the taxable year; and

966 (ii) files a single federal individual income tax return for the taxable year.

967 ~~[(g)]~~ (e) "Modified adjusted gross income" means the sum of an eligible over age 65
 968 ~~[or older] retiree's [or eligible under age 65 retiree's]:~~

969 (i) adjusted gross income for the taxable year for which a tax credit is claimed under
 970 this section;

971 (ii) any interest income that is not included in adjusted gross income for the taxable
 972 year described in Subsection ~~[(1)(g)(i)]~~ (1)(e)(i); and

973 (iii) any addition to adjusted gross income required by Section 59-10-114 for the
 974 taxable year described in Subsection ~~[(1)(g)(i)]~~ (1)(e)(i).

975 ~~[(h)]~~ (f) "Single filing status" means a single individual who files a single federal
 976 individual income tax return for the taxable year.

977 (2) Except as provided in Section 59-10-1002.2 and Subsection (6) and subject to
 978 Subsections (3) through (5)~~[(a)]~~, each eligible over age 65 ~~[or older]~~ retiree may claim a
 979 nonrefundable tax credit of \$450 against taxes otherwise due under this part~~[-or]~~.

980 ~~[(b) each eligible under age 65 retiree may claim a nonrefundable tax credit against~~
 981 ~~taxes otherwise due under this part in an amount equal to the lesser of:]~~

982 ~~[(i) \$288; or]~~

983 ~~[(ii) the product of:]~~

984 ~~[(A) the eligible under age 65 retiree's eligible retirement income for the taxable year~~
 985 ~~for which the eligible under age 65 retiree claims a tax credit under this section; and]~~

986 ~~[(B) 6%.]~~

987 (3) A tax credit under this section may not be carried forward or carried back.

988 (4) The ~~[sum of the tax credits]~~ tax credit allowed by Subsection (2) claimed on ~~[one]~~ a

989 return filed under this part shall be reduced by \$.025 for each dollar by which modified
990 adjusted gross income for purposes of the return exceeds:

991 (a) for a federal individual income tax return that is allowed a married filing separately
992 status, \$16,000;

993 (b) for a federal individual income tax return that is allowed a single filing status,
994 \$25,000;

995 (c) for a federal individual income tax return that is allowed a head of household filing
996 status, \$32,000; or

997 (d) for a return under this chapter that is allowed a joint filing status, \$32,000.

998 (5) For purposes of determining the ownership of items of retirement income under this
999 section, common law doctrine shall be applied in all cases even though some items of
1000 retirement income may have originated from service or investments in a community property
1001 state.

1002 (6) If an eligible over age 65 retiree qualifies for a tax credit under this section and
1003 under Section 59-10-1041, the eligible over age 65 retiree may claim either:

1004 (a) the tax credit under this section; or

1005 (b) the tax credit under Section 59-10-1041.

1006 Section 20. Section **59-10-1022** is amended to read:

1007 **59-10-1022. Nonrefundable tax credit for capital gain transactions.**

1008 (1) As used in this section:

1009 (a) (i) "Capital gain transaction" means a transaction that results in a:

1010 (A) short-term capital gain; or

1011 (B) long-term capital gain.

1012 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1013 commission may by rule define the term "transaction."

1014 (b) "Commercial domicile" means the principal place from which the trade or business
1015 of a Utah small business corporation is directed or managed.

1016 (c) "Long-term capital gain" is as defined in Section 1222, Internal Revenue Code.

1017 (d) "Qualifying stock" means stock that is:

1018 (i) (A) common; or

1019 (B) preferred;

1020 (ii) as defined by the commission by rule made in accordance with Title 63G, Chapter
1021 3, Utah Administrative Rulemaking Act, originally issued to:
1022 (A) a claimant, estate, or trust; or
1023 (B) a partnership if the claimant, estate, or trust that claims a tax credit under this
1024 section:
1025 (I) was a partner on the day on which the stock was issued; and
1026 (II) remains a partner until the last day of the taxable year for which the claimant,
1027 estate, or trust claims a tax credit under this section; and
1028 (iii) issued:
1029 (A) by a Utah small business corporation;
1030 (B) on or after January 1, 2008; and
1031 (C) for:
1032 (I) money; or
1033 (II) other property, except for stock or securities.
1034 (e) "Short-term capital gain" is as defined in Section 1222, Internal Revenue Code.
1035 (f) (i) "Utah small business corporation" means a corporation that:
1036 (A) except as provided in Subsection (1)(f)(ii), is a small business corporation as
1037 defined in Section 1244(c)(3), Internal Revenue Code;
1038 (B) except as provided in Subsection (1)(f)(iii), meets the requirements of Section
1039 1244(c)(1)(C), Internal Revenue Code; and
1040 (C) has its commercial domicile in this state.
1041 (ii) The dollar amount listed in Section 1244(c)(3)(A) is considered to be \$2,500,000.
1042 (iii) The phrase "the date the loss on such stock was sustained" in Sections
1043 1244(c)(1)(C) and 1244(c)(2), Internal Revenue Code, is considered to be "the last day of the
1044 taxable year for which the claimant, estate, or trust claims a tax credit under this section."
1045 (2) For taxable years beginning on or after January 1, 2008, a claimant, estate, or trust
1046 that meets the requirements of Subsection (3) may claim a nonrefundable tax credit equal to the
1047 product of:
1048 (a) the total amount of the claimant's, estate's, or trust's short-term capital gain or
1049 long-term capital gain on a capital gain transaction that occurs on or after January 1, 2008; and
1050 (b) [~~5%~~] 4.75%.

- 1051 (3) For purposes of Subsection (2), a claimant, estate, or trust may claim the
1052 nonrefundable tax credit allowed by Subsection (2) if:
- 1053 (a) 70% or more of the gross proceeds of the capital gain transaction are expended:
1054 (i) to purchase qualifying stock in a Utah small business corporation; and
1055 (ii) within a 12-month period after the day on which the capital gain transaction occurs;
1056 and
- 1057 (b) prior to the purchase of the qualifying stock described in Subsection (3)(a)(i), the
1058 claimant, estate, or trust did not have an ownership interest in the Utah small business
1059 corporation that issued the qualifying stock.
- 1060 (4) A claimant, estate, or trust may not carry forward or carry back a tax credit under
1061 this section.
- 1062 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1063 commission may make rules:
- 1064 (a) defining the term "gross proceeds"; and
1065 (b) prescribing the circumstances under which a claimant, estate, or trust has an
1066 ownership interest in a Utah small business corporation.
- 1067 Section 21. Section **59-10-1023** is amended to read:
- 1068 **59-10-1023. Nonrefundable tax credit for amounts paid under a health benefit**
1069 **plan.**
- 1070 (1) As used in this section:
- 1071 (a) "Claimant with dependents" means a claimant:
1072 (i) regardless of the claimant's filing status for purposes of filing a federal individual
1073 income tax return for the taxable year; and
1074 (ii) who claims one or more dependents under Section 151, Internal Revenue Code, as
1075 allowed on the claimant's federal individual income tax return for the taxable year.
- 1076 (b) "Eligible insured individual" means:
1077 (i) the claimant who is insured under a health benefit plan;
1078 (ii) the spouse of the claimant described in Subsection (1)(b)(i) if:
1079 (A) the claimant files a single return jointly under this chapter with the claimant's
1080 spouse for the taxable year; and
1081 (B) the spouse is insured under the health benefit plan described in Subsection

1082 (1)(b)(i); or
1083 (iii) a dependent of the claimant described in Subsection (1)(b)(i) if:
1084 (A) the claimant claims the dependent under Section 151, Internal Revenue Code, as
1085 allowed on the claimant's federal individual income tax return for the taxable year; and
1086 (B) the dependent is insured under the health benefit plan described in Subsection
1087 (1)(b)(i).
1088 (c) "Excluded expenses" means an amount a claimant pays for insurance offered under
1089 a health benefit plan for a taxable year if:
1090 (i) the claimant claims a tax credit for that amount under Section 35, Internal Revenue
1091 Code:
1092 (A) on the claimant's federal individual income tax return for the taxable year; and
1093 (B) with respect to an eligible insured individual;
1094 (ii) the claimant deducts that amount under Section 162 or 213, Internal Revenue
1095 Code:
1096 (A) on the claimant's federal individual income tax return for the taxable year; and
1097 (B) with respect to an eligible insured individual; or
1098 (iii) the claimant excludes that amount from gross income under Section 106 or 125,
1099 Internal Revenue Code, with respect to an eligible insured individual.
1100 (d) (i) "Health benefit plan" is as defined in Section [31A-1-301](#).
1101 (ii) "Health benefit plan" does not include equivalent self-insurance as defined by the
1102 Insurance Department by rule made in accordance with Title 63G, Chapter 3, Utah
1103 Administrative Rulemaking Act.
1104 (e) "Joint claimant with no dependents" means a husband and wife who:
1105 (i) file a single return jointly under this chapter for the taxable year; and
1106 (ii) do not claim a dependent under Section 151, Internal Revenue Code, on the
1107 husband's and wife's federal individual income tax return for the taxable year.
1108 (f) "Single claimant with no dependents" means:
1109 (i) a single individual who:
1110 (A) files a single federal individual income tax return for the taxable year; and
1111 (B) does not claim a dependent under Section 151, Internal Revenue Code, on the
1112 single individual's federal individual income tax return for the taxable year;

- 1113 (ii) a head of household:
- 1114 (A) as defined in Section 2(b), Internal Revenue Code, who files a single federal
1115 individual income tax return for the taxable year; and
- 1116 (B) who does not claim a dependent under Section 151, Internal Revenue Code, on the
1117 head of household's federal individual income tax return for the taxable year; or
- 1118 (iii) a married individual who:
- 1119 (A) does not file a single federal individual income tax return jointly with that married
1120 individual's spouse for the taxable year; and
- 1121 (B) does not claim a dependent under Section 151, Internal Revenue Code, on that
1122 married individual's federal individual income tax return for the taxable year.
- 1123 (2) Subject to Subsection (3), and except as provided in Subsection (4), for taxable
1124 years beginning on or after January 1, 2009, a claimant may claim a nonrefundable tax credit
1125 equal to the product of:
- 1126 (a) the difference between:
- 1127 (i) the total amount the claimant pays during the taxable year for:
- 1128 (A) insurance offered under a health benefit plan; and
- 1129 (B) an eligible insured individual; and
- 1130 (ii) excluded expenses; and
- 1131 (b) [~~5%~~ 4.75%].
- 1132 (3) The maximum amount of a tax credit described in Subsection (2) a claimant may
1133 claim on a return for a taxable year is:
- 1134 (a) for a single claimant with no dependents, \$300;
- 1135 (b) for a joint claimant with no dependents, \$600; or
- 1136 (c) for a claimant with dependents, \$900.
- 1137 (4) A claimant may not claim a tax credit under this section if the claimant is eligible to
1138 participate in insurance offered under a health benefit plan maintained and funded in whole or
1139 in part by:
- 1140 (a) the claimant's employer; or
- 1141 (b) another person's employer.
- 1142 (5) A claimant may not carry forward or carry back a tax credit under this section.
- 1143 Section 22. Section **59-10-1028** is amended to read:

1144 **59-10-1028. Nonrefundable tax credit for capital gain transactions on the**
1145 **exchange of one form of legal tender for another form of legal tender.**

1146 (1) As used in this section:

1147 (a) "Capital gain transaction" means a transaction that results in a:

1148 (i) short-term capital gain; or

1149 (ii) long-term capital gain.

1150 (b) "Long-term capital gain" is as defined in Section 1222, Internal Revenue Code.

1151 (c) "Long-term capital loss" is as defined in Section 1222, Internal Revenue Code.

1152 (d) "Net capital gain" means the amount by which the sum of long-term capital gains
1153 and short-term capital gains on a claimant's, estate's, or trust's transactions from exchanges
1154 made for a taxable year of one form of legal tender for another form of legal tender exceeds the
1155 sum of long-term capital losses and short-term capital losses on those transactions for that
1156 taxable year.

1157 (e) "Short-term capital loss" is as defined in Section 1222, Internal Revenue Code.

1158 (f) "Short-term capital gain" is as defined in Section 1222, Internal Revenue Code.

1159 (2) Except as provided in Section [59-10-1002.2](#), for taxable years beginning on or after
1160 January 1, 2012, a claimant, estate, or trust may claim a nonrefundable tax credit equal to the
1161 product of:

1162 (a) to the extent a net capital gain is included in taxable income, the amount of the
1163 claimant's, estate's, or trust's net capital gain on capital gain transactions from exchanges made
1164 on or after January 1, 2012, for a taxable year, of one form of legal tender for another form of
1165 legal tender; and

1166 (b) [~~5%~~] 4.75%.

1167 (3) A claimant, estate, or trust may not carry forward or carry back a tax credit under
1168 this section.

1169 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1170 commission may make rules to implement this section.

1171 Section 23. Section **59-10-1035** is amended to read:

1172 **59-10-1035. Nonrefundable tax credit for contribution to state Achieving a Better**
1173 **Life Experience Program account.**

1174 (1) As used in this section:

- 1175 (a) "Account" means an account in a qualified ABLE program where the designated
 1176 beneficiary of the account is a resident of this state.
- 1177 (b) "Contributor" means a claimant, estate, or trust that:
- 1178 (i) makes a contribution to an account; and
- 1179 (ii) receives a statement from the qualified ABLE program itemizing the contribution.
- 1180 (c) "Designated beneficiary" means the same as that term is defined in 26 U.S.C. Sec.
 1181 529A.
- 1182 (d) "Qualified ABLE program" means the same as that term is defined in Section
 1183 [35A-12-102](#).
- 1184 (2) A contributor to an account may claim a nonrefundable tax credit as provided in
 1185 this section.
- 1186 (3) Subject to the other provisions of this section, the tax credit is equal to the product
 1187 of:
- 1188 (a) [~~5%~~ 4.75%]; and
- 1189 (b) the total amount of contributions:
- 1190 (i) the contributor makes for the taxable year; and
- 1191 (ii) for which the contributor receives a statement from the qualified ABLE program
 1192 itemizing the contributions.
- 1193 (4) A contributor may not claim a tax credit under this section:
- 1194 (a) for an amount of excess contribution to an account that is returned to the
 1195 contributor; or
- 1196 (b) with respect to an amount the contributor deducts on a federal income tax return.
- 1197 (5) A tax credit under this section may not be carried forward or carried back.
- 1198 Section 24. Section **59-10-1036** is amended to read:
- 1199 **59-10-1036. Nonrefundable tax credit for military survivor benefits.**
- 1200 (1) As used in this section:
- 1201 (a) "Dependent child" means the same as that term is defined in 10 U.S.C. Sec. 1447.
- 1202 (b) "Reserve components" means the same as that term is described in 10 U.S.C. Sec.
 1203 10101.
- 1204 (c) "Surviving spouse" means the same as that term is defined in 10 U.S.C. Sec. 1447.
- 1205 (d) "Survivor benefits" means the amount paid by the federal government in

1206 accordance with 10 U.S.C. Secs. 1447 through 1455.

1207 (2) A surviving spouse or dependent child may claim a nonrefundable tax credit for
1208 survivor benefits if the benefits are paid due to:

1209 (a) the death of a member of the armed forces or reserve components while on active
1210 duty; or

1211 (b) the death of a member of the reserve components that results from a
1212 service-connected cause while performing inactive duty training.

1213 (3) The tax credit described in Subsection (2) is equal to the product of:

1214 (a) the amount of survivor benefits that the surviving spouse or dependent child
1215 received during the taxable year; and

1216 (b) ~~[5%]~~ 4.75%.

1217 (4) The tax credit described in Subsection (2):

1218 (a) may not be carried forward or carried back; and

1219 (b) applies to a taxable year beginning on or after January 1, 2017.

1220 Section 25. Section **59-10-1041** is enacted to read:

1221 **59-10-1041. Nonrefundable tax credit for social security benefits.**

1222 (1) As used in this section:

1223 (a) "Head of household filing status" means the same as that term is defined in Section
1224 59-10-1018.

1225 (b) "Joint filing status" means the same as that term is defined in Section 59-10-1018.

1226 (c) "Married filing separately status" means a married individual who:

1227 (i) does not file a single federal individual income tax return jointly with that married
1228 individual's spouse for the taxable year; and

1229 (ii) files a single federal individual income tax return for the taxable year.

1230 (d) "Modified adjusted gross income" means the sum of a claimant's:

1231 (i) adjusted gross income for the taxable year for which a tax credit is claimed under
1232 this section;

1233 (ii) any interest income that is not included in adjusted gross income for the taxable
1234 year described in Subsection (1)(d)(i); and

1235 (iii) any addition to adjusted gross income required by Section 59-10-114 for the
1236 taxable year described in Subsection (1)(d)(i).

1237 (e) "Single filing status" means a single individual who files a single federal individual
1238 income tax return for the taxable year.

1239 (f) "Social security benefit" means an amount received by a claimant as a monthly
1240 benefit in accordance with the Social Security Act, 42 U.S.C. Sec. 401 et seq.

1241 (2) Except as provided in Section 59-10-1002.2, a claimant may claim a nonrefundable
1242 tax credit against taxes otherwise due under this part equal to the product of:

1243 (a) 4.75%; and

1244 (b) the claimant's social security benefit that is included in adjusted gross income on
1245 the claimant's federal income tax return for the taxable year.

1246 (3) A claimant:

1247 (a) may not carry forward or carry back a tax credit under this section; and

1248 (b) may not claim a tax credit under this section if a tax credit under Section
1249 59-10-1019 is claimed on the return.

1250 (4) The tax credit allowed by Subsection (2) claimed on a return filed under this part
1251 shall be reduced by \$.025 for each dollar by which modified adjusted gross income for
1252 purposes of the return exceeds:

1253 (a) for a federal individual income tax return that is allowed a married filing separately
1254 status, \$22,500;

1255 (b) for a federal individual income tax return that is allowed a single filing status,
1256 \$30,000;

1257 (c) for a federal individual income tax return that is allowed a head of household filing
1258 status, \$45,000; or

1259 (d) for a return under this chapter that is allowed a joint filing status, \$45,000.

1260 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1261 commission may make rules governing the calculation and method for claiming the tax credit
1262 described in this section.

1263 Section 26. Section **59-10-1102.1** is enacted to read:

1264 **59-10-1102.1. Apportionment of tax credit.**

1265 A nonresident individual or a part-year resident individual who claims the tax credit
1266 described in Section 59-10-1112 may only claim an apportioned amount of the tax credit equal
1267 to the product of:

1268 (1) the state income tax percentage for a nonresident individual or the state income tax
1269 percentage for a part-year resident individual; and

1270 (2) the amount of the tax credit that the nonresident individual or the part-year resident
1271 individual would have been allowed to claim but for the apportionment requirement of this
1272 section.

1273 Section 27. Section **59-10-1112** is enacted to read:

1274 **59-10-1112. Refundable state earned income tax credit -- Definition -- Tax credit**
1275 **calculation -- Transfers from General Fund.**

1276 (1) As used in this section:

1277 (a) "Department" means the Department of Workforce Services created in Section
1278 [35A-1-103](#).

1279 (b) "Federal earned income tax credit" means the federal earned income tax credit
1280 described in Section 32, Internal Revenue Code.

1281 (c) "Intergenerational poverty" means the same as that term is defined in Section
1282 [35A-9-102](#).

1283 (d) "Qualifying claimant" means a resident or nonresident individual who:

1284 (i) is identified by the department as experiencing intergenerational poverty; and

1285 (ii) claimed the federal earned income tax credit for the previous taxable year.

1286 (2) Except as provided in Section [59-10-1102.1](#), a qualifying claimant may claim a
1287 refundable earned income tax credit equal to 10% of the amount of the federal earned income
1288 tax credit that the qualifying claimant was entitled to claim on a federal income tax return in
1289 the previous taxable year.

1290 (3) (a) The commission shall use the electronic report described in Section [35A-9-214](#)
1291 to verify that a qualifying claimant is identified as experiencing intergenerational poverty.

1292 (b) The commission may not use the electronic report described in Section [35A-9-214](#)
1293 for any other purpose.

1294 Section 28. Section **59-12-102** is amended to read:

1295 **59-12-102. Definitions.**

1296 As used in this chapter:

1297 (1) "800 service" means a telecommunications service that:

1298 (a) allows a caller to dial a toll-free number without incurring a charge for the call; and

- 1299 (b) is typically marketed:
- 1300 (i) under the name 800 toll-free calling;
- 1301 (ii) under the name 855 toll-free calling;
- 1302 (iii) under the name 866 toll-free calling;
- 1303 (iv) under the name 877 toll-free calling;
- 1304 (v) under the name 888 toll-free calling; or
- 1305 (vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the
- 1306 Federal Communications Commission.
- 1307 (2) (a) "900 service" means an inbound toll telecommunications service that:
- 1308 (i) a subscriber purchases;
- 1309 (ii) allows a customer of the subscriber described in Subsection (2)(a)(i) to call in to
- 1310 the subscriber's:
- 1311 (A) prerecorded announcement; or
- 1312 (B) live service; and
- 1313 (iii) is typically marketed:
- 1314 (A) under the name 900 service; or
- 1315 (B) under a name similar to Subsection (2)(a)(iii)(A) as designated by the Federal
- 1316 Communications Commission.
- 1317 (b) "900 service" does not include a charge for:
- 1318 (i) a collection service a seller of a telecommunications service provides to a
- 1319 subscriber; or
- 1320 (ii) the following a subscriber sells to the subscriber's customer:
- 1321 (A) a product; or
- 1322 (B) a service.
- 1323 (3) (a) "Admission or user fees" includes season passes.
- 1324 (b) "Admission or user fees" does not include annual membership dues to private
- 1325 organizations.
- 1326 (4) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on
- 1327 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax
- 1328 Agreement after November 12, 2002.
- 1329 (5) "Agreement combined tax rate" means the sum of the tax rates:

- 1330 (a) listed under Subsection (6); and
- 1331 (b) that are imposed within a local taxing jurisdiction.
- 1332 (6) "Agreement sales and use tax" means a tax imposed under:
- 1333 (a) Subsection 59-12-103(2)(a)(i)(A);
- 1334 (b) Subsection 59-12-103(2)(b)(i);
- 1335 (c) Subsection 59-12-103(2)(c)(i);
- 1336 (d) Subsection 59-12-103(2)(d)(i)(A)(I);
- 1337 (e) Section 59-12-204;
- 1338 (f) Section 59-12-401;
- 1339 (g) Section 59-12-402;
- 1340 (h) Section 59-12-402.1;
- 1341 (i) Section 59-12-703;
- 1342 (j) Section 59-12-802;
- 1343 (k) Section 59-12-804;
- 1344 (l) Section 59-12-1102;
- 1345 (m) Section 59-12-1302;
- 1346 (n) Section 59-12-1402;
- 1347 (o) Section 59-12-1802;
- 1348 (p) Section 59-12-2003;
- 1349 (q) Section 59-12-2103;
- 1350 (r) Section 59-12-2213;
- 1351 (s) Section 59-12-2214;
- 1352 (t) Section 59-12-2215;
- 1353 (u) Section 59-12-2216;
- 1354 (v) Section 59-12-2217;
- 1355 (w) Section 59-12-2218;
- 1356 (x) Section 59-12-2219; or
- 1357 (y) Section 59-12-2220.
- 1358 (7) "Aircraft" means the same as that term is defined in Section 72-10-102.
- 1359 (8) "Aircraft maintenance, repair, and overhaul provider" means a business entity:
- 1360 (a) except for:

- 1361 (i) an airline as defined in Section 59-2-102; or
- 1362 (ii) an affiliated group, as defined in Section 59-7-101, except that "affiliated group"
- 1363 includes a corporation that is qualified to do business but is not otherwise doing business in the
- 1364 state, of an airline; and
- 1365 (b) that has the workers, expertise, and facilities to perform the following, regardless of
- 1366 whether the business entity performs the following in this state:
- 1367 (i) check, diagnose, overhaul, and repair:
- 1368 (A) an onboard system of a fixed wing turbine powered aircraft; and
- 1369 (B) the parts that comprise an onboard system of a fixed wing turbine powered aircraft;
- 1370 (ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered aircraft
- 1371 engine;
- 1372 (iii) perform at least the following maintenance on a fixed wing turbine powered
- 1373 aircraft:
- 1374 (A) an inspection;
- 1375 (B) a repair, including a structural repair or modification;
- 1376 (C) changing landing gear; and
- 1377 (D) addressing issues related to an aging fixed wing turbine powered aircraft;
- 1378 (iv) completely remove the existing paint of a fixed wing turbine powered aircraft and
- 1379 completely apply new paint to the fixed wing turbine powered aircraft; and
- 1380 (v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that
- 1381 results in a change in the fixed wing turbine powered aircraft's certification requirements by the
- 1382 authority that certifies the fixed wing turbine powered aircraft.
- 1383 (9) "Alcoholic beverage" means a beverage that:
- 1384 (a) is suitable for human consumption; and
- 1385 (b) contains .5% or more alcohol by volume.
- 1386 (10) "Alternative energy" means:
- 1387 (a) biomass energy;
- 1388 (b) geothermal energy;
- 1389 (c) hydroelectric energy;
- 1390 (d) solar energy;
- 1391 (e) wind energy; or

- 1392 (f) energy that is derived from:
- 1393 (i) coal-to-liquids;
- 1394 (ii) nuclear fuel;
- 1395 (iii) oil-impregnated diatomaceous earth;
- 1396 (iv) oil sands;
- 1397 (v) oil shale;
- 1398 (vi) petroleum coke; or
- 1399 (vii) waste heat from:
- 1400 (A) an industrial facility; or
- 1401 (B) a power station in which an electric generator is driven through a process in which
- 1402 water is heated, turns into steam, and spins a steam turbine.
- 1403 (11) (a) Subject to Subsection (11)(b), "alternative energy electricity production
- 1404 facility" means a facility that:
- 1405 (i) uses alternative energy to produce electricity; and
- 1406 (ii) has a production capacity of two megawatts or greater.
- 1407 (b) A facility is an alternative energy electricity production facility regardless of
- 1408 whether the facility is:
- 1409 (i) connected to an electric grid; or
- 1410 (ii) located on the premises of an electricity consumer.
- 1411 (12) (a) "Ancillary service" means a service associated with, or incidental to, the
- 1412 provision of telecommunications service.
- 1413 (b) "Ancillary service" includes:
- 1414 (i) a conference bridging service;
- 1415 (ii) a detailed communications billing service;
- 1416 (iii) directory assistance;
- 1417 (iv) a vertical service; or
- 1418 (v) a voice mail service.
- 1419 (13) "Area agency on aging" means the same as that term is defined in Section
- 1420 [62A-3-101](#).
- 1421 [~~(14) "Assisted amusement device" means an amusement device, skill device, or ride~~
- 1422 ~~device that is started and stopped by an individual.~~]

1423 ~~[(a) who is not the purchaser or renter of the right to use or operate the amusement~~
1424 ~~device, skill device, or ride device; and]~~

1425 ~~[(b) at the direction of the seller of the right to use the amusement device, skill device,~~
1426 ~~or ride device.]~~

1427 ~~[(15) "Assisted cleaning or washing of tangible personal property" means cleaning or~~
1428 ~~washing of tangible personal property if the cleaning or washing labor is primarily performed~~
1429 ~~by an individual.]~~

1430 ~~[(a) who is not the purchaser of the cleaning or washing of the tangible personal~~
1431 ~~property; and]~~

1432 ~~[(b) at the direction of the seller of the cleaning or washing of the tangible personal~~
1433 ~~property.]~~

1434 ~~[(16)]~~ (14) "Authorized carrier" means:

1435 (a) in the case of vehicles operated over public highways, the holder of credentials
1436 indicating that the vehicle is or will be operated pursuant to both the International Registration
1437 Plan and the International Fuel Tax Agreement;

1438 (b) in the case of aircraft, the holder of a Federal Aviation Administration operating
1439 certificate or air carrier's operating certificate; or

1440 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling
1441 stock, a person who uses locomotives, freight cars, railroad work equipment, or other rolling
1442 stock in more than one state.

1443 ~~[(17)]~~ (15) (a) Except as provided in Subsection ~~[(17)]~~ (15)(b), "biomass energy"
1444 means any of the following that is used as the primary source of energy to produce fuel or
1445 electricity:

1446 (i) material from a plant or tree; or

1447 (ii) other organic matter that is available on a renewable basis, including:

1448 (A) slash and brush from forests and woodlands;

1449 (B) animal waste;

1450 (C) waste vegetable oil;

1451 (D) methane or synthetic gas produced at a landfill, as a byproduct of the treatment of
1452 wastewater residuals, or through the conversion of a waste material through a nonincineration,
1453 thermal conversion process;

- 1454 (E) aquatic plants; and
- 1455 (F) agricultural products.
- 1456 (b) "Biomass energy" does not include:
- 1457 (i) black liquor; or
- 1458 (ii) treated woods.
- 1459 ~~[(18)]~~ (16) (a) "Bundled transaction" means the sale of two or more items of tangible
- 1460 personal property, products, or services if the tangible personal property, products, or services
- 1461 are:
- 1462 (i) distinct and identifiable; and
- 1463 (ii) sold for one nonitemized price.
- 1464 (b) "Bundled transaction" does not include:
- 1465 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on
- 1466 the basis of the selection by the purchaser of the items of tangible personal property included in
- 1467 the transaction;
- 1468 (ii) the sale of real property;
- 1469 (iii) the sale of services to real property;
- 1470 (iv) the retail sale of tangible personal property and a service if:
- 1471 (A) the tangible personal property:
- 1472 (I) is essential to the use of the service; and
- 1473 (II) is provided exclusively in connection with the service; and
- 1474 (B) the service is the true object of the transaction;
- 1475 (v) the retail sale of two services if:
- 1476 (A) one service is provided that is essential to the use or receipt of a second service;
- 1477 (B) the first service is provided exclusively in connection with the second service; and
- 1478 (C) the second service is the true object of the transaction;
- 1479 (vi) a transaction that includes tangible personal property or a product subject to
- 1480 taxation under this chapter and tangible personal property or a product that is not subject to
- 1481 taxation under this chapter if the:
- 1482 (A) seller's purchase price of the tangible personal property or product subject to
- 1483 taxation under this chapter is de minimis; or
- 1484 (B) seller's sales price of the tangible personal property or product subject to taxation

1485 under this chapter is de minimis; and

1486 (vii) the retail sale of tangible personal property that is not subject to taxation under
1487 this chapter and tangible personal property that is subject to taxation under this chapter if:

1488 (A) that retail sale includes:

1489 (I) food and food ingredients;

1490 (II) a drug;

1491 (III) durable medical equipment;

1492 (IV) mobility enhancing equipment;

1493 (V) an over-the-counter drug;

1494 (VI) a prosthetic device; or

1495 (VII) a medical supply; and

1496 (B) subject to Subsection [~~(18)~~] (16)(f):

1497 (I) the seller's purchase price of the tangible personal property subject to taxation under
1498 this chapter is 50% or less of the seller's total purchase price of that retail sale; or

1499 (II) the seller's sales price of the tangible personal property subject to taxation under
1500 this chapter is 50% or less of the seller's total sales price of that retail sale.

1501 (c) (i) For purposes of Subsection [~~(18)~~] (16)(a)(i), tangible personal property, a
1502 product, or a service that is distinct and identifiable does not include:

1503 (A) packaging that:

1504 (I) accompanies the sale of the tangible personal property, product, or service; and

1505 (II) is incidental or immaterial to the sale of the tangible personal property, product, or
1506 service;

1507 (B) tangible personal property, a product, or a service provided free of charge with the
1508 purchase of another item of tangible personal property, a product, or a service; or

1509 (C) an item of tangible personal property, a product, or a service included in the
1510 definition of "purchase price."

1511 (ii) For purposes of Subsection [~~(18)~~] (16)(c)(i)(B), an item of tangible personal
1512 property, a product, or a service is provided free of charge with the purchase of another item of
1513 tangible personal property, a product, or a service if the sales price of the purchased item of
1514 tangible personal property, product, or service does not vary depending on the inclusion of the
1515 tangible personal property, product, or service provided free of charge.

1516 (d) (i) For purposes of Subsection [~~(18)~~] (16)(a)(ii), property sold for one nonitemized
1517 price does not include a price that is separately identified by tangible personal property,
1518 product, or service on the following, regardless of whether the following is in paper format or
1519 electronic format:

1520 (A) a binding sales document; or

1521 (B) another supporting sales-related document that is available to a purchaser.

1522 (ii) For purposes of Subsection [~~(18)~~] (16)(d)(i), a binding sales document or another
1523 supporting sales-related document that is available to a purchaser includes:

1524 (A) a bill of sale;

1525 (B) a contract;

1526 (C) an invoice;

1527 (D) a lease agreement;

1528 (E) a periodic notice of rates and services;

1529 (F) a price list;

1530 (G) a rate card;

1531 (H) a receipt; or

1532 (I) a service agreement.

1533 (e) (i) For purposes of Subsection [~~(18)~~] (16)(b)(vi), the sales price of tangible personal
1534 property or a product subject to taxation under this chapter is de minimis if:

1535 (A) the seller's purchase price of the tangible personal property or product is 10% or
1536 less of the seller's total purchase price of the bundled transaction; or

1537 (B) the seller's sales price of the tangible personal property or product is 10% or less of
1538 the seller's total sales price of the bundled transaction.

1539 (ii) For purposes of Subsection [~~(18)~~] (16)(b)(vi), a seller:

1540 (A) shall use the seller's purchase price or the seller's sales price to determine if the
1541 purchase price or sales price of the tangible personal property or product subject to taxation
1542 under this chapter is de minimis; and

1543 (B) may not use a combination of the seller's purchase price and the seller's sales price
1544 to determine if the purchase price or sales price of the tangible personal property or product
1545 subject to taxation under this chapter is de minimis.

1546 (iii) For purposes of Subsection [~~(18)~~] (16)(b)(vi), a seller shall use the full term of a

1547 service contract to determine if the sales price of tangible personal property or a product is de
1548 minimis.

1549 (f) For purposes of Subsection [~~(18)~~] (16)(b)(vii)(B), a seller may not use a
1550 combination of the seller's purchase price and the seller's sales price to determine if tangible
1551 personal property subject to taxation under this chapter is 50% or less of the seller's total
1552 purchase price or sales price of that retail sale.

1553 [~~(19)~~] (17) "Certified automated system" means software certified by the governing
1554 board of the agreement that:

1555 (a) calculates the agreement sales and use tax imposed within a local taxing
1556 jurisdiction:

1557 (i) on a transaction; and

1558 (ii) in the states that are members of the agreement;

1559 (b) determines the amount of agreement sales and use tax to remit to a state that is a
1560 member of the agreement; and

1561 (c) maintains a record of the transaction described in Subsection [~~(19)~~] (17)(a)(i).

1562 [~~(20)~~] (18) "Certified service provider" means an agent certified:

1563 (a) by the governing board of the agreement; and

1564 (b) to perform all of a seller's sales and use tax functions for an agreement sales and
1565 use tax other than the seller's obligation under Section [59-12-124](#) to remit a tax on the seller's
1566 own purchases.

1567 [~~(21)~~] (19) (a) Subject to Subsection [~~(21)~~] (19)(b), "clothing" means all human
1568 wearing apparel suitable for general use.

1569 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1570 commission shall make rules:

1571 (i) listing the items that constitute "clothing"; and

1572 (ii) that are consistent with the list of items that constitute "clothing" under the
1573 agreement.

1574 [~~(22)~~] (20) "Coal-to-liquid" means the process of converting coal into a liquid synthetic
1575 fuel.

1576 [~~(23)~~] (21) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or
1577 other fuels that does not constitute industrial use under Subsection [~~(56)~~] (55) or residential use

1578 under Subsection (106).

1579 ~~[(24)]~~ (22) (a) "Common carrier" means a person engaged in or transacting the
1580 business of transporting passengers, freight, merchandise, or other property for hire within this
1581 state.

1582 (b) (i) "Common carrier" does not include a person who, at the time the person is
1583 traveling to or from that person's place of employment, transports a passenger to or from the
1584 passenger's place of employment.

1585 (ii) For purposes of Subsection ~~[(24)]~~ (22)(b)(i), in accordance with Title 63G, Chapter
1586 3, Utah Administrative Rulemaking Act, the commission may make rules defining what
1587 constitutes a person's place of employment.

1588 (c) "Common carrier" does not include a person that provides transportation network
1589 services, as defined in Section [13-51-102](#).

1590 ~~[(25)]~~ (23) "Component part" includes:

1591 (a) poultry, dairy, and other livestock feed, and their components;

1592 (b) baling ties and twine used in the baling of hay and straw;

1593 (c) fuel used for providing temperature control of orchards and commercial
1594 greenhouses doing a majority of their business in wholesale sales, and for providing power for
1595 off-highway type farm machinery; and

1596 (d) feed, seeds, and seedlings.

1597 ~~[(26)]~~ (24) "Computer" means an electronic device that accepts information:

1598 (a) (i) in digital form; or

1599 (ii) in a form similar to digital form; and

1600 (b) manipulates that information for a result based on a sequence of instructions.

1601 ~~[(27)]~~ (25) "Computer software" means a set of coded instructions designed to cause:

1602 (a) a computer to perform a task; or

1603 (b) automatic data processing equipment to perform a task.

1604 ~~[(28)]~~ (26) "Computer software maintenance contract" means a contract that obligates a
1605 seller of computer software to provide a customer with:

1606 (a) future updates or upgrades to computer software;

1607 (b) support services with respect to computer software; or

1608 (c) a combination of Subsections ~~[(28)]~~ (26)(a) and (b).

1609 [~~(29)~~] (27) (a) "Conference bridging service" means an ancillary service that links two
1610 or more participants of an audio conference call or video conference call.

1611 (b) "Conference bridging service" may include providing a telephone number as part of
1612 the ancillary service described in Subsection [~~(29)~~] (27)(a).

1613 (c) "Conference bridging service" does not include a telecommunications service used
1614 to reach the ancillary service described in Subsection [~~(29)~~] (27)(a).

1615 [~~(30)~~] (28) "Construction materials" means any tangible personal property that will be
1616 converted into real property.

1617 (29) (a) "Cosmetic medical procedure" means a medical procedure performed in order
1618 to improve a human subject's appearance without significantly serving to prevent or treat
1619 illness or disease or to promote proper functioning of the body.

1620 (b) "Cosmetic medical procedure" may include:

1621 (i) cosmetic surgery;

1622 (ii) hair transplants;

1623 (iii) cosmetic injections;

1624 (iv) cosmetic soft tissue fillers;

1625 (v) dermabrasion and chemical peels;

1626 (vi) laser hair removal;

1627 (vii) laser skin resurfacing;

1628 (viii) laser treatment of leg veins;

1629 (ix) sclerotherapy;

1630 (x) cosmetic dentistry; and

1631 (xi) facility occupancies, such as hospitalization or clinic stays, required for or directly
1632 associated with a cosmetic medical procedure.

1633 (c) "Cosmetic medical procedure" does not include:

1634 (i) reconstructive surgery or dentistry to correct or minimize abnormal structures
1635 caused by:

1636 (A) congenital defects;

1637 (B) developmental abnormalities;

1638 (C) trauma;

1639 (D) infection;

1640 (E) tumors; or
1641 (F) disease; or
1642 (ii) other procedures performed in order to improve proper functioning of the body.
1643 [~~(31)~~] (30) "Delivered electronically" means delivered to a purchaser by means other
1644 than tangible storage media.
1645 [~~(32)~~] (31) (a) "Delivery charge" means a charge:
1646 (i) by a seller of:
1647 (A) tangible personal property;
1648 (B) a product transferred electronically; or
1649 (C) services; and
1650 (ii) for preparation and delivery of the tangible personal property, product transferred
1651 electronically, or services described in Subsection [~~(32)~~] (31)(a)(i) to a location designated by
1652 the purchaser.
1653 (b) "Delivery charge" includes a charge for the following:
1654 (i) transportation;
1655 (ii) shipping;
1656 (iii) postage;
1657 (iv) handling;
1658 (v) crating; or
1659 (vi) packing.
1660 [~~(33)~~] (32) "Detailed telecommunications billing service" means an ancillary service of
1661 separately stating information pertaining to individual calls on a customer's billing statement.
1662 [~~(34)~~] (33) "Dietary supplement" means a product, other than tobacco, that:
1663 (a) is intended to supplement the diet;
1664 (b) contains one or more of the following dietary ingredients:
1665 (i) a vitamin;
1666 (ii) a mineral;
1667 (iii) an herb or other botanical;
1668 (iv) an amino acid;
1669 (v) a dietary substance for use by humans to supplement the diet by increasing the total
1670 dietary intake; or

- 1671 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient
 1672 described in Subsections [(34)] (33)(b)(i) through (v);
- 1673 (c) (i) except as provided in Subsection [(34)] (33)(c)(ii), is intended for ingestion in:
 1674 (A) tablet form;
 1675 (B) capsule form;
 1676 (C) powder form;
 1677 (D) softgel form;
 1678 (E) gelcap form; or
 1679 (F) liquid form; or
- 1680 (ii) if the product is not intended for ingestion in a form described in Subsections [(34)]
 1681 (33)(c)(i)(A) through (F), is not represented:
 1682 (A) as conventional food; and
 1683 (B) for use as a sole item of:
 1684 (I) a meal; or
 1685 (II) the diet; and
 1686 (d) is required to be labeled as a dietary supplement:
 1687 (i) identifiable by the "Supplemental Facts" box found on the label; and
 1688 (ii) as required by 21 C.F.R. Sec. 101.36.
- 1689 (34) (a) "Digital audio work" means a work that results from the fixation of a series of
 1690 musical, spoken, or other sounds.
- 1691 (b) "Digital audio work" includes a ringtone.
- 1692 (35) "Digital audio-visual work" means a series of related images which, when shown
 1693 in succession, imparts an impression of motion, together with accompanying sounds, if any.
- 1694 [~~(36) (a) "Digital audio work" means a work that results from the fixation of a series of~~
 1695 ~~musical, spoken, or other sounds.]~~
- 1696 [~~(b) "Digital audio work" includes a ringtone.]~~
- 1697 [(37)] (36) "Digital book" means a work that is generally recognized in the ordinary
 1698 and usual sense as a book.
- 1699 [(38)] (37) (a) "Direct mail" means printed material delivered or distributed by United
 1700 States mail or other delivery service:
 1701 (i) to:

- 1702 (A) a mass audience; or
- 1703 (B) addressees on a mailing list provided:
 - 1704 (I) by a purchaser of the mailing list; or
 - 1705 (II) at the discretion of the purchaser of the mailing list; and
 - 1706 (ii) if the cost of the printed material is not billed directly to the recipients.
- 1707 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a
- 1708 purchaser to a seller of direct mail for inclusion in a package containing the printed material.
- 1709 (c) "Direct mail" does not include multiple items of printed material delivered to a
- 1710 single address.
- 1711 [~~(39)~~] (38) "Directory assistance" means an ancillary service of providing:
 - 1712 (a) address information; or
 - 1713 (b) telephone number information.
- 1714 [~~(40)~~] (39) (a) "Disposable home medical equipment or supplies" means medical
- 1715 equipment or supplies that:
 - 1716 (i) cannot withstand repeated use; and
 - 1717 (ii) are purchased by, for, or on behalf of a person other than:
 - 1718 (A) a health care facility as defined in Section 26-21-2;
 - 1719 (B) a health care provider as defined in Section 78B-3-403;
 - 1720 (C) an office of a health care provider described in Subsection [~~(40)~~] (39)(a)(ii)(B); or
 - 1721 (D) a person similar to a person described in Subsections [~~(40)~~] (39)(a)(ii)(A) through
 - 1722 (C).
 - 1723 (b) "Disposable home medical equipment or supplies" does not include:
 - 1724 (i) a drug;
 - 1725 (ii) durable medical equipment;
 - 1726 (iii) a hearing aid;
 - 1727 (iv) a hearing aid accessory;
 - 1728 (v) mobility enhancing equipment; or
 - 1729 (vi) tangible personal property used to correct impaired vision, including:
 - 1730 (A) eyeglasses; or
 - 1731 (B) contact lenses.
 - 1732 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

- 1733 commission may by rule define what constitutes medical equipment or supplies.
- 1734 [~~(41)~~] (40) "Drilling equipment manufacturer" means a facility:
- 1735 (a) located in the state;
- 1736 (b) with respect to which 51% or more of the manufacturing activities of the facility
- 1737 consist of manufacturing component parts of drilling equipment;
- 1738 (c) that uses pressure of 800,000 or more pounds per square inch as part of the
- 1739 manufacturing process; and
- 1740 (d) that uses a temperature of 2,000 or more degrees Fahrenheit as part of the
- 1741 manufacturing process.
- 1742 [~~(42)~~] (41) (a) "Drug" means a compound, substance, or preparation, or a component of
- 1743 a compound, substance, or preparation that is:
- 1744 (i) recognized in:
- 1745 (A) the official United States Pharmacopoeia;
- 1746 (B) the official Homeopathic Pharmacopoeia of the United States;
- 1747 (C) the official National Formulary; or
- 1748 (D) a supplement to a publication listed in Subsections [~~(42)~~] (41)(a)(i)(A) through
- 1749 (C);
- 1750 (ii) intended for use in the:
- 1751 (A) diagnosis of disease;
- 1752 (B) cure of disease;
- 1753 (C) mitigation of disease;
- 1754 (D) treatment of disease; or
- 1755 (E) prevention of disease; or
- 1756 (iii) intended to affect:
- 1757 (A) the structure of the body; or
- 1758 (B) any function of the body.
- 1759 (b) "Drug" does not include:
- 1760 (i) food and food ingredients;
- 1761 (ii) a dietary supplement;
- 1762 (iii) an alcoholic beverage; or
- 1763 (iv) a prosthetic device.

1764 ~~[(43)]~~ (42) (a) Except as provided in Subsection ~~[(43)]~~ (42)(c), "durable medical
1765 equipment" means equipment that:
1766 (i) can withstand repeated use;
1767 (ii) is primarily and customarily used to serve a medical purpose;
1768 (iii) generally is not useful to a person in the absence of illness or injury; and
1769 (iv) is not worn in or on the body.
1770 (b) "Durable medical equipment" includes parts used in the repair or replacement of the
1771 equipment described in Subsection ~~[(43)]~~ (42)(a).
1772 (c) "Durable medical equipment" does not include mobility enhancing equipment.
1773 ~~[(44)]~~ (43) "Electronic" means:
1774 (a) relating to technology; and
1775 (b) having:
1776 (i) electrical capabilities;
1777 (ii) digital capabilities;
1778 (iii) magnetic capabilities;
1779 (iv) wireless capabilities;
1780 (v) optical capabilities;
1781 (vi) electromagnetic capabilities; or
1782 (vii) capabilities similar to Subsections ~~[(44)]~~ (43)(b)(i) through (vi).
1783 ~~[(45)]~~ (44) "Electronic financial payment service" means an establishment:
1784 (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and
1785 Clearinghouse Activities, of the 2012 North American Industry Classification System of the
1786 federal Executive Office of the President, Office of Management and Budget; and
1787 (b) that performs electronic financial payment services.
1788 ~~[(46)]~~ (45) "Employee" means the same as that term is defined in Section 59-10-401.
1789 ~~[(47)]~~ (46) "Fixed guideway" means a public transit facility that uses and occupies:
1790 (a) rail for the use of public transit; or
1791 (b) a separate right-of-way for the use of public transit.
1792 ~~[(48)]~~ (47) "Fixed wing turbine powered aircraft" means an aircraft that:
1793 (a) is powered by turbine engines;
1794 (b) operates on jet fuel; and

- 1795 (c) has wings that are permanently attached to the fuselage of the aircraft.
- 1796 [~~(49)~~] (48) "Fixed wireless service" means a telecommunications service that provides
- 1797 radio communication between fixed points.
- 1798 [~~(50)~~] (49) (a) "Food and food ingredients" means substances:
- 1799 (i) regardless of whether the substances are in:
- 1800 (A) liquid form;
- 1801 (B) concentrated form;
- 1802 (C) solid form;
- 1803 (D) frozen form;
- 1804 (E) dried form; or
- 1805 (F) dehydrated form; and
- 1806 (ii) that are:
- 1807 (A) sold for:
- 1808 (I) ingestion by humans; or
- 1809 (II) chewing by humans; and
- 1810 (B) consumed for the substance's:
- 1811 (I) taste; or
- 1812 (II) nutritional value.
- 1813 (b) "Food and food ingredients" includes an item described in Subsection [~~(91)~~]
- 1814 (89)(b)(iii).
- 1815 (c) "Food and food ingredients" does not include:
- 1816 (i) an alcoholic beverage;
- 1817 (ii) tobacco; or
- 1818 (iii) prepared food.
- 1819 [~~(51)~~] (50) (a) "Fundraising sales" means sales:
- 1820 (i) (A) made by a school; or
- 1821 (B) made by a school student;
- 1822 (ii) that are for the purpose of raising funds for the school to purchase equipment,
- 1823 materials, or provide transportation; and
- 1824 (iii) that are part of an officially sanctioned school activity.
- 1825 (b) For purposes of Subsection [~~(51)~~] (50)(a)(iii), "officially sanctioned school activity"

1826 means a school activity:

1827 (i) that is conducted in accordance with a formal policy adopted by the school or school
1828 district governing the authorization and supervision of fundraising activities;

1829 (ii) that does not directly or indirectly compensate an individual teacher or other
1830 educational personnel by direct payment, commissions, or payment in kind; and

1831 (iii) the net or gross revenues from which are deposited in a dedicated account
1832 controlled by the school or school district.

1833 [~~52~~] (51) "Geothermal energy" means energy contained in heat that continuously
1834 flows outward from the earth that is used as the sole source of energy to produce electricity.

1835 [~~53~~] (52) "Governing board of the agreement" means the governing board of the
1836 agreement that is:

1837 (a) authorized to administer the agreement; and

1838 (b) established in accordance with the agreement.

1839 [~~54~~] (53) (a) For purposes of Subsection 59-12-104[~~(41)~~](33), "governmental entity"
1840 means:

1841 (i) the executive branch of the state, including all departments, institutions, boards,
1842 divisions, bureaus, offices, commissions, and committees;

1843 (ii) the judicial branch of the state, including the courts, the Judicial Council, the
1844 Administrative Office of the Courts, and similar administrative units in the judicial branch;

1845 (iii) the legislative branch of the state, including the House of Representatives, the
1846 Senate, the Legislative Printing Office, the Office of Legislative Research and General
1847 Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal
1848 Analyst;

1849 (iv) the National Guard;

1850 (v) an independent entity as defined in Section 63E-1-102; or

1851 (vi) a political subdivision as defined in Section 17B-1-102.

1852 (b) "Governmental entity" does not include the state systems of public and higher
1853 education, including:

1854 (i) a school;

1855 (ii) the State Board of Education;

1856 (iii) the State Board of Regents; or

- 1857 (iv) an institution of higher education described in Section [53B-1-102](#).
- 1858 [~~55~~] (54) "Hydroelectric energy" means water used as the sole source of energy to
1859 produce electricity.
- 1860 [~~56~~] (55) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil,
1861 or other fuels:
- 1862 (a) in mining or extraction of minerals;
- 1863 (b) in agricultural operations to produce an agricultural product up to the time of
1864 harvest or placing the agricultural product into a storage facility, including:
- 1865 (i) commercial greenhouses;
- 1866 (ii) irrigation pumps;
- 1867 (iii) farm machinery;
- 1868 (iv) implements of husbandry as defined in Section [41-1a-102](#) that are not registered
1869 under Title 41, Chapter 1a, Part 2, Registration; and
- 1870 (v) other farming activities;
- 1871 (c) in manufacturing tangible personal property at an establishment described in:
- 1872 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
1873 the federal Executive Office of the President, Office of Management and Budget; or
- 1874 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
1875 American Industry Classification System of the federal Executive Office of the President,
1876 Office of Management and Budget;
- 1877 (d) by a scrap recycler if:
- 1878 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
1879 one or more of the following items into prepared grades of processed materials for use in new
1880 products:
- 1881 (A) iron;
- 1882 (B) steel;
- 1883 (C) nonferrous metal;
- 1884 (D) paper;
- 1885 (E) glass;
- 1886 (F) plastic;
- 1887 (G) textile; or

1888 (H) rubber; and
1889 (ii) the new products under Subsection [~~56~~] (55)(d)(i) would otherwise be made with
1890 nonrecycled materials; or
1891 (e) in producing a form of energy or steam described in Subsection 54-2-1(3)(a) by a
1892 cogeneration facility as defined in Section 54-2-1.
1893 [~~57~~] (56) (a) Except as provided in Subsection [~~57~~] (56)(b), "installation charge"
1894 means a charge for installing:
1895 (i) tangible personal property; or
1896 (ii) a product transferred electronically.
1897 (b) "Installation charge" does not include a charge for:
1898 (i) repairs or renovations of:
1899 (A) tangible personal property; or
1900 (B) a product transferred electronically; or
1901 (ii) attaching tangible personal property or a product transferred electronically:
1902 (A) to other tangible personal property; and
1903 (B) as part of a manufacturing or fabrication process.
1904 [~~58~~] (57) "Institution of higher education" means an institution of higher education
1905 listed in Section 53B-2-101.
1906 [~~59~~] (58) (a) "Lease" or "rental" means a transfer of possession or control of tangible
1907 personal property or a product transferred electronically for:
1908 (i) (A) a fixed term; or
1909 (B) an indeterminate term; and
1910 (ii) consideration.
1911 (b) "Lease" or "rental" includes an agreement covering a motor vehicle and trailer if the
1912 amount of consideration may be increased or decreased by reference to the amount realized
1913 upon sale or disposition of the property as defined in Section 7701(h)(1), Internal Revenue
1914 Code.
1915 (c) "Lease" or "rental" does not include:
1916 (i) a transfer of possession or control of property under a security agreement or
1917 deferred payment plan that requires the transfer of title upon completion of the required
1918 payments;

1919 (ii) a transfer of possession or control of property under an agreement that requires the
1920 transfer of title:

1921 (A) upon completion of required payments; and

1922 (B) if the payment of an option price does not exceed the greater of:

1923 (I) \$100; or

1924 (II) 1% of the total required payments; or

1925 (iii) providing tangible personal property along with an operator for a fixed period of
1926 time or an indeterminate period of time if the operator is necessary for equipment to perform as
1927 designed.

1928 (d) For purposes of Subsection [~~(59)~~] (58)(c)(iii), an operator is necessary for
1929 equipment to perform as designed if the operator's duties exceed the:

1930 (i) set-up of tangible personal property;

1931 (ii) maintenance of tangible personal property; or

1932 (iii) inspection of tangible personal property.

1933 [~~(60)~~] (59) "Life science establishment" means an establishment in this state that is
1934 classified under the following NAICS codes of the 2007 North American Industry
1935 Classification System of the federal Executive Office of the President, Office of Management
1936 and Budget:

1937 (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;

1938 (b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus

1939 Manufacturing; or

1940 (c) NAICS Code 334517, Irradiation Apparatus Manufacturing.

1941 [~~(61)~~] (60) "Life science research and development facility" means a facility owned,
1942 leased, or rented by a life science establishment if research and development is performed in
1943 51% or more of the total area of the facility.

1944 [~~(62)~~] (61) "Load and leave" means delivery to a purchaser by use of a tangible storage
1945 media if the tangible storage media is not physically transferred to the purchaser.

1946 [~~(63)~~] (62) "Local taxing jurisdiction" means a:

1947 (a) county that is authorized to impose an agreement sales and use tax;

1948 (b) city that is authorized to impose an agreement sales and use tax; or

1949 (c) town that is authorized to impose an agreement sales and use tax.

1950 [~~(64)~~] (63) "Manufactured home" means the same as that term is defined in Section
1951 15A-1-302.

1952 [~~(65)~~] (64) "Manufacturing facility" means:

1953 (a) an establishment described in:

1954 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
1955 the federal Executive Office of the President, Office of Management and Budget; or
1956 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
1957 American Industry Classification System of the federal Executive Office of the President,
1958 Office of Management and Budget;

1959 (b) a scrap recycler if:

1960 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
1961 one or more of the following items into prepared grades of processed materials for use in new
1962 products:

1963 (A) iron;

1964 (B) steel;

1965 (C) nonferrous metal;

1966 (D) paper;

1967 (E) glass;

1968 (F) plastic;

1969 (G) textile; or

1970 (H) rubber; and

1971 (ii) the new products under Subsection [~~(65)~~] (64)(b)(i) would otherwise be made with
1972 nonrecycled materials; or

1973 (c) a cogeneration facility as defined in Section 54-2-1 if the cogeneration facility is
1974 placed in service on or after May 1, 2006.

1975 [~~(66)~~] (65) "Member of the immediate family of the producer" means a person who is
1976 related to a producer described in Subsection 59-12-104[~~(20)~~](16)(a) as a:

1977 (a) child or stepchild, regardless of whether the child or stepchild is:

1978 (i) an adopted child or adopted stepchild; or

1979 (ii) a foster child or foster stepchild;

1980 (b) grandchild or stepgrandchild;

- 1981 (c) grandparent or stepgrandparent;
- 1982 (d) nephew or stepnephew;
- 1983 (e) niece or stepniece;
- 1984 (f) parent or stepparent;
- 1985 (g) sibling or stepsibling;
- 1986 (h) spouse;
- 1987 (i) person who is the spouse of a person described in Subsections ~~[(66)]~~ (65)(a) through
- 1988 (g); or
- 1989 (j) person similar to a person described in Subsections ~~[(66)]~~ (65)(a) through (i) as
- 1990 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah
- 1991 Administrative Rulemaking Act.
- 1992 ~~[(67)]~~ (66) "Mobile home" means the same as that term is defined in Section
- 1993 [15A-1-302](#).
- 1994 ~~[(68)]~~ (67) "Mobile telecommunications service" means the same as that term is
- 1995 defined in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.
- 1996 ~~[(69)]~~ (68) (a) "Mobile wireless service" means a telecommunications service,
- 1997 regardless of the technology used, if:
- 1998 (i) the origination point of the conveyance, routing, or transmission is not fixed;
- 1999 (ii) the termination point of the conveyance, routing, or transmission is not fixed; or
- 2000 (iii) the origination point described in Subsection ~~[(69)]~~ (68)(a)(i) and the termination
- 2001 point described in Subsection ~~[(69)]~~ (68)(a)(ii) are not fixed.
- 2002 (b) "Mobile wireless service" includes a telecommunications service that is provided
- 2003 by a commercial mobile radio service provider.
- 2004 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2005 commission may by rule define "commercial mobile radio service provider."
- 2006 ~~[(70)]~~ (69) (a) Except as provided in Subsection ~~[(70)]~~ (69)(c), "mobility enhancing
- 2007 equipment" means equipment that is:
- 2008 (i) primarily and customarily used to provide or increase the ability to move from one
- 2009 place to another;
- 2010 (ii) appropriate for use in a:
- 2011 (A) home; or

2012 (B) motor vehicle; and
2013 (iii) not generally used by persons with normal mobility.
2014 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of
2015 the equipment described in Subsection [~~(70)~~] (69)(a).
2016 (c) "Mobility enhancing equipment" does not include:
2017 (i) a motor vehicle;
2018 (ii) equipment on a motor vehicle if that equipment is normally provided by the motor
2019 vehicle manufacturer;
2020 (iii) durable medical equipment; or
2021 (iv) a prosthetic device.
2022 [~~(71)~~] (70) "Model 1 seller" means a seller registered under the agreement that has
2023 selected a certified service provider as the seller's agent to perform all of the seller's sales and
2024 use tax functions for agreement sales and use taxes other than the seller's obligation under
2025 Section 59-12-124 to remit a tax on the seller's own purchases.
2026 [~~(72)~~] (71) "Model 2 seller" means a seller registered under the agreement that:
2027 (a) except as provided in Subsection [~~(72)~~] (71)(b), has selected a certified automated
2028 system to perform the seller's sales tax functions for agreement sales and use taxes; and
2029 (b) retains responsibility for remitting all of the sales tax:
2030 (i) collected by the seller; and
2031 (ii) to the appropriate local taxing jurisdiction.
2032 [~~(73)~~] (72) (a) Subject to Subsection [~~(73)~~] (72)(b), "model 3 seller" means a seller
2033 registered under the agreement that has:
2034 (i) sales in at least five states that are members of the agreement;
2035 (ii) total annual sales revenues of at least \$500,000,000;
2036 (iii) a proprietary system that calculates the amount of tax:
2037 (A) for an agreement sales and use tax; and
2038 (B) due to each local taxing jurisdiction; and
2039 (iv) entered into a performance agreement with the governing board of the agreement.
2040 (b) For purposes of Subsection [~~(73)~~] (72)(a), "model 3 seller" includes an affiliated
2041 group of sellers using the same proprietary system.
2042 [~~(74)~~] (73) "Model 4 seller" means a seller that is registered under the agreement and is

2043 not a model 1 seller, model 2 seller, or model 3 seller.

2044 [~~(75)~~] (74) "Modular home" means a modular unit as defined in Section 15A-1-302.

2045 [~~(76)~~] (75) "Motor vehicle" means the same as that term is defined in Section

2046 41-1a-102.

2047 [~~(77)~~] (76) "Oil sands" means impregnated bituminous sands that:

2048 (a) contain a heavy, thick form of petroleum that is released when heated, mixed with
2049 other hydrocarbons, or otherwise treated;

2050 (b) yield mixtures of liquid hydrocarbon; and

2051 (c) require further processing other than mechanical blending before becoming finished
2052 petroleum products.

2053 [~~(78)~~] (77) "Oil shale" means a group of fine black to dark brown shales containing
2054 kerogen material that yields petroleum upon heating and distillation.

2055 [~~(79)~~] (78) "Optional computer software maintenance contract" means a computer
2056 software maintenance contract that a customer is not obligated to purchase as a condition to the
2057 retail sale of computer software.

2058 [~~(80)~~] (79) (a) "Other fuels" means products that burn independently to produce heat or
2059 energy.

2060 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible
2061 personal property.

2062 [~~(81)~~] (80) (a) "Paging service" means a telecommunications service that provides
2063 transmission of a coded radio signal for the purpose of activating a specific pager.

2064 (b) For purposes of Subsection [~~(81)~~] (80)(a), the transmission of a coded radio signal
2065 includes a transmission by message or sound.

2066 [~~(82)~~] (81) "Pawnbroker" means the same as that term is defined in Section
2067 13-32a-102.

2068 [~~(83)~~] (82) "Pawn transaction" means the same as that term is defined in Section
2069 13-32a-102.

2070 [~~(84)~~] (83) (a) "Permanently attached to real property" means that for tangible personal
2071 property attached to real property:

2072 (i) the attachment of the tangible personal property to the real property:

2073 (A) is essential to the use of the tangible personal property; and

2074 (B) suggests that the tangible personal property will remain attached to the real
2075 property in the same place over the useful life of the tangible personal property; or
2076 (ii) if the tangible personal property is detached from the real property, the detachment
2077 would:
2078 (A) cause substantial damage to the tangible personal property; or
2079 (B) require substantial alteration or repair of the real property to which the tangible
2080 personal property is attached.
2081 (b) "Permanently attached to real property" includes:
2082 (i) the attachment of an accessory to the tangible personal property if the accessory is:
2083 (A) essential to the operation of the tangible personal property; and
2084 (B) attached only to facilitate the operation of the tangible personal property;
2085 (ii) a temporary detachment of tangible personal property from real property for a
2086 repair or renovation if the repair or renovation is performed where the tangible personal
2087 property and real property are located; or
2088 (iii) property attached to oil, gas, or water pipelines, except for the property listed in
2089 Subsection [~~84~~] (83)(c)(iii) or (iv).
2090 (c) "Permanently attached to real property" does not include:
2091 (i) the attachment of portable or movable tangible personal property to real property if
2092 that portable or movable tangible personal property is attached to real property only for:
2093 (A) convenience;
2094 (B) stability; or
2095 (C) for an obvious temporary purpose;
2096 (ii) the detachment of tangible personal property from real property except for the
2097 detachment described in Subsection [~~84~~] (83)(b)(ii); or
2098 (iii) an attachment of the following tangible personal property to real property if the
2099 attachment to real property is only through a line that supplies water, electricity, gas,
2100 telecommunications, cable, or supplies a similar item as determined by the commission by rule
2101 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:
2102 (A) a computer;
2103 (B) a telephone;
2104 (C) a television; or

2105 (D) tangible personal property similar to Subsections ~~[(84)]~~ (83)(c)(iii)(A) through (C)
 2106 as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah
 2107 Administrative Rulemaking Act~~[-or]~~.

2108 ~~[(iv) an item listed in Subsection (125)(c):]~~

2109 ~~[(85)]~~ (84) "Person" includes any individual, firm, partnership, joint venture,
 2110 association, corporation, estate, trust, business trust, receiver, syndicate, this state, any county,
 2111 city, municipality, district, or other local governmental entity of the state, or any group or
 2112 combination acting as a unit.

2113 ~~[(86)]~~ (85) "Place of primary use":

2114 (a) for telecommunications service other than mobile telecommunications service,
 2115 means the street address representative of where the customer's use of the telecommunications
 2116 service primarily occurs, which shall be:

2117 (i) the residential street address of the customer; or

2118 (ii) the primary business street address of the customer; or

2119 (b) for mobile telecommunications service, means the same as that term is defined in
 2120 the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

2121 ~~[(87)]~~ (86) (a) "Postpaid calling service" means a telecommunications service a person
 2122 obtains by making a payment on a call-by-call basis:

2123 (i) through the use of a:

2124 (A) bank card;

2125 (B) credit card;

2126 (C) debit card; or

2127 (D) travel card; or

2128 (ii) by a charge made to a telephone number that is not associated with the origination
 2129 or termination of the telecommunications service.

2130 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling
 2131 service, that would be a prepaid wireless calling service if the service were exclusively a
 2132 telecommunications service.

2133 ~~[(88) "Postproduction" means an activity related to the finishing or duplication of a
 2134 medium described in Subsection 59-12-104(54)(a):]~~

2135 ~~[(89)]~~ (87) "Prepaid calling service" means a telecommunications service:

- 2136 (a) that allows a purchaser access to telecommunications service that is exclusively
- 2137 telecommunications service;
- 2138 (b) that:
- 2139 (i) is paid for in advance; and
- 2140 (ii) enables the origination of a call using an:
- 2141 (A) access number; or
- 2142 (B) authorization code;
- 2143 (c) that is dialed:
- 2144 (i) manually; or
- 2145 (ii) electronically; and
- 2146 (d) sold in predetermined units or dollars that decline:
- 2147 (i) by a known amount; and
- 2148 (ii) with use.
- 2149 [~~(90)~~] (88) "Prepaid wireless calling service" means a telecommunications service:
- 2150 (a) that provides the right to utilize:
- 2151 (i) mobile wireless service; and
- 2152 (ii) other service that is not a telecommunications service, including:
- 2153 (A) the download of a product transferred electronically;
- 2154 (B) a content service; or
- 2155 (C) an ancillary service;
- 2156 (b) that:
- 2157 (i) is paid for in advance; and
- 2158 (ii) enables the origination of a call using an:
- 2159 (A) access number; or
- 2160 (B) authorization code;
- 2161 (c) that is dialed:
- 2162 (i) manually; or
- 2163 (ii) electronically; and
- 2164 (d) sold in predetermined units or dollars that decline:
- 2165 (i) by a known amount; and
- 2166 (ii) with use.

2167 [~~(91)~~] (89) (a) "Prepared food" means:
2168 (i) food:
2169 (A) sold in a heated state; or
2170 (B) heated by a seller;
2171 (ii) two or more food ingredients mixed or combined by the seller for sale as a single
2172 item; or
2173 (iii) except as provided in Subsection [~~(91)~~] (89)(c), food sold with an eating utensil
2174 provided by the seller, including a:
2175 (A) plate;
2176 (B) knife;
2177 (C) fork;
2178 (D) spoon;
2179 (E) glass;
2180 (F) cup;
2181 (G) napkin; or
2182 (H) straw.
2183 (b) "Prepared food" does not include:
2184 (i) food that a seller only:
2185 (A) cuts;
2186 (B) repackages; or
2187 (C) pasteurizes; or
2188 (ii) (A) the following:
2189 (I) raw egg;
2190 (II) raw fish;
2191 (III) raw meat;
2192 (IV) raw poultry; or
2193 (V) a food containing an item described in Subsections [~~(91)~~] (89)(b)(ii)(A)(I) through
2194 (IV); and
2195 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the
2196 Food and Drug Administration's Food Code that a consumer cook the items described in
2197 Subsection [~~(91)~~] (89)(b)(ii)(A) to prevent food borne illness; or

- 2198 (iii) the following if sold without eating utensils provided by the seller:
- 2199 (A) food and food ingredients sold by a seller if the seller's proper primary
- 2200 classification under the 2002 North American Industry Classification System of the federal
- 2201 Executive Office of the President, Office of Management and Budget, is manufacturing in
- 2202 Sector 311, Food Manufacturing, except for Subsector 3118, Bakeries and Tortilla
- 2203 Manufacturing;
- 2204 (B) food and food ingredients sold in an unheated state:
- 2205 (I) by weight or volume; and
- 2206 (II) as a single item; or
- 2207 (C) a bakery item, including:
- 2208 (I) a bagel;
- 2209 (II) a bar;
- 2210 (III) a biscuit;
- 2211 (IV) bread;
- 2212 (V) a bun;
- 2213 (VI) a cake;
- 2214 (VII) a cookie;
- 2215 (VIII) a croissant;
- 2216 (IX) a danish;
- 2217 (X) a donut;
- 2218 (XI) a muffin;
- 2219 (XII) a pastry;
- 2220 (XIII) a pie;
- 2221 (XIV) a roll;
- 2222 (XV) a tart;
- 2223 (XVI) a torte; or
- 2224 (XVII) a tortilla.
- 2225 (c) An eating utensil provided by the seller does not include the following used to
- 2226 transport the food:
- 2227 (i) a container; or
- 2228 (ii) packaging.

- 2229 [~~(92)~~] (90) "Prescription" means an order, formula, or recipe that is issued:
- 2230 (a) (i) orally;
- 2231 (ii) in writing;
- 2232 (iii) electronically; or
- 2233 (iv) by any other manner of transmission; and
- 2234 (b) by a licensed practitioner authorized by the laws of a state.
- 2235 [~~(93)~~] (91) (a) Except as provided in Subsection [~~(93)~~] (91)(b)(ii) or (iii), "prewritten
- 2236 computer software" means computer software that is not designed and developed:
- 2237 (i) by the author or other creator of the computer software; and
- 2238 (ii) to the specifications of a specific purchaser.
- 2239 (b) "Prewritten computer software" includes:
- 2240 (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer
- 2241 software is not designed and developed:
- 2242 (A) by the author or other creator of the computer software; and
- 2243 (B) to the specifications of a specific purchaser;
- 2244 (ii) computer software designed and developed by the author or other creator of the
- 2245 computer software to the specifications of a specific purchaser if the computer software is sold
- 2246 to a person other than the purchaser; or
- 2247 (iii) except as provided in Subsection [~~(93)~~] (91)(c), prewritten computer software or a
- 2248 prewritten portion of prewritten computer software:
- 2249 (A) that is modified or enhanced to any degree; and
- 2250 (B) if the modification or enhancement described in Subsection [~~(93)~~] (91)(b)(iii)(A) is
- 2251 designed and developed to the specifications of a specific purchaser.
- 2252 (c) "Prewritten computer software" does not include a modification or enhancement
- 2253 described in Subsection [~~(93)~~] (91)(b)(iii) if the charges for the modification or enhancement
- 2254 are:
- 2255 (i) reasonable; and
- 2256 (ii) subject to Subsections 59-12-103(2)(e)(ii) and (2)(f)(i), separately stated on the
- 2257 invoice or other statement of price provided to the purchaser at the time of sale or later, as
- 2258 demonstrated by:
- 2259 (A) the books and records the seller keeps at the time of the transaction in the regular

2260 course of business, including books and records the seller keeps at the time of the transaction in
2261 the regular course of business for nontax purposes;

2262 (B) a preponderance of the facts and circumstances at the time of the transaction; and

2263 (C) the understanding of all of the parties to the transaction.

2264 [~~94~~] (92) (a) "Private communications service" means a telecommunications service:

2265 (i) that entitles a customer to exclusive or priority use of one or more communications
2266 channels between or among termination points; and

2267 (ii) regardless of the manner in which the one or more communications channels are
2268 connected.

2269 (b) "Private communications service" includes the following provided in connection
2270 with the use of one or more communications channels:

2271 (i) an extension line;

2272 (ii) a station;

2273 (iii) switching capacity; or

2274 (iv) another associated service that is provided in connection with the use of one or
2275 more communications channels as defined in Section 59-12-215.

2276 [~~95~~] (93) (a) Except as provided in Subsection [~~95~~] (93)(b), "product transferred
2277 electronically" means a product transferred electronically that would be subject to a tax under
2278 this chapter if that product was transferred in a manner other than electronically.

2279 (b) "Product transferred electronically" does not include:

2280 (i) an ancillary service;

2281 (ii) computer software; or

2282 (iii) a telecommunications service.

2283 [~~96~~] (94) (a) "Prosthetic device" means a device that is worn on or in the body to:

2284 (i) artificially replace a missing portion of the body;

2285 (ii) prevent or correct a physical deformity or physical malfunction; or

2286 (iii) support a weak or deformed portion of the body.

2287 (b) "Prosthetic device" includes:

2288 (i) parts used in the repairs or renovation of a prosthetic device;

2289 (ii) replacement parts for a prosthetic device;

2290 (iii) a dental prosthesis; or

- 2291 (iv) a hearing aid.
- 2292 (c) "Prosthetic device" does not include:
- 2293 (i) corrective eyeglasses; or
- 2294 (ii) contact lenses.
- 2295 ~~[(97)]~~ (95) (a) "Protective equipment" means an item:
- 2296 (i) for human wear; and
- 2297 (ii) that is:
- 2298 (A) designed as protection:
- 2299 (I) to the wearer against injury or disease; or
- 2300 (II) against damage or injury of other persons or property; and
- 2301 (B) not suitable for general use.
- 2302 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2303 commission shall make rules:
- 2304 (i) listing the items that constitute "protective equipment"; and
- 2305 (ii) that are consistent with the list of items that constitute "protective equipment"
- 2306 under the agreement.
- 2307 ~~[(98)]~~ (96) (a) For purposes of Subsection ~~59-12-104~~~~[(41)]~~(33), "publication" means
- 2308 any written or printed matter, other than a photocopy:
- 2309 (i) regardless of:
- 2310 (A) characteristics;
- 2311 (B) copyright;
- 2312 (C) form;
- 2313 (D) format;
- 2314 (E) method of reproduction; or
- 2315 (F) source; and
- 2316 (ii) made available in printed or electronic format.
- 2317 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2318 commission may by rule define the term "photocopy."
- 2319 ~~[(99)]~~ (97) (a) "Purchase price" and "sales price" mean the total amount of
- 2320 consideration:
- 2321 (i) valued in money; and

- 2322 (ii) for which tangible personal property, a product transferred electronically, or
2323 services are:
- 2324 (A) sold;
 - 2325 (B) leased; or
 - 2326 (C) rented.
- 2327 (b) "Purchase price" and "sales price" include:
- 2328 (i) the seller's cost of the tangible personal property, a product transferred
2329 electronically, or services sold;
 - 2330 (ii) expenses of the seller, including:
 - 2331 (A) the cost of materials used;
 - 2332 (B) a labor cost;
 - 2333 (C) a service cost;
 - 2334 (D) interest;
 - 2335 (E) a loss;
 - 2336 (F) the cost of transportation to the seller; ~~[or]~~
 - 2337 (G) a tax imposed on the seller;
 - 2338 (H) a delivery charge; or
 - 2339 (I) an installation charge;
 - 2340 (iii) a charge by the seller for any service necessary to complete the sale; or
 - 2341 (iv) consideration a seller receives from a person other than the purchaser if:
 - 2342 (A) (I) the seller actually receives consideration from a person other than the purchaser;
 - 2343 and
 - 2344 (II) the consideration described in Subsection ~~[(99)]~~ (97)(b)(iv)(A)(I) is directly related
2345 to a price reduction or discount on the sale;
 - 2346 (B) the seller has an obligation to pass the price reduction or discount through to the
2347 purchaser;
 - 2348 (C) the amount of the consideration attributable to the sale is fixed and determinable by
2349 the seller at the time of the sale to the purchaser; and
 - 2350 (D) (I) (Aa) the purchaser presents a certificate, coupon, or other documentation to the
2351 seller to claim a price reduction or discount; and
 - 2352 (Bb) a person other than the seller authorizes, distributes, or grants the certificate,

2353 coupon, or other documentation with the understanding that the person other than the seller
2354 will reimburse any seller to whom the certificate, coupon, or other documentation is presented;
2355 (II) the purchaser identifies that purchaser to the seller as a member of a group or
2356 organization allowed a price reduction or discount, except that a preferred customer card that is
2357 available to any patron of a seller does not constitute membership in a group or organization
2358 allowed a price reduction or discount; or
2359 (III) the price reduction or discount is identified as a third party price reduction or
2360 discount on the:
2361 (Aa) invoice the purchaser receives; or
2362 (Bb) certificate, coupon, or other documentation the purchaser presents.
2363 (c) "Purchase price" and "sales price" do not include:
2364 (i) a discount:
2365 (A) in a form including:
2366 (I) cash;
2367 (II) term; or
2368 (III) coupon;
2369 (B) that is allowed by a seller;
2370 (C) taken by a purchaser on a sale; and
2371 (D) that is not reimbursed by a third party; or
2372 (ii) subject to Subsections 59-12-103(2)(e)(ii) and (2)(f)(i), the following if separately
2373 stated on an invoice, bill of sale, or similar document provided to the purchaser at the time of
2374 sale or later, as demonstrated by the books and records the seller keeps at the time of the
2375 transaction in the regular course of business, including books and records the seller keeps at the
2376 time of the transaction in the regular course of business for nontax purposes, by a
2377 preponderance of the facts and circumstances at the time of the transaction, and by the
2378 understanding of all of the parties to the transaction:
2379 (A) the following from credit extended on the sale of tangible personal property or
2380 services:
2381 (I) a carrying charge;
2382 (II) a financing charge; or
2383 (III) an interest charge;

2384 ~~[(B) a delivery charge;]~~
2385 ~~[(C) an installation charge;]~~
2386 ~~[(D)]~~ (B) a manufacturer rebate on a motor vehicle; or
2387 ~~[(E)]~~ (C) a tax or fee legally imposed directly on the consumer.
2388 ~~[(100)]~~ (98) "Purchaser" means a person to whom:
2389 (a) a sale of tangible personal property is made;
2390 (b) a product is transferred electronically; or
2391 (c) a service is furnished.
2392 ~~[(101)]~~ (99) "Qualifying enterprise data center" means an establishment that will:
2393 (a) own and operate a data center facility that will house a group of networked server
2394 computers in one physical location in order to centralize the dissemination, management, and
2395 storage of data and information;
2396 (b) be located in the state;
2397 (c) be a new operation constructed on or after July 1, 2016;
2398 (d) consist of one or more buildings that total 150,000 or more square feet;
2399 (e) be owned or leased by:
2400 (i) the establishment; or
2401 (ii) a person under common ownership, as defined in Section 59-7-101, of the
2402 establishment; and
2403 (f) be located on one or more parcels of land that are owned or leased by:
2404 (i) the establishment; or
2405 (ii) a person under common ownership, as defined in Section 59-7-101, of the
2406 establishment.
2407 (100) "Rate reduction factor" means a percentage calculated by determining the
2408 quotient of the current state sales and use tax rate in effect under Subsection
2409 59-12-103(2)(a)(i)(A) divided by 4.70%;
2410 ~~[(102)]~~ (101) "Regularly rented" means:
2411 (a) rented to a guest for value three or more times during a calendar year; or
2412 (b) advertised or held out to the public as a place that is regularly rented to guests for
2413 value.
2414 ~~[(103)]~~ (102) "Rental" means the same as that term is defined in Subsection ~~[(59)]~~ (58).

2415 ~~[(104)]~~ (103) (a) Except as provided in Subsection ~~[(104)]~~ (103)(b), "repairs or
2416 renovations of tangible personal property" means:

2417 (i) a repair or renovation of tangible personal property that is not permanently attached
2418 to real property; or

2419 (ii) attaching tangible personal property or a product transferred electronically to other
2420 tangible personal property or detaching tangible personal property or a product transferred
2421 electronically from other tangible personal property if:

2422 (A) the other tangible personal property to which the tangible personal property or
2423 product transferred electronically is attached or from which the tangible personal property or
2424 product transferred electronically is detached is not permanently attached to real property; and

2425 (B) the attachment of tangible personal property or a product transferred electronically
2426 to other tangible personal property or detachment of tangible personal property or a product
2427 transferred electronically from other tangible personal property is made in conjunction with a
2428 repair or replacement of tangible personal property or a product transferred electronically.

2429 (b) "Repairs or renovations of tangible personal property" does not include:

2430 (i) attaching prewritten computer software to other tangible personal property if the
2431 other tangible personal property to which the prewritten computer software is attached is not
2432 permanently attached to real property; or

2433 (ii) detaching prewritten computer software from other tangible personal property if the
2434 other tangible personal property from which the prewritten computer software is detached is
2435 not permanently attached to real property.

2436 ~~[(105)]~~ (104) "Research and development" means the process of inquiry or
2437 experimentation aimed at the discovery of facts, devices, technologies, or applications and the
2438 process of preparing those devices, technologies, or applications for marketing.

2439 ~~[(106)]~~ (105) (a) "Residential telecommunications services" means a
2440 telecommunications service or an ancillary service that is provided to an individual for personal
2441 use:

2442 (i) at a residential address; or

2443 (ii) at an institution, including a nursing home or a school, if the telecommunications
2444 service or ancillary service is provided to and paid for by the individual residing at the
2445 institution rather than the institution.

2446 (b) For purposes of Subsection [~~(106)~~] (105)(a)(i), a residential address includes an:

2447 (i) apartment; or

2448 (ii) other individual dwelling unit.

2449 [~~(107)~~] (106) "Residential use" means the use in or around a home, apartment building,
2450 sleeping quarters, and similar facilities or accommodations.

2451 [~~(108)~~] (107) (a) "Retailer" means any person engaged in a regularly organized
2452 business in tangible personal property or any other taxable transaction under Subsection
2453 59-12-103(1), and who is selling to the user or consumer and not for resale.

2454 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly
2455 engaged in the business of selling to users or consumers within the state.

2456 [~~(109)~~] (108) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose
2457 other than:

2458 (a) resale;

2459 (b) sublease; or

2460 (c) subrent.

2461 [~~(110)~~] (109) (a) "Sale" means any transfer of title, exchange, or barter, conditional or
2462 otherwise, in any manner, of tangible personal property or any other taxable transaction under
2463 Subsection 59-12-103(1), for consideration.

2464 (b) "Sale" includes:

2465 (i) installment and credit sales;

2466 (ii) any closed transaction constituting a sale;

2467 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this
2468 chapter;

2469 (iv) any transaction if the possession of property is transferred but the seller retains the
2470 title as security for the payment of the price; and

2471 (v) any transaction under which right to possession, operation, or use of any article of
2472 tangible personal property is granted under a lease or contract and the transfer of possession
2473 would be taxable if an outright sale were made.

2474 [~~(111)~~] (110) "Sale at retail" means the same as that term is defined in Subsection
2475 [~~(109)~~] (108).

2476 [~~(112)~~] (111) "Sale-leaseback transaction" means a transaction by which title to

2477 tangible personal property or a product transferred electronically that is subject to a tax under
2478 this chapter is transferred:

2479 (a) by a purchaser-lessee;

2480 (b) to a lessor;

2481 (c) for consideration; and

2482 (d) if:

2483 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase
2484 of the tangible personal property or product transferred electronically;

2485 (ii) the sale of the tangible personal property or product transferred electronically to the
2486 lessor is intended as a form of financing:

2487 (A) for the tangible personal property or product transferred electronically; and

2488 (B) to the purchaser-lessee; and

2489 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee
2490 is required to:

2491 (A) capitalize the tangible personal property or product transferred electronically for
2492 financial reporting purposes; and

2493 (B) account for the lease payments as payments made under a financing arrangement.

2494 [~~(H3)~~] (112) "Sales price" means the same as that term is defined in Subsection [~~(99)~~]
2495 (97).

2496 [~~(H4)~~] (113) (a) "Sales relating to schools" means the following sales by, amounts
2497 paid to, or amounts charged by a school:

2498 (i) sales that are directly related to the school's educational functions or activities
2499 including:

2500 (A) the sale of:

2501 (I) textbooks;

2502 (II) textbook fees;

2503 (III) laboratory fees;

2504 (IV) laboratory supplies; or

2505 (V) safety equipment;

2506 (B) the sale of a uniform, protective equipment, or sports or recreational equipment

2507 that:

2508 (I) a student is specifically required to wear as a condition of participation in a
2509 school-related event or school-related activity; and
2510 (II) is not readily adaptable to general or continued usage to the extent that it takes the
2511 place of ordinary clothing;
2512 (C) sales of the following if the net or gross revenues generated by the sales are
2513 deposited into a school district fund or school fund dedicated to school meals:
2514 (I) food and food ingredients; or
2515 (II) prepared food; or
2516 (D) transportation charges for official school activities; or
2517 (ii) amounts paid to or amounts charged by a school for admission to a school-related
2518 event or school-related activity.
2519 (b) "Sales relating to schools" does not include:
2520 (i) bookstore sales of items that are not educational materials or supplies;
2521 (ii) except as provided in Subsection [~~(114)~~] (113)(a)(i)(B):
2522 (A) clothing;
2523 (B) clothing accessories or equipment;
2524 (C) protective equipment; or
2525 (D) sports or recreational equipment; or
2526 (iii) amounts paid to or amounts charged by a school for admission to a school-related
2527 event or school-related activity if the amounts paid or charged are passed through to a person:
2528 (A) other than a:
2529 (I) school;
2530 (II) nonprofit organization authorized by a school board or a governing body of a
2531 private school to organize and direct a competitive secondary school activity; or
2532 (III) nonprofit association authorized by a school board or a governing body of a
2533 private school to organize and direct a competitive secondary school activity; and
2534 (B) that is required to collect sales and use taxes under this chapter.
2535 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2536 commission may make rules defining the term "passed through."
2537 [~~(115)~~] (114) For purposes of this section and Section 59-12-104, "school":
2538 (a) means:

- 2539 (i) an elementary school or a secondary school that:
- 2540 (A) is a:
- 2541 (I) public school; or
- 2542 (II) private school; and
- 2543 (B) provides instruction for one or more grades kindergarten through 12; or
- 2544 (ii) a public school district; and
- 2545 (b) includes the Electronic High School as defined in Section 53E-10-601.
- 2546 [(H6)] (115) "Seller" means a person that makes a sale, lease, or rental of:
- 2547 (a) tangible personal property;
- 2548 (b) a product transferred electronically; or
- 2549 (c) a service.
- 2550 [(H7)] (116) (a) "Semiconductor fabricating, processing, research, or development
- 2551 materials" means tangible personal property or a product transferred electronically if the
- 2552 tangible personal property or product transferred electronically is:
- 2553 (i) used primarily in the process of:
- 2554 (A) (I) manufacturing a semiconductor;
- 2555 (II) fabricating a semiconductor; or
- 2556 (III) research or development of a:
- 2557 (Aa) semiconductor; or
- 2558 (Bb) semiconductor manufacturing process; or
- 2559 (B) maintaining an environment suitable for a semiconductor; or
- 2560 (ii) consumed primarily in the process of:
- 2561 (A) (I) manufacturing a semiconductor;
- 2562 (II) fabricating a semiconductor; or
- 2563 (III) research or development of a:
- 2564 (Aa) semiconductor; or
- 2565 (Bb) semiconductor manufacturing process; or
- 2566 (B) maintaining an environment suitable for a semiconductor.
- 2567 (b) "Semiconductor fabricating, processing, research, or development materials"
- 2568 includes:
- 2569 (i) parts used in the repairs or renovations of tangible personal property or a product

2570 transferred electronically described in Subsection [~~(117)~~] (116)(a); or

2571 (ii) a chemical, catalyst, or other material used to:

2572 (A) produce or induce in a semiconductor a:

2573 (I) chemical change; or

2574 (II) physical change;

2575 (B) remove impurities from a semiconductor; or

2576 (C) improve the marketable condition of a semiconductor.

2577 [~~(118)~~] (117) "Senior citizen center" means a facility having the primary purpose of

2578 providing services to the aged as defined in Section [62A-3-101](#).

2579 (118) (a) "Service" means an activity engaged in for another person for a fee, retainer,

2580 commission, or other monetary charge, if the activity involves the performance of a service.

2581 (b) "Service" does not include a service rendered by an employee for the employee's

2582 employer.

2583 (119) (a) Subject to Subsections (119)(b) and (c), "short-term lodging consumable"

2584 means tangible personal property that:

2585 (i) a business that provides accommodations and services described in Subsection

2586 [59-12-103](#)(1)~~(f)~~(h) purchases as part of a transaction to provide the accommodations and

2587 services to a purchaser;

2588 (ii) is intended to be consumed by the purchaser; and

2589 (iii) is:

2590 (A) included in the purchase price of the accommodations and services; and

2591 (B) not separately stated on an invoice, bill of sale, or other similar document provided

2592 to the purchaser.

2593 (b) "Short-term lodging consumable" includes:

2594 (i) a beverage;

2595 (ii) a brush or comb;

2596 (iii) a cosmetic;

2597 (iv) a hair care product;

2598 (v) lotion;

2599 (vi) a magazine;

2600 (vii) makeup;

- 2601 (viii) a meal;
- 2602 (ix) mouthwash;
- 2603 (x) nail polish remover;
- 2604 (xi) a newspaper;
- 2605 (xii) a notepad;
- 2606 (xiii) a pen;
- 2607 (xiv) a pencil;
- 2608 (xv) a razor;
- 2609 (xvi) saline solution;
- 2610 (xvii) a sewing kit;
- 2611 (xviii) shaving cream;
- 2612 (xix) a shoe shine kit;
- 2613 (xx) a shower cap;
- 2614 (xxi) a snack item;
- 2615 (xxii) soap;
- 2616 (xxiii) toilet paper;
- 2617 (xxiv) a toothbrush;
- 2618 (xxv) toothpaste; or
- 2619 (xxvi) an item similar to Subsections (119)(b)(i) through (xxv) as the commission may
- 2620 provide by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 2621 Rulemaking Act.
- 2622 (c) "Short-term lodging consumable" does not include:
- 2623 (i) tangible personal property that is cleaned or washed to allow the tangible personal
- 2624 property to be reused; or
- 2625 (ii) a product transferred electronically.
- 2626 (120) "Simplified electronic return" means the electronic return:
- 2627 (a) described in Section 318(C) of the agreement; and
- 2628 (b) approved by the governing board of the agreement.
- 2629 (121) "Solar energy" means the sun used as the sole source of energy for producing
- 2630 electricity.
- 2631 (122) (a) "Sports or recreational equipment" means an item:

2632 (i) designed for human use; and
2633 (ii) that is:
2634 (A) worn in conjunction with:
2635 (I) an athletic activity; or
2636 (II) a recreational activity; and
2637 (B) not suitable for general use.
2638 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2639 commission shall make rules:
2640 (i) listing the items that constitute "sports or recreational equipment"; and
2641 (ii) that are consistent with the list of items that constitute "sports or recreational
2642 equipment" under the agreement.
2643 (123) "State" means the state of Utah, its departments, and agencies.
2644 (124) "Storage" means any keeping or retention of tangible personal property or any
2645 other taxable transaction under Subsection [59-12-103\(1\)](#), in this state for any purpose except
2646 sale in the regular course of business.
2647 (125) (a) Except as provided in Subsection (125)(d) or (e), "tangible personal property"
2648 means personal property that:
2649 (i) may be:
2650 (A) seen;
2651 (B) weighed;
2652 (C) measured;
2653 (D) felt; or
2654 (E) touched; or
2655 (ii) is in any manner perceptible to the senses.
2656 (b) "Tangible personal property" includes:
2657 (i) electricity;
2658 (ii) water;
2659 (iii) gas;
2660 (iv) steam; or
2661 (v) prewritten computer software, regardless of the manner in which the prewritten
2662 computer software is transferred.

2663 (c) "Tangible personal property" includes the following regardless of whether the item
2664 is attached to real property:

2665 (i) a dishwasher;

2666 (ii) a dryer;

2667 (iii) a freezer;

2668 (iv) a microwave;

2669 (v) a refrigerator;

2670 (vi) a stove;

2671 (vii) a washer; or

2672 (viii) an item similar to Subsections (125)(c)(i) through (vii) as determined by the
2673 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
2674 Rulemaking Act.

2675 (d) "Tangible personal property" does not include a product that is transferred
2676 electronically.

2677 ~~[(e) "Tangible personal property" does not include the following if attached to real
2678 property, regardless of whether the attachment to real property is only through a line that
2679 supplies water, electricity, gas, telephone, cable, or supplies a similar item as determined by the
2680 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
2681 Rulemaking Act:]~~

2682 ~~[(i) a hot water heater;]~~

2683 ~~[(ii) a water filtration system; or]~~

2684 ~~[(iii) a water softener system.]~~

2685 (126) (a) "Telecommunications enabling or facilitating equipment, machinery, or
2686 software" means an item listed in Subsection (126)(b) if that item is purchased or leased
2687 primarily to enable or facilitate one or more of the following to function:

2688 (i) telecommunications switching or routing equipment, machinery, or software; or

2689 (ii) telecommunications transmission equipment, machinery, or software.

2690 (b) The following apply to Subsection (126)(a):

2691 (i) a pole;

2692 (ii) software;

2693 (iii) a supplementary power supply;

2694 (iv) temperature or environmental equipment or machinery;
2695 (v) test equipment;
2696 (vi) a tower; or
2697 (vii) equipment, machinery, or software that functions similarly to an item listed in
2698 Subsections (126)(b)(i) through (vi) as determined by the commission by rule made in
2699 accordance with Subsection (126)(c).

2700 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2701 commission may by rule define what constitutes equipment, machinery, or software that
2702 functions similarly to an item listed in Subsections (126)(b)(i) through (vi).

2703 (127) "Telecommunications equipment, machinery, or software required for 911
2704 service" means equipment, machinery, or software that is required to comply with 47 C.F.R.
2705 Sec. 20.18.

2706 (128) "Telecommunications maintenance or repair equipment, machinery, or software"
2707 means equipment, machinery, or software purchased or leased primarily to maintain or repair
2708 one or more of the following, regardless of whether the equipment, machinery, or software is
2709 purchased or leased as a spare part or as an upgrade or modification to one or more of the
2710 following:

- 2711 (a) telecommunications enabling or facilitating equipment, machinery, or software;
- 2712 (b) telecommunications switching or routing equipment, machinery, or software; or
- 2713 (c) telecommunications transmission equipment, machinery, or software.

2714 (129) (a) "Telecommunications service" means the electronic conveyance, routing, or
2715 transmission of audio, data, video, voice, or any other information or signal to a point, or
2716 among or between points.

2717 (b) "Telecommunications service" includes:

2718 (i) an electronic conveyance, routing, or transmission with respect to which a computer
2719 processing application is used to act:

- 2720 (A) on the code, form, or protocol of the content;
- 2721 (B) for the purpose of electronic conveyance, routing, or transmission; and
- 2722 (C) regardless of whether the service:
 - 2723 (I) is referred to as voice over Internet protocol service; or
 - 2724 (II) is classified by the Federal Communications Commission as enhanced or value

- 2725 added;
- 2726 (ii) an 800 service;
- 2727 (iii) a 900 service;
- 2728 (iv) a fixed wireless service;
- 2729 (v) a mobile wireless service;
- 2730 (vi) a postpaid calling service;
- 2731 (vii) a prepaid calling service;
- 2732 (viii) a prepaid wireless calling service; or
- 2733 (ix) a private communications service.
- 2734 (c) "Telecommunications service" does not include:
- 2735 (i) advertising, including directory advertising;
- 2736 (ii) an ancillary service;
- 2737 (iii) a billing and collection service provided to a third party;
- 2738 (iv) a data processing and information service if:
- 2739 (A) the data processing and information service allows data to be:
- 2740 (I) (Aa) acquired;
- 2741 (Bb) generated;
- 2742 (Cc) processed;
- 2743 (Dd) retrieved; or
- 2744 (Ee) stored; and
- 2745 (II) delivered by an electronic transmission to a purchaser; and
- 2746 (B) the purchaser's primary purpose for the underlying transaction is the processed data
- 2747 or information;
- 2748 (v) installation or maintenance of the following on a customer's premises:
- 2749 (A) equipment; or
- 2750 (B) wiring;
- 2751 (vi) Internet access service;
- 2752 (vii) a paging service;
- 2753 (viii) a product transferred electronically, including:
- 2754 (A) music;
- 2755 (B) reading material;

- 2756 (C) a ring tone;
- 2757 (D) software; or
- 2758 (E) video;
- 2759 (ix) a radio and television audio and video programming service:
- 2760 (A) regardless of the medium; and
- 2761 (B) including:
 - 2762 (I) furnishing conveyance, routing, or transmission of a television audio and video
 - 2763 programming service by a programming service provider;
 - 2764 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or
 - 2765 (III) audio and video programming services delivered by a commercial mobile radio
 - 2766 service provider as defined in 47 C.F.R. Sec. 20.3;
 - 2767 (x) a value-added nonvoice data service; or
 - 2768 (xi) tangible personal property.
- 2769 (130) (a) "Telecommunications service provider" means a person that:
 - 2770 (i) owns, controls, operates, or manages a telecommunications service; and
 - 2771 (ii) engages in an activity described in Subsection (130)(a)(i) for the shared use with or
 - 2772 resale to any person of the telecommunications service.
- 2773 (b) A person described in Subsection (130)(a) is a telecommunications service provider
- 2774 whether or not the Public Service Commission of Utah regulates:
 - 2775 (i) that person; or
 - 2776 (ii) the telecommunications service that the person owns, controls, operates, or
 - 2777 manages.
- 2778 (131) (a) "Telecommunications switching or routing equipment, machinery, or
- 2779 software" means an item listed in Subsection (131)(b) if that item is purchased or leased
- 2780 primarily for switching or routing:
 - 2781 (i) an ancillary service;
 - 2782 (ii) data communications;
 - 2783 (iii) voice communications; or
 - 2784 (iv) telecommunications service.
- 2785 (b) The following apply to Subsection (131)(a):
 - 2786 (i) a bridge;

- 2787 (ii) a computer;
- 2788 (iii) a cross connect;
- 2789 (iv) a modem;
- 2790 (v) a multiplexer;
- 2791 (vi) plug in circuitry;
- 2792 (vii) a router;
- 2793 (viii) software;
- 2794 (ix) a switch; or
- 2795 (x) equipment, machinery, or software that functions similarly to an item listed in
- 2796 Subsections (131)(b)(i) through (ix) as determined by the commission by rule made in
- 2797 accordance with Subsection (131)(c).
- 2798 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2799 commission may by rule define what constitutes equipment, machinery, or software that
- 2800 functions similarly to an item listed in Subsections (131)(b)(i) through (ix).
- 2801 (132) (a) "Telecommunications transmission equipment, machinery, or software"
- 2802 means an item listed in Subsection (132)(b) if that item is purchased or leased primarily for
- 2803 sending, receiving, or transporting:
- 2804 (i) an ancillary service;
- 2805 (ii) data communications;
- 2806 (iii) voice communications; or
- 2807 (iv) telecommunications service.
- 2808 (b) The following apply to Subsection (132)(a):
- 2809 (i) an amplifier;
- 2810 (ii) a cable;
- 2811 (iii) a closure;
- 2812 (iv) a conduit;
- 2813 (v) a controller;
- 2814 (vi) a duplexer;
- 2815 (vii) a filter;
- 2816 (viii) an input device;
- 2817 (ix) an input/output device;

- 2818 (x) an insulator;
- 2819 (xi) microwave machinery or equipment;
- 2820 (xii) an oscillator;
- 2821 (xiii) an output device;
- 2822 (xiv) a pedestal;
- 2823 (xv) a power converter;
- 2824 (xvi) a power supply;
- 2825 (xvii) a radio channel;
- 2826 (xviii) a radio receiver;
- 2827 (xix) a radio transmitter;
- 2828 (xx) a repeater;
- 2829 (xxi) software;
- 2830 (xxii) a terminal;
- 2831 (xxiii) a timing unit;
- 2832 (xxiv) a transformer;
- 2833 (xxv) a wire; or

2834 (xxvi) equipment, machinery, or software that functions similarly to an item listed in
2835 Subsections (132)(b)(i) through (xxv) as determined by the commission by rule made in
2836 accordance with Subsection (132)(c).

2837 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2838 commission may by rule define what constitutes equipment, machinery, or software that
2839 functions similarly to an item listed in Subsections (132)(b)(i) through (xxv).

2840 ~~[(133) (a) "Textbook for a higher education course" means a textbook or other printed~~
2841 ~~material that is required for a course.]~~

2842 ~~[(i) offered by an institution of higher education; and]~~

2843 ~~[(ii) that the purchaser of the textbook or other printed material attends or will attend.]~~

2844 ~~[(b) "Textbook for a higher education course" includes a textbook in electronic~~
2845 ~~format.]~~

2846 ~~[(134)]~~ (133) "Tobacco" means:

2847 (a) a cigarette;

2848 (b) a cigar;

2849 (c) chewing tobacco;

2850 (d) pipe tobacco; or

2851 (e) any other item that contains tobacco.

2852 [~~(135)~~] "~~Unassisted amusement device~~" means an amusement device, skill device, or
 2853 ride device that is started and stopped by the purchaser or renter of the right to use or operate
 2854 the amusement device, skill device, or ride device.]

2855 [~~(136)~~] (134) (a) "Use" means the exercise of any right or power over tangible personal
 2856 property, a product transferred electronically, or a service under Subsection 59-12-103(1),
 2857 incident to the ownership or the leasing of that tangible personal property, product transferred
 2858 electronically, or service.

2859 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal
 2860 property, a product transferred electronically, or a service in the regular course of business and
 2861 held for resale.

2862 [~~(137)~~] (135) "Value-added nonvoice data service" means a service:

2863 (a) that otherwise meets the definition of a telecommunications service except that a
 2864 computer processing application is used to act primarily for a purpose other than conveyance,
 2865 routing, or transmission; and

2866 (b) with respect to which a computer processing application is used to act on data or
 2867 information:

2868 (i) code;

2869 (ii) content;

2870 (iii) form; or

2871 (iv) protocol.

2872 [~~(138)~~] (136) (a) Subject to Subsection [~~(138)~~] (136)(b), "vehicle" means the following
 2873 that are required to be titled, registered, or titled and registered:

2874 (i) an aircraft as defined in Section 72-10-102;

2875 (ii) a vehicle as defined in Section 41-1a-102;

2876 (iii) an off-highway vehicle as defined in Section 41-22-2; or

2877 (iv) a vessel as defined in Section 41-1a-102.

2878 (b) For purposes of Subsection 59-12-104[~~(33)~~](28) only, "vehicle" includes:

2879 (i) a vehicle described in Subsection [~~(138)~~] (136)(a); or

2880 (ii) (A) a locomotive;
2881 (B) a freight car;
2882 (C) railroad work equipment; or
2883 (D) other railroad rolling stock.
2884 ~~[(139)]~~ (137) "Vehicle dealer" means a person engaged in the business of buying,
2885 selling, or exchanging a vehicle as defined in Subsection ~~[(138)]~~ (136).
2886 ~~[(140)]~~ (138) (a) "Vertical service" means an ancillary service that:
2887 (i) is offered in connection with one or more telecommunications services; and
2888 (ii) offers an advanced calling feature that allows a customer to:
2889 (A) identify a caller; and
2890 (B) manage multiple calls and call connections.
2891 (b) "Vertical service" includes an ancillary service that allows a customer to manage a
2892 conference bridging service.
2893 ~~[(141)]~~ (139) (a) "Voice mail service" means an ancillary service that enables a
2894 customer to receive, send, or store a recorded message.
2895 (b) "Voice mail service" does not include a vertical service that a customer is required
2896 to have in order to utilize a voice mail service.
2897 ~~[(142)]~~ (140) (a) Except as provided in Subsection ~~[(142)]~~ (140)(b), "waste energy
2898 facility" means a facility that generates electricity:
2899 (i) using as the primary source of energy waste materials that would be placed in a
2900 landfill or refuse pit if it were not used to generate electricity, including:
2901 (A) tires;
2902 (B) waste coal;
2903 (C) oil shale; or
2904 (D) municipal solid waste; and
2905 (ii) in amounts greater than actually required for the operation of the facility.
2906 (b) "Waste energy facility" does not include a facility that incinerates:
2907 (i) hospital waste as defined in 40 C.F.R. 60.51c; or
2908 (ii) medical/infectious waste as defined in 40 C.F.R. 60.51c.
2909 ~~[(143)]~~ (141) "Watercraft" means a vessel as defined in Section 73-18-2.
2910 ~~[(144)]~~ (142) "Wind energy" means wind used as the sole source of energy to produce

2911 electricity.

2912 [~~(145)~~] (143) "ZIP Code" means a Zoning Improvement Plan Code assigned to a
2913 geographic location by the United States Postal Service.

2914 Section 29. Section **59-12-103** is amended to read:

2915 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
2916 **tax revenues.**

2917 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
2918 sales price for amounts paid or charged for the following transactions:

2919 (a) retail sales of tangible personal property made within the state;

2920 (b) amounts paid for:

2921 (i) telecommunications service, other than mobile telecommunications service, that
2922 originates and terminates within the boundaries of this state;

2923 (ii) mobile telecommunications service that originates and terminates within the
2924 boundaries of one state only to the extent permitted by the Mobile Telecommunications
2925 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

2926 (iii) an ancillary service associated with a:

2927 (A) telecommunications service described in Subsection (1)(b)(i); or

2928 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

2929 (c) sales of the following for commercial use:

2930 (i) gas;

2931 (ii) electricity;

2932 (iii) heat;

2933 (iv) coal;

2934 (v) fuel oil; or

2935 (vi) other fuels;

2936 (d) sales of the following for residential use:

2937 (i) gas;

2938 (ii) electricity;

2939 (iii) heat;

2940 (iv) coal;

2941 (v) fuel oil; or

- 2942 (vi) other fuels;
- 2943 (e) sales of prepared food;
- 2944 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 2945 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 2946 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 2947 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 2948 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 2949 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 2950 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 2951 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 2952 exhibition, cultural, or athletic activity;
- 2953 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 2954 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 2955 (i) the tangible personal property; and
- 2956 (ii) parts used in the repairs or renovations of the tangible personal property described
- 2957 in Subsection (1)(g)(i), regardless of whether:
- 2958 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 2959 property; or
- 2960 (B) the particular parts used in the repairs or renovations of that tangible personal
- 2961 property are exempt from a tax under this chapter;
- 2962 [~~(h) except as provided in Subsection 59-12-104(7), amounts paid or charged for~~
- 2963 ~~assisted cleaning or washing of tangible personal property;~~]
- 2964 [(†) (h) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 2965 accommodations and services that are regularly rented for less than 30 consecutive days;
- 2966 [(j) ~~amounts paid or charged for laundry or dry cleaning services;~~]
- 2967 [(k) (i) amounts paid or charged for leases or rentals of tangible personal property if
- 2968 within this state the tangible personal property is:
- 2969 (i) stored;
- 2970 (ii) used; or
- 2971 (iii) otherwise consumed;
- 2972 [(†) (j) amounts paid or charged for tangible personal property if within this state the

2973 tangible personal property is:

2974 (i) stored;

2975 (ii) used; or

2976 (iii) consumed; [~~and~~]

2977 [~~(m)~~] (k) amounts paid or charged for a sale:

2978 (i) (A) of a product transferred electronically; or

2979 (B) of a repair or renovation of a product transferred electronically; and

2980 (ii) regardless of whether the sale provides:

2981 (A) a right of permanent use of the product; or

2982 (B) a right to use the product that is less than a permanent use, including a right:

2983 (I) for a definite or specified length of time; and

2984 (II) that terminates upon the occurrence of a condition[-];

2985 (l) amounts paid or charged for access:

2986 (i) to digital audio-visual works, digital audio works, digital books, or gaming services,

2987 including the streaming of or subscription for access to digital audio-visual works, digital audio

2988 works, digital books, or gaming services;

2989 (ii) regardless of the method of delivery; and

2990 (iii) regardless of whether the amount paid or charged for access provides:

2991 (A) a right to single-use access to the digital audio-visual works, digital audio works,

2992 digital books, or gaming services; or

2993 (B) a right to access the audio-visual works, digital audio works, digital books, or

2994 gaming services through a subscription, including a right that terminates upon the occurrence

2995 of a condition;

2996 (m) amounts paid or charged for:

2997 (i) services provided in relation to the use of computer software; and

2998 (ii) the use of computer software; and

2999 (n) amounts paid or charged for a sale of a service performed by a seller unless the

3000 economic activities are exempt from the sales and use tax under Section [59-12-104](#).

3001 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
3002 is imposed on a transaction described in Subsection (1) equal to the sum of:

3003 (i) (A) beginning on January 1, 2020, a state tax imposed on the transaction at a tax

3004 rate equal to the sum of[:] 3.9% plus the rate specified in Subsection (12)(a); and
3005 ~~[(A) (I) through March 31, 2019, 4.70%; and]~~
3006 ~~[(H) beginning on April 1, 2019, 4.70% plus the rate specified in Subsection (14)(a);~~
3007 ~~and]~~
3008 (B) unless Subsection (13) applies, the tax rate described in Subsection (2)(a)(i)(A)
3009 shall be reduced by .8% on October 1, 2020.
3010 ~~[(B)]~~ (C) (I) the tax rate the state imposes in accordance with Part 18, Additional State
3011 Sales and Use Tax Act, if the location of the transaction as determined under Sections
3012 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
3013 Additional State Sales and Use Tax Act; and
3014 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
3015 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
3016 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
3017 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
3018 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
3019 transaction under this chapter other than this part.
3020 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
3021 on a transaction described in Subsection (1)(d) equal to the sum of:
3022 (i) a state tax imposed on the transaction at a tax rate of 2%; and
3023 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
3024 transaction under this chapter other than this part.
3025 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
3026 on amounts paid or charged for food and food ingredients equal to the sum of:
3027 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
3028 a tax rate of 1.75%; and
3029 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
3030 amounts paid or charged for food and food ingredients under this chapter other than this part.
3031 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
3032 tangible personal property other than food and food ingredients, a state tax and a local tax is
3033 imposed on the entire bundled transaction equal to the sum of:
3034 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

- 3035 (I) the tax rate described in Subsection (2)(a)(i)(A); and
- 3036 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
- 3037 Sales and Use Tax Act, if the location of the transaction as determined under Sections
- 3038 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
- 3039 Additional State Sales and Use Tax Act; and
- 3040 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
- 3041 Sales and Use Tax Act, if the location of the transaction as determined under Sections
- 3042 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
- 3043 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 3044 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
- 3045 described in Subsection (2)(a)(ii).
- 3046 (ii) If an optional computer software maintenance contract is a bundled transaction that
- 3047 consists of taxable and nontaxable products that are not separately itemized on an invoice or
- 3048 similar billing document, the purchase of the optional computer software maintenance contract
- 3049 is 40% taxable under this chapter and 60% nontaxable under this chapter.
- 3050 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
- 3051 transaction described in Subsection (2)(d)(i) or (ii):
- 3052 (A) if the sales price of the bundled transaction is attributable to tangible personal
- 3053 property, a product, or a service that is subject to taxation under this chapter and tangible
- 3054 personal property, a product, or service that is not subject to taxation under this chapter, the
- 3055 entire bundled transaction is subject to taxation under this chapter unless:
- 3056 (I) the seller is able to identify by reasonable and verifiable standards the tangible
- 3057 personal property, product, or service that is not subject to taxation under this chapter from the
- 3058 books and records the seller keeps in the seller's regular course of business; or
- 3059 (II) state or federal law provides otherwise; or
- 3060 (B) if the sales price of a bundled transaction is attributable to two or more items of
- 3061 tangible personal property, products, or services that are subject to taxation under this chapter
- 3062 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
- 3063 higher tax rate unless:
- 3064 (I) the seller is able to identify by reasonable and verifiable standards the tangible
- 3065 personal property, product, or service that is subject to taxation under this chapter at the lower

3066 tax rate from the books and records the seller keeps in the seller's regular course of business; or
3067 (II) state or federal law provides otherwise.

3068 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
3069 seller's regular course of business includes books and records the seller keeps in the regular
3070 course of business for nontax purposes.

3071 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
3072 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
3073 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
3074 of tangible personal property, other property, a product, or a service that is not subject to
3075 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
3076 the seller, at the time of the transaction:

3077 (A) separately states the portion of the transaction that is not subject to taxation under
3078 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

3079 (B) is able to identify by reasonable and verifiable standards, from the books and
3080 records the seller keeps in the seller's regular course of business, the portion of the transaction
3081 that is not subject to taxation under this chapter.

3082 (ii) A purchaser and a seller may correct the taxability of a transaction if:

3083 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
3084 the transaction that is not subject to taxation under this chapter was not separately stated on an
3085 invoice, bill of sale, or similar document provided to the purchaser because of an error or
3086 ignorance of the law; and

3087 (B) the seller is able to identify by reasonable and verifiable standards, from the books
3088 and records the seller keeps in the seller's regular course of business, the portion of the
3089 transaction that is not subject to taxation under this chapter.

3090 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
3091 in the seller's regular course of business includes books and records the seller keeps in the
3092 regular course of business for nontax purposes.

3093 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
3094 personal property, products, or services that are subject to taxation under this chapter at
3095 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
3096 unless the seller, at the time of the transaction:

3097 (A) separately states the items subject to taxation under this chapter at each of the
3098 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

3099 (B) is able to identify by reasonable and verifiable standards the tangible personal
3100 property, product, or service that is subject to taxation under this chapter at the lower tax rate
3101 from the books and records the seller keeps in the seller's regular course of business.

3102 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
3103 seller's regular course of business includes books and records the seller keeps in the regular
3104 course of business for nontax purposes.

3105 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
3106 rate imposed under the following shall take effect on the first day of a calendar quarter:

3107 (i) Subsection (2)(a)(i)(A);

3108 (ii) Subsection (2)(b)(i);

3109 (iii) Subsection (2)(c)(i); or

3110 (iv) Subsection (2)(d)(i)(A)(I).

3111 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
3112 begins on or after the effective date of the tax rate increase if the billing period for the
3113 transaction begins before the effective date of a tax rate increase imposed under:

3114 (A) Subsection (2)(a)(i)(A);

3115 (B) Subsection (2)(b)(i);

3116 (C) Subsection (2)(c)(i); or

3117 (D) Subsection (2)(d)(i)(A)(I).

3118 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
3119 statement for the billing period is rendered on or after the effective date of the repeal of the tax
3120 or the tax rate decrease imposed under:

3121 (A) Subsection (2)(a)(i)(A);

3122 (B) Subsection (2)(b)(i);

3123 (C) Subsection (2)(c)(i); or

3124 (D) Subsection (2)(d)(i)(A)(I).

3125 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
3126 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
3127 change in a tax rate takes effect:

- 3128 (A) on the first day of a calendar quarter; and
- 3129 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 3130 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:
- 3131 (A) Subsection (2)(a)(i)(A);
- 3132 (B) Subsection (2)(b)(i);
- 3133 (C) Subsection (2)(c)(i); or
- 3134 (D) Subsection (2)(d)(i)(A)(I).

3135 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
3136 the commission may by rule define the term "catalogue sale."

3137 (3) (a) The following state taxes shall be deposited into the General Fund:

- 3138 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 3139 (ii) the tax imposed by Subsection (2)(b)(i);
- 3140 (iii) the tax imposed by Subsection (2)(c)(i); or
- 3141 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

3142 (b) The following local taxes shall be distributed to a county, city, or town as provided
3143 in this chapter:

- 3144 (i) the tax imposed by Subsection (2)(a)(ii);
- 3145 (ii) the tax imposed by Subsection (2)(b)(ii);
- 3146 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 3147 (iv) the tax imposed by Subsection (2)(d)(i)(B).

3148 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
3149 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
3150 through (g):

- 3151 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 3152 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 3153 (B) for the fiscal year; or
- 3154 (ii) \$17,500,000.

3155 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
3156 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
3157 Department of Natural Resources to:

- 3158 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to

3159 protect sensitive plant and animal species; or

3160 (B) award grants, up to the amount authorized by the Legislature in an appropriations
3161 act, to political subdivisions of the state to implement the measures described in Subsections
3162 [79-2-303\(3\)\(a\)](#) through (d) to protect sensitive plant and animal species.

3163 (ii) Money transferred to the Department of Natural Resources under Subsection
3164 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
3165 person to list or attempt to have listed a species as threatened or endangered under the
3166 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

3167 (iii) At the end of each fiscal year:

3168 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
3169 Conservation and Development Fund created in Section [73-10-24](#);

3170 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
3171 Program Subaccount created in Section [73-10c-5](#); and

3172 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
3173 Program Subaccount created in Section [73-10c-5](#).

3174 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
3175 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
3176 created in Section [4-18-106](#).

3177 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
3178 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
3179 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
3180 water rights.

3181 (ii) At the end of each fiscal year:

3182 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
3183 Conservation and Development Fund created in Section [73-10-24](#);

3184 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
3185 Program Subaccount created in Section [73-10c-5](#); and

3186 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
3187 Program Subaccount created in Section [73-10c-5](#).

3188 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
3189 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and

3190 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

3191 (ii) In addition to the uses allowed of the Water Resources Conservation and
3192 Development Fund under Section 73-10-24, the Water Resources Conservation and
3193 Development Fund may also be used to:

3194 (A) conduct hydrologic and geotechnical investigations by the Division of Water
3195 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
3196 quantifying surface and ground water resources and describing the hydrologic systems of an
3197 area in sufficient detail so as to enable local and state resource managers to plan for and
3198 accommodate growth in water use without jeopardizing the resource;

3199 (B) fund state required dam safety improvements; and

3200 (C) protect the state's interest in interstate water compact allocations, including the
3201 hiring of technical and legal staff.

3202 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
3203 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
3204 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

3205 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
3206 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
3207 created in Section 73-10c-5 for use by the Division of Drinking Water to:

3208 (i) provide for the installation and repair of collection, treatment, storage, and
3209 distribution facilities for any public water system, as defined in Section 19-4-102;

3210 (ii) develop underground sources of water, including springs and wells; and

3211 (iii) develop surface water sources.

3212 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
3213 2006, the difference between the following amounts shall be expended as provided in this
3214 Subsection (5), if that difference is greater than \$1:

3215 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
3216 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

3217 (ii) \$17,500,000.

3218 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

3219 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
3220 credits; and

3221 (B) expended by the Department of Natural Resources for watershed rehabilitation or
3222 restoration.

3223 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
3224 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
3225 created in Section 73-10-24.

3226 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
3227 remaining difference described in Subsection (5)(a) shall be:

3228 (A) transferred each fiscal year to the Division of Water Resources as dedicated
3229 credits; and

3230 (B) expended by the Division of Water Resources for cloud-seeding projects
3231 authorized by Title 73, Chapter 15, Modification of Weather.

3232 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
3233 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
3234 created in Section 73-10-24.

3235 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
3236 remaining difference described in Subsection (5)(a) shall be deposited into the Water
3237 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
3238 Division of Water Resources for:

3239 (i) preconstruction costs:

3240 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
3241 26, Bear River Development Act; and

3242 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
3243 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

3244 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
3245 Chapter 26, Bear River Development Act;

3246 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
3247 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

3248 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
3249 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

3250 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
3251 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be

3252 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
3253 incurred for employing additional technical staff for the administration of water rights.

3254 (f) At the end of each fiscal year, any unexpended dedicated credits described in
3255 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
3256 Fund created in Section 73-10-24.

3257 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the
3258 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
3259 (1) for the fiscal year shall be deposited as follows:

3260 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)
3261 shall be deposited into the Transportation Investment Fund of 2005 created by Section
3262 72-2-124;

3263 (b) for fiscal year 2017-18 only:

3264 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the
3265 Transportation Investment Fund of 2005 created by Section 72-2-124; and

3266 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the
3267 Water Infrastructure Restricted Account created by Section 73-10g-103;

3268 (c) for fiscal year 2018-19 only:

3269 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the
3270 Transportation Investment Fund of 2005 created by Section 72-2-124; and

3271 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the
3272 Water Infrastructure Restricted Account created by Section 73-10g-103;

3273 (d) for fiscal year 2019-20 only:

3274 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the
3275 Transportation Investment Fund of 2005 created by Section 72-2-124; and

3276 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the
3277 Water Infrastructure Restricted Account created by Section 73-10g-103;

3278 (e) for fiscal year 2020-21 only:

3279 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the
3280 Transportation Investment Fund of 2005 created by Section 72-2-124; and

3281 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the
3282 Water Infrastructure Restricted Account created by Section 73-10g-103; and

3283 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described
3284 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account
3285 created by Section [73-10g-103](#).

3286 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
3287 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,
3288 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
3289 created by Section [72-2-124](#):

3290 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
3291 the revenues collected from the following taxes, which represents a portion of the
3292 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
3293 on vehicles and vehicle-related products:

3294 (A) the tax imposed by Subsection (2)(a)(i)(A) at [~~a 4.7% rate~~] the rate currently in
3295 effect under Subsection (2)(a)(i)(A) minus the rate specified in Subsection (12)(a);

3296 (B) the tax imposed by Subsection (2)(b)(i);

3297 (C) the tax imposed by Subsection (2)(c)(i); and

3298 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

3299 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
3300 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through
3301 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
3302 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

3303 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of
3304 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total
3305 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)
3306 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
3307 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
3308 (7)(a) equal to the product of:

3309 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the
3310 previous fiscal year; and

3311 (B) the total sales and use tax revenue generated by the taxes described in Subsections
3312 (7)(a)(i)(A) through (D) in the current fiscal year.

3313 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under

3314 Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes
 3315 described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of
 3316 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
 3317 Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

3318 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
 3319 from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited
 3320 under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues
 3321 collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the
 3322 current fiscal year under Subsection (7)(a).

3323 ~~[(8)(a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited~~
 3324 ~~under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall~~
 3325 ~~deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into~~
 3326 ~~the Transportation Investment Fund of 2005 created by Section 72-2-124.]~~

3327 ~~[(b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under~~
 3328 ~~Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit~~
 3329 ~~\$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the~~
 3330 ~~Transportation Investment Fund of 2005 created by Section 72-2-124.]~~

3331 ~~[(c)(i)]~~ (8)(a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited
 3332 under Subsections (6) and (7), and subject to Subsection ~~[(8)(c)(ii)]~~ (8)(b), for a fiscal year
 3333 beginning on or after July 1, 2018, the commission shall annually deposit into the
 3334 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes
 3335 listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the
 3336 following taxes:

3337 (A) the tax imposed by Subsection (2)(a)(i)(A) at ~~[a 4.7% rate]~~ the rate currently in
 3338 effect under Subsection (2)(a)(i)(A) minus the rate specified in Subsection (12)(a);

3339 (B) the tax imposed by Subsection (2)(b)(i);

3340 (C) the tax imposed by Subsection (2)(c)(i); and

3341 (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

3342 ~~[(ii)]~~ (b) For a fiscal year beginning on or after July 1, 2019, the commission shall
 3343 annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsection
 3344 ~~[(8)(c)(i)]~~ (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the

3345 current fiscal year by the portion of the tax imposed on motor and special fuel that is sold,
3346 used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

3347 ~~[(iii)]~~ (c) The commission shall annually deposit the amount described in Subsection
3348 ~~[(8)(c)(ii)]~~ (8)(b) into the Transit ~~[and]~~ Transportation Investment Fund created in Section
3349 72-2-124.

3350 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
3351 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
3352 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

3353 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),
3354 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17
3355 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund
3356 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on
3357 the transactions described in Subsection (1).

3358 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in
3359 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance
3360 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
3361 amount of revenue described as follows:

3362 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%
3363 tax rate on the transactions described in Subsection (1);

3364 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%
3365 tax rate on the transactions described in Subsection (1);

3366 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%
3367 tax rate on the transactions described in Subsection (1);

3368 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a
3369 .05% tax rate on the transactions described in Subsection (1); and

3370 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%
3371 tax rate on the transactions described in Subsection (1).

3372 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not
3373 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts
3374 paid or charged for food and food ingredients, except for tax revenue generated by a bundled
3375 transaction attributable to food and food ingredients and tangible personal property other than

3376 food and food ingredients described in Subsection (2)(d).

3377 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
3378 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that
3379 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of
3380 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue
3381 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,
3382 created in Section 63N-2-512.

3383 ~~[(12)(a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the~~
3384 ~~Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed~~
3385 ~~under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section~~
3386 ~~35A-8-308.]~~

3387 ~~[(b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division~~
3388 ~~of Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under~~
3389 ~~Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.]~~

3390 ~~[(13) Notwithstanding Subsections (4) through (12) and (14), an amount required to be~~
3391 ~~expended or deposited in accordance with Subsections (4) through (12) and (14) may not~~
3392 ~~include an amount the Division of Finance deposits in accordance with Section 59-12-103.2.]~~

3393 ~~[(14)]~~ (12) (a) The rate specified in this ~~[subsection]~~ Subsection (12) is the product of:

3394 (i) 0.15%; and

3395 (ii) the rate reduction factor.

3396 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall:

3397 (i) on or before September 30, 2019, transfer the amount of revenue generated by a
3398 0.15% tax rate imposed beginning on April 1, 2019, and ending on June 30, 2019, on the
3399 transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) as dedicated
3400 credits to the Division of Health Care Financing; and

3401 (ii) for a fiscal year beginning on or after fiscal year 2019-20, annually transfer the
3402 amount of revenue generated by ~~[a 0.15%]~~ the tax rate currently in effect under Subsection
3403 (12)(a) on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A)
3404 as dedicated credits to the Division of Health Care Financing.

3405 (c) The revenue described in Subsection ~~[(14)]~~ (12)(b) that the Division of Finance
3406 transfers to the Division of Health Care Financing as dedicated credits shall be expended for

3407 the following uses:

3408 (i) implementation of the Medicaid expansion described in Sections [26-18-3.1\(4\)](#) and
3409 [26-18-3.9\(2\)\(b\)](#);

3410 (ii) if revenue remains after the use specified in Subsection ~~[(14)]~~ [\(12\)\(c\)\(i\)](#), other
3411 measures required by Section [26-18-3.9](#); and

3412 (iii) if revenue remains after the uses specified in Subsections ~~[(14)]~~ [\(12\)\(c\)\(i\)](#) and (ii),
3413 other measures described in Title 26, Chapter 18, Medical Assistance Act.

3414 (13) (a) Notwithstanding the rate reduction specified in Subsection (2)(a)(i)(B), if the
3415 actual sales and use tax collections do not meet the latest consensus revenue estimates as
3416 adopted by the Executive Appropriations Committee of the Legislature the rate reduction
3417 specified in Subsection (2)(a)(i)(B) does not take effect.

3418 (b) The Executive Appropriations Committee of the Legislature shall certify:

3419 (i) whether the actual collections for the previous calender quarter meet the latest
3420 adopted consensus revenue estimates; and

3421 (ii) whether the rate reduction specified in Subsection (2)(a)(i)(B) shall take effect.

3422 (c) The Executive Appropriations Committee shall provide notice to the State Tax
3423 Commission no later than 90 days before the new rate is scheduled to take effect under
3424 Subsection (2)(a)(i)(B):

3425 (i) whether the requirement of Subsection (13)(a) has been met; and

3426 (ii) whether the new rate scheduled to take effect under Subsection (2)(a)(i)(B) will
3427 take effect.

3428 (14) (a) For the fiscal year 2020-2021 only, the Division of Finance shall deposit a
3429 portion of the revenues generated by the taxes listed in Subsection (3)(a) into the Sales and Use
3430 Tax Base Expansion Restricted Account created by Section [59-12-103.3](#) in an amount equal to
3431 the actual General Fund revenues collected in the completed fiscal year 2020-2021 that exceed
3432 the estimated revenues for the General Fund for that fiscal year that were adopted by the
3433 Executive Appropriations Committee of the Legislature.

3434 (b) Notwithstanding Subsections (4) through (12), an amount required to be expended
3435 or deposited in accordance with Subsections (4) through (12) may not include the amount the
3436 Division of Finance deposits in accordance with Subsection (14)(a).

3437 Section 30. Section [59-12-103.3](#) is enacted to read:

- 3438 **59-12-103.3. Sales and Use Tax Base Expansion Restricted Account.**
- 3439 (1) As used in this section:
- 3440 (a) "Account" means the Sales and Use Tax Base Expansion Restricted Account
- 3441 created by this section.
- 3442 (b) "Qualified local revenue" means revenue from the local option sales and use tax
- 3443 imposed under Part 2, Local Sales and Use Tax Act, and Section [59-12-1102](#) required to be
- 3444 deposited into the account.
- 3445 (c) "Qualified state revenue" means revenue from the state sales and use tax imposed
- 3446 under Section [59-12-103](#) required to be deposited into the account.
- 3447 (2) There is created within the General Fund a restricted account known as the "Sales
- 3448 and Use Tax Base Expansion Restricted Account."
- 3449 (3) The account shall be funded by:
- 3450 (a) the qualified local revenue deposited into the account in accordance with Sections
- 3451 [59-12-204](#) and [59-12-1102](#); and
- 3452 (b) the qualified state revenue deposited into the account in accordance with Section
- 3453 [59-12-103](#).
- 3454 (4) (a) The account shall earn interest.
- 3455 (b) The interest described in Subsection (4)(a) shall be deposited into the account.
- 3456 (5) The Division of Finance shall deposit the revenue described in Subsection (3) into
- 3457 the account.
- 3458 (6) The Division of Finance shall separately account for:
- 3459 (a) (i) the qualified local revenue deposited into the account; and
- 3460 (ii) interest earned on the amount described in Subsection (6)(a)(i); and
- 3461 (b) (i) the qualified state revenue deposited into the account; and
- 3462 (ii) interest earned on the amount described in Subsection (6)(b)(i).
- 3463 (7) (a) The revenue and interest described in Subsection (6)(a) may be used to:
- 3464 (i) lower local sales and use tax rates as the Legislature may provide by statute;
- 3465 (ii) distribute revenues to counties, cities, towns, or metro townships to offset revenue
- 3466 losses from the lowering of local option sales and use tax rates in Chapter 12, Sales and Use
- 3467 Tax Act, enacted by the Legislature on July 1, 2020; and
- 3468 (iii) implement future hold harmless distribution formulas for ongoing revenue losses

3469 for counties, cities, towns, or metro townships.

3470 (b) The revenue and interest described in Subsection (6)(b) may be used to lower state
3471 sales and use tax rates as the Legislature may provide by statute.

3472 Section 31. Section **59-12-103.4** is enacted to read:

3473 **59-12-103.4. Commission report to Revenue and Taxation Interim Committee --**
3474 **Revenue and Taxation Interim Committee study.**

3475 (1) The commission shall:

3476 (a) beginning on February 1, 2020, make a monthly report by the final day of each
3477 month to the Revenue and Taxation Interim Committee by electronic means:

3478 (i) stating the number of sellers who obtain a license under Section [59-12-106](#) for the
3479 first time on or after two months before the date of the report;

3480 (ii) stating the amount of state sales and use tax revenue collected from the collections
3481 that were due in the filing period that ended the month before the time of the report; and

3482 (iii) stating the amount of local option sales and use tax revenue collected from
3483 collections that were due in the filing period that ended the month before the time of the report
3484 for each county, city, town, or metro township for each local option sales and use tax
3485 authorized under Chapter 12, Sales and Use Tax Act; and

3486 (b) report to the Revenue and Taxation Interim Committee before November 30, 2020,
3487 and at any other meeting requested by the committee, the data provided to the Revenue and
3488 Taxation Interim Committee by electronic means under this Subsection (1).

3489 (2) The Revenue and Taxation Interim Committee shall, after receiving the
3490 commission's reports under Subsection (1):

3491 (a) review the data provided to the committee under Subsection (1); and

3492 (b) make recommendations to the Legislative Management Committee and the
3493 Executive Appropriations Committee regarding:

3494 (i) whether the sales and use tax rates should be reduced;

3495 (ii) whether any other provisions of this chapter should be amended or repealed; and

3496 (iii) the distribution of the revenues in the Sales and Use Tax Base Expansion

3497 Restricted Account created by Section [59-12-103.3](#).

3498 Section 32. Section **59-12-104** is amended to read:

3499 **59-12-104. Exemptions.**

3500 Exemptions from the taxes imposed by this chapter are as follows:

3501 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
3502 under Chapter 13, Motor and Special Fuel Tax Act;

3503 (2) subject to Section [59-12-104.6](#), sales to the state, its institutions, and its political
3504 subdivisions; however, this exemption does not apply to sales of:

3505 (a) construction materials except:

3506 (i) construction materials purchased by or on behalf of institutions of the public
3507 education system as defined in Utah Constitution, Article X, Section 2, provided the
3508 construction materials are clearly identified and segregated and installed or converted to real
3509 property which is owned by institutions of the public education system; and

3510 (ii) construction materials purchased by the state, its institutions, or its political
3511 subdivisions which are installed or converted to real property by employees of the state, its
3512 institutions, or its political subdivisions; or

3513 (b) tangible personal property in connection with the construction, operation,
3514 maintenance, repair, or replacement of a project, as defined in Section [11-13-103](#), or facilities
3515 providing additional project capacity, as defined in Section [11-13-103](#);

3516 [~~(3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:~~]

3517 [~~(i) the proceeds of each sale do not exceed \$1; and]~~

3518 [~~(ii) the seller or operator of the vending machine reports an amount equal to 150% of
3519 the cost of the item described in Subsection (3)(b) as goods consumed; and]~~

3520 [~~(b) Subsection (3)(a) applies to:~~]

3521 [~~(i) food and food ingredients; or]~~

3522 [~~(ii) prepared food;]~~

3523 [~~(4)~~] (3) (a) sales of the following to a commercial airline carrier for in-flight
3524 consumption:

3525 (i) alcoholic beverages;

3526 (ii) food and food ingredients; or

3527 (iii) prepared food;

3528 (b) sales of tangible personal property or a product transferred electronically:

3529 (i) to a passenger;

3530 (ii) by a commercial airline carrier; and

3531 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
 3532 (c) services related to Subsection ~~[(4)]~~ (3)(a) or (b);
 3533 ~~[(5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts~~
 3534 ~~and equipment:]~~
 3535 ~~[(A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002~~
 3536 ~~North American Industry Classification System of the federal Executive Office of the~~
 3537 ~~President, Office of Management and Budget; and]~~
 3538 ~~[(H) for:]~~
 3539 ~~[(Aa) installation in an aircraft, including services relating to the installation of parts or~~
 3540 ~~equipment in the aircraft;]~~
 3541 ~~[(Bb) renovation of an aircraft; or]~~
 3542 ~~[(Cc) repair of an aircraft; or]~~
 3543 ~~[(B) for installation in an aircraft operated by a common carrier in interstate or foreign~~
 3544 ~~commerce; or]~~
 3545 ~~[(ii) beginning on October 1, 2008;]~~
 3546 (4) sales of parts and equipment for installation in an aircraft operated by a common
 3547 carrier in interstate or foreign commerce; ~~[and]~~
 3548 ~~[(b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,~~
 3549 ~~a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a~~
 3550 ~~refund:]~~
 3551 ~~[(i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;]~~
 3552 ~~[(ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;]~~
 3553 ~~[(iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for~~
 3554 ~~the sale prior to filing for the refund;]~~
 3555 ~~[(iv) for sales and use taxes paid under this chapter on the sale;]~~
 3556 ~~[(v) in accordance with Section 59-1-1410; and]~~
 3557 ~~[(vi) subject to any extension allowed for filing for a refund under Section 59-1-1410,~~
 3558 ~~if the person files for the refund on or before September 30, 2011;]~~
 3559 ~~[(6)]~~ (5) sales of commercials, motion picture films, prerecorded audio program tapes
 3560 or records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture
 3561 exhibitor, distributor, or commercial television or radio broadcaster;

3562 ~~[(7) (a) except as provided in Subsection (88) and subject to Subsection (7)(b), sales of~~
3563 ~~cleaning or washing of tangible personal property if the cleaning or washing of the tangible~~
3564 ~~personal property is not assisted cleaning or washing of tangible personal property;]~~

3565 ~~[(b) if a seller that sells at the same business location assisted cleaning or washing of~~
3566 ~~tangible personal property and cleaning or washing of tangible personal property that is not~~
3567 ~~assisted cleaning or washing of tangible personal property, the exemption described in~~
3568 ~~Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning~~
3569 ~~or washing of the tangible personal property; and]~~

3570 ~~[(c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,~~
3571 ~~Utah Administrative Rulemaking Act, the commission may make rules:]~~

3572 ~~[(i) governing the circumstances under which sales are at the same business location;~~
3573 ~~and]~~

3574 ~~[(ii) establishing the procedures and requirements for a seller to separately account for~~
3575 ~~sales of assisted cleaning or washing of tangible personal property;]~~

3576 ~~[(8) (6) sales made to or by religious or charitable institutions in the conduct of their~~
3577 ~~regular religious or charitable functions and activities, if the requirements of Section~~
3578 ~~59-12-104.1 are fulfilled;~~

3579 ~~[(9) (7) sales of a vehicle of a type required to be registered under the motor vehicle~~
3580 ~~laws of this state if the vehicle is:~~

3581 ~~(a) not registered in this state; and~~

3582 ~~(b) (i) not used in this state; or~~

3583 ~~(ii) used in this state:~~

3584 ~~(A) if the vehicle is not used to conduct business, for a time period that does not~~
3585 ~~exceed the longer of:~~

3586 ~~(I) 30 days in any calendar year; or~~

3587 ~~(II) the time period necessary to transport the vehicle to the borders of this state; or~~

3588 ~~(B) if the vehicle is used to conduct business, for the time period necessary to transport~~
3589 ~~the vehicle to the borders of this state;~~

3590 ~~[(10) (8) (a) amounts paid for an item described in Subsection [(10) (8)(b) if:~~

3591 ~~(i) the item is intended for human use; and~~

3592 ~~(ii) (A) a prescription was issued for the item; or~~

3593 (B) the item was purchased by a hospital or other medical facility; and
 3594 (b) (i) Subsection [~~(10)~~] (8)(a) applies to:
 3595 (A) a drug;
 3596 (B) a syringe; or
 3597 (C) a stoma supply; and
 3598 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 3599 commission may by rule define the terms:
 3600 (A) "syringe"; or
 3601 (B) "stoma supply";
 3602 [~~(11)~~] (9) purchases or leases exempt under Section [19-12-201](#);
 3603 [~~(12)~~] (10) (a) sales of an item described in Subsection [~~(12)~~] (10)(c) served by:
 3604 (i) the following if the item described in Subsection [~~(12)~~] (10)(c) is not available to
 3605 the general public:
 3606 (A) a church; or
 3607 (B) a charitable institution; or
 3608 (ii) an institution of higher education if:
 3609 (A) the item described in Subsection [~~(12)~~] (10)(c) is not available to the general
 3610 public; or
 3611 (B) the item described in Subsection [~~(12)~~] (10)(c) is prepaid as part of a student meal
 3612 plan offered by the institution of higher education; or
 3613 (b) sales of an item described in Subsection [~~(12)~~] (10)(c) provided for a patient by:
 3614 (i) a medical facility; or
 3615 (ii) a nursing facility; and
 3616 (c) Subsections [~~(12)~~] (10)(a) and (b) apply to:
 3617 (i) food and food ingredients;
 3618 (ii) prepared food; or
 3619 (iii) alcoholic beverages;
 3620 [~~(13)~~] (11) (a) except as provided in Subsection [~~(13)~~] (11)(b), the sale of tangible
 3621 personal property [~~or~~], a product transferred electronically, or a service by a person:
 3622 (i) regardless of the number of transactions involving the sale of that tangible personal
 3623 property [~~or~~], product transferred electronically, or service by that person; and

3624 (ii) not regularly engaged in the business of selling that type of tangible personal
3625 property ~~[or]~~, product transferred electronically, or service;

3626 (b) this Subsection ~~[(13)]~~ (11) does not apply if:

3627 (i) the sale is one of a series of sales of a character to indicate that the person is
3628 regularly engaged in the business of selling that type of tangible personal property ~~[or]~~, product
3629 transferred electronically, or service;

3630 (ii) the person holds that person out as regularly engaged in the business of selling that
3631 type of tangible personal property ~~[or]~~, product transferred electronically, or service;

3632 (iii) the person sells an item of tangible personal property or product transferred
3633 electronically that the person purchased as a sale that is exempt under Subsection ~~[(25)]~~ (21);
3634 or

3635 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of
3636 this state in which case the tax is based upon:

3637 (A) the bill of sale or other written evidence of value of the vehicle or vessel being
3638 sold; or

3639 (B) in the absence of a bill of sale or other written evidence of value, the fair market
3640 value of the vehicle or vessel being sold at the time of the sale as determined by the
3641 commission; and

3642 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3643 commission shall make rules establishing the circumstances under which:

3644 (i) a person is regularly engaged in the business of selling a type of tangible personal
3645 property ~~[or]~~, product transferred electronically, or service;

3646 (ii) a sale of tangible personal property ~~[or]~~, a product transferred electronically, or a
3647 service is one of a series of sales of a character to indicate that a person is regularly engaged in
3648 the business of selling that type of tangible personal property ~~[or]~~, product transferred
3649 electronically, or service; or

3650 (iii) a person holds that person out as regularly engaged in the business of selling a type
3651 of tangible personal property ~~[or]~~, product transferred electronically, or service;

3652 ~~[(14)]~~ (12) amounts paid or charged for a purchase or lease of machinery, equipment,
3653 normal operating repair or replacement parts, or materials, except for office equipment or
3654 office supplies, by:

- 3655 (a) a manufacturing facility that:
- 3656 (i) is located in the state; and
- 3657 (ii) uses or consumes the machinery, equipment, normal operating repair or
- 3658 replacement parts, or materials:
- 3659 (A) in the manufacturing process to manufacture an item sold as tangible personal
- 3660 property, as the commission may define that phrase in accordance with Title 63G, Chapter 3,
- 3661 Utah Administrative Rulemaking Act; or
- 3662 (B) for a scrap recycler, to process an item sold as tangible personal property, as the
- 3663 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
- 3664 Administrative Rulemaking Act;
- 3665 (b) an establishment, as the commission defines that term in accordance with Title
- 3666 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 3667 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
- 3668 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal
- 3669 Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the
- 3670 2002 North American Industry Classification System of the federal Executive Office of the
- 3671 President, Office of Management and Budget;
- 3672 (ii) is located in the state; and
- 3673 (iii) uses or consumes the machinery, equipment, normal operating repair or
- 3674 replacement parts, or materials in:
- 3675 (A) the production process to produce an item sold as tangible personal property, as the
- 3676 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
- 3677 Administrative Rulemaking Act;
- 3678 (B) research and development, as the commission may define that phrase in accordance
- 3679 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 3680 (C) transporting, storing, or managing tailings, overburden, or similar waste materials
- 3681 produced from mining;
- 3682 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in
- 3683 mining; or
- 3684 (E) preventing, controlling, or reducing dust or other pollutants from mining; or
- 3685 (c) an establishment, as the commission defines that term in accordance with Title 63G,

3686 Chapter 3, Utah Administrative Rulemaking Act, that:

3687 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
3688 American Industry Classification System of the federal Executive Office of the President,
3689 Office of Management and Budget;

3690 (ii) is located in the state; and

3691 (iii) uses or consumes the machinery, equipment, normal operating repair or
3692 replacement parts, or materials in the operation of the web search portal;

3693 ~~[(15)]~~ (13) (a) sales of the following if the requirements of Subsection ~~[(15)]~~ (13)(b)
3694 are met:

3695 (i) tooling;

3696 (ii) special tooling;

3697 (iii) support equipment;

3698 (iv) special test equipment; or

3699 (v) parts used in the repairs or renovations of tooling or equipment described in
3700 Subsections ~~[(15)]~~ (13)(a)(i) through (iv); and

3701 (b) sales of tooling, equipment, or parts described in Subsection ~~[(15)]~~ (13)(a) are
3702 exempt if:

3703 (i) the tooling, equipment, or parts are used or consumed exclusively in the
3704 performance of any aerospace or electronics industry contract with the United States
3705 government or any subcontract under that contract; and

3706 (ii) under the terms of the contract or subcontract described in Subsection ~~[(15)]~~
3707 (13)(b)(i), title to the tooling, equipment, or parts is vested in the United States government as
3708 evidenced by:

3709 (A) a government identification tag placed on the tooling, equipment, or parts; or

3710 (B) listing on a government-approved property record if placing a government
3711 identification tag on the tooling, equipment, or parts is impractical;

3712 ~~[(16) sales of newspapers or newspaper subscriptions;]~~

3713 ~~[(17) (a) except as provided in Subsection (17)(b), tangible personal property or a~~
3714 ~~product transferred electronically traded in as full or part payment of the purchase price, except~~
3715 ~~that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,~~
3716 ~~trade-ins are limited to other vehicles only, and the tax is based upon:]~~

3717 ~~[(i) the bill of sale or other written evidence of value of the vehicle being sold and the~~
 3718 ~~vehicle being traded in; or]~~

3719 ~~[(ii) in the absence of a bill of sale or other written evidence of value, the then existing~~
 3720 ~~fair market value of the vehicle being sold and the vehicle being traded in, as determined by the~~
 3721 ~~commission; and]~~

3722 ~~[(b) Subsection (17)(a) does not apply to the following items of tangible personal~~
 3723 ~~property or products transferred electronically traded in as full or part payment of the purchase~~
 3724 ~~price:]~~

3725 ~~[(i) money;]~~

3726 ~~[(ii) electricity;]~~

3727 ~~[(iii) water;]~~

3728 ~~[(iv) gas; or]~~

3729 ~~[(v) steam;]~~

3730 ~~[(18)]~~ (14) (a) (i) except as provided in Subsection ~~[(18)]~~ (14)(b), sales of tangible
 3731 personal property ~~[or]~~, a product transferred electronically, or a service used or consumed
 3732 primarily and directly in farming operations, regardless of whether the tangible personal
 3733 property ~~[or]~~, product transferred electronically, or service:

3734 (A) becomes part of real estate; or

3735 (B) is installed by a:

3736 (I) farmer;

3737 (II) contractor; or

3738 (III) subcontractor; or

3739 (ii) sales of parts used in the repairs or renovations of tangible personal property ~~[or]~~, a
 3740 product transferred electronically, or a service if the tangible personal property ~~[or]~~, product
 3741 transferred electronically, or service is exempt under Subsection ~~[(18)]~~ (14)(a)(i); and

3742 (b) amounts paid or charged for the following are subject to the taxes imposed by this
 3743 chapter:

3744 (i) (A) subject to Subsection ~~[(18)]~~ (14)(b)(i)(B), machinery, equipment, materials, or
 3745 supplies if used in a manner that is incidental to farming; and

3746 (B) tangible personal property that is considered to be used in a manner that is
 3747 incidental to farming includes:

3748 (I) hand tools; or
 3749 (II) maintenance and janitorial equipment and supplies;
 3750 (ii) (A) subject to Subsection [~~(18)~~] (14)(b)(ii)(B), tangible personal property [~~or~~], a
 3751 product transferred electronically, or a service if the tangible personal property [~~or~~], product
 3752 transferred electronically, or service is used in an activity other than farming; and
 3753 (B) tangible personal property or a product transferred electronically that is considered
 3754 to be used in an activity other than farming includes:
 3755 (I) office equipment and supplies; or
 3756 (II) equipment [~~and~~], supplies, and services used in:
 3757 (Aa) the sale or distribution of farm products;
 3758 (Bb) research; or
 3759 (Cc) transportation; or
 3760 (iii) a vehicle required to be registered by the laws of this state during the period
 3761 ending two years after the date of the vehicle's purchase;
 3762 [~~(19)~~] (15) sales of hay;
 3763 [~~(20)~~] (16) exclusive sale during the harvest season of seasonal crops, seedling plants,
 3764 or garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
 3765 garden, farm, or other agricultural produce is sold by:
 3766 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
 3767 agricultural produce;
 3768 (b) an employee of the producer described in Subsection [~~(20)~~] (16)(a); or
 3769 (c) a member of the immediate family of the producer described in Subsection [~~(20)~~]
 3770 (16)(a);
 3771 [~~(21)~~] (17) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is
 3772 issued under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
 3773 [~~(22)~~] (18) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
 3774 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
 3775 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
 3776 manufacturer, processor, wholesaler, or retailer;
 3777 [~~(23)~~] (19) a product stored in the state for resale;
 3778 [~~(24)~~] (20) (a) purchases of a product if:

- 3779 (i) the product is:
- 3780 (A) purchased outside of this state;
- 3781 (B) brought into this state:
- 3782 (I) at any time after the purchase described in Subsection ~~[(24)]~~ (20)(a)(i)(A); and
- 3783 (II) by a nonresident person who is not living or working in this state at the time of the
- 3784 purchase;
- 3785 (C) used for the personal use or enjoyment of the nonresident person described in
- 3786 Subsection ~~[(24)]~~ (20)(a)(i)(B)(II) while that nonresident person is within the state; and
- 3787 (D) not used in conducting business in this state; and
- 3788 (ii) for:
- 3789 (A) a product other than a boat described in Subsection ~~[(24)]~~ (20)(a)(ii)(B), the first
- 3790 use of the product for a purpose for which the product is designed occurs outside of this state;
- 3791 (B) a boat, the boat is registered outside of this state; or
- 3792 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered
- 3793 outside of this state; and
- 3794 (b) the exemption provided for in Subsection ~~[(24)]~~ (20)(a) does not apply to:
- 3795 (i) a lease or rental of a product; or
- 3796 (ii) a sale of a vehicle exempt under Subsection ~~[(33)]~~ (28); ~~[and]~~
- 3797 ~~[(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for~~
- 3798 ~~purposes of Subsection (24)(a), the commission may by rule define what constitutes the~~
- 3799 ~~following:]~~
- 3800 ~~[(i) conducting business in this state if that phrase has the same meaning in this~~
- 3801 ~~Subsection (24) as in Subsection (63);]~~
- 3802 ~~[(ii) the first use of a product if that phrase has the same meaning in this Subsection~~
- 3803 ~~(24) as in Subsection (63); or]~~
- 3804 ~~[(iii) a purpose for which a product is designed if that phrase has the same meaning in~~
- 3805 ~~this Subsection (24) as in Subsection (63);]~~
- 3806 ~~[(25)]~~ (21) a product or service purchased for resale in the regular course of business,
- 3807 either in its original form or as an ingredient or component part of a manufactured or
- 3808 compounded product;
- 3809 ~~[(26)]~~ (22) a product upon which a sales or use tax was paid to some other state, or one

3810 of its subdivisions, except that the state shall be paid any difference between the tax paid and
3811 the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is
3812 allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and
3813 Use Tax Act;

3814 ~~[(27)]~~ (23) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d)
3815 to a person for use in compounding a service taxable under the subsections;

3816 ~~[(28)]~~ (24) purchases made in accordance with the special supplemental nutrition
3817 program for women, infants, and children established in 42 U.S.C. Sec. 1786;

3818 ~~[(29)]~~ (25) sales or leases of rolls, rollers, refractory brick, electric motors, or other
3819 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code
3820 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of
3821 the President, Office of Management and Budget;

3822 ~~[(30)]~~ (26) sales of a boat of a type required to be registered under Title 73, Chapter 18,
3823 State Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard
3824 motor is:

3825 (a) not registered in this state; and

3826 (b) (i) not used in this state; or

3827 (ii) used in this state:

3828 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a
3829 time period that does not exceed the longer of:

3830 (I) 30 days in any calendar year; or

3831 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to
3832 the borders of this state; or

3833 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time
3834 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this
3835 state;

3836 ~~[(31) sales of aircraft manufactured in Utah;]~~

3837 ~~[(32)]~~ (27) amounts paid for the purchase of telecommunications service for purposes
3838 of providing telecommunications service;

3839 ~~[(33)]~~ (28) sales, leases, or uses of the following:

3840 (a) a vehicle by an authorized carrier; or

3841 (b) tangible personal property that is installed on a vehicle:
 3842 (i) sold or leased to or used by an authorized carrier; and
 3843 (ii) before the vehicle is placed in service for the first time;
 3844 ~~[(34)]~~ (29) (a) 45% of the sales price of any new manufactured home; and
 3845 (b) 100% of the sales price of any used manufactured home;
 3846 ~~[(35)]~~ (30) sales relating to schools and fundraising sales;
 3847 ~~[(36)]~~ (31) sales or rentals of durable medical equipment if:
 3848 (a) a person presents a prescription for the durable medical equipment; and
 3849 (b) the durable medical equipment is used for home use only;
 3850 ~~[(37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in~~
 3851 ~~Section 72-11-102; and]~~
 3852 ~~[(b) the commission shall by rule determine the method for calculating sales exempt~~
 3853 ~~under Subsection (37)(a) that are not separately metered and accounted for in utility billings;]~~
 3854 ~~[(38) sales to a ski resort of:]~~
 3855 ~~[(a) snowmaking equipment;]~~
 3856 ~~[(b) ski slope grooming equipment;]~~
 3857 ~~[(c) passenger ropeways as defined in Section 72-11-102; or]~~
 3858 ~~[(d) parts used in the repairs or renovations of equipment or passenger ropeways~~
 3859 ~~described in Subsections (38)(a) through (c);]~~
 3860 ~~[(39)]~~ (32) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for
 3861 industrial use;
 3862 ~~[(40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for~~
 3863 ~~amusement, entertainment, or recreation an unassisted amusement device as defined in Section~~
 3864 ~~59-12-102;]~~
 3865 ~~[(b) if a seller that sells or rents at the same business location the right to use or operate~~
 3866 ~~for amusement, entertainment, or recreation one or more unassisted amusement devices and~~
 3867 ~~one or more assisted amusement devices, the exemption described in Subsection (40)(a)~~
 3868 ~~applies if the seller separately accounts for the sales or rentals of the right to use or operate for~~
 3869 ~~amusement, entertainment, or recreation for the assisted amusement devices; and]~~
 3870 ~~[(c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,~~
 3871 ~~Utah Administrative Rulemaking Act, the commission may make rules:]~~

3872 ~~[(i) governing the circumstances under which sales are at the same business location;~~
 3873 ~~and]~~

3874 ~~[(ii) establishing the procedures and requirements for a seller to separately account for~~
 3875 ~~the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for~~
 3876 ~~assisted amusement devices;]~~

3877 ~~[(41)]~~ (33) (a) sales of photocopies by:

3878 (i) a governmental entity; or

3879 (ii) an entity within the state system of public education, including:

3880 (A) a school; or

3881 (B) the State Board of Education; or

3882 (b) sales of publications by a governmental entity;

3883 ~~[(42) amounts paid for admission to an athletic event at an institution of higher~~
 3884 ~~education that is subject to the provisions of Title IX of the Education Amendments of 1972,~~
 3885 ~~20 U.S.C. Sec. 1681 et seq.;]~~

3886 ~~[(43)]~~ (34) (a) sales made to or by:

3887 (i) an area agency on aging; or

3888 (ii) a senior citizen center owned by a county, city, or town; or

3889 (b) sales made by a senior citizen center that contracts with an area agency on aging;

3890 ~~[(44)]~~ (35) sales or leases of semiconductor fabricating, processing, research, or
 3891 development materials regardless of whether the semiconductor fabricating, processing,
 3892 research, or development materials:

3893 (a) actually come into contact with a semiconductor; or

3894 (b) ultimately become incorporated into real property;

3895 ~~[(45)]~~ (36) an amount paid by or charged to a purchaser for accommodations and
 3896 services described in Subsection ~~[59-12-103(1)(i)]~~ [59-12-103\(1\)\(h\)](#) to the extent the amount is
 3897 exempt under Section [59-12-104.2](#);

3898 ~~[(46)]~~ (37) beginning on September 1, 2001, the lease or use of a vehicle issued a
 3899 temporary sports event registration certificate in accordance with Section [41-3-306](#) for the
 3900 event period specified on the temporary sports event registration certificate;

3901 ~~[(47)]~~ (38) (a) sales or uses of electricity, if the sales or uses are made under a retail
 3902 tariff adopted by the Public Service Commission only for purchase of electricity produced from

3903 a new alternative energy source built after January 1, 2016, as designated in the tariff by the
 3904 Public Service Commission; and

3905 (b) for a residential use customer only, the exemption under Subsection [~~(47)~~] (38)(a)
 3906 applies only to the portion of the tariff rate a customer pays under the tariff described in
 3907 Subsection [~~(47)~~] (38)(a) that exceeds the tariff rate under the tariff described in Subsection
 3908 [~~(47)~~] (38)(a) that the customer would have paid absent the tariff;

3909 [~~(48)~~] (39) sales or rentals of mobility enhancing equipment if a person presents a
 3910 prescription for the mobility enhancing equipment;

3911 [~~(49)~~ sales of water in a:]
 3912 [~~(a)~~ pipe;]
 3913 [~~(b)~~ conduit;]
 3914 [~~(c)~~ ditch; or]
 3915 [~~(d)~~ reservoir;]

3916 [~~(50)~~] (40) sales of currency or coins that constitute legal tender of a state, the United
 3917 States, or a foreign nation;

3918 [~~(51)~~] (41) (a) sales of an item described in Subsection [~~(51)~~] (41)(b) if the item:
 3919 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and
 3920 (ii) has a gold, silver, or platinum content of 50% or more; and

3921 (b) Subsection [~~(51)~~] (41)(a) applies to a gold, silver, or platinum:
 3922 (i) ingot;
 3923 (ii) bar;
 3924 (iii) medallion; or
 3925 (iv) decorative coin;

3926 [~~(52)~~] (42) amounts paid on a sale-leaseback transaction;

3927 [~~(53)~~] (43) sales of a prosthetic device:
 3928 (a) for use on or in a human; and
 3929 (b) (i) for which a prescription is required; or
 3930 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

3931 [~~(54)~~ (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
 3932 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery
 3933 or equipment is primarily used in the production or postproduction of the following media for

3934 commercial distribution:]

3935 ~~[(i) a motion picture;]~~

3936 ~~[(ii) a television program;]~~

3937 ~~[(iii) a movie made for television;]~~

3938 ~~[(iv) a music video;]~~

3939 ~~[(v) a commercial;]~~

3940 ~~[(vi) a documentary; or]~~

3941 ~~[(vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the~~

3942 ~~commission by administrative rule made in accordance with Subsection (54)(d); or]~~

3943 ~~[(b) purchases, leases, or rentals of machinery or equipment by an establishment~~

3944 ~~described in Subsection (54)(c) that is used for the production or postproduction of the~~

3945 ~~following are subject to the taxes imposed by this chapter:]~~

3946 ~~[(i) a live musical performance;]~~

3947 ~~[(ii) a live news program; or]~~

3948 ~~[(iii) a live sporting event;]~~

3949 ~~[(c) the following establishments listed in the 1997 North American Industry~~

3950 ~~Classification System of the federal Executive Office of the President, Office of Management~~

3951 ~~and Budget, apply to Subsections (54)(a) and (b):]~~

3952 ~~[(i) NAICS Code 512110; or]~~

3953 ~~[(ii) NAICS Code 51219; and]~~

3954 ~~[(d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~

3955 ~~the commission may by rule:]~~

3956 ~~[(i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);~~

3957 ~~or]~~

3958 ~~[(ii) define:]~~

3959 ~~[(A) "commercial distribution";]~~

3960 ~~[(B) "live musical performance";]~~

3961 ~~[(C) "live news program"; or]~~

3962 ~~[(D) "live sporting event";]~~

3963 ~~[(55)]~~ (44) (a) leases of seven or more years or purchases made on or after July 1,

3964 2004, but on or before June 30, 2027, of tangible personal property that:

- 3965 (i) is leased or purchased for or by a facility that:
- 3966 (A) is an alternative energy electricity production facility;
- 3967 (B) is located in the state; and
- 3968 (C) (I) becomes operational on or after July 1, 2004; or
- 3969 (II) has its generation capacity increased by one or more megawatts on or after July 1,
- 3970 2004, as a result of the use of the tangible personal property;
- 3971 (ii) has an economic life of five or more years; and
- 3972 (iii) is used to make the facility or the increase in capacity of the facility described in
- 3973 Subsection [~~55~~] (44)(a)(i) operational up to the point of interconnection with an existing
- 3974 transmission grid including:
- 3975 (A) a wind turbine;
- 3976 (B) generating equipment;
- 3977 (C) a control and monitoring system;
- 3978 (D) a power line;
- 3979 (E) substation equipment;
- 3980 (F) lighting;
- 3981 (G) fencing;
- 3982 (H) pipes; or
- 3983 (I) other equipment used for locating a power line or pole; and
- 3984 (b) this Subsection [~~55~~] (44) does not apply to:
- 3985 (i) tangible personal property used in construction of:
- 3986 (A) a new alternative energy electricity production facility; or
- 3987 (B) the increase in the capacity of an alternative energy electricity production facility;
- 3988 (ii) contracted services required for construction and routine maintenance activities;
- 3989 and
- 3990 (iii) unless the tangible personal property is used or acquired for an increase in capacity
- 3991 of the facility described in Subsection [~~55~~] (44)(a)(i)(C)(II), tangible personal property used
- 3992 or acquired after:
- 3993 (A) the alternative energy electricity production facility described in Subsection [~~55~~]
- 3994 (44)(a)(i) is operational as described in Subsection [~~55~~] (44)(a)(iii); or
- 3995 (B) the increased capacity described in Subsection [~~55~~] (44)(a)(i) is operational as

3996 described in Subsection [~~(55)~~] (44)(a)(iii);
3997 [~~(56)~~] (45) (a) leases of seven or more years or purchases made on or after July 1,
3998 2004, but on or before June 30, 2027, of tangible personal property that:
3999 (i) is leased or purchased for or by a facility that:
4000 (A) is a waste energy production facility;
4001 (B) is located in the state; and
4002 (C) (I) becomes operational on or after July 1, 2004; or
4003 (II) has its generation capacity increased by one or more megawatts on or after July 1,
4004 2004, as a result of the use of the tangible personal property;
4005 (ii) has an economic life of five or more years; and
4006 (iii) is used to make the facility or the increase in capacity of the facility described in
4007 Subsection [~~(56)~~] (45)(a)(i) operational up to the point of interconnection with an existing
4008 transmission grid including:
4009 (A) generating equipment;
4010 (B) a control and monitoring system;
4011 (C) a power line;
4012 (D) substation equipment;
4013 (E) lighting;
4014 (F) fencing;
4015 (G) pipes; or
4016 (H) other equipment used for locating a power line or pole; and
4017 (b) this Subsection [~~(56)~~] (45) does not apply to:
4018 (i) tangible personal property used in construction of:
4019 (A) a new waste energy facility; or
4020 (B) the increase in the capacity of a waste energy facility;
4021 (ii) contracted services required for construction and routine maintenance activities;
4022 and
4023 (iii) unless the tangible personal property is used or acquired for an increase in capacity
4024 described in Subsection [~~(56)~~] (45)(a)(i)(C)(II), tangible personal property used or acquired
4025 after:
4026 (A) the waste energy facility described in Subsection [~~(56)~~] (45)(a)(i) is operational as

4027 described in Subsection [~~(56)~~] (45)(a)(iii); or
4028 (B) the increased capacity described in Subsection [~~(56)~~] (45)(a)(i) is operational as
4029 described in Subsection [~~(56)~~] (45)(a)(iii);
4030 [~~(57)~~] (46) (a) leases of five or more years or purchases made on or after July 1, 2004,
4031 but on or before June 30, 2027, of tangible personal property that:
4032 (i) is leased or purchased for or by a facility that:
4033 (A) is located in the state;
4034 (B) produces fuel from alternative energy, including:
4035 (I) methanol; or
4036 (II) ethanol; and
4037 (C) (I) becomes operational on or after July 1, 2004; or
4038 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as
4039 a result of the installation of the tangible personal property;
4040 (ii) has an economic life of five or more years; and
4041 (iii) is installed on the facility described in Subsection [~~(57)~~] (46)(a)(i);
4042 (b) this Subsection [~~(57)~~] (46) does not apply to:
4043 (i) tangible personal property used in construction of:
4044 (A) a new facility described in Subsection [~~(57)~~] (46)(a)(i); or
4045 (B) the increase in capacity of the facility described in Subsection [~~(57)~~] (46)(a)(i); or
4046 (ii) contracted services required for construction and routine maintenance activities;
4047 and
4048 (iii) unless the tangible personal property is used or acquired for an increase in capacity
4049 described in Subsection [~~(57)~~] (46)(a)(i)(C)(II), tangible personal property used or acquired
4050 after:
4051 (A) the facility described in Subsection [~~(57)~~] (46)(a)(i) is operational; or
4052 (B) the increased capacity described in Subsection [~~(57)~~] (46)(a)(i) is operational;
4053 [~~(58)~~] (47) (a) subject to Subsection [~~(58)~~] (47)(b) or (c), sales of tangible personal
4054 property or a product transferred electronically to a person within this state if that tangible
4055 personal property or product transferred electronically is subsequently shipped outside the state
4056 and incorporated pursuant to contract into and becomes a part of real property located outside
4057 of this state;

4058 (b) the exemption under Subsection ~~[(58)]~~ (47)(a) is not allowed to the extent that the
4059 other state or political entity to which the tangible personal property is shipped imposes a sales,
4060 use, gross receipts, or other similar transaction excise tax on the transaction against which the
4061 other state or political entity allows a credit for sales and use taxes imposed by this chapter; and

4062 (c) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,
4063 a person may claim the exemption allowed by this Subsection ~~[(58)]~~ (47) for a sale by filing for
4064 a refund:

4065 (i) if the sale is made on or after July 1, 2004, but on or before June 30, 2008;

4066 (ii) as if this Subsection ~~[(58)]~~ (47) as in effect on July 1, 2008, were in effect on the
4067 day on which the sale is made;

4068 (iii) if the person did not claim the exemption allowed by this Subsection ~~[(58)]~~ (47)
4069 for the sale prior to filing for the refund;

4070 (iv) for sales and use taxes paid under this chapter on the sale;

4071 (v) in accordance with Section 59-1-1410; and

4072 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if
4073 the person files for the refund on or before June 30, 2011;

4074 ~~[(59) purchases:]~~

4075 ~~[(a) of one or more of the following items in printed or electronic format:]~~

4076 ~~[(i) a list containing information that includes one or more:]~~

4077 ~~[(A) names; or]~~

4078 ~~[(B) addresses; or]~~

4079 ~~[(ii) a database containing information that includes one or more:]~~

4080 ~~[(A) names; or]~~

4081 ~~[(B) addresses; and]~~

4082 ~~[(b) used to send direct mail;]~~

4083 ~~[(60)]~~ (48) redemptions or repurchases of a product by a person if that product was:

4084 (a) delivered to a pawnbroker as part of a pawn transaction; and

4085 (b) redeemed or repurchased within the time period established in a written agreement
4086 between the person and the pawnbroker for redeeming or repurchasing the product;

4087 ~~[(61)]~~ (49) (a) purchases or leases of an item described in Subsection ~~[(61)]~~ (49)(b) if
4088 the item:

4089 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;

4090 and

4091 (ii) has a useful economic life of one or more years; and

4092 (b) the following apply to Subsection [~~(61)~~] (49)(a):

4093 (i) telecommunications enabling or facilitating equipment, machinery, or software;

4094 (ii) telecommunications equipment, machinery, or software required for 911 service;

4095 (iii) telecommunications maintenance or repair equipment, machinery, or software;

4096 (iv) telecommunications switching or routing equipment, machinery, or software; or

4097 (v) telecommunications transmission equipment, machinery, or software;

4098 [~~(62)~~] (50) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of

4099 tangible personal property or a product transferred electronically that are used in the research

4100 and development of alternative energy technology; and

4101 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

4102 commission may, for purposes of Subsection [~~(62)~~] (50)(a), make rules defining what

4103 constitutes purchases of tangible personal property or a product transferred electronically that

4104 are used in the research and development of alternative energy technology;

4105 [~~(63)~~] (51) (a) purchases of tangible personal property or a product transferred

4106 electronically if:

4107 (i) the tangible personal property or product transferred electronically is:

4108 (A) purchased outside of this state;

4109 (B) brought into this state at any time after the purchase described in Subsection [~~(63)~~]

4110 (51)(a)(i)(A); and

4111 (C) used in conducting business in this state; and

4112 (ii) for:

4113 (A) tangible personal property or a product transferred electronically other than the

4114 tangible personal property described in Subsection [~~(63)~~] (51)(a)(ii)(B), the first use of the

4115 property for a purpose for which the property is designed occurs outside of this state; or

4116 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered

4117 outside of this state;

4118 (b) the exemption provided for in Subsection [~~(63)~~] (51)(a) does not apply to:

4119 (i) a lease or rental of tangible personal property or a product transferred electronically;

4120 or

4121 (ii) a sale of a vehicle exempt under Subsection ~~[(33)]~~ (28); ~~[and]~~

4122 ~~[(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for~~

4123 ~~purposes of Subsection (63)(a), the commission may by rule define what constitutes the~~

4124 ~~following:]~~

4125 ~~[(i) conducting business in this state if that phrase has the same meaning in this~~

4126 ~~Subsection (63) as in Subsection (24);]~~

4127 ~~[(ii) the first use of tangible personal property or a product transferred electronically if~~

4128 ~~that phrase has the same meaning in this Subsection (63) as in Subsection (24); or]~~

4129 ~~[(iii) a purpose for which tangible personal property or a product transferred~~

4130 ~~electronically is designed if that phrase has the same meaning in this Subsection (63) as in~~

4131 ~~Subsection (24);]~~

4132 ~~[(64)]~~ (52) sales of disposable home medical equipment or supplies if:

4133 (a) a person presents a prescription for the disposable home medical equipment or

4134 supplies;

4135 (b) the disposable home medical equipment or supplies are used exclusively by the

4136 person to whom the prescription described in Subsection ~~[(64)]~~ (52)(a) is issued; and

4137 (c) the disposable home medical equipment and supplies are listed as eligible for

4138 payment under:

4139 (i) Title XVIII, federal Social Security Act; or

4140 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

4141 ~~[(65)]~~ (53) sales:

4142 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit

4143 District Act; or

4144 (b) of tangible personal property to a subcontractor of a public transit district, if the

4145 tangible personal property is:

4146 (i) clearly identified; and

4147 (ii) installed or converted to real property owned by the public transit district;

4148 ~~[(66)]~~ (54) sales of construction materials:

4149 (a) purchased on or after July 1, 2010;

4150 (b) purchased by, on behalf of, or for the benefit of an international airport:

- 4151 (i) located within a county of the first class; and
- 4152 (ii) that has a United States customs office on its premises; and
- 4153 (c) if the construction materials are:
- 4154 (i) clearly identified;
- 4155 (ii) segregated; and
- 4156 (iii) installed or converted to real property:
- 4157 (A) owned or operated by the international airport described in Subsection ~~[(66)]~~
- 4158 (54)(b); and
- 4159 (B) located at the international airport described in Subsection ~~[(66)]~~ (54)(b);
- 4160 ~~[(67)]~~ (55) sales of construction materials:
- 4161 (a) purchased on or after July 1, 2008;
- 4162 (b) purchased by, on behalf of, or for the benefit of a new airport:
- 4163 (i) located within a county of the second class; and
- 4164 (ii) that is owned or operated by a city in which an airline as defined in Section
- 4165 [59-2-102](#) is headquartered; and
- 4166 (c) if the construction materials are:
- 4167 (i) clearly identified;
- 4168 (ii) segregated; and
- 4169 (iii) installed or converted to real property:
- 4170 (A) owned or operated by the new airport described in Subsection ~~[(67)]~~ (55)(b);
- 4171 (B) located at the new airport described in Subsection ~~[(67)]~~ (55)(b); and
- 4172 (C) as part of the construction of the new airport described in Subsection ~~[(67)]~~
- 4173 (55)(b);
- 4174 ~~[(68)]~~ (56) sales of fuel to a common carrier that is a railroad for use in a locomotive
- 4175 engine;
- 4176 ~~[(69)]~~ (57) purchases and sales described in Section [63H-4-111](#);
- 4177 ~~[(70)]~~ (58) (a) sales of tangible personal property to an aircraft maintenance, repair, and
- 4178 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of
- 4179 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
- 4180 lists a state or country other than this state as the location of registry of the fixed wing turbine
- 4181 powered aircraft; or

4182 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
4183 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of
4184 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
4185 lists a state or country other than this state as the location of registry of the fixed wing turbine
4186 powered aircraft;

4187 [~~(71)~~ subject to Section ~~59-12-104.4~~, sales of a textbook for a higher education
4188 course:]

4189 [~~(a)~~ to a person admitted to an institution of higher education; and]

4190 [~~(b)~~ by a seller, other than a bookstore owned by an institution of higher education, if
4191 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a
4192 textbook for a higher education course;]

4193 [~~(72)~~] (59) a license fee or tax a municipality imposes in accordance with Subsection
4194 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced
4195 level of municipal services;

4196 [~~(73)~~] (60) amounts paid or charged for construction materials used in the construction
4197 of a new or expanding life science research and development facility in the state, if the
4198 construction materials are:

4199 (a) clearly identified;

4200 (b) segregated; and

4201 (c) installed or converted to real property;

4202 [~~(74)~~] (61) amounts paid or charged for:

4203 (a) a purchase or lease of machinery and equipment that:

4204 (i) are used in performing qualified research:

4205 (A) as defined in Section 41(d), Internal Revenue Code; and

4206 (B) in the state; and

4207 (ii) have an economic life of three or more years; and

4208 (b) normal operating repair or replacement parts:

4209 (i) for the machinery and equipment described in Subsection [~~(74)~~] (61)(a); and

4210 (ii) that have an economic life of three or more years;

4211 [~~(75)~~] (62) a sale or lease of tangible personal property used in the preparation of
4212 prepared food if:

4213 (a) for a sale:

4214 (i) the ownership of the seller and the ownership of the purchaser are identical; and

4215 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that

4216 tangible personal property prior to making the sale; or

4217 (b) for a lease:

4218 (i) the ownership of the lessor and the ownership of the lessee are identical; and

4219 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible

4220 personal property prior to making the lease;

4221 ~~[(76)]~~ (63) (a) purchases of machinery or equipment if:

4222 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,

4223 Gambling, and Recreation Industries, of the 2012 North American Industry Classification

4224 System of the federal Executive Office of the President, Office of Management and Budget;

4225 (ii) the machinery or equipment:

4226 (A) has an economic life of three or more years; and

4227 (B) is used by one or more persons who pay admission or user fees described in

4228 Subsection [59-12-103\(1\)\(f\)](#) to the purchaser of the machinery and equipment; and

4229 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:

4230 (A) amounts paid or charged as admission or user fees described in Subsection

4231 [59-12-103\(1\)\(f\)](#); and

4232 (B) subject to taxation under this chapter; and

4233 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

4234 commission may make rules for verifying that 51% of a purchaser's sales revenue for the

4235 previous calendar quarter is:

4236 (i) amounts paid or charged as admission or user fees described in Subsection

4237 [59-12-103\(1\)\(f\)](#); and

4238 (ii) subject to taxation under this chapter;

4239 ~~[(77)]~~ (64) purchases of a short-term lodging consumable by a business that provides

4240 accommodations and services described in Subsection ~~[[59-12-103\(1\)\(i\)](#)]~~ [59-12-103\(1\)\(h\)](#);

4241 ~~[(78) amounts paid or charged to access a database:]~~

4242 ~~[(a) if the primary purpose for accessing the database is to view or retrieve information~~

4243 ~~from the database; and]~~

- 4244 ~~[(b) not including amounts paid or charged for a:]~~
- 4245 ~~[(i) digital audiowork;]~~
- 4246 ~~[(ii) digital audio-visual work; or]~~
- 4247 ~~[(iii) digital book;]~~
- 4248 ~~[(79)]~~ (65) amounts paid or charged for a purchase or lease made by an electronic
- 4249 financial payment service, of:
 - 4250 (a) machinery and equipment that:
 - 4251 (i) are used in the operation of the electronic financial payment service; and
 - 4252 (ii) have an economic life of three or more years; and
 - 4253 (b) normal operating repair or replacement parts that:
 - 4254 (i) are used in the operation of the electronic financial payment service; and
 - 4255 (ii) have an economic life of three or more years;
- 4256 ~~[(80)]~~ (66) beginning on April 1, 2013, sales of a fuel cell as defined in Section
- 4257 [54-15-102](#);
- 4258 ~~[(81)]~~ (67) amounts paid or charged for a purchase or lease of tangible personal
- 4259 property or a product transferred electronically if the tangible personal property or product
- 4260 transferred electronically:
 - 4261 (a) is stored, used, or consumed in the state; and
 - 4262 (b) is temporarily brought into the state from another state:
 - 4263 (i) during a disaster period as defined in Section [53-2a-1202](#);
 - 4264 (ii) by an out-of-state business as defined in Section [53-2a-1202](#);
 - 4265 (iii) for a declared state disaster or emergency as defined in Section [53-2a-1202](#); and
 - 4266 (iv) for disaster- or emergency-related work as defined in Section [53-2a-1202](#);
- 4267 ~~[(82)]~~ (68) sales of goods and services at a morale, welfare, and recreation facility, as
- 4268 defined in Section [39-9-102](#), made pursuant to Title 39, Chapter 9, State Morale, Welfare, and
- 4269 Recreation Program;
- 4270 ~~[(83)]~~ (69) amounts paid or charged for a purchase or lease of molten magnesium;
- 4271 ~~[(84)]~~ (70) amounts paid or charged for a purchase or lease made by a qualifying
- 4272 enterprise data center of machinery, equipment, or normal operating repair or replacement
- 4273 parts, if the machinery, equipment, or normal operating repair or replacement parts:
 - 4274 (a) are used in the operation of the establishment; and

4275 (b) have an economic life of one or more years;

4276 [~~(85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a~~

4277 ~~vehicle that includes cleaning or washing of the interior of the vehicle;]~~

4278 [~~(86)~~ (71) amounts paid or charged for a purchase or lease of machinery, equipment,

4279 normal operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or

4280 supplies used or consumed:

4281 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined

4282 in Section [63M-4-701](#) located in the state;

4283 (b) if the machinery, equipment, normal operating repair or replacement parts,

4284 catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:

4285 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is

4286 added to gasoline or diesel fuel;

4287 (ii) research and development;

4288 (iii) transporting, storing, or managing raw materials, work in process, finished

4289 products, and waste materials produced from refining gasoline or diesel fuel, or adding

4290 blendstock to gasoline or diesel fuel;

4291 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in

4292 refining; or

4293 (v) preventing, controlling, or reducing pollutants from refining; and

4294 (c) beginning on July 1, 2021, if the person has obtained a form certified by the Office

4295 of Energy Development under Subsection [63M-4-702\(2\)](#);

4296 [~~(87)~~ (72) amounts paid to or charged by a proprietor for accommodations and

4297 services, as defined in Section [63H-1-205](#), if the proprietor is subject to the MIDA

4298 accommodations tax imposed under Section [63H-1-205](#); [~~and~~]

4299 [~~(88)~~ (73) amounts paid or charged for a purchase or lease of machinery, equipment,

4300 normal operating repair or replacement parts, or materials, except for office equipment or

4301 office supplies, by an establishment, as the commission defines that term in accordance with

4302 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

4303 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North

4304 American Industry Classification System of the federal Executive Office of the President,

4305 Office of Management and Budget;

4306 (b) is located in this state; and
4307 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
4308 materials in the operation of the establishment[-];
4309 (74) sales of an item of tangible personal property or a service by a person under 18
4310 years of age if:
4311 (a) the service is provided by the person described in this Subsection (74); or
4312 (b) the item of tangible personal property is handcrafted solely by the person described
4313 in this Subsection (74); and
4314 (75) amounts paid or charged for a sale of a service if the service is an economic
4315 activity classified in one of the following NAICS Codes of the 2017 North American Industry
4316 Classification System of the federal Executive Office of the President, Office of Management
4317 and Budget:
4318 (a) NAICS Sector 11, Agriculture, Forestry, Fishing and Hunting;
4319 (b) (i) except as provided in Subsection (75)(b)(ii), NAICS Sector 23, Construction, if
4320 the service is provided for the construction of a:
4321 (A) new single-family residential housing unit;
4322 (B) new multifamily residential housing unit;
4323 (C) new industrial building;
4324 (D) new commercial or institutional building;
4325 (E) highway;
4326 (F) street; or
4327 (G) bridge;
4328 (ii) the exemption under Subsection (75)(b)(i) is not allowed and the service is subject
4329 to the taxes imposed by this chapter to the extent that the service is an economic activity
4330 classified in:
4331 (A) NAICS Code 237990, Other Heavy and Civil Engineering Construction;
4332 (B) NAICS Code 238210, Electrical Contractors and Other Wiring Installation
4333 Contractors; or
4334 (C) NAICS Code 238220, Plumbing, Heating, and Air-Conditioning Contractors;
4335 (c) NAICS Code 237210, Land Subdivision;
4336 (d) NAICS Sectors 31-33, Manufacturing;

- 4337 (e) NAICS Sector 42, Wholesale Trade;
- 4338 (f) NAICS Code 481111, Scheduled Passenger Air Transportation;
- 4339 (g) NAICS Code 4841, General Freight Trucking;
- 4340 (h) NAICS Code 4842, Specialized Freight Trucking;
- 4341 (i) NAICS Code 4851, Urban Transit Systems;
- 4342 (j) NAICS Code 4852, Interurban and Rural Bus Transportation;
- 4343 (k) NAICS Code 4854, School and Employee Bus Transportation;
- 4344 (l) NAICS Code 4881, Support Activities for Air Transportation;
- 4345 (m) NAICS Code 491, Postal Service;
- 4346 (n) NAICS Code 519120, Libraries and Archives;
- 4347 (o) NAICS Code 5211, Monetary Authorities-Central Bank;
- 4348 (p) NAICS Code 5221, Depository Credit Intermediation;
- 4349 (q) NAICS Code 5222, Nondepository Credit Intermediation;
- 4350 (r) NAICS Code 5223, Activities Related to Credit Intermediation;
- 4351 (s) NAICS Code 523110, Investment Banking and Securities Dealing;
- 4352 (t) NAICS Code 5241, Insurance Carriers;
- 4353 (u) NAICS Code 5242, Agencies, Brokerages, and Other Insurance Related Activities;
- 4354 (v) NAICS Code 5251, Insurance and Employee Benefit Funds;
- 4355 (w) NAICS Code 5259, Other Investment Pools and Funds;
- 4356 (x) NAICS Code 531110, Lessors of Residential Buildings and Dwellings;
- 4357 (y) NAICS Code 531120, Lessors of Nonresidential Buildings (except
- 4358 Miniwarehouses);
- 4359 (z) NAICS Code 531210, Offices of Real Estate Agents and Brokers;
- 4360 (aa) NAICS Sector 55, Management of Companies and Enterprises;
- 4361 (bb) NAICS Code 561330, Professional Employer Organizations;
- 4362 (cc) NAICS Code 6111, Elementary and Secondary Schools;
- 4363 (dd) NAICS Code 6112, Junior Colleges;
- 4364 (ee) NAICS Code 6113, Colleges, Universities, and Professional Schools;
- 4365 (ff) NAICS Code 611410, Business and Secretarial Schools;
- 4366 (gg) NAICS Code 611420, Computer Training;
- 4367 (hh) NAICS Code 611511, Cosmetology and Barber Schools;

- 4368 (ii) NAICS Code 611513, Apprenticeship Training;
- 4369 (jj) NAICS Code 611519, Other Technical and Trade Schools;
- 4370 (kk) NAICS Code 611710, Educational Support Services;
- 4371 (ll) (i) except as provided in Subsection (75)(ll)(ii), NAICS Sector 62, Health Care and
- 4372 Social Assistance; and
- 4373 (ii) the exemption under Subsection (75)(ll)(i) is not allowed and the service is subject
- 4374 to the taxes imposed by this chapter to the extent that the service described in Subsection
- 4375 (75)(ll)(i) is a cosmetic medical procedure;
- 4376 (mm) NAICS Code 8131, Religious Organizations;
- 4377 (nn) NAICS Code 8132, Grantmaking and Giving Services;
- 4378 (oo) NAICS Code 8133, Social Advocacy Organizations;
- 4379 (pp) NAICS Code 8134, Civic and Social Organizations; or
- 4380 (qq) NAICS Sector 92, Public Administration.

4381 Section 33. Section **59-12-104.2** is amended to read:

4382 **59-12-104.2. Exemption for accommodations and services taxed by the Navajo**
4383 **Nation.**

4384 (1) As used in this section "tribal taxing area" means the geographical area that:

4385 (a) is subject to the taxing authority of the Navajo Nation; and

4386 (b) consists of:

4387 (i) notwithstanding the issuance of a patent, all land:

4388 (A) within the limits of an Indian reservation under the jurisdiction of the federal
4389 government; and

4390 (B) including any rights-of-way running through the reservation; and

4391 (ii) all Indian allotments the Indian titles to which have not been extinguished,

4392 including any rights-of-way running through an Indian allotment.

4393 (2) (a) Beginning July 1, 2001, amounts paid by or charged to a purchaser for
4394 accommodations and services described in Subsection 59-12-103(1)[(†)](h) are exempt from
4395 the tax imposed by Subsection 59-12-103(2)(a)(i)(A) or (2)(d)(i)(A)(I) to the extent permitted
4396 under Subsection (2)(b) if:

4397 (i) the accommodations and services described in Subsection 59-12-103(1)[(†)](h) are
4398 provided within:

- 4399 (A) the state; and
- 4400 (B) a tribal taxing area;
- 4401 (ii) the Navajo Nation imposes and collects a tax on the amounts paid by or charged to
- 4402 the purchaser for the accommodations and services described in Subsection
- 4403 [59-12-103\(1\)\(†\)\(h\)](#);
- 4404 (iii) the Navajo Nation imposes the tax described in Subsection (2)(a)(ii) without
- 4405 regard to whether or not the purchaser that pays or is charged for the accommodations and
- 4406 services is an enrolled member of the Navajo Nation; and
- 4407 (iv) the requirements of Subsection (4) are met.
- 4408 (b) If but for Subsection (2)(a) the amounts paid by or charged to a purchaser for
- 4409 accommodations and services described in Subsection (2)(a) are subject to a tax imposed by
- 4410 Subsection [59-12-103\(2\)\(a\)\(i\)\(A\)](#) or (2)(d)(i)(A)(I):
- 4411 (i) the seller shall collect and pay to the state the difference described in Subsection (3)
- 4412 if that difference is greater than \$0; and
- 4413 (ii) a person may not require the state to provide a refund, a credit, or similar tax relief
- 4414 if the difference described in Subsection (3) is equal to or less than \$0.
- 4415 (3) The difference described in Subsection (2)(b) is equal to the difference between:
- 4416 (a) the amount of tax imposed by Subsection [59-12-103\(2\)\(a\)\(i\)\(A\)](#) or (2)(d)(i)(A)(I)
- 4417 on the amounts paid by or charged to a purchaser for accommodations and services described
- 4418 in Subsection [59-12-103\(1\)\(†\)\(h\)](#); less
- 4419 (b) the tax imposed and collected by the Navajo Nation on the amounts paid by or
- 4420 charged to a purchaser for the accommodations and services described in Subsection
- 4421 [59-12-103\(1\)\(†\)\(h\)](#).
- 4422 (4) (a) If, on or after July 1, 2001, the Navajo Nation changes the tax rate of a tax
- 4423 imposed on amounts paid by or charged to a purchaser for accommodations and services
- 4424 described in Subsection [59-12-103\(1\)\(†\)\(h\)](#), any change in the amount of the exemption under
- 4425 Subsection (2) as a result of the change in the tax rate is not effective until the first day of the
- 4426 calendar quarter after a 90-day period beginning on the date the commission receives notice
- 4427 meeting the requirements of Subsection (4)(b) from the Navajo Nation.
- 4428 (b) The notice described in Subsection (4)(a) shall state:
- 4429 (i) that the Navajo Nation has changed or will change the tax rate of a tax imposed on

4430 amounts paid by or charged to a purchaser for accommodations and services described in
4431 Subsection 59-12-103(1)(~~(f)~~)(h);

4432 (ii) the effective date of the rate change on the tax described in Subsection (4)(b)(i);
4433 and

4434 (iii) the new rate of the tax described in Subsection (4)(b)(i).

4435 Section 34. Section 59-12-104.5 is amended to read:

4436 **59-12-104.5. Revenue and Taxation Interim Committee review of sales and use**
4437 **taxes.**

4438 The Revenue and Taxation Interim Committee shall:

4439 (1) review Subsection 59-12-104(~~(28)~~)(24) before October 1 of the year after the year
4440 in which Congress permits a state to participate in the special supplemental nutrition program
4441 under 42 U.S.C. Sec. 1786 even if state or local sales taxes are collected within the state on
4442 purchases of food under that program; and

4443 (2) review Subsection 59-12-104(~~(21)~~)(17) before October 1 of the year after the year
4444 in which Congress permits a state to participate in the SNAP as defined in Section 35A-1-102,
4445 even if state or local sales taxes are collected within the state on purchases of food under that
4446 program.

4447 Section 35. Section 59-12-104.6 is amended to read:

4448 **59-12-104.6. Procedure for claiming a sales and use tax exemption for certain**
4449 **lodging related purchases -- Rulemaking authority -- Applicability of section.**

4450 (1) As used in this section:

4451 (a) "Designated establishment within the lodging industry" means an establishment
4452 described in NAICS Code 721110 or 721191 of the 2007 North American Industry
4453 Classification System of the federal Executive Office of the President, Office of Management
4454 and Budget.

4455 (b) "Exempt purchaser" means a person that:

4456 (i) makes a lodging related purchase; and

4457 (ii) may claim an exemption from a tax under this chapter for the purchase.

4458 (c) "Lodging related purchase" means the purchase of the following from a seller that is
4459 a designated establishment within the lodging industry:

4460 (i) accommodations and services described in Subsection 59-12-103(1)(~~(f)~~)(h); or

4461 (ii) any other tangible personal property, product, or service that is:

4462 (A) purchased as part of a transaction that includes the purchase of accommodations
4463 and services described in Subsection (1)(c)(i); and

4464 (B) included on the invoice, bill of sale, or similar document provided to the purchaser
4465 of the accommodations and services described in Subsection (1)(c)(i).

4466 (2) Except as provided in Subsection (3), an exempt purchaser that makes a lodging
4467 related purchase:

4468 (a) shall pay a tax that would otherwise be imposed under this chapter on the lodging
4469 related purchase but for the purchaser being allowed to claim an exemption from a tax under
4470 this chapter for the purchase; and

4471 (b) may apply to the commission for a refund of the tax described in Subsection (2)(a)
4472 that the purchaser pays.

4473 (3) An exempt purchaser that makes a lodging related purchase may claim an
4474 exemption from a tax under this chapter at the point of sale if the exempt purchaser:

4475 (a) is an agency or instrumentality of the United States;

4476 (b) is exempt from a tax under this chapter on a lodging related purchase as authorized
4477 by a diplomatic tax exemption card issued by the United States; or

4478 (c) may claim the exemption at the point of sale in accordance with Section
4479 [59-12-104.1](#).

4480 (4) An exempt purchaser that applies to the commission for a refund may not make an
4481 application to the commission for a refund more frequently than monthly.

4482 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4483 commission may make rules providing:

4484 (a) procedures for applying for a refund under this section;

4485 (b) standards for determining and verifying the amount of a lodging related purchase by
4486 an exempt purchaser; and

4487 (c) procedures for claiming a refund on a monthly basis.

4488 (6) This section does not apply to amounts taxed by the Navajo Nation that are exempt
4489 from sales and use taxes in accordance with Section [59-12-104.2](#).

4490 Section 36. Section **59-12-107** is amended to read:

4491 **59-12-107. Definitions -- Collection, remittance, and payment of tax by sellers or**

4492 **other persons -- Returns -- Reports -- Direct payment by purchaser of vehicle -- Other**
4493 **liability for collection -- Rulemaking authority -- Credits -- Treatment of bad debt --**
4494 **Penalties and interest.**

4495 (1) As used in this section:

4496 (a) "Ownership" means direct ownership or indirect ownership through a parent,
4497 subsidiary, or affiliate.

4498 (b) "Related seller" means a seller that:

4499 (i) meets one or more of the criteria described in Subsection (2)(a)(i); and

4500 (ii) delivers tangible personal property, a service, or a product transferred electronically
4501 that is sold:

4502 (A) by a seller that does not meet one or more of the criteria described in Subsection
4503 (2)(a)(i); and

4504 (B) to a purchaser in the state.

4505 (c) "Substantial ownership interest" means an ownership interest in a business entity if
4506 that ownership interest is greater than the degree of ownership of equity interest specified in 15
4507 U.S.C. Sec. 78p, with respect to a person other than a director or an officer.

4508 (2) (a) Except as provided in Subsection (2)(f), Section [59-12-107.1](#), or Section
4509 [59-12-123](#), and subject to Subsection (2)(g), each seller shall pay or collect and remit the sales
4510 and use taxes imposed by this chapter if within this state the seller:

4511 (i) has or utilizes:

4512 (A) an office;

4513 (B) a distribution house;

4514 (C) a sales house;

4515 (D) a warehouse;

4516 (E) a service enterprise; or

4517 (F) a place of business similar to Subsections (2)(a)(i)(A) through (E);

4518 (ii) maintains a stock of goods;

4519 (iii) regularly solicits orders, regardless of whether or not the orders are accepted in the
4520 state, unless the seller's only activity in the state is:

4521 (A) advertising; or

4522 (B) solicitation by:

- 4523 (I) direct mail;
- 4524 (II) electronic mail;
- 4525 (III) the Internet;
- 4526 (IV) telecommunications service; or
- 4527 (V) a means similar to Subsection (2)(a)(iii)(A) or (B);
- 4528 (iv) regularly engages in the delivery of property in the state other than by:
- 4529 (A) common carrier; or
- 4530 (B) United States mail; or
- 4531 (v) regularly engages in an activity directly related to the leasing or servicing of
- 4532 property located within the state.
- 4533 (b) A seller is considered to be engaged in the business of selling tangible personal
- 4534 property, a service, or a product transferred electronically for use in the state, and shall pay or
- 4535 collect and remit the sales and use taxes imposed by this chapter if:
- 4536 (i) the seller holds a substantial ownership interest in, or is owned in whole or in
- 4537 substantial part by, a related seller; and
- 4538 (ii) (A) the seller sells the same or a substantially similar line of products as the related
- 4539 seller and does so under the same or a substantially similar business name; or
- 4540 (B) the place of business described in Subsection (2)(a)(i) of the related seller or an in
- 4541 state employee of the related seller is used to advertise, promote, or facilitate sales by the seller
- 4542 to a purchaser.
- 4543 (c) Each seller that does not meet one or more of the criteria provided for in Subsection
- 4544 (2)(a) or is not a seller required to pay or collect and remit the sales and use taxes imposed by
- 4545 this chapter under Subsection (2)(b) shall pay or collect and remit the sales and use tax
- 4546 imposed by this chapter if the seller:
- 4547 (i) sells tangible personal property, products transferred electronically, or services for
- 4548 storage, use, or consumption in the state; and
- 4549 (ii) in either the previous calendar year or the current calendar year:
- 4550 (A) receives gross revenue from the sale of tangible personal property, any product
- 4551 transferred electronically, or services for storage, use, or consumption in the state of more than
- 4552 \$100,000; or
- 4553 (B) sells tangible personal property, products transferred electronically, or services for

4554 storage, use, or consumption in the state in 200 or more separate transactions.

4555 (d) A seller that does not meet one or more of the criteria provided for in Subsection

4556 (2)(a) or is not a seller required to pay or collect and remit sales and use taxes under Subsection

4557 (2)(b) or (2)(c) may voluntarily:

4558 (i) collect a tax on a transaction described in Subsection 59-12-103(1); and

4559 (ii) remit the tax to the commission as provided in this part.

4560 (e) The collection and remittance of a tax under this chapter by a seller that is

4561 registered under the agreement may not be used as a factor in determining whether that seller is

4562 required by this Subsection (2) to:

4563 (i) pay a tax, fee, or charge under:

4564 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

4565 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

4566 (C) Section 19-6-714;

4567 (D) Section 19-6-805;

4568 (E) Title 69, Chapter 2, Part 4, 911 Emergency Service Charges; or

4569 (F) this title; or

4570 (ii) collect and remit a tax, fee, or charge under:

4571 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

4572 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

4573 (C) Section 19-6-714;

4574 (D) Section 19-6-805;

4575 (E) Title 69, Chapter 2, Part 4, 911 Emergency Service Charges; or

4576 (F) this title.

4577 (f) A person shall pay a use tax imposed by this chapter on a transaction described in

4578 Subsection 59-12-103(1) if:

4579 (i) the seller did not collect a tax imposed by this chapter on the transaction; and

4580 (ii) the person:

4581 (A) stores the tangible personal property or product transferred electronically in the

4582 state;

4583 (B) uses the tangible personal property or product transferred electronically in the state;

4584 or

4585 (C) consumes the tangible personal property or product transferred electronically in the
4586 state.

4587 (g) The ownership of property that is located at the premises of a printer's facility with
4588 which the retailer has contracted for printing and that consists of the final printed product,
4589 property that becomes a part of the final printed product, or copy from which the printed
4590 product is produced, shall not result in the retailer being considered to have or maintain an
4591 office, distribution house, sales house, warehouse, service enterprise, or other place of
4592 business, or to maintain a stock of goods, within this state.

4593 (3) (a) Except as provided in Section [59-12-107.1](#), a tax under this chapter shall be
4594 collected from a purchaser.

4595 (b) A seller may not collect as tax an amount, without regard to fractional parts of one
4596 cent, in excess of the tax computed at the rates prescribed by this chapter.

4597 (c) (i) Each seller shall:

4598 (A) give the purchaser a receipt for the tax collected; or

4599 (B) bill the tax as a separate item and declare the name of this state and the seller's
4600 sales and use tax license number on the invoice for the sale.

4601 (ii) The receipt or invoice is prima facie evidence that the seller has collected the tax
4602 and relieves the purchaser of the liability for reporting the tax to the commission as a
4603 consumer.

4604 (d) A seller is not required to maintain a separate account for the tax collected, but is
4605 considered to be a person charged with receipt, safekeeping, and transfer of public money.

4606 (e) Taxes collected by a seller pursuant to this chapter shall be held in trust for the
4607 benefit of the state and for payment to the commission in the manner and at the time provided
4608 for in this chapter.

4609 (f) If any seller, during any reporting period, collects as a tax an amount in excess of
4610 the lawful state and local percentage of total taxable sales allowed under this chapter, the seller
4611 shall remit to the commission the full amount of the tax imposed under this chapter, plus any
4612 excess.

4613 (g) If the accounting methods regularly employed by the seller in the transaction of the
4614 seller's business are such that reports of sales made during a calendar month or quarterly period
4615 will impose unnecessary hardships, the commission may accept reports at intervals that, in the

4616 commission's opinion, will better suit the convenience of the taxpayer or seller and will not
4617 jeopardize collection of the tax.

4618 (h) (i) For a purchase paid with specie legal tender as defined in Section 59-1-1501.1,
4619 and until such time as the commission accepts specie legal tender for the payment of a tax
4620 under this chapter, if the commission requires a seller to remit a tax under this chapter in legal
4621 tender other than specie legal tender, the seller shall state on the seller's books and records and
4622 on an invoice, bill of sale, or similar document provided to the purchaser:

4623 (A) the purchase price in specie legal tender and in the legal tender the seller is
4624 required to remit to the commission;

4625 (B) subject to Subsection (3)(h)(ii), the amount of tax due under this chapter in specie
4626 legal tender and in the legal tender the seller is required to remit to the commission;

4627 (C) the tax rate under this chapter applicable to the purchase; and

4628 (D) the date of the purchase.

4629 (ii) (A) Subject to Subsection (3)(h)(ii)(B), for purposes of determining the amount of
4630 tax due under Subsection (3)(h)(i), a seller shall use the most recent London fixing price for the
4631 specie legal tender the purchaser paid.

4632 (B) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4633 commission may make rules for determining the amount of tax due under Subsection (3)(h)(i)
4634 if the London fixing price is not available for a particular day.

4635 (4) (a) Except as provided in Subsections (5) through ~~(7)~~ (8) and Section 59-12-108,
4636 the sales or use tax imposed by this chapter is due and payable to the commission quarterly on
4637 or before the last day of the month next succeeding each quarterly calendar period.

4638 (b) (i) Each seller shall, on or before the last day of the month next succeeding each
4639 quarterly calendar period, file with the commission a return for the preceding quarterly period.

4640 (ii) The seller shall remit with the return under Subsection (4)(b)(i) the amount of the
4641 tax required under this chapter to be collected or paid for the period covered by the return.

4642 (c) Except as provided in Subsection (5)(c), a return shall contain information and be in
4643 a form the commission prescribes by rule.

4644 (d) (i) Subject to Subsection (4)(d)(ii), the sales tax as computed in the return shall be
4645 based on the total nonexempt sales made during the period for which the return is filed,
4646 including both cash and charge sales.

4647 (ii) For a sale that includes the delivery or installation of tangible personal property at a
4648 location other than a seller's place of business described in Subsection (2)(a)(i), if the delivery
4649 or installation is separately stated on an invoice or receipt, a seller may compute the tax due on
4650 the sale for purposes of Subsection (4)(d)(i) based on the amount the seller receives for that
4651 sale during each period for which the seller receives payment for the sale.

4652 (e) (i) The use tax as computed in the return shall be based on the total amount of
4653 purchases for storage, use, or other consumption in this state made during the period for which
4654 the return is filed, including both cash and charge purchases.

4655 (ii) (A) As used in this Subsection (4)(e)(ii), "qualifying purchaser" means a purchaser
4656 that is required to remit taxes under this chapter, but is not required to remit taxes monthly in
4657 accordance with Section 59-12-108, and that converts tangible personal property into real
4658 property.

4659 (B) Subject to Subsections (4)(e)(ii)(C) and (D), a qualifying purchaser may remit the
4660 taxes due under this chapter on tangible personal property for which the qualifying purchaser
4661 claims an exemption as allowed under Subsection 59-12-104~~[(23)]~~(19) or ~~[(25)]~~ (21) based on
4662 the period in which the qualifying purchaser receives payment, in accordance with Subsection
4663 (4)(e)(ii)(C), for the conversion of the tangible personal property into real property.

4664 (C) A qualifying purchaser remitting taxes due under this chapter in accordance with
4665 Subsection (4)(e)(ii)(B) shall remit an amount equal to the total amount of tax due on the
4666 qualifying purchaser's purchase of the tangible personal property that was converted into real
4667 property multiplied by a fraction, the numerator of which is the payment received in the period
4668 for the qualifying purchaser's sale of the tangible personal property that was converted into real
4669 property and the denominator of which is the entire sales price for the qualifying purchaser's
4670 sale of the tangible personal property that was converted into real property.

4671 (D) A qualifying purchaser may remit taxes due under this chapter in accordance with
4672 this Subsection (4)(e)(ii) only if the books and records that the qualifying purchaser keeps in
4673 the qualifying purchaser's regular course of business identify by reasonable and verifiable
4674 standards that the tangible personal property was converted into real property.

4675 (f) (i) Subject to Subsection (4)(f)(ii) and in accordance with Title 63G, Chapter 3,
4676 Utah Administrative Rulemaking Act, the commission may by rule extend the time for making
4677 returns and paying the taxes.

4678 (ii) An extension under Subsection (4)(f)(i) may not be for more than 90 days.
4679 (g) The commission may require returns and payment of the tax to be made for other
4680 than quarterly periods if the commission considers it necessary in order to ensure the payment
4681 of the tax imposed by this chapter.
4682 (h) (i) The commission may require a seller that files a simplified electronic return with
4683 the commission to file an additional electronic report with the commission.
4684 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4685 commission may make rules providing:
4686 (A) the information required to be included in the additional electronic report described
4687 in Subsection (4)(h)(i); and
4688 (B) one or more due dates for filing the additional electronic report described in
4689 Subsection (4)(h)(i).
4690 (5) (a) As used in this Subsection (5) and Subsection (6)(b), "remote seller" means a
4691 seller that is:
4692 (i) registered under the agreement;
4693 (ii) described in Subsection (2)(d); and
4694 (iii) not a:
4695 (A) model 1 seller;
4696 (B) model 2 seller; or
4697 (C) model 3 seller.
4698 (b) (i) Except as provided in Subsection (5)(b)(ii), a tax a remote seller collects in
4699 accordance with Subsection (2)(d) is due and payable:
4700 (A) to the commission;
4701 (B) annually; and
4702 (C) on or before the last day of the month immediately following the last day of each
4703 calendar year.
4704 (ii) The commission may require that a tax a remote seller collects in accordance with
4705 Subsection (2)(d) be due and payable:
4706 (A) to the commission; and
4707 (B) on the last day of the month immediately following any month in which the seller
4708 accumulates a total of at least \$1,000 in agreement sales and use tax.

4709 (c) (i) If a remote seller remits a tax to the commission in accordance with Subsection
4710 (5)(b), the remote seller shall file a return:

- 4711 (A) with the commission;
- 4712 (B) with respect to the tax;
- 4713 (C) containing information prescribed by the commission; and
- 4714 (D) on a form prescribed by the commission.

4715 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4716 commission shall make rules prescribing:

- 4717 (A) the information required to be contained in a return described in Subsection
4718 (5)(c)(i); and
- 4719 (B) the form described in Subsection (5)(c)(i)(D).

4720 (d) A tax a remote seller collects in accordance with this Subsection (5) shall be
4721 calculated on the basis of the total amount of taxable transactions under Subsection
4722 [59-12-103](#)(1) the remote seller completes, including:

- 4723 (i) a cash transaction; and
- 4724 (ii) a charge transaction.

4725 (6) (a) Except as provided in Subsection (6)(b), a tax a seller that files a simplified
4726 electronic return collects in accordance with this chapter is due and payable:

- 4727 (i) monthly on or before the last day of the month immediately following the month for
4728 which the seller collects a tax under this chapter; and
- 4729 (ii) for the month for which the seller collects a tax under this chapter.

4730 (b) A tax a remote seller that files a simplified electronic return collects in accordance
4731 with this chapter is due and payable as provided in Subsection (5).

4732 (7) (a) On each vehicle sale made by other than a regular licensed vehicle dealer, the
4733 purchaser shall pay the sales or use tax directly to the commission if the vehicle is subject to
4734 titling or registration under the laws of this state.

4735 (b) The commission shall collect the tax described in Subsection (7)(a) when the
4736 vehicle is titled or registered.

4737 (8) A seller that has an annual tax liability of less than \$400 shall remit the taxes due
4738 under this chapter on a return filed under Chapter 7, Corporate Franchise and Income Taxes, or
4739 Chapter 10, Individual Income Tax Act.

4740 ~~[(8)]~~ (9) If any sale of tangible personal property or any other taxable transaction under
4741 Subsection 59-12-103(1), is made by a wholesaler to a retailer:

4742 (a) the wholesaler is not responsible for the collection or payment of the tax imposed
4743 on the sale; and

4744 (b) the retailer is responsible for the collection or payment of the tax imposed on the
4745 sale if:

4746 (i) the retailer represents that the tangible personal property, product transferred
4747 electronically, or service is purchased by the retailer for resale; and

4748 (ii) the tangible personal property, product transferred electronically, or service is not
4749 subsequently resold.

4750 ~~[(9)]~~ (10) If any sale of property or service subject to the tax is made to a person
4751 prepaying sales or use tax in accordance with Title 63M, Chapter 5, Resource Development
4752 Act, or to a contractor or subcontractor of that person:

4753 (a) the person to whom such payment or consideration is payable is not responsible for
4754 the collection or payment of the sales or use tax; and

4755 (b) the person prepaying the sales or use tax is responsible for the collection or
4756 payment of the sales or use tax if the person prepaying the sales or use tax represents that the
4757 amount prepaid as sales or use tax has not been fully credited against sales or use tax due and
4758 payable under the rules promulgated by the commission.

4759 ~~[(10)]~~ (11) (a) For purposes of this Subsection ~~[(10)]~~ (11):

4760 (i) Except as provided in Subsection ~~[(10)]~~ (11)(a)(ii), "bad debt" means the same as
4761 that term is defined in Section 166, Internal Revenue Code.

4762 (ii) "Bad debt" does not include:

4763 (A) an amount included in the purchase price of tangible personal property, a product
4764 transferred electronically, or a service that is:

4765 (I) not a transaction described in Subsection 59-12-103(1); or

4766 (II) exempt under Section 59-12-104;

4767 (B) a financing charge;

4768 (C) interest;

4769 (D) a tax imposed under this chapter on the purchase price of tangible personal
4770 property, a product transferred electronically, or a service;

4771 (E) an uncollectible amount on tangible personal property or a product transferred
4772 electronically that:

4773 (I) is subject to a tax under this chapter; and

4774 (II) remains in the possession of a seller until the full purchase price is paid;

4775 (F) an expense incurred in attempting to collect any debt; or

4776 (G) an amount that a seller does not collect on repossessed property.

4777 (b) (i) To the extent an amount remitted in accordance with Subsection (4)(d) later
4778 becomes bad debt, a seller may deduct the bad debt from the total amount from which a tax
4779 under this chapter is calculated on a return.

4780 (ii) A qualifying purchaser, as defined in Subsection (4)(e)(ii)(A), may deduct from the
4781 total amount of taxes due under this chapter the amount of tax the qualifying purchaser paid on
4782 the qualifying purchaser's purchase of tangible personal property converted into real property to
4783 the extent that:

4784 (A) tax was remitted in accordance with Subsection (4)(e) on that tangible personal
4785 property converted into real property;

4786 (B) the qualifying purchaser's sale of that tangible personal property converted into real
4787 property later becomes bad debt; and

4788 (C) the books and records that the qualifying purchaser keeps in the qualifying
4789 purchaser's regular course of business identify by reasonable and verifiable standards that the
4790 tangible personal property was converted into real property.

4791 (c) A seller may file a refund claim with the commission if:

4792 (i) the amount of bad debt for the time period described in Subsection [~~(10)~~] (11)(e)
4793 exceeds the amount of the seller's sales that are subject to a tax under this chapter for that same
4794 time period; and

4795 (ii) as provided in Section 59-1-1410.

4796 (d) A bad debt deduction under this section may not include interest.

4797 (e) A bad debt may be deducted under this Subsection [~~(10)~~] (11) on a return for the
4798 time period during which the bad debt:

4799 (i) is written off as uncollectible in the seller's books and records; and

4800 (ii) would be eligible for a bad debt deduction:

4801 (A) for federal income tax purposes; and

- 4802 (B) if the seller were required to file a federal income tax return.
- 4803 (f) If a seller recovers any portion of bad debt for which the seller makes a deduction or
4804 claims a refund under this Subsection [~~(10)~~] (11), the seller shall report and remit a tax under
4805 this chapter:
- 4806 (i) on the portion of the bad debt the seller recovers; and
- 4807 (ii) on a return filed for the time period for which the portion of the bad debt is
4808 recovered.
- 4809 (g) For purposes of reporting a recovery of a portion of bad debt under Subsection
4810 [~~(10)~~] (11)(f), a seller shall apply amounts received on the bad debt in the following order:
- 4811 (i) in a proportional amount:
- 4812 (A) to the purchase price of the tangible personal property, product transferred
4813 electronically, or service; and
- 4814 (B) to the tax due under this chapter on the tangible personal property, product
4815 transferred electronically, or service; and
- 4816 (ii) to:
- 4817 (A) interest charges;
- 4818 (B) service charges; and
- 4819 (C) other charges.
- 4820 (h) A seller's certified service provider may make a deduction or claim a refund for bad
4821 debt on behalf of the seller:
- 4822 (i) in accordance with this Subsection [~~(10)~~] (11); and
- 4823 (ii) if the certified service provider credits or refunds the entire amount of the bad debt
4824 deduction or refund to the seller.
- 4825 (i) A seller may allocate bad debt among the states that are members of the agreement
4826 if the seller's books and records support that allocation.
- 4827 [~~(11)~~] (12) (a) A seller may not, with intent to evade any tax, fail to timely remit the
4828 full amount of tax required by this chapter.
- 4829 (b) A violation of this section is punishable as provided in Section [59-1-401](#).
- 4830 (c) Each person that fails to pay any tax to the state or any amount of tax required to be
4831 paid to the state, except amounts determined to be due by the commission under Chapter 1,
4832 Part 14, Assessment, Collections, and Refunds Act, or Section [59-12-111](#), within the time

4833 required by this chapter, or that fails to file any return as required by this chapter, shall pay, in
4834 addition to the tax, penalties and interest as provided in Sections 59-1-401 and 59-1-402.

4835 (d) For purposes of prosecution under this section, each quarterly tax period in which a
4836 seller, with intent to evade any tax, collects a tax and fails to timely remit the full amount of the
4837 tax required to be remitted constitutes a separate offense.

4838 Section 37. Section 59-12-204 is amended to read:

4839 **59-12-204. Sales and use tax ordinance provisions -- Tax rate -- Distribution of**
4840 **tax revenues -- Commission requirement to retain an amount to be deposited into the**
4841 **Qualified Emergency Food Agencies Fund.**

4842 (1) The tax ordinance adopted pursuant to this part shall impose a tax upon those
4843 transactions listed in Subsection 59-12-103(1).

4844 (2) (a) The tax ordinance under Subsection (1) shall include a provision imposing a tax
4845 upon every transaction listed in Subsection 59-12-103(1) made within a county, including areas
4846 contained within the cities and towns located in the county:

4847 (i) at the rate of 1% of the purchase price paid or charged; and

4848 (ii) if the location of the transaction is within the county as determined under Sections
4849 59-12-211 through 59-12-215.

4850 (b) Notwithstanding Subsection (2)(a), a tax ordinance under this Subsection (2) shall
4851 include a provision prohibiting a county, city, or town from imposing a tax under this section
4852 on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
4853 exempt from taxation under Section 59-12-104.

4854 (3) Such tax ordinance shall include provisions substantially the same as those
4855 contained in Part 1, Tax Collection, insofar as they relate to sales or use tax, except that the
4856 name of the county as the taxing agency shall be substituted for that of the state where
4857 necessary for the purpose of this part and that an additional license is not required if one has
4858 been or is issued under Section 59-12-106.

4859 (4) Such tax ordinance shall include a provision that the county shall contract, prior to
4860 the effective date of the ordinance, with the commission to perform all functions incident to the
4861 administration or operation of the ordinance.

4862 (5) Such tax ordinance shall include a provision that the sale, storage, use, or other
4863 consumption of tangible personal property, the purchase price or the cost of which has been

4864 subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this
4865 part by any county, city, or town in any other county in this state, shall be exempt from the tax
4866 due under this ordinance.

4867 (6) Such tax ordinance shall include a provision that any person subject to the
4868 provisions of a city or town sales and use tax shall be exempt from the county sales and use tax
4869 if the city or town sales and use tax is levied under an ordinance including provisions in
4870 substance as follows:

4871 (a) a provision imposing a tax upon every transaction listed in Subsection 59-12-103(1)
4872 made within the city or town at the rate imposed by the county in which it is situated pursuant
4873 to Subsection (2);

4874 (b) notwithstanding Subsection (2)(a), a provision prohibiting the city or town from
4875 imposing a tax under this section on the sales and uses described in Section 59-12-104 to the
4876 extent the sales and uses are exempt from taxation under Section 59-12-104;

4877 (c) provisions substantially the same as those contained in Part 1, Tax Collection,
4878 insofar as they relate to sales and use taxes, except that the name of the city or town as the
4879 taxing agency shall be substituted for that of the state where necessary for the purposes of this
4880 part;

4881 (d) a provision that the city or town shall contract prior to the effective date of the city
4882 or town sales and use tax ordinance with the commission to perform all functions incident to
4883 the administration or operation of the sales and use tax ordinance of the city or town;

4884 (e) a provision that the sale, storage, use, or other consumption of tangible personal
4885 property, the gross receipts from the sale of or the cost of which has been subject to sales or use
4886 tax under a sales and use tax ordinance enacted in accordance with this part by any county
4887 other than the county in which the city or town is located, or city or town in this state, shall be
4888 exempt from the tax; and

4889 (f) a provision that the amount of any tax paid under Part 1, Tax Collection, shall not
4890 be included as a part of the purchase price paid or charged for a taxable item.

4891 (7) (a) Notwithstanding any other provision of this section, beginning on July 1, 2009,
4892 the commission shall calculate and retain a portion of the sales and use tax collected under this
4893 part as provided in this Subsection (7).

4894 (b) For a city, town, or unincorporated area of a county that imposes a tax under this

4895 part, the commission shall calculate a percentage each month by dividing the sales and use tax
4896 collected under this part for that month within the boundaries of that city, town, or
4897 unincorporated area of a county by the total sales and use tax collected under this part for that
4898 month within the boundaries of all of the cities, towns, and unincorporated areas of the
4899 counties that impose a tax under this part.

4900 (c) For a city, town, or unincorporated area of a county that imposes a tax under this
4901 part, the commission shall retain each month an amount equal to the product of:

4902 (i) the percentage the commission determines for the month under Subsection (7)(b)
4903 for the city, town, or unincorporated area of a county; and

4904 (ii) \$25,417.

4905 (d) The commission shall deposit an amount the commission retains in accordance
4906 with this Subsection (7) into the Qualified Emergency Food Agencies Fund created by Section
4907 [35A-8-1009](#).

4908 (e) An amount the commission deposits into the Qualified Emergency Food Agencies
4909 Fund shall be expended as provided in Section [35A-8-1009](#).

4910 (8) (a) Notwithstanding any other provision of this section or Section [59-12-205](#), for a
4911 filing period beginning on or after January 1, 2020, the commission shall calculate and retain a
4912 portion of the sales and use tax collected under this part as provided in this Subsection (8).

4913 (b) For a county, city, or town that imposes a sales and use tax under this part, the
4914 commission shall calculate and retain an amount each month by subtracting from the sales and
4915 use tax collected under this part for that month from that county, city, or town any amount that
4916 exceeds an amount equal to the quotient of the revenue distribution determined for that county,
4917 city, or town under Subsection [59-12-205](#)(7)(b) for that county, city, or town divided by 12.

4918 (c) The commission shall deposit an amount the commission retains in accordance with
4919 this Subsection (8) into the Sales and Use Tax Base Expansion Restricted Account created by
4920 Section [59-12-103.3](#).

4921 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4922 commission may make rules governing the calculation and method for making the deposit
4923 described in this Subsection (8).

4924 (e) An amount the commission deposits into the Sales and Use Tax Base Expansion
4925 Restricted Account shall be expended as provided in Section [59-12-103.3](#).

4926 Section 38. Section **59-12-205** is amended to read:

4927 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of**
4928 **tax revenue -- Determination of population.**

4929 (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section
4930 **59-12-204**, a county, city, or town shall adopt amendments to the county's, city's, or town's
4931 sales and use tax ordinances:

4932 (a) within 30 days of the day on which the state makes an amendment to an applicable
4933 provision of Part 1, Tax Collection; and

4934 (b) as required to conform to the amendments to Part 1, Tax Collection.

4935 (2) Except as provided in Subsections (3) through (5) and subject to [~~Subsection~~]
4936 Subsections (6) and (7):

4937 (a) 50% of each dollar collected from the sales and use tax authorized by this part shall
4938 be distributed to each county, city, and town on the basis of the percentage that the population
4939 of the county, city, or town bears to the total population of all counties, cities, and towns in the
4940 state; and

4941 (b) (i) except as provided in Subsection (2)(b)(ii), 50% of each dollar collected from
4942 the sales and use tax authorized by this part shall be distributed to each county, city, and town
4943 on the basis of the location of the transaction as determined under Sections **59-12-211** through
4944 **59-12-215**; and

4945 (ii) 50% of each dollar collected from the sales and use tax authorized by this part
4946 within a project area described in a project area plan adopted by the military installation
4947 development authority under Title 63H, Chapter 1, Military Installation Development
4948 Authority Act, shall be distributed to the military installation development authority created in
4949 Section **63H-1-201**.

4950 (3) (a) [~~Beginning~~] Subject to Subsection (7), beginning on July 1, 2017, and ending on
4951 June 30, 2022, the commission shall distribute annually to a county, city, or town the
4952 distribution required by this Subsection (3) if:

4953 (i) the county, city, or town is a:

4954 (A) county of the third, fourth, fifth, or sixth class;

4955 (B) city of the fifth class; or

4956 (C) town;

4957 (ii) the county, city, or town received a distribution under this section for the calendar
4958 year beginning on January 1, 2008, that was less than the distribution under this section that the
4959 county, city, or town received for the calendar year beginning on January 1, 2007;

4960 (iii) (A) for a county described in Subsection (3)(a)(i)(A), the county had located
4961 within the unincorporated area of the county for one or more days during the calendar year
4962 beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121,
4963 Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North
4964 American Industry Classification System of the federal Executive Office of the President,
4965 Office of Management and Budget; or

4966 (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection
4967 (3)(a)(i)(C), the city or town had located within the city or town for one or more days during
4968 the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry
4969 Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the
4970 2002 North American Industry Classification System of the federal Executive Office of the
4971 President, Office of Management and Budget; and

4972 (iv) (A) for a county described in Subsection (3)(a)(i)(A), at least one establishment
4973 described in Subsection (3)(a)(iii)(A) located within the unincorporated area of the county for
4974 one or more days during the calendar year beginning on January 1, 2008, was not the holder of
4975 a direct payment permit under Section [59-12-107.1](#); or

4976 (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection
4977 (3)(a)(i)(C), at least one establishment described in Subsection (3)(a)(iii)(B) located within a
4978 city or town for one or more days during the calendar year beginning on January 1, 2008, was
4979 not the holder of a direct payment permit under Section [59-12-107.1](#).

4980 (b) The commission shall make the distribution required by this Subsection (3) to a
4981 county, city, or town described in Subsection (3)(a):

4982 (i) from the distribution required by Subsection (2)(a); and

4983 (ii) before making any other distribution required by this section.

4984 (c) (i) For purposes of this Subsection (3), the distribution is the amount calculated by
4985 multiplying the fraction calculated under Subsection (3)(c)(ii) by \$333,583.

4986 (ii) For purposes of Subsection (3)(c)(i):

4987 (A) the numerator of the fraction is the difference calculated by subtracting the

4988 distribution a county, city, or town described in Subsection (3)(a) received under this section
4989 for the calendar year beginning on January 1, 2008, from the distribution under this section that
4990 the county, city, or town received for the calendar year beginning on January 1, 2007; and

4991 (B) the denominator of the fraction is \$333,583.

4992 (d) A distribution required by this Subsection (3) is in addition to any other distribution
4993 required by this section.

4994 (4) (a) As used in this Subsection (4):

4995 (i) "Eligible county, city, or town" means a county, city, or town that:

4996 (A) for fiscal year 2012-13, received a tax revenue distribution under Subsection (4)(b)
4997 equal to the amount described in Subsection (4)(b)(ii); and

4998 (B) does not impose a sales and use tax under Section [59-12-2103](#) on or before July 1,
4999 2016.

5000 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue
5001 distributions an eligible county, city, or town received from a tax imposed in accordance with
5002 this part for fiscal year 2004-05.

5003 (b) ~~[An]~~ Subject to Subsection (7), an eligible county, city, or town shall receive a tax
5004 revenue distribution for a tax imposed in accordance with this part equal to the greater of:

5005 (i) the payment required by Subsection (2); or

5006 (ii) the minimum tax revenue distribution.

5007 (5) (a) For purposes of this Subsection (5):

5008 (i) "Annual local contribution" means the lesser of \$200,000 or an amount equal to
5009 1.8% of the participating local government's tax revenue distribution amount under Subsection
5010 (2)(a) for the previous fiscal year.

5011 (ii) "Participating local government" means a county or municipality, as defined in
5012 Section [10-1-104](#), that is not an eligible municipality or grant eligible entity certified in
5013 accordance with Section [35A-8-609](#).

5014 (b) For revenue collected from the tax authorized by this part that is distributed on or
5015 after January 1, 2019, the commission, before making a tax revenue distribution under
5016 Subsection (2)(a) to a participating local government, shall:

5017 (i) subtract one-twelfth of the annual local contribution for each participating local
5018 government from the participating local government's tax revenue distribution under

5019 Subsection (2)(a); and

5020 (ii) deposit the amount described in Subsection (5)(b)(i) into the Homeless Shelter
5021 Cities Mitigation Restricted Account created in Section [35A-8a-606](#).

5022 (c) The commission shall make the calculation and distribution described in this
5023 Subsection (5) after making the distributions described in Subsections (3) and (4).

5024 (6) (a) Population figures for purposes of this section shall be based on the most recent
5025 official census or census estimate of the United States Bureau of the Census.

5026 (b) If a needed population estimate is not available from the United States Bureau of
5027 the Census, population figures shall be derived from the estimate from the Utah Population
5028 Committee.

5029 (c) The population of a county for purposes of this section shall be determined only
5030 from the unincorporated area of the county.

5031 (7) (a) As used in this Subsection (7):

5032 (i) "Consumer price index" means the Consumer Price Index for All Urban Consumers:
5033 All Items Less Food & Energy, as published by the Bureau of Labor Statistics of the United
5034 States Department of Labor.

5035 (ii) "Population estimate" means the population estimate as published by the Utah
5036 Population Committee created by Section [63C-20-103](#).

5037 (b) Notwithstanding the provisions of this section, beginning on or after January 1,
5038 2020, the commission may not distribute to a county, city, or town, in accordance with the
5039 distribution requirements of this section, an amount that exceeds the amount equal to the
5040 participating local government's tax revenue distribution amount under this section for the
5041 previous fiscal year multiplied by the sum of:

5042 (i) one;

5043 (ii) the actual percent change in the population estimate used in the December
5044 distribution with the population estimate used for the prior December for the same distribution;
5045 and

5046 (iii) the actual percent change of the consumer price index during the 12 months ending
5047 in November of the current year.

5048 Section 39. Section **59-12-211** is amended to read:

5049 **59-12-211. Definitions -- Location of certain transactions -- Reports to**

5050 **commission -- Direct payment provision for a seller making certain purchases --**

5051 **Exceptions.**

5052 (1) As used in this section:

5053 (a) (i) "Receipt" and "receive" mean:

5054 (A) taking possession of tangible personal property;

5055 (B) making first use of a service; or

5056 (C) for a product transferred electronically, the earlier of:

5057 (I) taking possession of the product transferred electronically; or

5058 (II) making first use of the product transferred electronically.

5059 (ii) "Receipt" and "receive" do not include possession by a shipping company on behalf
5060 of a purchaser.

5061 (b) "Transportation equipment" means:

5062 (i) a locomotive or rail car that is used to carry a person or property in interstate
5063 commerce;

5064 (ii) a truck or truck-tractor:

5065 (A) with a gross vehicle weight rating of 10,001 pounds or more;

5066 (B) registered under Section [41-1a-301](#); and

5067 (C) operated under the authority of a carrier authorized and certificated:

5068 (I) by the United States Department of Transportation or another federal authority; and

5069 (II) to engage in carrying a person or property in interstate commerce;

5070 (iii) a trailer, semitrailer, or passenger bus that is:

5071 (A) registered under Section [41-1a-301](#); and

5072 (B) operated under the authority of a carrier authorized and certificated:

5073 (I) by the United States Department of Transportation or another federal authority; and

5074 (II) to engage in carrying a person or property in interstate commerce;

5075 (iv) an aircraft that is operated by an air carrier authorized and certificated:

5076 (A) by the United States Department of Transportation or another federal or foreign
5077 authority; and

5078 (B) to engage in carrying a person or property in interstate commerce; or

5079 (v) a container designed for use on, or a component part attached or secured on, an
5080 item of equipment listed in Subsections (1)(b)(i) through (iv).

5081 (2) Except as provided in Subsections (8) and (14), if tangible personal property, a
5082 product transferred electronically, or a service that is subject to taxation under this chapter is
5083 received by a purchaser at a business location of a seller, the location of the transaction is the
5084 business location of the seller.

5085 (3) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9), (11),
5086 and (14), if tangible personal property, a product transferred electronically, or a service that is
5087 subject to taxation under this chapter is not received by a purchaser at a business location of a
5088 seller, the location of the transaction is the location where the purchaser takes receipt of the
5089 tangible personal property or service.

5090 (4) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9), (11),
5091 and (14), if Subsection (2) or (3) does not apply, the location of the transaction is the location
5092 indicated by an address for or other information on the purchaser if:

5093 (a) the address or other information is available from the seller's business records; and
5094 (b) use of the address or other information from the seller's records does not constitute
5095 bad faith.

5096 (5) (a) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9),
5097 (11), and (14), if Subsection (2), (3), or (4) does not apply, the location of the transaction is the
5098 location indicated by an address for the purchaser if:

5099 (i) the address is obtained during the consummation of the transaction; and
5100 (ii) use of the address described in Subsection (5)(a)(i) does not constitute bad faith.

5101 (b) An address used under Subsection (5)(a) includes the address of a purchaser's
5102 payment instrument if no other address is available.

5103 (6) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9), (11),
5104 and (14), if Subsection (2), (3), (4), or (5) does not apply or if a seller does not have sufficient
5105 information to apply Subsection (2), (3), (4), or (5), the location of the transaction is the
5106 location:

5107 (a) indicated by the address from which:

5108 (i) except as provided in Subsection (6)(a)(ii), for tangible personal property that is
5109 subject to taxation under this chapter, the tangible personal property is shipped;

5110 (ii) for computer software delivered electronically or for a product transferred
5111 electronically that is subject to taxation under this chapter, the computer software or product

5112 transferred electronically is first available for transmission by the seller; or
5113 (iii) for a service that is subject to taxation under this chapter, the service is provided;
5114 or
5115 (b) as determined by the seller with respect to a prepaid wireless calling service:
5116 (i) provided in Subsection (6)(a)(iii); or
5117 (ii) associated with the mobile telephone number.
5118 (7) (a) For purposes of this Subsection (7), "shared ZIP Code" means a nine-digit ZIP
5119 Code that is located within two or more local taxing jurisdictions.
5120 (b) If the location of a transaction determined under Subsections (3) through (6) is in a
5121 shared ZIP Code, the location of the transaction is:
5122 (i) if there is only one local taxing jurisdiction that imposes the lowest agreement
5123 combined tax rate for the shared ZIP Code, the local taxing jurisdiction that imposes the lowest
5124 agreement combined tax rate; or
5125 (ii) if two or more local taxing jurisdictions impose the lowest agreement combined tax
5126 rate for the shared ZIP Code, the local taxing jurisdiction that:
5127 (A) imposes the lowest agreement combined tax rate for the shared ZIP Code; and
5128 (B) has located within the local taxing jurisdiction the largest number of street
5129 addresses within the shared ZIP Code.
5130 (c) Notwithstanding any provision under this chapter authorizing or requiring the
5131 imposition of a sales and use tax, for purposes of Subsection (7)(b), a seller shall collect a sales
5132 and use tax imposed under this chapter at the lowest agreement combined tax rate imposed
5133 within the local taxing jurisdiction in which the transaction is located under Subsection (7)(b).
5134 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5135 commission may make rules:
5136 (i) providing for the circumstances under which a seller has exercised due diligence in
5137 determining the nine-digit ZIP Code for an address; or
5138 (ii) notwithstanding Subsection (7)(b), for determining the local taxing jurisdiction
5139 within which a transaction is located if a seller is unable to determine the local taxing
5140 jurisdiction within which the transaction is located under Subsection (7)(b).
5141 (8) The location of a transaction made with a direct payment permit described in
5142 Section [59-12-107.1](#) is the location where receipt of the tangible personal property, product, or

5143 service by the purchaser occurs.

5144 (9) The location of a purchase of direct mail is the location determined in accordance
5145 with Section 59-12-123.

5146 (10) (a) Except as provided in Subsection (10)(b), the location of a transaction
5147 determined under Subsections (3) through (6), (8), or (9), is the local taxing jurisdiction within
5148 which:

5149 (i) the nine-digit ZIP Code assigned to the location determined under Subsections (3)
5150 through (6), (8), or (9) is located; or

5151 (ii) the five-digit ZIP Code assigned to the location determined under Subsections (3)
5152 through (6), (8), or (9) is located if:

5153 (A) a nine-digit ZIP Code is not available for the location determined under
5154 Subsections (3) through (6), (8), or (9); or

5155 (B) after exercising due diligence, a seller or certified service provider is unable to
5156 determine a nine-digit ZIP Code for the location determined under Subsections (3) through (6),
5157 (8), or (9).

5158 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5159 commission may make rules for determining the local taxing jurisdiction within which a
5160 transaction is located if a seller or certified service provider is unable to determine the local
5161 taxing jurisdiction within which the transaction is located under Subsection (10)(a).

5162 (11) (a) As used in this Subsection (11), "florist delivery transaction" means a
5163 transaction commenced by a florist that transmits an order:

5164 (i) by:

5165 (A) telegraph;

5166 (B) telephone; or

5167 (C) a means of communication similar to Subsection (11)(a)(i)(A) or (B); and

5168 (ii) for delivery to another place:

5169 (A) in this state; or

5170 (B) outside this state.

5171 (b) Notwithstanding Subsections (3) through (6), beginning on January 1, 2009, and
5172 ending on December 31, 2009, the location of a florist delivery transaction is the business
5173 location of the florist that commences the florist delivery transaction.

5174 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5175 commission may by rule:

5176 (i) define:

5177 (A) "business location"; and

5178 (B) "florist";

5179 (ii) define what constitutes a means of communication similar to Subsection

5180 (11)(a)(i)(A) or (B); and

5181 (iii) provide procedures for determining when a transaction is commenced.

5182 (12) (a) Notwithstanding any other provision of this section and except as provided in
5183 Subsection (12)(b), ~~[if a purchaser uses computer software and there is not a transfer of a copy~~
5184 ~~of that software to the purchaser]~~ if there is not a transfer of a copy of tangible personal
5185 property, a product transferred electronically, or a service described in Subsection
5186 59-12-103(1)(m) to the purchaser, the location of the transaction is determined in accordance
5187 with Subsections (4) and (5).

5188 (b) If a purchaser uses ~~[computer software described in Subsection (12)(a)]~~ tangible
5189 personal property, a product transferred electronically, or a service described in Subsection
5190 (12)(a) at more than one location, the location of the transaction shall be determined in
5191 accordance with rules made by the commission in accordance with Title 63G, Chapter 3, Utah
5192 Administrative Rulemaking Act.

5193 (13) (a) A tax collected under this chapter shall be reported to the commission on a
5194 form that identifies the location of each transaction that occurs during the return filing period.

5195 (b) The form described in Subsection (13)(a) shall be filed with the commission as
5196 required under this chapter.

5197 (14) This section does not apply to:

5198 (a) amounts charged by a seller for:

5199 (i) telecommunications service except for a prepaid calling service or a prepaid
5200 wireless calling service as provided in Subsection (6)(b) or Section 59-12-215; or

5201 (ii) the retail sale or transfer of:

5202 (A) a motor vehicle other than a motor vehicle that is transportation equipment;

5203 (B) an aircraft other than an aircraft that is transportation equipment;

5204 (C) a watercraft;

- 5205 (D) a modular home;
- 5206 (E) a manufactured home; or
- 5207 (F) a mobile home; or
- 5208 (iii) except as provided in Section 59-12-214, the lease or rental of tangible personal
- 5209 property other than tangible personal property that is transportation equipment;
- 5210 (b) a tax a person pays in accordance with Subsection 59-12-107(2)(f); or
- 5211 (c) a retail sale of tangible personal property or a product transferred electronically if:
- 5212 (i) the seller receives the order for the tangible personal property or product transferred
- 5213 electronically in this state;
- 5214 (ii) receipt of the tangible personal property or product transferred electronically by the
- 5215 purchaser or the purchaser's donee occurs in this state;
- 5216 (iii) the location where receipt of the tangible personal property or product transferred
- 5217 electronically by the purchaser occurs is determined in accordance with Subsections (3)
- 5218 through (5); and
- 5219 (iv) at the time the seller receives the order, the record keeping system that the seller
- 5220 uses to calculate the proper amount of tax imposed under this chapter captures the location
- 5221 where the order is received.

5222 Section 40. Section 59-12-301 is amended to read:

5223 **59-12-301. Transient room tax -- Rate -- Expenditure of revenues -- Enactment or**

5224 **repeal of tax -- Tax rate change -- Effective date -- Notice requirements.**

5225 (1) (a) A county legislative body may impose a tax on charges for the accommodations

5226 and services described in Subsection 59-12-103(1)[(†)](h) at a rate of not to exceed 4.25%

5227 beginning on or after October 1, 2006.

5228 (b) Subject to Subsection (2), the revenues raised from the tax imposed under

5229 Subsection (1)(a) shall be used for the purposes listed in Section 17-31-2.

5230 (c) The tax imposed under Subsection (1)(a) shall be in addition to the tax imposed

5231 under Part 6, Tourism, Recreation, Cultural, Convention, and Airport Facilities Tax Act.

5232 (2) If a county legislative body of a county of the first class imposes a tax under this

5233 section, beginning on July 1, 2007, and ending on June 30, 2027, each year the first 15% of the

5234 revenues collected from the tax authorized by Subsection (1)(a) within that county shall be:

5235 (a) deposited into the Transient Room Tax Fund created by Section 63N-3-403; and

- 5236 (b) expended as provided in Section [63N-3-403](#).
- 5237 (3) Subject to Subsection (4), a county legislative body:
- 5238 (a) may increase or decrease the tax authorized under this part; and
- 5239 (b) shall regulate the tax authorized under this part by ordinance.
- 5240 (4) (a) For purposes of this Subsection (4):
- 5241 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, County
- 5242 Consolidations and Annexations.
- 5243 (ii) "Annexing area" means an area that is annexed into a county.
- 5244 (b) (i) Except as provided in Subsection (4)(c), if, on or after July 1, 2004, a county
- 5245 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
- 5246 change shall take effect:
- 5247 (A) on the first day of a calendar quarter; and
- 5248 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 5249 the requirements of Subsection (4)(b)(ii) from the county.
- 5250 (ii) The notice described in Subsection (4)(b)(i)(B) shall state:
- 5251 (A) that the county will enact or repeal a tax or change the rate of a tax under this part;
- 5252 (B) the statutory authority for the tax described in Subsection (4)(b)(ii)(A);
- 5253 (C) the effective date of the tax described in Subsection (4)(b)(ii)(A); and
- 5254 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
- 5255 (4)(b)(ii)(A), the rate of the tax.
- 5256 (c) (i) Notwithstanding Subsection (4)(b)(i), for a transaction described in Subsection
- 5257 (4)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
- 5258 first billing period:
- 5259 (A) that begins after the effective date of the enactment of the tax or the tax rate
- 5260 increase; and
- 5261 (B) if the billing period for the transaction begins before the effective date of the
- 5262 enactment of the tax or the tax rate increase imposed under this section.
- 5263 (ii) Notwithstanding Subsection (4)(b)(i), for a transaction described in Subsection
- 5264 (4)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
- 5265 billing period:
- 5266 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;

5267 and

5268 (B) if the billing period for the transaction begins before the effective date of the repeal
5269 of the tax or the tax rate decrease imposed under this section.

5270 (iii) Subsections (4)(c)(i) and (ii) apply to transactions subject to a tax under
5271 Subsection 59-12-103(1)(~~h~~)(h).

5272 (d) (i) Except as provided in Subsection (4)(e), if, for an annexation that occurs on or
5273 after July 1, 2004, the annexation will result in the enactment, repeal, or a change in the rate of
5274 a tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

5275 (A) on the first day of a calendar quarter; and

5276 (B) after a 90-day period beginning on the date the commission receives notice meeting
5277 the requirements of Subsection (4)(d)(ii) from the county that annexes the annexing area.

5278 (ii) The notice described in Subsection (4)(d)(i)(B) shall state:

5279 (A) that the annexation described in Subsection (4)(d)(i) will result in an enactment,
5280 repeal, or change in the rate of a tax under this part for the annexing area;

5281 (B) the statutory authority for the tax described in Subsection (4)(d)(ii)(A);

5282 (C) the effective date of the tax described in Subsection (4)(d)(ii)(A); and

5283 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
5284 (4)(d)(ii)(A), the rate of the tax.

5285 (e) (i) Notwithstanding Subsection (4)(d)(i), for a transaction described in Subsection
5286 (4)(e)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
5287 first billing period:

5288 (A) that begins after the effective date of the enactment of the tax or the tax rate
5289 increase; and

5290 (B) if the billing period for the transaction begins before the effective date of the
5291 enactment of the tax or the tax rate increase imposed under this section.

5292 (ii) Notwithstanding Subsection (4)(d)(i), for a transaction described in Subsection
5293 (4)(e)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
5294 billing period:

5295 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
5296 and

5297 (B) if the billing period for the transaction begins before the effective date of the repeal

5298 of the tax or the tax rate decrease imposed under this section.

5299 (iii) Subsections (4)(e)(i) and (ii) apply to transactions subject to a tax under

5300 Subsection 59-12-103(1)(~~(f)~~)(h).

5301 Section 41. Section 59-12-302 is amended to read:

5302 **59-12-302. Collection of tax -- Administrative charge.**

5303 (1) Except as provided in Subsection (2) or (3), the tax authorized under this part shall
5304 be administered, collected, and enforced in accordance with:

5305 (a) the same procedures used to administer, collect, and enforce the tax under:

5306 (i) Part 1, Tax Collection; or

5307 (ii) Part 2, Local Sales and Use Tax Act; and

5308 (b) Chapter 1, General Taxation Policies.

5309 (2) The location of a transaction shall be determined in accordance with Sections
5310 59-12-211 through 59-12-215.

5311 (3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or
5312 Subsections 59-12-205(2) through [~~(6)~~] (7).

5313 (4) The commission:

5314 (a) shall distribute the revenue collected from the tax to the county within which the
5315 revenue was collected; and

5316 (b) shall retain and deposit an administrative charge in accordance with Section
5317 59-1-306 from revenue the commission collects from a tax under this part.

5318 Section 42. Section 59-12-352 is amended to read:

5319 **59-12-352. Transient room tax authority for municipalities and military
5320 installation development authority -- Purposes for which revenues may be used.**

5321 (1) (a) Except as provided in Subsection (5), the governing body of a municipality may
5322 impose a tax of not to exceed 1% on charges for the accommodations and services described in
5323 Subsection 59-12-103(1)(~~(f)~~)(h).

5324 (b) Subject to Section 63H-1-203, the military installation development authority
5325 created in Section 63H-1-201 may impose a tax under this section for accommodations and
5326 services described in Subsection 59-12-103(1)(~~(f)~~)(h) within a project area described in a
5327 project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation
5328 Development Authority Act, as though the authority were a municipality.

5329 (2) Subject to the limitations of Subsection (1), a governing body of a municipality
5330 may, by ordinance, increase or decrease the tax under this part.

5331 (3) A governing body of a municipality shall regulate the tax under this part by
5332 ordinance.

5333 (4) A municipality may use revenues generated by the tax under this part for general
5334 fund purposes.

5335 (5) (a) A municipality may not impose a tax under this section for accommodations and
5336 services described in Subsection 59-12-103(1)(~~†~~)(h) within a project area described in a
5337 project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation
5338 Development Authority Act.

5339 (b) Subsection (5)(a) does not apply to the military installation development authority's
5340 imposition of a tax under this section.

5341 Section 43. Section 59-12-353 is amended to read:

5342 **59-12-353. Additional municipal transient room tax to repay bonded or other**
5343 **indebtedness.**

5344 (1) Subject to the limitations of Subsection (2), the governing body of a municipality
5345 may, in addition to the tax authorized under Section 59-12-352, impose a tax of not to exceed
5346 .5% on charges for the accommodations and services described in Subsection
5347 59-12-103(1)(~~†~~)(h) if the governing body of the municipality:

5348 (a) before January 1, 1996, levied and collected a license fee or tax under Section
5349 10-1-203; and

5350 (b) before January 1, 1997, took official action to obligate the municipality in reliance
5351 on the license fees or taxes under Subsection (1)(a) to the payment of debt service on bonds or
5352 other indebtedness, including lease payments under a lease purchase agreement.

5353 (2) The governing body of a municipality may impose the tax under this section until
5354 the sooner of:

5355 (a) the day on which the following have been paid in full:

5356 (i) the debt service on bonds or other indebtedness, including lease payments under a
5357 lease purchase agreement described in Subsection (1)(b); and

5358 (ii) refunding obligations that the municipality incurred as a result of the debt service
5359 on bonds or other indebtedness, including lease payments under a lease purchase agreement

5360 described in Subsection (1)(b); or

5361 (b) 25 years from the day on which the municipality levied the tax under this section.

5362 Section 44. Section **59-12-354** is amended to read:

5363 **59-12-354. Collection of tax -- Administrative charge.**

5364 (1) Except as provided in Subsections (2) and (3), the tax authorized under this part
5365 shall be administered, collected, and enforced in accordance with:

5366 (a) the same procedures used to administer, collect, and enforce the tax under:

5367 (i) Part 1, Tax Collection; or

5368 (ii) Part 2, Local Sales and Use Tax Act; and

5369 (b) Chapter 1, General Taxation Policies.

5370 (2) (a) The location of a transaction shall be determined in accordance with Sections
5371 [59-12-211](#) through [59-12-215](#).

5372 (b) The commission:

5373 (i) except as provided in Subsection (2)(b)(ii), shall distribute the revenue collected
5374 from the tax to the municipality within which the revenue was collected; and

5375 (ii) shall retain and deposit an administrative charge in accordance with Section
5376 [59-1-306](#) from the revenue the commission collects from a tax under this part.

5377 (3) A tax under this part is not subject to Section [59-12-107.1](#) or [59-12-123](#) or
5378 Subsections [59-12-205](#)(2) through ~~(6)~~ (7).

5379 Section 45. Section **59-12-355** is amended to read:

5380 **59-12-355. Enactment or repeal of tax -- Tax rate change -- Effective date --**
5381 **Notice requirements.**

5382 (1) For purposes of this section:

5383 (a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
5384 4, Annexation.

5385 (b) "Annexing area" means an area that is annexed into a city or town.

5386 (2) (a) Except as provided in Subsection (2)(c), if, on or after July 1, 2004, a city or
5387 town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal,
5388 or change shall take effect:

5389 (i) on the first day of a calendar quarter; and

5390 (ii) after a 90-day period beginning on the date the commission receives notice meeting

5391 the requirements of Subsection (2)(b) from the city or town.

5392 (b) The notice described in Subsection (2)(a)(ii) shall state:

5393 (i) that the city or town will enact or repeal a tax or change the rate of a tax under this
5394 part;

5395 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);

5396 (iii) the effective date of the tax described in Subsection (2)(b)(i); and

5397 (iv) if the city or town enacts the tax or changes the rate of the tax described in
5398 Subsection (2)(b)(i), the rate of the tax.

5399 (c) (i) Notwithstanding Subsection (2)(a), for a transaction described in Subsection
5400 (2)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
5401 first billing period:

5402 (A) that begins after the effective date of the enactment of the tax or the tax rate
5403 increase; and

5404 (B) if the billing period for the transaction begins before the effective date of the
5405 enactment of the tax or the tax rate increase imposed under:

5406 (I) Section 59-12-352; or

5407 (II) Section 59-12-353.

5408 (ii) Notwithstanding Subsection (2)(a), for a transaction described in Subsection
5409 (2)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
5410 billing period:

5411 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
5412 and

5413 (B) if the billing period for the transaction begins before the effective date of the repeal
5414 of the tax or the tax rate decrease imposed under:

5415 (I) Section 59-12-352; or

5416 (II) Section 59-12-353.

5417 (iii) Subsections (2)(c)(i) and (ii) apply to transactions subject to a tax under
5418 Subsection 59-12-103(1)(~~i~~)(h).

5419 (3) (a) Except as provided in Subsection (3)(c), if, for an annexation that occurs on or
5420 after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a
5421 tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

5422 (i) on the first day of a calendar quarter; and
5423 (ii) after a 90-day period beginning on the date the commission receives notice meeting
5424 the requirements of Subsection (3)(b) from the city or town that annexes the annexing area.
5425 (b) The notice described in Subsection (3)(a)(ii) shall state:
5426 (i) that the annexation described in Subsection (3)(a) will result in an enactment,
5427 repeal, or change in the rate of a tax under this part for the annexing area;
5428 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);
5429 (iii) the effective date of the tax described in Subsection (3)(b)(i); and
5430 (iv) if the city or town enacts the tax or changes the rate of the tax described in
5431 Subsection (3)(b)(i), the rate of the tax.
5432 (c) (i) Notwithstanding Subsection (3)(a), for a transaction described in Subsection
5433 (3)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
5434 first billing period:
5435 (A) that begins after the effective date of the enactment of the tax or the tax rate
5436 increase; and
5437 (B) if the billing period for the transaction begins before the effective date of the
5438 enactment of the tax or the tax rate increase imposed under:
5439 (I) Section 59-12-352; or
5440 (II) Section 59-12-353.
5441 (ii) Notwithstanding Subsection (3)(a), for a transaction described in Subsection
5442 (3)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
5443 billing period:
5444 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
5445 and
5446 (B) if the billing period for the transaction begins before the effective date of the repeal
5447 of the tax or the tax rate decrease imposed under:
5448 (I) Section 59-12-352; or
5449 (II) Section 59-12-353.
5450 (iii) Subsections (3)(c)(i) and (ii) apply to transactions subject to a tax under
5451 Subsection 59-12-103(1)(~~t~~)(h).
5452 Section 46. Section 59-12-401 is amended to read:

5453 **59-12-401. Resort communities tax authority for cities, towns, and military**
5454 **installation development authority -- Base -- Rate -- Collection fees.**

5455 (1) (a) In addition to other sales and use taxes, a city or town in which the transient
5456 room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the
5457 municipality's permanent census population may impose a sales and use tax [~~of up to 1.1%~~] on
5458 the transactions described in Subsection 59-12-103(1) located within the city or town of up to a
5459 rate equal to the product of:

5460 (i) 1.1%; and

5461 (ii) the rate reduction factor.

5462 (b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this
5463 section on:

5464 (i) the sale of:

5465 (A) a motor vehicle;

5466 (B) an aircraft;

5467 (C) a watercraft;

5468 (D) a modular home;

5469 (E) a manufactured home; or

5470 (F) a mobile home;

5471 (ii) the sales and uses described in Section 59-12-104 to the extent the sales and uses
5472 are exempt from taxation under Section 59-12-104; and

5473 (iii) except as provided in Subsection (1)(d), amounts paid or charged for food and
5474 food ingredients.

5475 (c) For purposes of this Subsection (1), the location of a transaction shall be
5476 determined in accordance with Sections 59-12-211 through 59-12-215.

5477 (d) A city or town imposing a tax under this section shall impose the tax on the
5478 purchase price or the sales price for amounts paid or charged for food and food ingredients if
5479 the food and food ingredients are sold as part of a bundled transaction attributable to food and
5480 food ingredients and tangible personal property other than food and food ingredients.

5481 (2) (a) An amount equal to the total of any costs incurred by the state in connection
5482 with the implementation of Subsection (1) which exceed, in any year, the revenues received by
5483 the state from its collection fees received in connection with the implementation of Subsection

5484 (1) shall be paid over to the state General Fund by the cities and towns which impose the tax
5485 provided for in Subsection (1).

5486 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among
5487 those cities and towns according to the amount of revenue the respective cities and towns
5488 generate in that year through imposition of that tax.

5489 (3) (a) Subject to Section 63H-1-203, the military installation development authority
5490 created in Section 63H-1-201 may impose a tax under this section on the transactions described
5491 in Subsection 59-12-103(1) located within a project area described in a project area plan
5492 adopted by the authority under Title 63H, Chapter 1, Military Installation Development
5493 Authority Act, as though the authority were a city or a town.

5494 (b) For purposes of calculating the permanent census population within a project area,
5495 the board as defined in Section 63H-1-102 shall:

5496 (i) use the actual number of permanent residents within the project area as determined
5497 by the board;

5498 (ii) adopt a resolution verifying the population number; and

5499 (iii) provide the commission any information required in Section 59-12-405.

5500 (c) Notwithstanding Subsection (1)(a), a board as defined in Section 63H-1-102 may
5501 impose the sales and use tax under this section if there are no permanent residents.

5502 Section 47. Section 59-12-402 is amended to read:

5503 **59-12-402. Additional resort communities sales and use tax -- Base -- Rate --**
5504 **Collection fees -- Resolution and voter approval requirements -- Election requirements --**
5505 **Notice requirements -- Ordinance requirements -- Prohibition of military installation**
5506 **development authority imposition of tax.**

5507 (1) (a) Subject to Subsections (2) through (6), the governing body of a municipality in
5508 which the transient room capacity as defined in Section 59-12-405 is greater than or equal to
5509 66% of the municipality's permanent census population may, in addition to the sales tax
5510 authorized under Section 59-12-401, impose an additional resort communities sales tax on the
5511 transactions described in Subsection 59-12-103(1) located within the municipality in an
5512 amount that is less than or equal to [.5% on the transactions described in Subsection
5513 59-12-103(1) located within the municipality] a rate equal to the product of:

5514 (i) .5%; and

5515 (ii) the rate reduction factor.

5516 (b) Notwithstanding Subsection (1)(a), the governing body of a municipality may not
5517 impose a tax under this section on:

5518 (i) the sale of:

5519 (A) a motor vehicle;

5520 (B) an aircraft;

5521 (C) a watercraft;

5522 (D) a modular home;

5523 (E) a manufactured home; or

5524 (F) a mobile home;

5525 (ii) the sales and uses described in Section 59-12-104 to the extent the sales and uses
5526 are exempt from taxation under Section 59-12-104; and

5527 (iii) except as provided in Subsection (1)(d), amounts paid or charged for food and
5528 food ingredients.

5529 (c) For purposes of this Subsection (1), the location of a transaction shall be
5530 determined in accordance with Sections 59-12-211 through 59-12-215.

5531 (d) A municipality imposing a tax under this section shall impose the tax on the
5532 purchase price or sales price for amounts paid or charged for food and food ingredients if the
5533 food and food ingredients are sold as part of a bundled transaction attributable to food and food
5534 ingredients and tangible personal property other than food and food ingredients.

5535 (2) (a) An amount equal to the total of any costs incurred by the state in connection
5536 with the implementation of Subsection (1) which exceed, in any year, the revenues received by
5537 the state from its collection fees received in connection with the implementation of Subsection
5538 (1) shall be paid over to the state General Fund by the cities and towns which impose the tax
5539 provided for in Subsection (1).

5540 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among
5541 those cities and towns according to the amount of revenue the respective cities and towns
5542 generate in that year through imposition of that tax.

5543 (3) To impose an additional resort communities sales tax under this section, the
5544 governing body of the municipality shall:

5545 (a) pass a resolution approving the tax; and

5546 (b) except as provided in Subsection (6), obtain voter approval for the tax as provided
5547 in Subsection (4).

5548 (4) To obtain voter approval for an additional resort communities sales tax under
5549 Subsection (3)(b), a municipality shall:

5550 (a) hold the additional resort communities sales tax election during:

5551 (i) a regular general election; or

5552 (ii) a municipal general election; and

5553 (b) publish notice of the election:

5554 (i) 15 days or more before the day on which the election is held; and

5555 (ii) (A) in a newspaper of general circulation in the municipality; and

5556 (B) as required in Section 45-1-101.

5557 (5) An ordinance approving an additional resort communities sales tax under this
5558 section shall provide an effective date for the tax as provided in Section 59-12-403.

5559 (6) (a) Except as provided in Subsection (6)(b), a municipality is not subject to the
5560 voter approval requirements of Subsection (3)(b) if, on or before January 1, 1996, the
5561 municipality imposed a license fee or tax on businesses based on gross receipts pursuant to
5562 Section 10-1-203.

5563 (b) The exception from the voter approval requirements in Subsection (6)(a) does not
5564 apply to a municipality that, on or before January 1, 1996, imposed a license fee or tax on only
5565 one class of businesses based on gross receipts pursuant to Section 10-1-203.

5566 (7) A military installation development authority authorized to impose a resort
5567 communities tax under Section 59-12-401 may not impose an additional resort communities
5568 sales tax under this section.

5569 Section 48. Section 59-12-402.1 is amended to read:

5570 **59-12-402.1. State correctional facility sales and use tax -- Base -- Rate --**
5571 **Collection fees -- Imposition -- Prohibition of military installation development authority**
5572 **imposition of tax.**

5573 (1) As used in this section, "new state correctional facility" means a new prison in the
5574 state:

5575 (a) that is operated by the Department of Corrections;

5576 (b) the construction of which begins on or after May 12, 2015; and

- 5577 (c) that provides a capacity of 2,500 or more inmate beds.
- 5578 (2) Subject to the other provisions of this part, a city or town legislative body may
5579 impose a tax under this section if the construction of a new state correctional facility has begun
5580 within the boundaries of the city or town.
- 5581 (3) For purposes of this section, the tax rate may not exceed [~~.5%~~] a rate equal to the
5582 product of:
- 5583 (a) .5%; and
5584 (b) the rate reduction factor.
- 5585 (4) Except as provided in Subsection (5), a tax under this section shall be imposed on
5586 the transactions described in Subsection 59-12-103(1) within the city or town.
- 5587 (5) A city or town may not impose a tax under this section on:
- 5588 (a) the sale of:
- 5589 (i) a motor vehicle;
5590 (ii) an aircraft;
5591 (iii) a watercraft;
5592 (iv) a modular home;
5593 (v) a manufactured home; or
5594 (vi) a mobile home;
- 5595 (b) the sales and uses described in Section 59-12-104 to the extent the sales and uses
5596 are exempt under Section 59-12-104; and
- 5597 (c) except as provided in Subsection (7), amounts paid or charged for food and food
5598 ingredients.
- 5599 (6) For purposes of this section, the location of a transaction shall be determined in
5600 accordance with Sections 59-12-211 through 59-12-215.
- 5601 (7) A city or town that imposes a tax under this section shall impose the tax on the
5602 purchase price or sales price for amounts paid or charged for food and food ingredients if the
5603 food and food ingredients are sold as part of a bundled transaction attributable to food and food
5604 ingredients and tangible personal property other than food and food ingredients.
- 5605 (8) A city or town may impose a tax under this section by majority vote of the
5606 members of the city or town legislative body.
- 5607 (9) A city or town that imposes a tax under this section is not subject to Section

5608 59-12-405.

5609 (10) A military installation development authority may not impose a tax under this
5610 section.

5611 Section 49. Section **59-12-403** is amended to read:

5612 **59-12-403. Enactment or repeal of tax -- Tax rate change -- Effective date --**
5613 **Notice requirements -- Administration, collection, and enforcement of tax --**
5614 **Administrative charge.**

5615 (1) For purposes of this section:

5616 (a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
5617 4, Annexation.

5618 (b) "Annexing area" means an area that is annexed into a city or town.

5619 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after April 1, 2008, a
5620 city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
5621 repeal, or change shall take effect:

5622 (i) on the first day of a calendar quarter; and

5623 (ii) after a 90-day period beginning on the date the commission receives notice meeting
5624 the requirements of Subsection (2)(b) from the city or town.

5625 (b) The notice described in Subsection (2)(a)(ii) shall state:

5626 (i) that the city or town will enact or repeal a tax or change the rate of a tax under this
5627 part;

5628 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);

5629 (iii) the effective date of the tax described in Subsection (2)(b)(i); and

5630 (iv) if the city or town enacts the tax or changes the rate of the tax described in
5631 Subsection (2)(b)(i), the rate of the tax.

5632 (c) (i) If the billing period for a transaction begins before the effective date of the
5633 enactment of the tax or the tax rate increase imposed under Section 59-12-401, 59-12-402, or
5634 59-12-402.1, the enactment of the tax or the tax rate increase takes effect on the first day of the
5635 first billing period that begins on or after the effective date of the enactment of the tax or the
5636 tax rate increase.

5637 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
5638 statement for the billing period is produced on or after the effective date of the repeal of the tax

5639 or the tax rate decrease imposed under Section 59-12-401, 59-12-402, or 59-12-402.1.

5640 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
5641 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
5642 a tax described in Subsection (2)(a) takes effect:

5643 (A) on the first day of a calendar quarter; and

5644 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
5645 rate of the tax under Subsection (2)(a).

5646 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5647 commission may by rule define the term "catalogue sale."

5648 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs
5649 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
5650 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
5651 effect:

5652 (i) on the first day of a calendar quarter; and

5653 (ii) after a 90-day period beginning on the date the commission receives notice meeting
5654 the requirements of Subsection (3)(b) from the city or town that annexes the annexing area.

5655 (b) The notice described in Subsection (3)(a)(ii) shall state:

5656 (i) that the annexation described in Subsection (3)(a) will result in an enactment,
5657 repeal, or change in the rate of a tax under this part for the annexing area;

5658 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);

5659 (iii) the effective date of the tax described in Subsection (3)(b)(i); and

5660 (iv) if the city or town enacts the tax or changes the rate of the tax described in
5661 Subsection (3)(b)(i), the rate of the tax.

5662 (c) (i) If the billing period for a transaction begins before the effective date of the
5663 enactment of the tax or the tax rate increase imposed under Section 59-12-401, 59-12-402, or
5664 59-12-402.1, the enactment of the tax or the tax rate increase takes effect on the first day of the
5665 first billing period that begins on or after the effective date of the enactment of the tax or the
5666 tax rate increase.

5667 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
5668 statement for the billing period is produced on or after the effective date of the repeal of the tax
5669 or the tax rate decrease imposed under Section 59-12-401, 59-12-402, or 59-12-402.1.

5670 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
5671 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
5672 a tax described in Subsection (3)(a) takes effect:

5673 (A) on the first day of a calendar quarter; and

5674 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
5675 rate of the tax under Subsection (3)(a).

5676 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5677 commission may by rule define the term "catalogue sale."

5678 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be
5679 administered, collected, and enforced in accordance with:

5680 (i) the same procedures used to administer, collect, and enforce the tax under:

5681 (A) Part 1, Tax Collection; or

5682 (B) Part 2, Local Sales and Use Tax Act; and

5683 (ii) Chapter 1, General Taxation Policies.

5684 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(6)]~~ (7).

5685 (5) The commission shall retain and deposit an administrative charge in accordance
5686 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

5687 Section 50. Section 59-12-603 is amended to read:

5688 **59-12-603. County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance**
5689 **required -- Advisory board -- Administration -- Collection -- Administrative charge --**
5690 **Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice**
5691 **requirements.**

5692 (1) (a) In addition to any other taxes, a county legislative body may, as provided in this
5693 part, impose a tax as follows:

5694 (i) (A) a county legislative body of any county may impose a tax of not to exceed 3%
5695 on all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases
5696 and rentals of motor vehicles made for the purpose of temporarily replacing a person's motor
5697 vehicle that is being repaired pursuant to a repair or an insurance agreement; and

5698 (B) beginning on or after January 1, 1999, a county legislative body of any county
5699 imposing a tax under Subsection (1)(a)(i)(A) may, in addition to imposing the tax under

5700 Subsection (1)(a)(i)(A), impose a tax of not to exceed 4% on all short-term leases and rentals

5701 of motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made
5702 for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant
5703 to a repair or an insurance agreement;

5704 (ii) a county legislative body of any county may impose a tax of not to exceed 1% of all
5705 sales of the following that are sold by a restaurant:

5706 (A) alcoholic beverages;

5707 (B) food and food ingredients; or

5708 (C) prepared food; and

5709 (iii) a county legislative body of a county of the first class may impose a tax of not to
5710 exceed .5% on charges for the accommodations and services described in Subsection

5711 [59-12-103\(1\)\(~~†~~\)\(h\)](#).

5712 (b) A tax imposed under Subsection (1)(a) is subject to the audit provisions of Section
5713 [17-31-5.5](#).

5714 (2) (a) Subject to Subsection (2)(b), revenue from the imposition of the taxes provided
5715 for in Subsections (1)(a)(i) through (iii) may be used for:

5716 (i) financing tourism promotion; and

5717 (ii) the development, operation, and maintenance of:

5718 (A) an airport facility;

5719 (B) a convention facility;

5720 (C) a cultural facility;

5721 (D) a recreation facility; or

5722 (E) a tourist facility.

5723 (b) A county of the first class shall expend at least \$450,000 each year of the revenue
5724 from the imposition of a tax authorized by Subsection (1)(a)(iii) within the county to fund a
5725 marketing and ticketing system designed to:

5726 (i) promote tourism in ski areas within the county by persons that do not reside within
5727 the state; and

5728 (ii) combine the sale of:

5729 (A) ski lift tickets; and

5730 (B) accommodations and services described in Subsection [59-12-103\(1\)\(~~†~~\)\(h\)](#).

5731 (3) A tax imposed under this part may be pledged as security for bonds, notes, or other

5732 evidences of indebtedness incurred by a county, city, or town under Title 11, Chapter 14, Local
5733 Government Bonding Act, or a community reinvestment agency under Title 17C, Chapter 1,
5734 Part 5, Agency Bonds, to finance:

- 5735 (a) an airport facility;
- 5736 (b) a convention facility;
- 5737 (c) a cultural facility;
- 5738 (d) a recreation facility; or
- 5739 (e) a tourist facility.

5740 (4) (a) To impose the tax under Subsection (1), each county legislative body shall adopt
5741 an ordinance imposing the tax.

5742 (b) The ordinance under Subsection (4)(a) shall include provisions substantially the
5743 same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on
5744 those items and sales described in Subsection (1).

5745 (c) The name of the county as the taxing agency shall be substituted for that of the state
5746 where necessary, and an additional license is not required if one has been or is issued under
5747 Section [59-12-106](#).

5748 (5) To maintain in effect its tax ordinance adopted under this part, each county
5749 legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1,
5750 Tax Collection, adopt amendments to its tax ordinance to conform with the applicable
5751 amendments to Part 1, Tax Collection.

5752 (6) (a) Regardless of whether a county of the first class creates a tourism tax advisory
5753 board in accordance with Section [17-31-8](#), the county legislative body of the county of the first
5754 class shall create a tax advisory board in accordance with this Subsection (6).

5755 (b) The tax advisory board shall be composed of nine members appointed as follows:

5756 (i) four members shall be residents of a county of the first class appointed by the
5757 county legislative body of the county of the first class; and

5758 (ii) subject to Subsections (6)(c) and (d), five members shall be mayors of cities or
5759 towns within the county of the first class appointed by an organization representing all mayors
5760 of cities and towns within the county of the first class.

5761 (c) Five members of the tax advisory board constitute a quorum.

5762 (d) The county legislative body of the county of the first class shall determine:

- 5763 (i) terms of the members of the tax advisory board;
- 5764 (ii) procedures and requirements for removing a member of the tax advisory board;
- 5765 (iii) voting requirements, except that action of the tax advisory board shall be by at
- 5766 least a majority vote of a quorum of the tax advisory board;
- 5767 (iv) chairs or other officers of the tax advisory board;
- 5768 (v) how meetings are to be called and the frequency of meetings; and
- 5769 (vi) the compensation, if any, of members of the tax advisory board.
- 5770 (e) The tax advisory board under this Subsection (6) shall advise the county legislative
- 5771 body of the county of the first class on the expenditure of revenue collected within the county
- 5772 of the first class from the taxes described in Subsection (1)(a).
- 5773 (7) (a) (i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part
- 5774 shall be administered, collected, and enforced in accordance with:
- 5775 (A) the same procedures used to administer, collect, and enforce the tax under:
- 5776 (I) Part 1, Tax Collection; or
- 5777 (II) Part 2, Local Sales and Use Tax Act; and
- 5778 (B) Chapter 1, General Taxation Policies.
- 5779 (ii) A tax under this part is not subject to Section [59-12-107.1](#) or [59-12-123](#) or
- 5780 Subsections [59-12-205\(2\)](#) through [~~6~~] [\(7\)](#).
- 5781 (b) Except as provided in Subsection (7)(c):
- 5782 (i) for a tax under this part other than the tax under Subsection (1)(a)(i)(B), the
- 5783 commission shall distribute the revenue to the county imposing the tax; and
- 5784 (ii) for a tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenue
- 5785 according to the distribution formula provided in Subsection (8).
- 5786 (c) The commission shall retain and deposit an administrative charge in accordance
- 5787 with Section [59-1-306](#) from the revenue the commission collects from a tax under this part.
- 5788 (8) The commission shall distribute the revenue generated by the tax under Subsection
- 5789 (1)(a)(i)(B) to each county collecting a tax under Subsection (1)(a)(i)(B) according to the
- 5790 following formula:
- 5791 (a) the commission shall distribute 70% of the revenue based on the percentages
- 5792 generated by dividing the revenue collected by each county under Subsection (1)(a)(i)(B) by
- 5793 the total revenue collected by all counties under Subsection (1)(a)(i)(B); and

5794 (b) the commission shall distribute 30% of the revenue based on the percentages
5795 generated by dividing the population of each county collecting a tax under Subsection
5796 (1)(a)(i)(B) by the total population of all counties collecting a tax under Subsection (1)(a)(i)(B).

5797 (9) (a) For purposes of this Subsection (9):

5798 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,
5799 County Annexation.

5800 (ii) "Annexing area" means an area that is annexed into a county.

5801 (b) (i) Except as provided in Subsection (9)(c), if, on or after July 1, 2004, a county
5802 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
5803 change shall take effect:

5804 (A) on the first day of a calendar quarter; and

5805 (B) after a 90-day period beginning on the date the commission receives notice meeting
5806 the requirements of Subsection (9)(b)(ii) from the county.

5807 (ii) The notice described in Subsection (9)(b)(i)(B) shall state:

5808 (A) that the county will enact or repeal a tax or change the rate of a tax under this part;

5809 (B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);

5810 (C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and

5811 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
5812 (9)(b)(ii)(A), the rate of the tax.

5813 (c) (i) If the billing period for a transaction begins before the effective date of the
5814 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
5815 the tax or the tax rate increase shall take effect on the first day of the first billing period that
5816 begins after the effective date of the enactment of the tax or the tax rate increase.

5817 (ii) If the billing period for a transaction begins before the effective date of the repeal
5818 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
5819 rate decrease shall take effect on the first day of the last billing period that began before the
5820 effective date of the repeal of the tax or the tax rate decrease.

5821 (d) (i) Except as provided in Subsection (9)(e), if, for an annexation that occurs on or
5822 after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a
5823 tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

5824 (A) on the first day of a calendar quarter; and

5825 (B) after a 90-day period beginning on the date the commission receives notice meeting
5826 the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

5827 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:

5828 (A) that the annexation described in Subsection (9)(d)(i) will result in an enactment,
5829 repeal, or change in the rate of a tax under this part for the annexing area;

5830 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

5831 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

5832 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
5833 (9)(d)(ii)(A), the rate of the tax.

5834 (e) (i) If the billing period for a transaction begins before the effective date of the
5835 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
5836 the tax or the tax rate increase shall take effect on the first day of the first billing period that
5837 begins after the effective date of the enactment of the tax or the tax rate increase.

5838 (ii) If the billing period for a transaction begins before the effective date of the repeal
5839 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
5840 rate decrease shall take effect on the first day of the last billing period that began before the
5841 effective date of the repeal of the tax or the tax rate decrease.

5842 Section 51. Section **59-12-703** is amended to read:

5843 **59-12-703. Opinion question election -- Base -- Rate -- Imposition of tax --**
5844 **Expenditure of revenues -- Administration -- Enactment or repeal of tax -- Effective date**
5845 **-- Notice requirements.**

5846 (1) (a) Subject to the other provisions of this section, a county legislative body may
5847 submit an opinion question to the residents of that county, by majority vote of all members of
5848 the legislative body, so that each resident of the county, except residents in municipalities that
5849 have already imposed a sales and use tax under Part 14, City or Town Option Funding for
5850 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, has an
5851 opportunity to express the resident's opinion on the imposition of a local sales and use tax[~~of~~
5852 ~~.1%~~] on the transactions described in Subsection **59-12-103**(1) located within the county at a
5853 rate equal to the product of .1% and the rate reduction factor, to:

5854 (i) fund cultural facilities, recreational facilities, and zoological facilities, botanical
5855 organizations, cultural organizations, and zoological organizations, and rural radio stations, in

5856 that county; or

5857 (ii) provide funding for a botanical organization, cultural organization, or zoological
5858 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in
5859 furtherance of the botanical organization's, cultural organization's, or zoological organization's
5860 primary purpose.

5861 (b) The opinion question required by this section shall state:

5862 "Shall (insert the name of the county), Utah, be authorized to impose a [~~1%~~] (insert the
5863 rate currently in effect) sales and use tax for (list the purposes for which the revenue collected
5864 from the sales and use tax shall be expended)?"

5865 (c) A county legislative body may not impose a tax under this section on:

5866 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
5867 are exempt from taxation under Section 59-12-104;

5868 (ii) sales and uses within a municipality that has already imposed a sales and use tax
5869 under Part 14, City or Town Option Funding for Botanical, Cultural, Recreational, and
5870 Zoological Organizations or Facilities; and

5871 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and
5872 food ingredients.

5873 (d) For purposes of this Subsection (1), the location of a transaction shall be
5874 determined in accordance with Sections 59-12-211 through 59-12-215.

5875 (e) A county legislative body imposing a tax under this section shall impose the tax on
5876 the purchase price or sales price for amounts paid or charged for food and food ingredients if
5877 the food and food ingredients are sold as part of a bundled transaction attributable to food and
5878 food ingredients and tangible personal property other than food and food ingredients.

5879 (f) The election shall follow the procedures outlined in Title 11, Chapter 14, Local
5880 Government Bonding Act.

5881 (2) (a) If the county legislative body determines that a majority of the county's
5882 registered voters voting on the imposition of the tax have voted in favor of the imposition of
5883 the tax as prescribed in Subsection (1), the county legislative body may impose the tax by a
5884 majority vote of all members of the legislative body on the transactions:

5885 (i) described in Subsection (1); and

5886 (ii) within the county, including the cities and towns located in the county, except those

5887 cities and towns that have already imposed a sales and use tax under Part 14, City or Town
5888 Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or
5889 Facilities.

5890 (b) A county legislative body may revise county ordinances to reflect statutory changes
5891 to the distribution formula or eligible recipients of revenue generated from a tax imposed under
5892 Subsection (2)(a) without submitting an opinion question to residents of the county.

5893 (3) Subject to Section 59-12-704, revenue collected from a tax imposed under
5894 Subsection (2) shall be expended:

5895 (a) to fund cultural facilities, recreational facilities, and zoological facilities located
5896 within the county or a city or town located in the county, except a city or town that has already
5897 imposed a sales and use tax under Part 14, City or Town Option Funding for Botanical,
5898 Cultural, Recreational, and Zoological Organizations or Facilities;

5899 (b) to fund ongoing operating expenses of:

5900 (i) recreational facilities described in Subsection (3)(a);

5901 (ii) botanical organizations, cultural organizations, and zoological organizations within
5902 the county; and

5903 (iii) rural radio stations within the county; and

5904 (c) as stated in the opinion question described in Subsection (1).

5905 (4) (a) A tax authorized under this part shall be:

5906 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
5907 accordance with:

5908 (A) the same procedures used to administer, collect, and enforce the tax under:

5909 (I) Part 1, Tax Collection; or

5910 (II) Part 2, Local Sales and Use Tax Act; and

5911 (B) Chapter 1, General Taxation Policies; and

5912 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
5913 period in accordance with this section.

5914 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(6)]~~ (7).

5915 (5) (a) For purposes of this Subsection (5):

5916 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,
5917 County Annexation.

- 5918 (ii) "Annexing area" means an area that is annexed into a county.
- 5919 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
- 5920 county enacts or repeals a tax under this part, the enactment or repeal shall take effect:
- 5921 (A) on the first day of a calendar quarter; and
- 5922 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 5923 the requirements of Subsection (5)(b)(ii) from the county.
- 5924 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:
- 5925 (A) that the county will enact or repeal a tax under this part;
- 5926 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);
- 5927 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and
- 5928 (D) if the county enacts the tax described in Subsection (5)(b)(ii)(A), the rate of the
- 5929 tax.
- 5930 (c) (i) If the billing period for a transaction begins before the effective date of the
- 5931 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
- 5932 the first billing period that begins on or after the effective date of the enactment of the tax.
- 5933 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
- 5934 period is produced on or after the effective date of the repeal of the tax imposed under this
- 5935 section.
- 5936 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
- 5937 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
- 5938 Subsection (5)(b)(i) takes effect:
- 5939 (A) on the first day of a calendar quarter; and
- 5940 (B) beginning 60 days after the effective date of the enactment or repeal under
- 5941 Subsection (5)(b)(i).
- 5942 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 5943 commission may by rule define the term "catalogue sale."
- 5944 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
- 5945 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
- 5946 part for an annexing area, the enactment or repeal shall take effect:
- 5947 (A) on the first day of a calendar quarter; and
- 5948 (B) after a 90-day period beginning on the date the commission receives notice meeting

5949 the requirements of Subsection (5)(e)(ii) from the county that annexes the annexing area.

5950 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

5951 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
5952 repeal of a tax under this part for the annexing area;

5953 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

5954 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

5955 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

5956 (f) (i) If the billing period for a transaction begins before the effective date of the
5957 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
5958 the first billing period that begins on or after the effective date of the enactment of the tax.

5959 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
5960 period is produced on or after the effective date of the repeal of the tax imposed under this
5961 section.

5962 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
5963 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
5964 Subsection (5)(e)(i) takes effect:

5965 (A) on the first day of a calendar quarter; and

5966 (B) beginning 60 days after the effective date of the enactment or repeal under
5967 Subsection (5)(e)(i).

5968 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5969 commission may by rule define the term "catalogue sale."

5970 Section 52. Section **59-12-802** is amended to read:

5971 **59-12-802. Imposition of rural county health care facilities tax -- Expenditure of**
5972 **tax revenue -- Base -- Rate -- Administration, collection, and enforcement of tax --**
5973 **Administrative charge.**

5974 (1) (a) A county legislative body of a county of the third, fourth, fifth, or sixth class
5975 may impose a sales and use tax [~~of up to 1%~~] on the transactions described in Subsection
5976 **59-12-103**(1) located within the county of up to a rate equal to the product of:

5977 (i) 1%; and

5978 (ii) the rate reduction factor.

5979 (b) Subject to Subsection (3), the money collected from a tax under this section may be

5980 used to fund:

5981 (i) for a county of the third or fourth class, rural county health care facilities in that
5982 county; or

5983 (ii) for a county of the fifth or sixth class:

5984 (A) rural emergency medical services in that county;

5985 (B) federally qualified health centers in that county;

5986 (C) freestanding urgent care centers in that county;

5987 (D) rural county health care facilities in that county;

5988 (E) rural health clinics in that county; or

5989 (F) a combination of Subsections (1)(b)(ii)(A) through (E).

5990 (c) Notwithstanding Subsection (1)(a), a county legislative body may not impose a tax
5991 under this section on:

5992 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
5993 are exempt from taxation under Section 59-12-104;

5994 (ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in
5995 a city that imposes a tax under Section 59-12-804; and

5996 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and
5997 food ingredients.

5998 (d) For purposes of this Subsection (1), the location of a transaction shall be
5999 determined in accordance with Sections 59-12-211 through 59-12-215.

6000 (e) A county legislative body imposing a tax under this section shall impose the tax on
6001 the purchase price or sales price for amounts paid or charged for food and food ingredients if
6002 the food and food ingredients are sold as part of a bundled transaction attributable to food and
6003 food ingredients and tangible personal property other than food and food ingredients.

6004 (2) (a) Before imposing a tax under Subsection (1), a county legislative body shall
6005 obtain approval to impose the tax from a majority of the:

6006 (i) members of the county's legislative body; and

6007 (ii) county's registered voters voting on the imposition of the tax.

6008 (b) The county legislative body shall conduct the election according to the procedures
6009 and requirements of Title 11, Chapter 14, Local Government Bonding Act.

6010 (3) (a) The money collected from a tax imposed under Subsection (1) by a county

6011 legislative body of a county of the third or fourth class may only be used for the financing of:
6012 (i) ongoing operating expenses of a rural county health care facility within that county;
6013 (ii) the acquisition of land for a rural county health care facility within that county; or
6014 (iii) the design, construction, equipping, or furnishing of a rural county health care
6015 facility within that county.

6016 (b) The money collected from a tax imposed under Subsection (1) by a county of the
6017 fifth or sixth class may only be used to fund:

6018 (i) ongoing operating expenses of a center, clinic, or facility described in Subsection
6019 (1)(b)(ii) within that county;

6020 (ii) the acquisition of land for a center, clinic, or facility described in Subsection
6021 (1)(b)(ii) within that county;

6022 (iii) the design, construction, equipping, or furnishing of a center, clinic, or facility
6023 described in Subsection (1)(b)(ii) within that county; or

6024 (iv) rural emergency medical services within that county.

6025 (4) (a) A tax under this section shall be:

6026 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
6027 accordance with:

6028 (A) the same procedures used to administer, collect, and enforce the tax under:

6029 (I) Part 1, Tax Collection; or

6030 (II) Part 2, Local Sales and Use Tax Act; and

6031 (B) Chapter 1, General Taxation Policies; and

6032 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
6033 period by the county legislative body as provided in Subsection (1).

6034 (b) A tax under this section is not subject to Subsections 59-12-205(2) through [~~6~~]
6035 7).

6036 (c) A county legislative body shall distribute money collected from a tax under this
6037 section quarterly.

6038 (5) The commission shall retain and deposit an administrative charge in accordance
6039 with Section 59-1-306 from the revenue the commission collects from a tax under this section.

6040 Section 53. Section 59-12-804 is amended to read:

6041 **59-12-804. Imposition of rural city hospital tax -- Base -- Rate -- Administration,**

6042 **collection, and enforcement of tax -- Administrative charge.**6043 (1) (a) A city legislative body may impose a sales and use tax [~~of up to 1%~~]:

6044 (i) on the transactions described in Subsection 59-12-103(1) located within the city;

6045 [~~and]~~6046 (ii) to fund rural city hospitals in that city; and6047 (iii) of up to a rate equal to the product of:6048 (A) 1%; and6049 (B) the rate reduction factor.6050 (b) Notwithstanding Subsection (1)(a)(i), a city legislative body may not impose a tax
6051 under this section on:6052 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
6053 are exempt from taxation under Section 59-12-104; and6054 (ii) except as provided in Subsection (1)(d), amounts paid or charged for food and food
6055 ingredients.6056 (c) For purposes of this Subsection (1), the location of a transaction shall be
6057 determined in accordance with Sections 59-12-211 through 59-12-215.6058 (d) A city legislative body imposing a tax under this section shall impose the tax on the
6059 purchase price or sales price for amounts paid or charged for food and food ingredients if the
6060 food and food ingredients are sold as part of a bundled transaction attributable to food and food
6061 ingredients and tangible personal property other than food and food ingredients.6062 (2) (a) Before imposing a tax under Subsection (1)(a), a city legislative body shall
6063 obtain approval to impose the tax from a majority of the:

6064 (i) members of the city legislative body; and

6065 (ii) city's registered voters voting on the imposition of the tax.

6066 (b) The city legislative body shall conduct the election according to the procedures and
6067 requirements of Title 11, Chapter 14, Local Government Bonding Act.6068 (3) The money collected from a tax imposed under Subsection (1) may only be used to
6069 fund:

6070 (a) ongoing operating expenses of a rural city hospital;

6071 (b) the acquisition of land for a rural city hospital; or

6072 (c) the design, construction, equipping, or furnishing of a rural city hospital.

6073 (4) (a) A tax under this section shall be:

6074 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
6075 accordance with:

6076 (A) the same procedures used to administer, collect, and enforce the tax under:

6077 (I) Part 1, Tax Collection; or

6078 (II) Part 2, Local Sales and Use Tax Act; and

6079 (B) Chapter 1, General Taxation Policies; and

6080 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
6081 period by the city legislative body as provided in Subsection (1).

6082 (b) A tax under this section is not subject to Subsections 59-12-205(2) through ~~[(6)]~~
6083 (7).

6084 (5) The commission shall retain and deposit an administrative charge in accordance
6085 with Section 59-1-306 from the revenue the commission collects from a tax under this section.
6086 Section 54. Section 59-12-1102 is amended to read:

6087 **59-12-1102. Base -- Rate -- Imposition of tax -- Distribution of revenue --**
6088 **Administration -- Administrative charge -- Commission requirement to retain an amount**
6089 **to be deposited into the Qualified Emergency Food Agencies Fund -- Enactment or repeal**
6090 **of tax -- Effective date -- Notice requirements.**

6091 (1) (a) (i) Subject to Subsections (2) through ~~[(6)]~~ (7), and in addition to any other tax
6092 authorized by this chapter, a county may impose by ordinance a county option sales and use tax
6093 of .25% upon the transactions described in Subsection 59-12-103(1).

6094 (ii) Notwithstanding Subsection (1)(a)(i), a county may not impose a tax under this
6095 section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
6096 exempt from taxation under Section 59-12-104.

6097 (b) For purposes of this Subsection (1), the location of a transaction shall be
6098 determined in accordance with Sections 59-12-211 through 59-12-215.

6099 (c) The county option sales and use tax under this section shall be imposed:

6100 (i) upon transactions that are located within the county, including transactions that are
6101 located within municipalities in the county; and

6102 (ii) except as provided in Subsection (1)(d) or (5), beginning on the first day of
6103 January:

6104 (A) of the next calendar year after adoption of the ordinance imposing the tax if the
6105 ordinance is adopted on or before May 25; or
6106 (B) of the second calendar year after adoption of the ordinance imposing the tax if the
6107 ordinance is adopted after May 25.
6108 (d) The county option sales and use tax under this section shall be imposed:
6109 (i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before
6110 September 4, 1997; or
6111 (ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during 1997
6112 but after September 4, 1997.
6113 (2) (a) Before imposing a county option sales and use tax under Subsection (1), a
6114 county shall hold two public hearings on separate days in geographically diverse locations in
6115 the county.
6116 (b) (i) At least one of the hearings required by Subsection (2)(a) shall have a starting
6117 time of no earlier than 6 p.m.
6118 (ii) The earlier of the hearings required by Subsection (2)(a) shall be no less than seven
6119 days after the day the first advertisement required by Subsection (2)(c) is published.
6120 (c) (i) Before holding the public hearings required by Subsection (2)(a), the county
6121 shall advertise:
6122 (A) its intent to adopt a county option sales and use tax;
6123 (B) the date, time, and location of each public hearing; and
6124 (C) a statement that the purpose of each public hearing is to obtain public comments
6125 regarding the proposed tax.
6126 (ii) The advertisement shall be published:
6127 (A) in a newspaper of general circulation in the county once each week for the two
6128 weeks preceding the earlier of the two public hearings; and
6129 (B) on the Utah Public Notice Website created in Section [63F-1-701](#), for two weeks
6130 preceding the earlier of the two public hearings.
6131 (iii) The advertisement described in Subsection (2)(c)(ii)(A) shall be no less than 1/8
6132 page in size, and the type used shall be no smaller than 18 point and surrounded by a 1/4-inch
6133 border.
6134 (iv) The advertisement described in Subsection (2)(c)(ii)(A) may not be placed in that

6135 portion of the newspaper where legal notices and classified advertisements appear.

6136 (v) In accordance with Subsection (2)(c)(ii)(A), whenever possible:

6137 (A) the advertisement shall appear in a newspaper that is published at least five days a
6138 week, unless the only newspaper in the county is published less than five days a week; and

6139 (B) the newspaper selected shall be one of general interest and readership in the
6140 community, and not one of limited subject matter.

6141 (d) The adoption of an ordinance imposing a county option sales and use tax is subject
6142 to a local referendum election and shall be conducted as provided in Title 20A, Chapter 7, Part
6143 6, Local Referenda - Procedures.

6144 (3) (a) Subject to [~~Subsection~~] Subsections (5) and (7), if the aggregate population of
6145 the counties imposing a county option sales and use tax under Subsection (1) is less than 75%
6146 of the state population, the tax levied under Subsection (1) shall be distributed to the county in
6147 which the tax was collected.

6148 (b) Subject to [~~Subsection~~] Subsections (5) and (7), if the aggregate population of the
6149 counties imposing a county option sales and use tax under Subsection (1) is greater than or
6150 equal to 75% of the state population:

6151 (i) 50% of the tax collected under Subsection (1) in each county shall be distributed to
6152 the county in which the tax was collected; and

6153 (ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection
6154 (1) in each county shall be distributed proportionately among all counties imposing the tax,
6155 based on the total population of each county.

6156 (c) Except as provided in [~~Subsection~~] Subsections (5) and (7), the amount to be
6157 distributed annually to a county under Subsection (3)(b)(ii), when combined with the amount
6158 distributed to the county under Subsection (3)(b)(i), does not equal at least \$75,000, then:

6159 (i) the amount to be distributed annually to that county under Subsection (3)(b)(ii) shall
6160 be increased so that, when combined with the amount distributed to the county under
6161 Subsection (3)(b)(i), the amount distributed annually to the county is \$75,000; and

6162 (ii) the amount to be distributed annually to all other counties under Subsection
6163 (3)(b)(ii) shall be reduced proportionately to offset the additional amount distributed under
6164 Subsection (3)(c)(i).

6165 (d) The commission shall establish rules to implement the distribution of the tax under

6166 Subsections (3)(a), (b), and (c).

6167 (4) (a) Except as provided in Subsection (4)(b) or (c), a tax authorized under this part
6168 shall be administered, collected, and enforced in accordance with:

6169 (i) the same procedures used to administer, collect, and enforce the tax under:

6170 (A) Part 1, Tax Collection; or

6171 (B) Part 2, Local Sales and Use Tax Act; and

6172 (ii) Chapter 1, General Taxation Policies.

6173 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(6)]~~ (7).

6174 (c) (i) Subject to Subsection (4)(c)(ii), the commission shall retain and deposit an
6175 administrative charge in accordance with Section 59-1-306 from the revenue the commission
6176 collects from a tax under this part.

6177 (ii) Notwithstanding Section 59-1-306, the administrative charge described in
6178 Subsection (4)(c)(i) shall be calculated by taking a percentage described in Section 59-1-306 of
6179 the distribution amounts resulting after:

6180 (A) the applicable distribution calculations under Subsection (3) have been made; and

6181 (B) the commission retains the amount required by Subsection (5).

6182 (5) (a) Beginning on July 1, 2009, the commission shall calculate and retain a portion
6183 of the sales and use tax collected under this part as provided in this Subsection (5).

6184 (b) For a county that imposes a tax under this part, the commission shall calculate a
6185 percentage each month by dividing the sales and use tax collected under this part for that
6186 month within the boundaries of that county by the total sales and use tax collected under this
6187 part for that month within the boundaries of all of the counties that impose a tax under this part.

6188 (c) For a county that imposes a tax under this part, the commission shall retain each
6189 month an amount equal to the product of:

6190 (i) the percentage the commission determines for the month under Subsection (5)(b)
6191 for the county; and

6192 (ii) \$6,354.

6193 (d) The commission shall deposit an amount the commission retains in accordance
6194 with this Subsection (5) into the Qualified Emergency Food Agencies Fund created by Section
6195 35A-8-1009.

6196 (e) An amount the commission deposits into the Qualified Emergency Food Agencies

6197 Fund shall be expended as provided in Section 35A-8-1009.

6198 (6) (a) For purposes of this Subsection (6):

6199 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, County
6200 Consolidations and Annexations.

6201 (ii) "Annexing area" means an area that is annexed into a county.

6202 (b) (i) Except as provided in Subsection (6)(c) or (d), if, on or after July 1, 2004, a
6203 county enacts or repeals a tax under this part:

6204 (A) (I) the enactment shall take effect as provided in Subsection (1)(c); or

6205 (II) the repeal shall take effect on the first day of a calendar quarter; and

6206 (B) after a 90-day period beginning on the date the commission receives notice meeting
6207 the requirements of Subsection (6)(b)(ii) from the county.

6208 (ii) The notice described in Subsection (6)(b)(i)(B) shall state:

6209 (A) that the county will enact or repeal a tax under this part;

6210 (B) the statutory authority for the tax described in Subsection (6)(b)(ii)(A);

6211 (C) the effective date of the tax described in Subsection (6)(b)(ii)(A); and

6212 (D) if the county enacts the tax described in Subsection (6)(b)(ii)(A), the rate of the
6213 tax.

6214 (c) (i) If the billing period for a transaction begins before the effective date of the
6215 enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day
6216 of the first billing period that begins on or after the effective date of the enactment of the tax.

6217 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
6218 period is produced on or after the effective date of the repeal of the tax imposed under
6219 Subsection (1).

6220 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
6221 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
6222 Subsection (6)(b)(i) takes effect:

6223 (A) on the first day of a calendar quarter; and

6224 (B) beginning 60 days after the effective date of the enactment or repeal under
6225 Subsection (6)(b)(i).

6226 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6227 commission may by rule define the term "catalogue sale."

6228 (e) (i) Except as provided in Subsection (6)(f) or (g), if, for an annexation that occurs
6229 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
6230 part for an annexing area, the enactment or repeal shall take effect:

6231 (A) on the first day of a calendar quarter; and

6232 (B) after a 90-day period beginning on the date the commission receives notice meeting
6233 the requirements of Subsection (6)(e)(ii) from the county that annexes the annexing area.

6234 (ii) The notice described in Subsection (6)(e)(i)(B) shall state:

6235 (A) that the annexation described in Subsection (6)(e)(i) will result in an enactment or
6236 repeal of a tax under this part for the annexing area;

6237 (B) the statutory authority for the tax described in Subsection (6)(e)(ii)(A);

6238 (C) the effective date of the tax described in Subsection (6)(e)(ii)(A); and

6239 (D) the rate of the tax described in Subsection (6)(e)(ii)(A).

6240 (f) (i) If the billing period for a transaction begins before the effective date of the
6241 enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day
6242 of the first billing period that begins on or after the effective date of the enactment of the tax.

6243 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
6244 period is produced on or after the effective date of the repeal of the tax imposed under
6245 Subsection (1).

6246 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
6247 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
6248 Subsection (6)(e)(i) takes effect:

6249 (A) on the first day of a calendar quarter; and

6250 (B) beginning 60 days after the effective date of the enactment or repeal under
6251 Subsection (6)(e)(i).

6252 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6253 commission may by rule define the term "catalogue sale."

6254 (7) (a) As used in this Subsection (7):

6255 (i) "Consumer price index" means the Consumer Price Index for All Urban Consumers:
6256 All Items Less Food & Energy, as published by the Bureau of Labor Statistics of the United
6257 States Department of Labor.

6258 (ii) "Population estimate" means the population estimate as published by the Utah

6259 Population Committee created by Section [63C-20-103](#).

6260 (b) Notwithstanding the provisions of this section, beginning on or after January 1,
6261 2020, the commission may not distribute to a county, in accordance with the distribution
6262 requirements of this section, an amount that exceeds the amount equal to the county's tax
6263 revenue distribution amount under this section for the previous fiscal year multiplied by the
6264 sum of:

6265 (i) one;

6266 (ii) the actual percent change in the population estimate used in the December
6267 distribution with the population estimate used for the prior December for the same distribution;
6268 and

6269 (iii) the actual percent change of the consumer price index during the 12 months ending
6270 in November of the current year.

6271 (8) (a) For a filing period beginning on or after January 1, 2020, the commission shall
6272 calculate and retain a portion of the sales and use tax collected under this part as provided in
6273 this Subsection (8).

6274 (b) For a county that imposes a sales and use tax under this section, the commission
6275 shall calculate and retain an amount each month by subtracting from the sales and use tax
6276 collected under this part for that month from that county any amount that exceeds an amount
6277 equal to the quotient of the revenue distribution determined for that county, city, or town under
6278 Subsection (7)(b) for that county, city, or town divided by 12.

6279 (c) The commission shall deposit the amount the commission retains in accordance
6280 with this Subsection (8) into the Sales and Use Tax Base Expansion Restricted Account created
6281 by Section [59-12-103.3](#).

6282 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6283 commission may make rules governing the calculation and method for making the deposit
6284 described in this Subsection (8).

6285 (e) An amount the commission deposits into the Sales and Use Tax Base Expansion
6286 Restricted Account shall be expended as provided in Section [59-12-103.3](#).

6287 Section 55. Section **59-12-1302** is amended to read:

6288 **59-12-1302. Imposition of tax -- Base -- Rate -- Enactment or repeal of tax -- Tax**
6289 **rate change -- Effective date -- Notice requirements -- Administration, collection, and**

6290 **enforcement of tax -- Administrative charge.**

6291 (1) Beginning on or after January 1, 1998, the governing body of a town may impose a
6292 tax as provided in this part in an amount that does not exceed [~~1%~~] a rate equal to the product
6293 of:

6294 (a) 1%; and

6295 (b) the rate reduction factor.

6296 (2) A town may impose a tax as provided in this part if the town imposed a license fee
6297 or tax on businesses based on gross receipts under Section 10-1-203 on or before January 1,
6298 1996.

6299 (3) A town imposing a tax under this section shall:

6300 (a) except as provided in Subsection (4), impose the tax on the transactions described
6301 in Subsection 59-12-103(1) located within the town; and

6302 (b) provide an effective date for the tax as provided in Subsection (5).

6303 (4) (a) A town may not impose a tax under this section on:

6304 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
6305 are exempt from taxation under Section 59-12-104; and

6306 (ii) except as provided in Subsection (4)(c), amounts paid or charged for food and food
6307 ingredients.

6308 (b) For purposes of this Subsection (4), the location of a transaction shall be
6309 determined in accordance with Sections 59-12-211 through 59-12-215.

6310 (c) A town imposing a tax under this section shall impose the tax on the purchase price
6311 or sales price for amounts paid or charged for food and food ingredients if the food and food
6312 ingredients are sold as part of a bundled transaction attributable to food and food ingredients
6313 and tangible personal property other than food and food ingredients.

6314 (5) (a) For purposes of this Subsection (5):

6315 (i) "Annexation" means an annexation to a town under Title 10, Chapter 2, Part 4,
6316 Annexation.

6317 (ii) "Annexing area" means an area that is annexed into a town.

6318 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
6319 town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal,
6320 or change shall take effect:

- 6321 (A) on the first day of a calendar quarter; and
6322 (B) after a 90-day period beginning on the date the commission receives notice meeting
6323 the requirements of Subsection (5)(b)(ii) from the town.
- 6324 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:
6325 (A) that the town will enact or repeal a tax or change the rate of a tax under this part;
6326 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);
6327 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and
6328 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
6329 (5)(b)(ii)(A), the rate of the tax.
- 6330 (c) (i) If the billing period for the transaction begins before the effective date of the
6331 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
6332 the tax or the tax rate increase takes effect on the first day of the first billing period that begins
6333 on or after the effective date of the enactment of the tax or the tax rate increase.
- 6334 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
6335 statement for the billing period is produced on or after the effective date of the repeal of the tax
6336 or the tax rate decrease imposed under Subsection (1).
- 6337 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
6338 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
6339 a tax described in Subsection (5)(b)(i) takes effect:
6340 (A) on the first day of a calendar quarter; and
6341 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
6342 rate of the tax under Subsection (5)(b)(i).
- 6343 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6344 commission may by rule define the term "catalogue sale."
- 6345 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
6346 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
6347 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
6348 effect:
6349 (A) on the first day of a calendar quarter; and
6350 (B) after a 90-day period beginning on the date the commission receives notice meeting
6351 the requirements of Subsection (5)(e)(ii) from the town that annexes the annexing area.

6352 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:
6353 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment,
6354 repeal, or change in the rate of a tax under this part for the annexing area;
6355 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);
6356 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and
6357 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
6358 (5)(e)(ii)(A), the rate of the tax.

6359 (f) (i) If the billing period for a transaction begins before the effective date of the
6360 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
6361 the tax or the tax rate increase takes effect on the first day of the first billing period that begins
6362 on or after the effective date of the enactment of the tax or the tax rate increase.

6363 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
6364 statement for the billing period is produced on or after the effective date of the repeal of the tax
6365 or the tax rate decrease imposed under Subsection (1).

6366 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
6367 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
6368 a tax described in Subsection (5)(e)(i) takes effect:

6369 (A) on the first day of a calendar quarter; and
6370 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
6371 rate of the tax under Subsection (5)(e)(i).

6372 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6373 commission may by rule define the term "catalogue sale."

6374 (6) The commission shall:
6375 (a) distribute the revenue generated by the tax under this section to the town imposing
6376 the tax; and
6377 (b) except as provided in Subsection (8), administer, collect, and enforce the tax
6378 authorized under this section in accordance with:

6379 (i) the same procedures used to administer, collect, and enforce the tax under:
6380 (A) Part 1, Tax Collection; or
6381 (B) Part 2, Local Sales and Use Tax Act; and
6382 (ii) Chapter 1, General Taxation Policies.

6383 (7) The commission shall retain and deposit an administrative charge in accordance
 6384 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

6385 (8) A tax under this section is not subject to Subsections 59-12-205(2) through ~~[(6)]~~
 6386 (7).

6387 Section 56. Section 59-12-1402 is amended to read:

6388 **59-12-1402. Opinion question election -- Base -- Rate -- Imposition of tax --**
 6389 **Expenditure of revenue -- Enactment or repeal of tax -- Effective date -- Notice**
 6390 **requirements.**

6391 (1) (a) Subject to the other provisions of this section, a city or town legislative body
 6392 subject to this part may submit an opinion question to the residents of that city or town, by
 6393 majority vote of all members of the legislative body, so that each resident of the city or town
 6394 has an opportunity to express the resident's opinion on the imposition of a local sales and use
 6395 tax ~~[of .1%]~~ at a rate equal to the product of .1% and the rate reduction factor on the
 6396 transactions described in Subsection 59-12-103(1) located within the city or town, to:

6397 (i) fund cultural facilities, recreational facilities, and zoological facilities and botanical
 6398 organizations, cultural organizations, and zoological organizations in that city or town; or

6399 (ii) provide funding for a botanical organization, cultural organization, or zoological
 6400 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in
 6401 furtherance of the botanical organization's, cultural organization's, or zoological organization's
 6402 primary purpose.

6403 (b) The opinion question required by this section shall state:

6404 "Shall (insert the name of the city or town), Utah, be authorized to impose a ~~[.1%]~~
 6405 (insert the rate currently in effect) sales and use tax for (list the purposes for which the revenue
 6406 collected from the sales and use tax shall be expended)?"

6407 (c) A city or town legislative body may not impose a tax under this section:

6408 (i) if the county in which the city or town is located imposes a tax under Part 7, County
 6409 Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or
 6410 Facilities;

6411 (ii) on the sales and uses described in Section 59-12-104 to the extent the sales and
 6412 uses are exempt from taxation under Section 59-12-104; and

6413 (iii) except as provided in Subsection (1)(e), on amounts paid or charged for food and

6414 food ingredients.

6415 (d) For purposes of this Subsection (1), the location of a transaction shall be
6416 determined in accordance with Sections [59-12-211](#) through [59-12-215](#).

6417 (e) A city or town legislative body imposing a tax under this section shall impose the
6418 tax on the purchase price or sales price for amounts paid or charged for food and food
6419 ingredients if the food and food ingredients are sold as part of a bundled transaction attributable
6420 to food and food ingredients and tangible personal property other than food and food
6421 ingredients.

6422 (f) Except as provided in Subsection (6), the election shall be held at a regular general
6423 election or a municipal general election, as those terms are defined in Section [20A-1-102](#), and
6424 shall follow the procedures outlined in Title 11, Chapter 14, Local Government Bonding Act.

6425 (2) If the city or town legislative body determines that a majority of the city's or town's
6426 registered voters voting on the imposition of the tax have voted in favor of the imposition of
6427 the tax as prescribed in Subsection (1), the city or town legislative body may impose the tax by
6428 a majority vote of all members of the legislative body.

6429 (3) Subject to Section [59-12-1403](#), revenue collected from a tax imposed under
6430 Subsection (2) shall be expended:

6431 (a) to finance cultural facilities, recreational facilities, and zoological facilities within
6432 the city or town or within the geographic area of entities that are parties to an interlocal
6433 agreement, to which the city or town is a party, providing for cultural facilities, recreational
6434 facilities, or zoological facilities;

6435 (b) to finance ongoing operating expenses of:

6436 (i) recreational facilities described in Subsection (3)(a) within the city or town or
6437 within the geographic area of entities that are parties to an interlocal agreement, to which the
6438 city or town is a party, providing for recreational facilities; or

6439 (ii) botanical organizations, cultural organizations, and zoological organizations within
6440 the city or town or within the geographic area of entities that are parties to an interlocal
6441 agreement, to which the city or town is a party, providing for the support of botanical
6442 organizations, cultural organizations, or zoological organizations; and

6443 (c) as stated in the opinion question described in Subsection (1).

6444 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall

6445 be:

6446 (i) administered, collected, and enforced in accordance with:

6447 (A) the same procedures used to administer, collect, and enforce the tax under:

6448 (I) Part 1, Tax Collection; or

6449 (II) Part 2, Local Sales and Use Tax Act; and

6450 (B) Chapter 1, General Taxation Policies; and

6451 (ii) (A) levied for a period of eight years; and

6452 (B) may be reauthorized at the end of the eight-year period in accordance with this

6453 section.

6454 (b) (i) If a tax under this part is imposed for the first time on or after July 1, 2011, the
6455 tax shall be levied for a period of 10 years.

6456 (ii) If a tax under this part is reauthorized in accordance with Subsection (4)(a) on or
6457 after July 1, 2011, the tax shall be reauthorized for a ten-year period.

6458 (c) A tax under this section is not subject to Subsections 59-12-205(2) through [~~6~~]

6459 (7).

6460 (5) (a) For purposes of this Subsection (5):

6461 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
6462 4, Annexation.

6463 (ii) "Annexing area" means an area that is annexed into a city or town.

6464 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a city
6465 or town enacts or repeals a tax under this part, the enactment or repeal shall take effect:

6466 (A) on the first day of a calendar quarter; and

6467 (B) after a 90-day period beginning on the date the commission receives notice meeting
6468 the requirements of Subsection (5)(b)(ii) from the city or town.

6469 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

6470 (A) that the city or town will enact or repeal a tax under this part;

6471 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

6472 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

6473 (D) if the city or town enacts the tax described in Subsection (5)(b)(ii)(A), the rate of
6474 the tax.

6475 (c) (i) If the billing period for a transaction begins before the effective date of the

6476 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
6477 the first billing period that begins on or after the effective date of the enactment of the tax.

6478 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
6479 period is produced on or after the effective date of the repeal of the tax imposed under this
6480 section.

6481 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
6482 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
6483 Subsection (5)(b)(i) takes effect:

6484 (A) on the first day of a calendar quarter; and

6485 (B) beginning 60 days after the effective date of the enactment or repeal under
6486 Subsection (5)(b)(i).

6487 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6488 commission may by rule define the term "catalogue sale."

6489 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
6490 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
6491 part for an annexing area, the enactment or repeal shall take effect:

6492 (A) on the first day of a calendar quarter; and

6493 (B) after a 90-day period beginning on the date the commission receives notice meeting
6494 the requirements of Subsection (5)(e)(ii) from the city or town that annexes the annexing area.

6495 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

6496 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
6497 repeal a tax under this part for the annexing area;

6498 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

6499 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

6500 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

6501 (f) (i) If the billing period for a transaction begins before the effective date of the
6502 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
6503 the first billing period that begins on or after the effective date of the enactment of the tax.

6504 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
6505 period is produced on or after the effective date of the repeal of the tax imposed under this
6506 section.

6507 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
6508 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
6509 Subsection (5)(e)(i) takes effect:

6510 (A) on the first day of a calendar quarter; and

6511 (B) beginning 60 days after the effective date of the enactment or repeal under
6512 Subsection (5)(e)(i).

6513 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6514 commission may by rule define the term "catalogue sale."

6515 (6) (a) Before a city or town legislative body submits an opinion question to the
6516 residents of the city or town under Subsection (1), the city or town legislative body shall:

6517 (i) submit to the county legislative body in which the city or town is located a written
6518 notice of the intent to submit the opinion question to the residents of the city or town; and

6519 (ii) receive from the county legislative body:

6520 (A) a written resolution passed by the county legislative body stating that the county
6521 legislative body is not seeking to impose a tax under Part 7, County Option Funding for
6522 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities; or

6523 (B) a written statement that in accordance with Subsection (6)(b) the results of a county
6524 opinion question submitted to the residents of the county under Part 7, County Option Funding
6525 for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, permit the city
6526 or town legislative body to submit the opinion question to the residents of the city or town in
6527 accordance with this part.

6528 (b) (i) Within 60 days after the day the county legislative body receives from a city or
6529 town legislative body described in Subsection (6)(a) the notice of the intent to submit an
6530 opinion question to the residents of the city or town, the county legislative body shall provide
6531 the city or town legislative body:

6532 (A) the written resolution described in Subsection (6)(a)(ii)(A); or

6533 (B) written notice that the county legislative body will submit an opinion question to
6534 the residents of the county under Part 7, County Option Funding for Botanical, Cultural,
6535 Recreational, and Zoological Organizations or Facilities, for the county to impose a tax under
6536 that part.

6537 (ii) If the county legislative body provides the city or town legislative body the written

6538 notice that the county legislative body will submit an opinion question as provided in
6539 Subsection (6)(b)(i)(B), the county legislative body shall submit the opinion question by no
6540 later than, from the date the county legislative body sends the written notice, the later of:

- 6541 (A) a 12-month period;
- 6542 (B) the next regular primary election; or
- 6543 (C) the next regular general election.

6544 (iii) Within 30 days of the date of the canvass of the election at which the opinion
6545 question under Subsection (6)(b)(ii) is voted on, the county legislative body shall provide the
6546 city or town legislative body described in Subsection (6)(a) written results of the opinion
6547 question submitted by the county legislative body under Part 7, County Option Funding for
6548 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, indicating that:

6549 (A) (I) the city or town legislative body may not impose a tax under this part because a
6550 majority of the county's registered voters voted in favor of the county imposing the tax and the
6551 county legislative body by a majority vote approved the imposition of the tax; or

6552 (II) for at least 12 months from the date the written results are submitted to the city or
6553 town legislative body, the city or town legislative body may not submit to the county legislative
6554 body a written notice of the intent to submit an opinion question under this part because a
6555 majority of the county's registered voters voted against the county imposing the tax and the
6556 majority of the registered voters who are residents of the city or town described in Subsection
6557 (6)(a) voted against the imposition of the county tax; or

6558 (B) the city or town legislative body may submit the opinion question to the residents
6559 of the city or town in accordance with this part because although a majority of the county's
6560 registered voters voted against the county imposing the tax, the majority of the registered voters
6561 who are residents of the city or town voted for the imposition of the county tax.

6562 (c) Notwithstanding Subsection (6)(b), at any time a county legislative body may
6563 provide a city or town legislative body described in Subsection (6)(a) a written resolution
6564 passed by the county legislative body stating that the county legislative body is not seeking to
6565 impose a tax under Part 7, County Option Funding for Botanical, Cultural, Recreational, and
6566 Zoological Organizations or Facilities, which permits the city or town legislative body to
6567 submit under Subsection (1) an opinion question to the city's or town's residents.

6568 Section 57. Section **59-12-2003** is amended to read:

6569 **59-12-2003. Imposition -- Base -- Rate -- Revenue distributed to certain public**
6570 **transit districts.**

6571 (1) Subject to the other provisions of this section and except as provided in Subsection
6572 (2) or (4), beginning on July 1, 2008, the state shall impose a tax under this part on the
6573 transactions described in Subsection [59-12-103](#)(1) within a city, town, or the unincorporated
6574 area of a county of the first or second class if, on January 1, 2008, there is a public transit
6575 district within any portion of that county of the first or second class.

6576 (2) The state may not impose a tax under this part within a county of the first or second
6577 class if within all of the cities, towns, and the unincorporated area of the county of the first or
6578 second class there is imposed a sales and use tax [of]:

6579 (a) [~~.30%~~] under Section [59-12-2213](#) at a rate equal to the product of:

6580 (i) .3%; and

6581 (ii) the rate reduction factor;

6582 (b) [~~.30%~~] under Section [59-12-2215](#) at a rate equal to the product of:

6583 (i) .3%; and

6584 (ii) the rate reduction factor; or

6585 (c) [~~.30%~~] under Section [59-12-2216](#) at a rate equal to the product of:

6586 (i) .3%; and

6587 (ii) the rate reduction factor.

6588 (3) (a) Subject to Subsection (3)(b), if the state imposes a tax under this part, the tax
6589 rate imposed within a city, town, or the unincorporated area of a county of the first or second
6590 class is a percentage equal to the difference between:

6591 (i) [~~.30%~~] at a rate equal to the product of:

6592 (A) .3%; and

6593 (B) the rate reduction factor; and

6594 (ii) (A) for a city within the county of the first or second class, the highest tax rate
6595 imposed within that city under:

6596 (I) Section [59-12-2213](#);

6597 (II) Section [59-12-2215](#); or

6598 (III) Section [59-12-2216](#);

6599 (B) for a town within the county of the first or second class, the highest tax rate

6600 imposed within that town under:

6601 (I) Section 59-12-2213;

6602 (II) Section 59-12-2215; or

6603 (III) Section 59-12-2216; or

6604 (C) for the unincorporated area of the county of the first or second class, the highest tax
6605 rate imposed within that unincorporated area under:

6606 (I) Section 59-12-2213;

6607 (II) Section 59-12-2215; or

6608 (III) Section 59-12-2216.

6609 (b) For purposes of Subsection (3)(a), if for a city, town, or the unincorporated area of
6610 a county of the first or second class, the highest tax rate imposed under Section 59-12-2213,
6611 59-12-2215, or 59-12-2216 within that city, town, or unincorporated area of the county of the
6612 first or second class is [~~.30%~~] a rate equal to the product of .3% and the rate reduction factor,
6613 the state may not impose a tax under this part within that city, town, or unincorporated area.

6614 (4) (a) The state may not impose a tax under this part on:

6615 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
6616 are exempt from taxation under Section 59-12-104; or

6617 (ii) except as provided in Subsection (4)(b), amounts paid or charged for food and food
6618 ingredients.

6619 (b) The state shall impose a tax under this part on the purchase price or sales price for
6620 amounts paid or charged for food and food ingredients if the food and food ingredients are sold
6621 as part of a bundled transaction attributable to food and ingredients and tangible personal
6622 property other than food and food ingredients.

6623 (5) For purposes of Subsection (1), the location of a transaction shall be determined in
6624 accordance with Sections 59-12-211 through 59-12-215.

6625 (6) The commission shall distribute the revenues the state collects from the sales and
6626 use tax under this part, after subtracting amounts a seller retains in accordance with Section
6627 59-12-108, to the public transit districts within the cities, towns, and unincorporated areas:

6628 (a) within which the state imposes a tax under this part; and

6629 (b) in proportion to the revenues collected from the sales and use tax under this part

6630 within each city, town, and unincorporated area within which the state imposes a tax under this

6631 part.

6632 Section 58. Section **59-12-2103** is amended to read:

6633 **59-12-2103. Imposition of tax -- Base -- Rate -- Expenditure of revenue collected**
6634 **from the tax -- Administration, collection, and enforcement of tax by commission --**
6635 **Administrative charge -- Enactment or repeal of tax -- Annexation -- Notice.**

6636 (1) (a) As used in this section, "eligible city or town" means a city or town that
6637 imposed a tax under this part on July 1, 2016.

6638 (b) Subject to the other provisions of this section and except as provided in Subsection
6639 (2) or (3), the legislative body of an eligible city or town may impose a sales and use tax [~~of up~~
6640 ~~to .20%~~] on the transactions:

6641 (i) described in Subsection **59-12-103**(1); [~~and]~~

6642 (ii) within the city or town; and

6643 (iii) of up to a rate equal to the product of:

6644 (A) .2%; and

6645 (B) the rate reduction factor.

6646 (c) A city or town legislative body that imposes a tax under Subsection (1)(b) shall
6647 expend the revenue collected from the tax for the same purposes for which the city or town
6648 may expend the city's or town's general fund revenue.

6649 (d) For purposes of this Subsection (1), the location of a transaction shall be
6650 determined in accordance with Sections **59-12-211** through **59-12-215**.

6651 (2) (a) A city or town legislative body may not impose a tax under this section on:

6652 (i) the sales and uses described in Section **59-12-104** to the extent the sales and uses
6653 are exempt from taxation under Section **59-12-104**; and

6654 (ii) except as provided in Subsection (2)(b), amounts paid or charged for food and food
6655 ingredients.

6656 (b) A city or town legislative body imposing a tax under this section shall impose the
6657 tax on the purchase price or sales price for amounts paid or charged for food and food
6658 ingredients if the food and food ingredients are sold as part of a bundled transaction attributable
6659 to food and food ingredients and tangible personal property other than food and food
6660 ingredients.

6661 (3) An eligible city or town may impose a tax under this part until no later than June

6662 30, 2030.

6663 (4) The commission shall transmit revenue collected within a city or town from a tax
6664 under this part:

6665 (a) to the city or town legislative body;

6666 (b) monthly; and

6667 (c) by electronic funds transfer.

6668 (5) (a) Except as provided in Subsection (5)(b), the commission shall administer,
6669 collect, and enforce a tax under this part in accordance with:

6670 (i) the same procedures used to administer, collect, and enforce the tax under:

6671 (A) Part 1, Tax Collection; or

6672 (B) Part 2, Local Sales and Use Tax Act; and

6673 (ii) Chapter 1, General Taxation Policies.

6674 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(6)]~~ (7).

6675 (6) The commission shall retain and deposit an administrative charge in accordance
6676 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

6677 (7) (a) (i) Except as provided in Subsection (7)(b) or (c), if, on or after January 1, 2009,
6678 a city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
6679 repeal, or change shall take effect:

6680 (A) on the first day of a calendar quarter; and

6681 (B) after a 90-day period beginning on the date the commission receives notice meeting
6682 the requirements of Subsection (7)(a)(i) from the city or town.

6683 (ii) The notice described in Subsection (7)(a)(i)(B) shall state:

6684 (A) that the city or town will enact or repeal a tax or change the rate of the tax under
6685 this part;

6686 (B) the statutory authority for the tax described in Subsection (7)(a)(ii)(A);

6687 (C) the effective date of the tax described in Subsection (7)(a)(ii)(A); and

6688 (D) if the city or town enacts the tax or changes the rate of the tax described in
6689 Subsection (7)(a)(ii)(A), the rate of the tax.

6690 (b) (i) If the billing period for a transaction begins before the enactment of the tax or
6691 the tax rate increase under Subsection (1), the enactment of the tax or the tax rate increase takes
6692 effect on the first day of the first billing period that begins on or after the effective date of the

6693 enactment of the tax or the tax rate increase.

6694 (ii) If the billing period for a transaction begins before the effective date of the repeal
6695 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
6696 rate decrease applies to a billing period if the billing statement for the billing period is rendered
6697 on or after the effective date of the repeal of the tax or the tax rate decrease.

6698 (c) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales
6699 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax
6700 described in Subsection (7)(a)(i) takes effect:

6701 (A) on the first day of a calendar quarter; and

6702 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
6703 rate of the tax under Subsection (7)(a)(i).

6704 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6705 commission may by rule define the term "catalogue sale."

6706 (d) (i) Except as provided in Subsection (7)(e) or (f), if, for an annexation that occurs
6707 on or after January 1, 2009, the annexation will result in the enactment, repeal, or change in the
6708 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
6709 effect:

6710 (A) on the first day of a calendar quarter; and

6711 (B) after a 90-day period beginning on the date the commission receives notice meeting
6712 the requirements of Subsection (7)(d)(ii) from the city or town that annexes the annexing area.

6713 (ii) The notice described in Subsection (7)(d)(i)(B) shall state:

6714 (A) that the annexation described in Subsection (7)(d)(i)(B) will result in the
6715 enactment, repeal, or change in the rate of a tax under this part for the annexing area;

6716 (B) the statutory authority for the tax described in Subsection (7)(d)(ii)(A);

6717 (C) the effective date of the tax described in Subsection (7)(d)(ii)(A); and

6718 (D) if the city or town enacts the tax or changes the rate of the tax described in
6719 Subsection (7)(d)(ii)(A), the rate of the tax.

6720 (e) (i) If the billing period for a transaction begins before the effective date of the
6721 enactment of the tax or a tax rate increase under Subsection (1), the enactment of a tax or a tax
6722 rate increase takes effect on the first day of the first billing period that begins on or after the
6723 effective date of the enactment of the tax or the tax rate increase.

6724 (ii) If the billing period for a transaction begins before the effective date of the repeal
6725 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
6726 rate decrease applies to a billing period if the billing statement for the billing period is rendered
6727 on or after the effective date of the repeal of the tax or the tax rate decrease.

6728 (f) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales
6729 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax
6730 described in Subsection (7)(d)(i) takes effect:

6731 (A) on the first day of a calendar quarter; and

6732 (B) beginning 60 days after the effective date of the enactment, repeal, or change under
6733 Subsection (7)(d)(i).

6734 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6735 commission may by rule define the term "catalogue sale."

6736 Section 59. Section **59-12-2206** is amended to read:

6737 **59-12-2206. Administration, collection, and enforcement of a sales and use tax**
6738 **under this part -- Transmission of revenue monthly by electronic funds transfer --**
6739 **Transfer of revenue to a public transit district or eligible political subdivision.**

6740 (1) Except as provided in Subsection (2), the commission shall administer, collect, and
6741 enforce a sales and use tax imposed under this part.

6742 (2) The commission shall administer, collect, and enforce a sales and use tax imposed
6743 under this part in accordance with:

6744 (a) the same procedures used to administer, collect, and enforce a tax under:

6745 (i) Part 1, Tax Collection; or

6746 (ii) Part 2, Local Sales and Use Tax Act; and

6747 (b) Chapter 1, General Taxation Policies.

6748 (3) A sales and use tax under this part is not subject to Subsections [59-12-205\(2\)](#)
6749 through ~~[(6)]~~ [\(7\)](#).

6750 (4) Subject to Section [59-12-2207](#) and except as provided in Subsection (5) or another
6751 provision of this part, the state treasurer shall transmit revenue collected within a county, city,
6752 or town from a sales and use tax under this part to the county, city, or town legislative body
6753 monthly by electronic funds transfer.

6754 (5) (a) Subject to Section [59-12-2207](#), and except as provided in Subsection (5)(b), the

6755 state treasurer shall transfer revenue collected within a county, city, or town from a sales and
 6756 use tax under this part directly to a public transit district organized under Title 17B, Chapter 2a,
 6757 Part 8, Public Transit District Act, or an eligible political subdivision as defined in Section
 6758 [59-12-2219](#), if the county, city, or town legislative body:

6759 (i) provides written notice to the commission and the state treasurer requesting the
 6760 transfer; and

6761 (ii) designates the public transit district or eligible political subdivision to which the
 6762 county, city, or town legislative body requests the state treasurer to transfer the revenue.

6763 (b) The commission shall transmit a portion of the revenue collected within a county,
 6764 city, or town from a sales and use tax under this part that would be transferred to a public
 6765 transit district or an eligible political subdivision under Subsection (5)(a) to the county, city, or
 6766 town to fund public transit fixed guideway safety oversight under Section [72-1-214](#) if the
 6767 county, city, or town legislative body:

6768 (i) provides written notice to the commission and the state treasurer requesting the
 6769 transfer; and

6770 (ii) specifies the amount of revenue required to be transmitted to the county, city, or
 6771 town.

6772 Section 60. Section [59-12-2213](#) is amended to read:

6773 **59-12-2213. County, city, or town option sales and use tax to fund a system for**
 6774 **public transit -- Base -- Rate.**

6775 (1) Subject to the other provisions of this part, a county, city, or town may impose a
 6776 sales and use tax under this section [~~of up to~~]:

6777 (a) for a county, city, or town other than a county, city, or town described in Subsection
 6778 (1)(b), [~~.25%~~] on the transactions described in Subsection [59-12-103](#)(1) located within the
 6779 county, city, or town to fund a system for public transit of up to a rate equal to the product of:

6780 (i) .25%; and

6781 (ii) the rate reduction factor; or

6782 (b) for a county, city, or town within which a tax is not imposed under Section
 6783 [59-12-2216](#), [~~.30%~~] on the transactions described in Subsection [59-12-103](#)(1) located within
 6784 the county, city, or town, to fund a system for public transit of up to a rate equal to the product
 6785 of:

- 6786 (i) .3%; and
- 6787 (ii) the rate reduction factor.

6788 (2) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not
 6789 required to submit an opinion question to the county's, city's, or town's registered voters in
 6790 accordance with Section 59-12-2208 to impose a sales and use tax under this section if the
 6791 county, city, or town imposes the sales and use tax under Section 59-12-2216 on or before July
 6792 1, 2011.

6793 Section 61. Section 59-12-2214 is amended to read:

6794 **59-12-2214. County, city, or town option sales and use tax to fund a system for**
 6795 **public transit, an airport facility, a water conservation project, or to be deposited into the**
 6796 **County of the First Class Highway Projects Fund -- Base -- Rate -- Voter approval**
 6797 **exception.**

6798 (1) Subject to the other provisions of this part, a county, city, or town may impose a
 6799 sales and use tax [~~of .25%~~] on the transactions described in Subsection 59-12-103(1) located
 6800 within the county, city, or town at a rate equal to the product of:

- 6801 (a) .25%; and
- 6802 (b) the rate reduction factor.

6803 (2) Subject to Subsection (3), a county, city, or town that imposes a sales and use tax
 6804 under this section shall expend the revenues collected from the sales and use tax:

- 6805 (a) to fund a system for public transit;
- 6806 (b) to fund a project or service related to an airport facility for the portion of the project
 6807 or service that is performed within the county, city, or town within which the sales and use tax
 6808 is imposed:

- 6809 (i) for a county that imposes the sales and use tax, if the airport facility is part of the
 6810 regional transportation plan of the area metropolitan planning organization if a metropolitan
 6811 planning organization exists for the area; or

- 6812 (ii) for a city or town that imposes the sales and use tax, if:
 - 6813 (A) that city or town is located within a county of the second class;
 - 6814 (B) that city or town owns or operates the airport facility; and
 - 6815 (C) an airline is headquartered in that city or town; or
 - 6816 (c) for a combination of Subsections (2)(a) and (b).

6817 (3) A county of the first class that imposes a sales and use tax under this section shall
6818 expend the revenues collected from the sales and use tax as follows:

6819 (a) 80% of the revenues collected from the sales and use tax shall be expended to fund
6820 a system for public transit; and

6821 (b) 20% of the revenues collected from the sales and use tax shall be deposited into the
6822 County of the First Class Highway Projects Fund created by Section 72-2-121.

6823 (4) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not
6824 required to submit an opinion question to the county's, city's, or town's registered voters in
6825 accordance with Section 59-12-2208 to impose a sales and use tax under this section if:

6826 (a) the county, city, or town imposes the sales and use tax under this section on or after
6827 July 1, 2010, but on or before July 1, 2011;

6828 (b) on July 1, 2010, the county, city, or town imposes a sales and use tax under:

6829 (i) Section 59-12-2213; or

6830 (ii) Section 59-12-2215; and

6831 (c) the county, city, or town obtained voter approval to impose the sales and use tax
6832 under:

6833 (i) Section 59-12-2213; or

6834 (ii) Section 59-12-2215.

6835 Section 62. Section 59-12-2215 is amended to read:

6836 **59-12-2215. City or town option sales and use tax for highways or to fund a**
6837 **system for public transit -- Base -- Rate.**

6838 (1) Subject to the other provisions of this part, a city or town may impose a sales and
6839 use tax [~~of up to .30%~~] on the transactions described in Subsection 59-12-103(1) located within
6840 the city or town of up to a rate equal to the product of:

6841 (a) .3%; and

6842 (b) the rate reduction factor.

6843 (2) A city or town imposing a sales and use tax under this section shall expend the
6844 revenues collected from the sales and use tax:

6845 (a) for the construction and maintenance of highways under the jurisdiction of the city
6846 or town imposing the tax;

6847 (b) to fund a system for public transit; or

6848 (c) for a combination of Subsections (2)(a) and (b).

6849 Section 63. Section **59-12-2216** is amended to read:

6850 **59-12-2216. County option sales and use tax for a fixed guideway, to fund a**
6851 **system for public transit, or for highways -- Base -- Rate -- Allocation and expenditure of**
6852 **revenues.**

6853 (1) Subject to the other provisions of this part, a county legislative body may impose a
6854 sales and use tax [~~of up to .30%~~] on the transactions described in Subsection **59-12-103(1)**
6855 within the county, including the cities and towns within the county of up to a rate equal to the
6856 product of:

6857 (a) .3%; and

6858 (b) the rate reduction factor.

6859 (2) Subject to Subsection (3), before obtaining voter approval in accordance with
6860 Section **59-12-2208**, a county legislative body shall adopt a resolution specifying the
6861 percentage of revenues the county will receive from the sales and use tax under this section that
6862 will be allocated to fund one or more of the following:

6863 (a) a project or service relating to a fixed guideway for the portion of the project or
6864 service that is performed within the county;

6865 (b) a project or service relating to a system for public transit, except for a fixed
6866 guideway, for the portion of the project or service that is performed within the county;

6867 (c) the following relating to a state highway within the county:

6868 (i) a project within the county if the project:

6869 (A) begins on or after the day on which a county legislative body imposes a tax under
6870 this section; and

6871 (B) involves an environmental study, an improvement, new construction, or a
6872 renovation;

6873 (ii) debt service on a project described in Subsection (2)(c)(i); or

6874 (iii) bond issuance costs related to a project described in Subsection (2)(c)(i); or

6875 (d) a project, debt service, or bond issuance cost described in Subsection (2)(c) relating
6876 to a highway that is:

6877 (i) a principal arterial highway or minor arterial highway;

6878 (ii) included in a metropolitan planning organization's regional transportation plan; and

6879 (iii) not a state highway.

6880 (3) A county legislative body shall in the resolution described in Subsection (2)
6881 allocate 100% of the revenues the county will receive from the sales and use tax under this
6882 section for one or more of the purposes described in Subsection (2).

6883 (4) Notwithstanding Section 59-12-2208, the opinion question required by Section
6884 59-12-2208 shall state the allocations the county legislative body makes in accordance with this
6885 section.

6886 (5) The revenues collected from a sales and use tax under this section shall be:

6887 (a) allocated in accordance with the allocations specified in the resolution under
6888 Subsection (2); and

6889 (b) expended as provided in this section.

6890 (6) If a county legislative body allocates revenues collected from a sales and use tax
6891 under this section for a state highway project described in Subsection (2)(c)(i), before
6892 beginning the state highway project within the county, the county legislative body shall:

6893 (a) obtain approval from the Transportation Commission to complete the project; and

6894 (b) enter into an interlocal agreement established in accordance with Title 11, Chapter
6895 13, Interlocal Cooperation Act, with the Department of Transportation to complete the project.

6896 (7) If after a county legislative body imposes a sales and use tax under this section the
6897 county legislative body seeks to change an allocation specified in the resolution under
6898 Subsection (2), the county legislative body may change the allocation by:

6899 (a) adopting a resolution in accordance with Subsection (2) specifying the percentage
6900 of revenues the county will receive from the sales and use tax under this section that will be
6901 allocated to fund one or more of the items described in Subsection (2);

6902 (b) obtaining approval to change the allocation of the sales and use tax by a majority of
6903 all of the members of the county legislative body; and

6904 (c) subject to Subsection (8):

6905 (i) in accordance with Section 59-12-2208, submitting an opinion question to the
6906 county's registered voters voting on changing the allocation so that each registered voter has the
6907 opportunity to express the registered voter's opinion on whether the allocation should be
6908 changed; and

6909 (ii) in accordance with Section 59-12-2208, obtaining approval to change the allocation

6910 from a majority of the county's registered voters voting on changing the allocation.

6911 (8) Notwithstanding Section 59-12-2208, the opinion question required by Subsection
6912 (7)(c)(i) shall state the allocations specified in the resolution adopted in accordance with
6913 Subsection (7)(a) and approved by the county legislative body in accordance with Subsection
6914 (7)(b).

6915 (9) Revenues collected from a sales and use tax under this section that a county
6916 allocates for a purpose described in Subsection (2)(c) shall be:

6917 (a) deposited into the Highway Projects Within Counties Fund created by Section
6918 72-2-121.1; and

6919 (b) expended as provided in Section 72-2-121.1.

6920 (10) (a) Notwithstanding Section 59-12-2206 and subject to Subsection (10)(b),
6921 revenues collected from a sales and use tax under this section that a county allocates for a
6922 purpose described in Subsection (2)(d) shall be transferred to the Department of Transportation
6923 if the transfer of the revenues is required under an interlocal agreement:

6924 (i) entered into on or before January 1, 2010; and

6925 (ii) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

6926 (b) The Department of Transportation shall expend the revenues described in
6927 Subsection (10)(a) as provided in the interlocal agreement described in Subsection (10)(a).

6928 Section 64. Section 59-12-2217 is amended to read:

6929 **59-12-2217. County option sales and use tax for transportation -- Base -- Rate --**

6930 **Written prioritization process -- Approval by county legislative body.**

6931 (1) Subject to the other provisions of this part, and subject to Subsection (10), a county
6932 legislative body may impose a sales and use tax [~~of up to .25%~~] on the transactions described
6933 in Subsection 59-12-103(1) within the county, including the cities and towns within the county
6934 of up to a rate equal to the product of:

6935 (a) .25%; and

6936 (b) the rate reduction factor.

6937 (2) Subject to Subsections (3) through (8) and Section 59-12-2207, the revenues
6938 collected from a sales and use tax under this section may only be expended for:

6939 (a) a project or service:

6940 (i) relating to a regionally significant transportation facility for the portion of the

- 6941 project or service that is performed within the county;
- 6942 (ii) for new capacity or congestion mitigation if the project or service is performed
- 6943 within a county:
- 6944 (A) of the first or second class; or
- 6945 (B) if that county is part of an area metropolitan planning organization; and
- 6946 (iii) that is on a priority list:
- 6947 (A) created by the county's council of governments in accordance with Subsection (7);
- 6948 and
- 6949 (B) approved by the county legislative body in accordance with Subsection (7);
- 6950 (b) corridor preservation for a project or service described in Subsection (2)(a); or
- 6951 (c) debt service or bond issuance costs related to a project or service described in
- 6952 Subsection (2)(a)(i) or (ii).
- 6953 (3) If a project or service described in Subsection (2) is for:
- 6954 (a) a principal arterial highway or a minor arterial highway in a county of the first or
- 6955 second class or a collector road in a county of the second class, that project or service shall be
- 6956 part of the:
- 6957 (i) county and municipal master plan; and
- 6958 (ii) (A) statewide long-range plan; or
- 6959 (B) regional transportation plan of the area metropolitan planning organization if a
- 6960 metropolitan planning organization exists for the area; or
- 6961 (b) a fixed guideway or an airport, that project or service shall be part of the regional
- 6962 transportation plan of the area metropolitan planning organization if a metropolitan planning
- 6963 organization exists for the area.
- 6964 (4) In a county of the first or second class, a regionally significant transportation
- 6965 facility project or service described in Subsection (2)(a)(i) shall have a funded year priority
- 6966 designation on a Statewide Transportation Improvement Program and Transportation
- 6967 Improvement Program if the project or service described in Subsection (2)(a)(i) is:
- 6968 (a) a principal arterial highway;
- 6969 (b) a minor arterial highway;
- 6970 (c) a collector road in a county of the second class; or
- 6971 (d) a major collector highway in a rural area.

6972 (5) Of the revenues collected from a sales and use tax imposed under this section
6973 within a county of the first class, 25% or more shall be expended for the purpose described in
6974 Subsection (2)(b).

6975 (6) (a) As provided in this Subsection (6), a council of governments shall:

6976 (i) develop a written prioritization process for the prioritization of projects to be funded
6977 by revenues collected from a sales and use tax under this section;

6978 (ii) create a priority list of regionally significant transportation facility projects or
6979 services described in Subsection (2)(a)(i) in accordance with Subsection (7); and

6980 (iii) present the priority list to the county legislative body for approval in accordance
6981 with Subsection (7).

6982 (b) The written prioritization process described in Subsection (6)(a)(i) shall include:

6983 (i) a definition of the type of projects to which the written prioritization process
6984 applies;

6985 (ii) subject to Subsection (6)(c), the specification of a weighted criteria system that the
6986 council of governments will use to rank proposed projects and how that weighted criteria
6987 system will be used to determine which proposed projects will be prioritized;

6988 (iii) the specification of data that is necessary to apply the weighted criteria system;

6989 (iv) application procedures for a project to be considered for prioritization by the
6990 council of governments; and

6991 (v) any other provision the council of governments considers appropriate.

6992 (c) The weighted criteria system described in Subsection (6)(b)(ii) shall include the
6993 following:

6994 (i) the cost effectiveness of a project;

6995 (ii) the degree to which a project will mitigate regional congestion;

6996 (iii) the compliance requirements of applicable federal laws or regulations;

6997 (iv) the economic impact of a project;

6998 (v) the degree to which a project will require tax revenues to fund maintenance and
6999 operation expenses; and

7000 (vi) any other provision the council of governments considers appropriate.

7001 (d) A council of governments of a county of the first or second class shall submit the
7002 written prioritization process described in Subsection (6)(a)(i) to the Executive Appropriations

7003 Committee for approval prior to taking final action on:

7004 (i) the written prioritization process; or

7005 (ii) any proposed amendment to the written prioritization process.

7006 (7) (a) A council of governments shall use the weighted criteria system adopted in the
7007 written prioritization process developed in accordance with Subsection (6) to create a priority
7008 list of regionally significant transportation facility projects or services for which revenues
7009 collected from a sales and use tax under this section may be expended.

7010 (b) Before a council of governments may finalize a priority list or the funding level of a
7011 project, the council of governments shall conduct a public meeting on:

7012 (i) the written prioritization process; and

7013 (ii) the merits of the projects that are prioritized as part of the written prioritization
7014 process.

7015 (c) A council of governments shall make the weighted criteria system ranking for each
7016 project prioritized as part of the written prioritization process publicly available before the
7017 public meeting required by Subsection (7)(b) is held.

7018 (d) If a council of governments prioritizes a project over another project with a higher
7019 rank under the weighted criteria system, the council of governments shall:

7020 (i) identify the reasons for prioritizing the project over another project with a higher
7021 rank under the weighted criteria system at the public meeting required by Subsection (7)(b);
7022 and

7023 (ii) make the reasons described in Subsection (7)(d)(i) publicly available.

7024 (e) Subject to Subsections (7)(f) and (g), after a council of governments finalizes a
7025 priority list in accordance with this Subsection (7), the council of governments shall:

7026 (i) submit the priority list to the county legislative body for approval; and

7027 (ii) obtain approval of the priority list from a majority of the members of the county
7028 legislative body.

7029 (f) A council of governments may only submit one priority list per calendar year to the
7030 county legislative body.

7031 (g) A county legislative body may only consider and approve one priority list submitted
7032 under Subsection (7)(e) per calendar year.

7033 (8) In a county of the first class, revenues collected from a sales and use tax under this

7034 section that a county allocates for a purpose described in Subsection (2)(b) shall be:

7035 (a) deposited in or transferred to the County of the First Class Highway Projects Fund
7036 created by Section 72-2-121; and

7037 (b) expended as provided in Section 72-2-121.

7038 (9) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
7039 required to, submit an opinion question to the county's registered voters in accordance with
7040 Section 59-12-2208 to impose a sales and use tax under this section.

7041 (10) (a) (i) Notwithstanding any other provision in this section, if the entire boundary
7042 of a county is annexed into a large public transit district, if the county legislative body wishes
7043 to impose a sales and use tax under this section, the county legislative body shall pass the
7044 ordinance to impose a sales and use tax under this section on or before June 30, 2022.

7045 (ii) If the entire boundary of a county is annexed into a large public transit district, the
7046 county legislative body may not pass an ordinance to impose a sales and use tax under this
7047 section on or after July 1, 2022.

7048 (b) Notwithstanding the deadline described in Subsection (10)(a), any sales and use tax
7049 imposed under this section on or before June 30, 2022, may remain in effect.

7050 Section 65. Section 59-12-2218 is amended to read:

7051 **59-12-2218. County, city, or town option sales and use tax for airports, highways,**
7052 **and systems for public transit -- Base -- Rate -- Administration of sales and use tax --**
7053 **Voter approval exception.**

7054 (1) Subject to the other provisions of this part, and subject to Subsection (11), the
7055 following may impose a sales and use tax under this section:

7056 (a) if, on April 1, 2009, a county legislative body of a county of the second class
7057 imposes a sales and use tax under this section, the county legislative body of the county of the
7058 second class may impose the sales and use tax on the transactions:

7059 (i) described in Subsection 59-12-103(1); and

7060 (ii) within the county, including the cities and towns within the county; or

7061 (b) if, on April 1, 2009, a county legislative body of a county of the second class does
7062 not impose a sales and use tax under this section:

7063 (i) a city legislative body of a city within the county of the second class may impose a
7064 sales and use tax under this section on the transactions described in Subsection 59-12-103(1)

7065 within that city;

7066 (ii) a town legislative body of a town within the county of the second class may impose
7067 a sales and use tax under this section on the transactions described in Subsection 59-12-103(1)
7068 within that town; and

7069 (iii) the county legislative body of the county of the second class may impose a sales
7070 and use tax on the transactions described in Subsection 59-12-103(1):

7071 (A) within the county, including the cities and towns within the county, if on the date
7072 the county legislative body provides the notice described in Section 59-12-2209 to the
7073 commission stating that the county will enact a sales and use tax under this section, no city or
7074 town within that county imposes a sales and use tax under this section or has provided the
7075 notice described in Section 59-12-2209 to the commission stating that the city or town will
7076 enact a sales and use tax under this section; or

7077 (B) within the county, except for within a city or town within that county, if, on the
7078 date the county legislative body provides the notice described in Section 59-12-2209 to the
7079 commission stating that the county will enact a sales and use tax under this section, that city or
7080 town imposes a sales and use tax under this section or has provided the notice described in
7081 Section 59-12-2209 to the commission stating that the city or town will enact a sales and use
7082 tax under this section.

7083 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
7084 county, city, or town legislative body that imposes a sales and use tax under this section may
7085 impose the tax at a rate ~~[of]~~:

7086 (a) ~~[-10%; or]~~ equal to the product of:

7087 (i) .1%; and

7088 (ii) the rate reduction factor; or

7089 (b) ~~[-25%]~~ equal to the product of:

7090 (i) .25%; and

7091 (ii) the rate reduction factor.

7092 (3) A sales and use tax imposed at a rate described in Subsection (2)(a) shall be
7093 expended as determined by the county, city, or town legislative body as follows:

7094 (a) deposited as provided in Subsection (9)(b) into the County of the Second Class
7095 State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in

7096 Section 72-2-121.2;

7097 (b) expended for a project or service relating to an airport facility for the portion of the
7098 project or service that is performed within the county, city, or town within which the tax is
7099 imposed:

7100 (i) for a county legislative body that imposes the sales and use tax, if that airport
7101 facility is part of the regional transportation plan of the area metropolitan planning organization
7102 if a metropolitan planning organization exists for the area; or

7103 (ii) for a city or town legislative body that imposes the sales and use tax, if:

7104 (A) that city or town owns or operates the airport facility; and

7105 (B) an airline is headquartered in that city or town; or

7106 (c) deposited or expended for a combination of Subsections (3)(a) and (b).

7107 (4) Subject to Subsections (5) through (7), a sales and use tax imposed at a rate
7108 described in Subsection (2)(b) shall be expended as determined by the county, city, or town
7109 legislative body as follows:

7110 (a) deposited as provided in Subsection (9)(b) into the County of the Second Class
7111 State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in
7112 Section 72-2-121.2;

7113 (b) expended for:

7114 (i) a state highway designated under Title 72, Chapter 4, Part 1, State Highways;

7115 (ii) a local highway that is a principal arterial highway, minor arterial highway, major
7116 collector highway, or minor collector road; or

7117 (iii) a combination of Subsections (4)(b)(i) and (ii);

7118 (c) expended for a project or service relating to a system for public transit for the
7119 portion of the project or service that is performed within the county, city, or town within which
7120 the sales and use tax is imposed;

7121 (d) expended for a project or service relating to an airport facility for the portion of the
7122 project or service that is performed within the county, city, or town within which the sales and
7123 use tax is imposed:

7124 (i) for a county legislative body that imposes the sales and use tax, if that airport
7125 facility is part of the regional transportation plan of the area metropolitan planning organization
7126 if a metropolitan planning organization exists for the area; or

- 7127 (ii) for a city or town legislative body that imposes the sales and use tax, if:
- 7128 (A) that city or town owns or operates the airport facility; and
- 7129 (B) an airline is headquartered in that city or town;
- 7130 (e) expended for:
- 7131 (i) a class B road, as defined in Section 72-3-103;
- 7132 (ii) a class C road, as defined in Section 72-3-104; or
- 7133 (iii) a combination of Subsections (4)(e)(i) and (ii);
- 7134 (f) expended for traffic and pedestrian safety, including:
- 7135 (i) for a class B road, as defined in Section 72-3-103, or class C road, as defined in
- 7136 Section 72-3-104, for:
- 7137 (A) a sidewalk;
- 7138 (B) curb and gutter;
- 7139 (C) a safety feature;
- 7140 (D) a traffic sign;
- 7141 (E) a traffic signal;
- 7142 (F) street lighting; or
- 7143 (G) a combination of Subsections (4)(f)(i)(A) through (F);
- 7144 (ii) the construction of an active transportation facility that:
- 7145 (A) is for nonmotorized vehicles and multimodal transportation; and
- 7146 (B) connects an origin with a destination; or
- 7147 (iii) a combination of Subsections (4)(f)(i) and (ii); or
- 7148 (g) deposited or expended for a combination of Subsections (4)(a) through (f).
- 7149 (5) A county, city, or town legislative body may not expend revenue collected within a
- 7150 county, city, or town from a tax under this section for a purpose described in Subsections (4)(b)
- 7151 through (f) unless the purpose is recommended by:
- 7152 (a) for a county that is part of a metropolitan planning organization, the metropolitan
- 7153 planning organization of which the county is a part; or
- 7154 (b) for a county that is not part of a metropolitan planning organization, the council of
- 7155 governments of which the county is a part.
- 7156 (6) (a) (i) Except as provided in Subsection (6)(b), a county, city, or town that imposes
- 7157 a tax described in Subsection (2)(b) shall deposit the revenue collected from a tax [~~rate of~~

7158 ~~.05%~~ at a rate equal to the product of .05% and the rate reduction factor as provided in
7159 Subsection (9)(b)(i) into the Local Highway and Transportation Corridor Preservation Fund
7160 created by Section [72-2-117.5](#).

7161 (ii) Revenue deposited in accordance with Subsection (6)(a)(i) shall be expended and
7162 distributed in accordance with Section [72-2-117.5](#).

7163 (b) A county, city, or town is not required to make the deposit required by Subsection
7164 (6)(a)(i) if the county, city, or town:

7165 (i) imposed a tax described in Subsection (2)(b) on July 1, 2010; or

7166 (ii) has continuously imposed a tax described in Subsection (2)(b):

7167 (A) beginning after July 1, 2010; and

7168 (B) for a five-year period.

7169 (7) (a) Subject to the other provisions of this Subsection (7), a city or town within
7170 which a sales and use tax is imposed at the tax rate described in Subsection (2)(b) may:

7171 (i) expend the revenues in accordance with Subsection (4); or

7172 (ii) expend the revenues in accordance with Subsections (7)(b) through (d) if:

7173 (A) that city or town owns or operates an airport facility; and

7174 (B) an airline is headquartered in that city or town.

7175 (b) (i) A city or town legislative body of a city or town within which a sales and use tax
7176 is imposed at the tax rate described in Subsection (2)(b) may expend the revenues collected
7177 from a tax rate of greater than ~~[.10%]~~ a rate equal to the product of .1% and the rate reduction
7178 factor but not to exceed the revenues collected from a tax rate ~~[of .25%]~~ equal to the product of
7179 .25% and the rate reduction factor for a purpose described in Subsection (7)(b)(ii) if:

7180 (A) that city or town owns or operates an airport facility; and

7181 (B) an airline is headquartered in that city or town.

7182 (ii) A city or town described in Subsection (7)(b)(i) may expend the revenues collected
7183 from a tax rate of greater than ~~[.10%]~~ a rate equal to the product of .1% and the rate reduction
7184 factor but not to exceed the revenues collected from a tax rate ~~[of .25%]~~ equal to the product of
7185 .25% and the rate reduction factor for:

7186 (A) a project or service relating to the airport facility; and

7187 (B) the portion of the project or service that is performed within the city or town
7188 imposing the sales and use tax.

7189 (c) If a city or town legislative body described in Subsection (7)(b)(i) determines to
7190 expend the revenues collected from a tax rate of greater than [~~.10%~~] a rate equal to the product
7191 of .1% and the rate reduction factor but not to exceed the revenues collected from a tax rate [~~of~~
7192 ~~.25%~~] equal to the product of .25% and the rate reduction factor for a project or service relating
7193 to an airport facility as allowed by Subsection (7)(b), any remaining revenue that is collected
7194 from the sales and use tax imposed at the tax rate described in Subsection (2)(b) that is not
7195 expended for the project or service relating to an airport facility as allowed by Subsection
7196 (7)(b) shall be expended as follows:

7197 (i) 75% of the remaining revenues shall be deposited as provided in Subsection (9)(c)
7198 into the County of the Second Class State Highway Projects Fund created by Section
7199 [72-2-121.2](#) and expended as provided in Section [72-2-121.2](#); and

7200 (ii) 25% of the remaining revenues shall be deposited as provided in Subsection (9)(c)
7201 into the Local Highway and Transportation Corridor Preservation Fund created by Section
7202 [72-2-117.5](#) and expended and distributed in accordance with Section [72-2-117.5](#).

7203 (d) A city or town legislative body that expends the revenues collected from a sales and
7204 use tax imposed at the tax rate described in Subsection (2)(b) in accordance with Subsections
7205 (7)(b) and (c):

7206 (i) shall, on or before the date the city or town legislative body provides the notice
7207 described in Section [59-12-2209](#) to the commission stating that the city or town will enact a
7208 sales and use tax under this section:

7209 (A) determine the tax rate, the percentage of which is greater than [~~.10%~~] a rate equal
7210 to the product of .1% and the rate reduction factor but does not exceed [~~.25%~~] a rate equal to
7211 the product of .25% and the rate reduction factor, the collections from which the city or town
7212 legislative body will expend for a project or service relating to an airport facility as allowed by
7213 Subsection (7)(b); and

7214 (B) notify the commission in writing of the tax rate the city or town legislative body
7215 determines in accordance with Subsection (7)(d)(i)(A);

7216 (ii) shall, on or before the April 1 immediately following the date the city or town
7217 legislative body provides the notice described in Subsection (7)(d)(i) to the commission:

7218 (A) determine the tax rate, the percentage of which is greater than [~~.10%~~] a rate equal
7219 to the product of .1% and the rate reduction factor but does not exceed [~~.25%~~] a rate equal to

7220 the product of .25% and the rate reduction factor, the collections from which the city or town
7221 legislative body will expend for a project or service relating to an airport facility as allowed by
7222 Subsection (7)(b); and

7223 (B) notify the commission in writing of the tax rate the city or town legislative body
7224 determines in accordance with Subsection (7)(d)(ii)(A);

7225 (iii) shall, on or before April 1 of each year after the April 1 described in Subsection
7226 (7)(d)(ii):

7227 (A) determine the tax rate, the percentage of which is greater than [~~10%~~] a rate equal
7228 to the product of .1% and the rate reduction factor but does not exceed [~~25%~~] a rate equal to
7229 the product of .25% and the rate reduction factor, the collections from which the city or town
7230 legislative body will expend for a project or service relating to an airport facility as allowed by
7231 Subsection (7)(b); and

7232 (B) notify the commission in writing of the tax rate the city or town legislative body
7233 determines in accordance with Subsection (7)(d)(iii)(A); and

7234 (iv) may not change the tax rate the city or town legislative body determines in
7235 accordance with Subsections (7)(d)(i) through (iii) more frequently than as prescribed by
7236 Subsections (7)(d)(i) through (iii).

7237 (8) Before a city or town legislative body may impose a sales and use tax under this
7238 section, the city or town legislative body shall provide a copy of the notice described in Section
7239 [59-12-2209](#) that the city or town legislative body provides to the commission:

7240 (a) to the county legislative body within which the city or town is located; and

7241 (b) at the same time as the city or town legislative body provides the notice to the
7242 commission.

7243 (9) (a) Subject to Subsections (9)(b) through (e) and Section [59-12-2207](#), the
7244 commission shall transmit revenues collected within a county, city, or town from a tax under
7245 this part that will be expended for a purpose described in Subsection (3)(b) or Subsections
7246 (4)(b) through (f) to the county, city, or town legislative body in accordance with Section
7247 [59-12-2206](#).

7248 (b) Except as provided in Subsection (9)(c) and subject to Section [59-12-2207](#), the
7249 commission shall deposit revenues collected within a county, city, or town from a sales and use
7250 tax under this section that:

7251 (i) are required to be expended for a purpose described in Subsection (6)(a) into the
7252 Local Transportation Corridor Preservation Fund created by Section 72-2-117.5; or

7253 (ii) a county, city, or town legislative body determines to expend for a purpose
7254 described in Subsection (3)(a) or (4)(a) into the County of the Second Class State Highway
7255 Projects Fund created by Section 72-2-121.2 if the county, city, or town legislative body
7256 provides written notice to the commission requesting the deposit.

7257 (c) Subject to Subsection (9)(d) or (e), if a city or town legislative body provides notice
7258 to the commission in accordance with Subsection (7)(d), the commission shall:

7259 (i) transmit the revenues collected from the tax rate stated on the notice to the city or
7260 town legislative body monthly by electronic funds transfer; and

7261 (ii) deposit any remaining revenues described in Subsection (7)(c) in accordance with
7262 Subsection (7)(c).

7263 (d) (i) If a city or town legislative body provides the notice described in Subsection
7264 (7)(d)(i) to the commission, the commission shall transmit or deposit the revenues collected
7265 from the sales and use tax:

7266 (A) in accordance with Subsection (9)(c);

7267 (B) beginning on the date the city or town legislative body enacts the sales and use tax;
7268 and

7269 (C) ending on the earlier of the June 30 immediately following the date the city or town
7270 legislative body provides the notice described in Subsection (7)(d)(ii) to the commission or the
7271 date the city or town legislative body repeals the sales and use tax.

7272 (ii) If a city or town legislative body provides the notice described in Subsection
7273 (7)(d)(ii) or (iii) to the commission, the commission shall transmit or deposit the revenues
7274 collected from the sales and use tax:

7275 (A) in accordance with Subsection (9)(c);

7276 (B) beginning on the July 1 immediately following the date the city or town legislative
7277 body provides the notice described in Subsection (7)(d)(ii) or (iii) to the commission; and

7278 (C) ending on the earlier of the June 30 of the year after the date the city or town
7279 legislative body provides the notice described in Subsection (7)(d)(ii) or (iii) to the commission
7280 or the date the city or town legislative body repeals the sales and use tax.

7281 (e) (i) If a city or town legislative body that is required to provide the notice described

7282 in Subsection (7)(d)(i) does not provide the notice described in Subsection (7)(d)(i) to the
7283 commission on or before the date required by Subsection (7)(d) for providing the notice, the
7284 commission shall transmit, transfer, or deposit the revenues collected from the sales and use
7285 tax within the city or town in accordance with Subsections (9)(a) and (b).

7286 (ii) If a city or town legislative body that is required to provide the notice described in
7287 Subsection (7)(d)(ii) or (iii) does not provide the notice described in Subsection (7)(d)(ii) or
7288 (iii) to the commission on or before the date required by Subsection (7)(d) for providing the
7289 notice, the commission shall transmit or deposit the revenues collected from the sales and use
7290 tax within the city or town in accordance with:

7291 (A) Subsection (9)(c); and

7292 (B) the most recent notice the commission received from the city or town legislative
7293 body under Subsection (7)(d).

7294 (10) Notwithstanding Section [59-12-2208](#), a county, city, or town legislative body may,
7295 but is not required to, submit an opinion question to the county's, city's, or town's registered
7296 voters in accordance with Section [59-12-2208](#) to impose a sales and use tax under this section.

7297 (11) (a) (i) Notwithstanding any other provision in this section, if the entire boundary
7298 of a county, city, or town is annexed into a large public transit district, if the county, city, or
7299 town legislative body wishes to impose a sales and use tax under this section, the county, city,
7300 or town legislative body shall pass the ordinance to impose a sales and use tax under this
7301 section on or before June 30, 2022.

7302 (ii) If the entire boundary of a county, city, or town is annexed into a large public
7303 transit district, the county, city, or town legislative body may not pass the ordinance to impose
7304 a sales and use tax under this section on or after July 1, 2022.

7305 (b) Notwithstanding the deadline described in Subsection (11)(a), any sales and use tax
7306 imposed under this section on or before June 30, 2022, may remain in effect.

7307 Section 66. Section [59-12-2219](#) is amended to read:

7308 **[59-12-2219. County, city, and town option sales and use tax for highways and](#)**
7309 **[public transit -- Base -- Rate -- Distribution and expenditure of revenue -- Revenue may](#)**
7310 **[not supplant existing budgeted transportation revenue.](#)**

7311 (1) As used in this section:

7312 (a) "Class B road" means the same as that term is defined in Section [72-3-103](#).

- 7313 (b) "Class C road" means the same as that term is defined in Section [72-3-104](#).
- 7314 (c) "Eligible political subdivision" means a political subdivision that:
- 7315 (i) (A) on May 12, 2015, provides public transit services; or
- 7316 (B) after May 12, 2015, provides written notice to the commission in accordance with
- 7317 Subsection (10)(b) that it intends to provide public transit service within a county;
- 7318 (ii) is not a public transit district; and
- 7319 (iii) is not annexed into a public transit district.
- 7320 (d) "Public transit district" means a public transit district organized under Title 17B,
- 7321 Chapter 2a, Part 8, Public Transit District Act.
- 7322 (2) Subject to the other provisions of this part, and subject to Subsection (17), a county
- 7323 legislative body may impose a sales and use tax [~~of .25%~~] on the transactions described in
- 7324 Subsection [59-12-103](#)(1) within the county, including the cities and towns within the county at
- 7325 a rate equal to the product of:
- 7326 (a) .25%; and
- 7327 (b) the rate reduction factor.
- 7328 (3) Subject to Subsections (11) and (12), the commission shall distribute sales and use
- 7329 tax revenue collected under this section as provided in Subsections (4) through (10).
- 7330 (4) If the entire boundary of a county that imposes a sales and use tax under this section
- 7331 is annexed into a single public transit district, the commission shall distribute the sales and use
- 7332 tax revenue collected within the county as follows:
- 7333 (a) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
- 7334 transferred to the public transit district in accordance with Section [59-12-2206](#);
- 7335 (b) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
- 7336 distributed as provided in Subsection (8); and
- 7337 (c) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be
- 7338 distributed to the county legislative body.
- 7339 (5) If the entire boundary of a county that imposes a sales and use tax under this section
- 7340 is not annexed into a single public transit district, but a city or town within the county is
- 7341 annexed into a single public transit district that also has a county of the first class annexed into
- 7342 the same public transit district, the commission shall distribute the sales and use tax revenue
- 7343 collected within the county as follows:

7344 (a) for a city or town within the county that is annexed into a single public transit
7345 district, the commission shall distribute the sales and use tax revenue collected within that city
7346 or town as follows:

7347 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7348 transferred to the public transit district in accordance with Section 59-12-2206;

7349 (ii) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7350 distributed as provided in Subsection (8); and

7351 (iii) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be
7352 distributed to the county legislative body;

7353 (b) for an eligible political subdivision within the county, the commission shall
7354 distribute the sales and use tax revenue collected within that eligible political subdivision as
7355 follows:

7356 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7357 transferred to the eligible political subdivision in accordance with Section 59-12-2206;

7358 (ii) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7359 distributed as provided in Subsection (8); and

7360 (iii) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be
7361 distributed to the county legislative body; and

7362 (c) the commission shall distribute the sales and use tax revenue, except for the sales
7363 and use tax revenue described in Subsections (5)(a) and (b), as follows:

7364 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7365 distributed as provided in Subsection (8); and

7366 (ii) [~~.15%~~] a rate equal to the product of .15% and the rate reduction factor shall be
7367 distributed to the county legislative body.

7368 (6) For a county not described in Subsection (4) or (5), if the entire boundary of a
7369 county of the first or second class that imposes a sales and use tax under this section is not
7370 annexed into a single public transit district, or if there is not a public transit district within the
7371 county, the commission shall distribute the sales and use tax revenue collected within the
7372 county as follows:

7373 (a) for a city or town within the county that is annexed into a single public transit
7374 district, the commission shall distribute the sales and use tax revenue collected within that city

7375 or town as follows:

7376 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7377 transferred to the public transit district in accordance with Section 59-12-2206;

7378 (ii) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7379 distributed as provided in Subsection (8); and

7380 (iii) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be
7381 distributed to the county legislative body;

7382 (b) for an eligible political subdivision within the county, the commission shall
7383 distribute the sales and use tax revenue collected within that eligible political subdivision as
7384 follows:

7385 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7386 transferred to the eligible political subdivision in accordance with Section 59-12-2206;

7387 (ii) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7388 distributed as provided in Subsection (8); and

7389 (iii) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be
7390 distributed to the county legislative body; and

7391 (c) the commission shall distribute the sales and use tax revenue, except for the sales
7392 and use tax revenue described in Subsections (6)(a) and (b), as follows:

7393 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7394 distributed as provided in Subsection (8); and

7395 (ii) [~~.15%~~] a rate equal to the product of .15% and the rate reduction factor shall be
7396 distributed to the county legislative body.

7397 (7) For a county not described in Subsection (4) or (5), if the entire boundary of a
7398 county of the third, fourth, fifth, or sixth class that imposes a sales and use tax under this
7399 section is not annexed into a single public transit district, or if there is not a public transit
7400 district within the county, the commission shall distribute the sales and use tax revenue
7401 collected within the county as follows:

7402 (a) for a city or town within the county that is annexed into a single public transit
7403 district, the commission shall distribute the sales and use tax revenue collected within that city
7404 or town as follows:

7405 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be

7406 distributed as provided in Subsection (8);

7407 (ii) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7408 distributed as provided in Subsection (9); and

7409 (iii) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be
7410 distributed to the county legislative body;

7411 (b) for an eligible political subdivision within the county, the commission shall
7412 distribute the sales and use tax revenue collected within that eligible political subdivision as
7413 follows:

7414 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7415 distributed as provided in Subsection (8);

7416 (ii) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7417 distributed as provided in Subsection (9); and

7418 (iii) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be
7419 distributed to the county legislative body; and

7420 (c) the commission shall distribute the sales and use tax revenue, except for the sales
7421 and use tax revenue described in Subsections (7)(a) and (b), as follows:

7422 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7423 distributed as provided in Subsection (8); and

7424 (ii) [~~.15%~~] a rate equal to the product of .15% and the rate reduction factor shall be
7425 distributed to the county legislative body.

7426 (8) (a) Subject to Subsection (8)(b), the commission shall make the distributions
7427 required by Subsections (4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), (6)(a)(ii), (6)(b)(ii), (6)(c)(i),
7428 (7)(a)(i), (7)(b)(i), (7)(c)(i), (9)(d)(ii)(A), and (12)(c)(i) as follows:

7429 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(a)(ii), (5)(b)(ii),
7430 (5)(c)(i), (6)(a)(ii), (6)(b)(ii), (6)(c)(i), (7)(a)(i), (7)(b)(i), (7)(c)(i), (9)(d)(ii)(A), and (12)(c)(i)
7431 within the counties and cities that impose a tax under this section shall be distributed to the
7432 unincorporated areas, cities, and towns within those counties and cities on the basis of the
7433 percentage that the population of each unincorporated area, city, or town bears to the total
7434 population of all of the counties and cities that impose a tax under this section; and

7435 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(a)(ii), (5)(b)(ii),
7436 (5)(c)(i), (6)(a)(ii), (6)(b)(ii), (6)(c)(i), (7)(a)(i), (7)(b)(i), (7)(c)(i), (9)(d)(ii)(A), and (12)(c)(i)

7437 within the counties and cities that impose a tax under this section shall be distributed to the
7438 unincorporated areas, cities, and towns within those counties and cities on the basis of the
7439 location of the transaction as determined under Sections 59-12-211 through 59-12-215.

7440 (b) (i) Population for purposes of this Subsection (8) shall be determined on the basis
7441 of the most recent official census or census estimate of the United States Bureau of the Census.

7442 (ii) If a needed population estimate is not available from the United States Bureau of
7443 the Census, population figures shall be derived from an estimate from the Utah Population
7444 Committee.

7445 (9) (a) (i) Subject to the requirements in Subsections (9)(b) and (c), a county legislative
7446 body:

7447 (A) for a county that obtained approval from a majority of the county's registered
7448 voters voting on the imposition of a sales and use tax under this section prior to May 10, 2016,
7449 may, in consultation with any cities, towns, or eligible political subdivisions within the county,
7450 and in compliance with the requirements for changing an allocation under Subsection (9)(e),
7451 allocate the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) by adopting a resolution specifying
7452 the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a
7453 public transit district or an eligible political subdivision; or

7454 (B) for a county that obtains approval from a majority of the county's registered voters
7455 voting on the imposition of a sales and use tax under this section on or after May 10, 2016,
7456 shall, in consultation with any cities, towns, or eligible political subdivisions within the county,
7457 allocate the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) by adopting a resolution specifying
7458 the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a
7459 public transit district or an eligible political subdivision.

7460 (ii) If a county described in Subsection (9)(a)(i)(A) does not allocate the revenue under
7461 Subsection (7)(a)(ii) or (7)(b)(ii) in accordance with Subsection (9)(a)(i)(A), the commission
7462 shall distribute 100% of the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) to:

7463 (A) a public transit district for a city or town within the county that is annexed into a
7464 single public transit district; or

7465 (B) an eligible political subdivision within the county.

7466 (b) If a county legislative body allocates the revenue as described in Subsection
7467 (9)(a)(i), the county legislative body shall allocate not less than 25% of the revenue under

7468 Subsection (7)(a)(ii) or (7)(b)(ii) to:

7469 (i) a public transit district for a city or town within the county that is annexed into a
7470 single public transit district; or

7471 (ii) an eligible political subdivision within the county.

7472 (c) Notwithstanding Section 59-12-2208, the opinion question required by Section
7473 59-12-2208 shall state the allocations the county legislative body makes in accordance with this
7474 Subsection (9).

7475 (d) The commission shall make the distributions required by Subsection (7)(a)(ii) or
7476 (7)(b)(ii) as follows:

7477 (i) the percentage specified by a county legislative body shall be distributed in
7478 accordance with a resolution adopted by a county legislative body under Subsection (9)(a) to an
7479 eligible political subdivision or a public transit district within the county; and

7480 (ii) except as provided in Subsection (9)(a)(ii), if a county legislative body allocates
7481 less than 100% of the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) to a public transit district
7482 or an eligible political subdivision, the remainder of the revenue under Subsection (7)(a)(ii) or
7483 (7)(b)(ii) not allocated by a county legislative body through a resolution under Subsection
7484 (9)(a) shall be distributed as follows:

7485 (A) 50% of the revenue as provided in Subsection (8); and

7486 (B) 50% of the revenue to the county legislative body.

7487 (e) If a county legislative body seeks to change an allocation specified in a resolution
7488 under Subsection (9)(a), the county legislative body may change the allocation by:

7489 (i) adopting a resolution in accordance with Subsection (9)(a) specifying the percentage
7490 of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a public transit
7491 district or an eligible political subdivision;

7492 (ii) obtaining approval to change the allocation of the sales and use tax by a majority of
7493 all the members of the county legislative body; and

7494 (iii) subject to Subsection (9)(f):

7495 (A) in accordance with Section 59-12-2208, submitting an opinion question to the
7496 county's registered voters voting on changing the allocation so that each registered voter has the
7497 opportunity to express the registered voter's opinion on whether the allocation should be
7498 changed; and

7499 (B) in accordance with Section 59-12-2208, obtaining approval to change the
7500 allocation from a majority of the county's registered voters voting on changing the allocation.

7501 (f) Notwithstanding Section 59-12-2208, the opinion question required by Subsection
7502 (9)(e)(iii)(A) shall state the allocations specified in the resolution adopted in accordance with
7503 Subsection (9)(e) and approved by the county legislative body in accordance with Subsection
7504 (9)(e)(ii).

7505 (g) (i) If a county makes an allocation by adopting a resolution under Subsection (9)(a)
7506 or changes an allocation by adopting a resolution under Subsection (9)(e), the allocation shall
7507 take effect on the first distribution the commission makes under this section after a 90-day
7508 period that begins on the date the commission receives written notice meeting the requirements
7509 of Subsection (9)(g)(ii) from the county.

7510 (ii) The notice described in Subsection (9)(g)(i) shall state:

7511 (A) that the county will make or change the percentage of an allocation under
7512 Subsection (9)(a) or (e); and

7513 (B) the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be
7514 allocated to a public transit district or an eligible political subdivision.

7515 (10) (a) If a public transit district is organized after the date a county legislative body
7516 first imposes a tax under this section, a change in a distribution required by this section may
7517 not take effect until the first distribution the commission makes under this section after a
7518 90-day period that begins on the date the commission receives written notice from the public
7519 transit district of the organization of the public transit district.

7520 (b) If an eligible political subdivision intends to provide public transit service within a
7521 county after the date a county legislative body first imposes a tax under this section, a change
7522 in a distribution required by this section may not take effect until the first distribution the
7523 commission makes under this section after a 90-day period that begins on the date the
7524 commission receives written notice from the eligible political subdivision stating that the
7525 eligible political subdivision intends to provide public transit service within the county.

7526 (11) (a) (i) Notwithstanding Subsections (4) through (10), for a county that has not
7527 imposed a sales and use tax under this section before May 8, 2018, and if the county imposes a
7528 sales and use tax under this section before June 30, 2019, the commission shall distribute all of
7529 the sales and use tax revenue collected by the county before June 30, 2019, to the county for

7530 the purposes described in Subsection (11)(a)(ii).

7531 (ii) For any revenue collected by a county pursuant to Subsection (11)(a)(i) before June
7532 30, 2019, the county may expend that revenue for:

7533 (A) reducing transportation related debt;

7534 (B) a regionally significant transportation facility; or

7535 (C) a public transit project of regional significance.

7536 (b) For a county that has not imposed a sales and use tax under this section before May
7537 8, 2018, and if the county imposes a sales and use tax under this section before June 30, 2019,
7538 the commission shall distribute the sales and use tax revenue collected by the county on or after
7539 July 1, 2019, as described in Subsections (4) through (10).

7540 (c) Subject to Subsection (12), for a county that has not imposed a sales and use tax
7541 under this section before June 30, 2019, if the entire boundary of that county is annexed into a
7542 large public transit district, and if the county imposes a sales and use tax under this section on
7543 or after July 1, 2019, the commission shall distribute the sales and use tax revenue collected by
7544 the county as described in Subsections (4) through (10).

7545 (12) (a) Beginning on July 1, 2020, if a county has not imposed a sales and use tax
7546 under this section, subject to the provisions of this part, the legislative body of a city or town
7547 described in Subsection (12)(b) may impose a [~~-.25%~~] sales and use tax on the transactions
7548 described in Subsection 59-12-103(1) within the city or town at a rate equal to the product of:

7549 (i) .25%; and

7550 (ii) the rate reduction factor.

7551 (b) The following cities or towns may impose the sales and use tax as described in
7552 Subsection (12)(a):

7553 (i) in a county of the first, second, or third class, a city or town that:

7554 (A) has been annexed into a public transit district; or

7555 (B) is an eligible political subdivision; or

7556 (ii) a city or town that:

7557 (A) is in a county of the third or smaller class; and

7558 (B) has been annexed into a large public transit district.

7559 (c) If a city or town imposes a sales and use tax as provided in this section, the
7560 commission shall distribute the sales and use tax revenue collected by the city or town as

7561 follows:

7562 (i) [~~+125%~~] a rate equal to the product of .125% and the rate reduction factor to the city
7563 or town that imposed the sales and use tax, to be distributed as provided in Subsection (8); and

7564 (ii) [~~+125%~~] a rate equal to the product of .125% and the rate reduction factor, as
7565 applicable, to:

7566 (A) the large public transit district in which the city or town is annexed; or

7567 (B) the eligible political subdivision for public transit services.

7568 (d) If a city or town imposes a sales and use tax under this section and the county
7569 subsequently imposes a sales and use tax under this section, the commission shall distribute the
7570 sales and use tax revenue collected within the city or town as described in Subsection (12)(c).

7571 (13) A county, city, or town may expend revenue collected from a tax under this
7572 section, except for revenue the commission distributes in accordance with Subsection (4)(a),

7573 (5)(a)(i), (5)(b)(i), or (9)(d)(i) for:

7574 (a) a class B road;

7575 (b) a class C road;

7576 (c) traffic and pedestrian safety, including for a class B road or class C road, for:

7577 (i) a sidewalk;

7578 (ii) curb and gutter;

7579 (iii) a safety feature;

7580 (iv) a traffic sign;

7581 (v) a traffic signal;

7582 (vi) street lighting; or

7583 (vii) a combination of Subsections (13)(c)(i) through (vi);

7584 (d) the construction, maintenance, or operation of an active transportation facility that
7585 is for nonmotorized vehicles and multimodal transportation and connects an origin with a
7586 destination;

7587 (e) public transit system services; or

7588 (f) a combination of Subsections (13)(a) through (e).

7589 (14) A public transit district or an eligible political subdivision may expend revenue
7590 the commission distributes in accordance with Subsection (4)(a), (5)(a)(i), (5)(b)(i), or (9)(d)(i)
7591 for capital expenses and service delivery expenses of the public transit district or eligible

7592 political subdivision.

7593 (15) (a) Revenue collected from a sales and use tax under this section may not be used
7594 to supplant existing general fund appropriations that a county, city, or town has budgeted for
7595 transportation as of the date the tax becomes effective for a county, city, or town.

7596 (b) The limitation under Subsection (15)(a) does not apply to a designated
7597 transportation capital or reserve account a county, city, or town may have established prior to
7598 the date the tax becomes effective.

7599 (16) Notwithstanding Section 59-12-2208, a county, city, or town legislative body may,
7600 but is not required to, submit an opinion question to the county's, city's, or town's registered
7601 voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

7602 (17) (a) (i) (A) Notwithstanding any other provision in this section, if the county, city,
7603 or town legislative body wishes to impose a sales and use tax under this section, the city or
7604 town legislative body shall pass the ordinance to impose a sales and use tax under this section
7605 on or before June 30, 2022.

7606 (B) A city legislative body may not pass an ordinance to impose a sales and use tax
7607 under this section on or after July 1, 2022.

7608 (ii) (A) Notwithstanding any other provision in this section, if the entire boundary of a
7609 county is annexed into a large public transit district, if the county legislative body wishes to
7610 impose a sales and use tax under this section, the county legislative body shall pass the
7611 ordinance to impose a sales and use tax under this section on or before June 30, 2022.

7612 (B) If the entire boundary of a county is annexed into a large public transit district, the
7613 county legislative body may not pass an ordinance to impose a sales and use tax under this
7614 section on or after July 1, 2022.

7615 (b) Notwithstanding the deadline described in Subsection (17)(a), any sales and use tax
7616 imposed under this section on or before June 30, 2022, may remain in effect.

7617 Section 67. Section 59-12-2220 is amended to read:

7618 **59-12-2220. County option sales and use tax to fund a system for public transit --**
7619 **Base -- Rate.**

7620 (1) Subject to the other provisions of this part and subject to the requirements of this
7621 section, beginning on July 1, 2019, the following counties may impose a sales and use tax
7622 under this section:

7623 (a) a county legislative body may impose the sales and use tax on the transactions
7624 described in Subsection 59-12-103(1) located within the county, including the cities and towns
7625 within the county if:

7626 (i) the county is annexed into a large public transit district; and

7627 (ii) the county has imposed the maximum amount of sales and use tax authorizations
7628 allowed pursuant to Section 59-12-2203 and authorized under the following sections:

7629 (A) Section 59-12-2213;

7630 (B) Section 59-12-2214;

7631 (C) Section 59-12-2215;

7632 (D) Section 59-12-2216;

7633 (E) Section 59-12-2217;

7634 (F) Section 59-12-2218; and

7635 (G) Section 59-12-2219;

7636 (b) if the county is not annexed into a large public transit district, the county legislative
7637 body may impose the sales and use tax on the transactions described in Subsection

7638 59-12-103(1) located within the county, including the cities and towns within the county if:

7639 (i) the county is an eligible political subdivision as defined in Section 59-12-2219; or

7640 (ii) a city or town within the boundary of the county is an eligible political subdivision
7641 as defined in Section 59-12-2219; or

7642 (c) a county legislative body may impose the sales and use tax on the transactions
7643 described in Subsection 59-12-103(1) located within the county, including the cities and towns
7644 within the county, if there is a small public transit district within the boundary of the county.

7645 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
7646 county legislative body that imposes a sales and use tax under this section may impose the tax
7647 at a rate [~~of up to .2%~~] equal to the product of:

7648 (a) .2%; and

7649 (b) the rate reduction factor.

7650 (3) A county imposing a sales and use tax under this section shall expend the revenues
7651 collected from the sales and use tax for capital expenses and service delivery expenses of:

7652 (a) a public transit district;

7653 (b) an eligible political subdivision; or

7654 (c) another entity providing a service for public transit or a transit facility within the
7655 county as those terms are defined in Section 17B-2a-802.

7656 (4) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
7657 required to, submit an opinion question to the county's registered voters in accordance with
7658 Section 59-12-2208 to impose a sales and use tax under this section.

7659 (5) (a) Notwithstanding any other provision in this section, if a county wishes to
7660 impose a sales and use tax under this section, the county legislative body shall pass the
7661 ordinance to impose a sales and use tax under this section on or before June 30, 2023.

7662 (b) The county legislative body may not pass an ordinance to impose a sales and use
7663 tax under this section on or after July 1, 2023.

7664 (c) Notwithstanding the deadline described in Subsection (5)(a), any sales and use tax
7665 imposed under this section on or before June 30, 2023, may remain in effect.

7666 (6) (a) Revenue collected from a sales and use tax under this section may not be used
7667 to supplant existing General Fund appropriations that a county has budgeted for transportation
7668 or public transit as of the date the tax becomes effective for a county.

7669 (b) The limitation under Subsection (6)(a) does not apply to a designated transportation
7670 or public transit capital or reserve account a county may have established prior to the date the
7671 tax becomes effective.

7672 Section 68. Section 59-28-103 is amended to read:

7673 **59-28-103. Imposition -- Rate -- Revenue distribution.**

7674 (1) Subject to the other provisions of this chapter, the state shall impose a tax on the
7675 transactions described in Subsection 59-12-103(1)(~~f~~)(h) at a rate of .32%.

7676 (2) The tax imposed under this chapter is in addition to any other taxes imposed on the
7677 transactions described in Subsection 59-12-103(1)(~~f~~)(h).

7678 (3) (a) (i) Subject to Subsection (3)(a)(ii), the commission shall deposit 6% of the
7679 revenue the state collects from the tax under this chapter into the Hospitality and Tourism
7680 Management Education Account created in Section 53F-9-501 to fund the Hospitality and
7681 Tourism Management Career and Technical Education Pilot Program created in Section
7682 53E-3-515.

7683 (ii) The commission may not deposit more than \$300,000 into the Hospitality and
7684 Tourism Management Education Account under Subsection (3)(a)(i) in a fiscal year.

7685 (b) Except for the amount deposited into the Hospitality and Tourism Management
 7686 Education Account under Subsection (3)(a) and the administrative charge retained under
 7687 Subsection 59-28-104(4), the commission shall deposit any revenue the state collects from the
 7688 tax under this chapter into the Outdoor Recreation Infrastructure Account created in Section
 7689 63N-9-205 to fund the Outdoor Recreational Infrastructure Grant Program created in Section
 7690 63N-9-202.

7691 Section 69. Section 59-28-105 is amended to read:

7692 **59-28-105. Seller or certified service provider reliance on commission**
 7693 **information.**

7694 A seller or certified service provider is not liable for failing to collect a tax at a tax rate
 7695 imposed under this chapter if the seller's or certified service provider's failure to collect the tax
 7696 is as a result of the seller's or certified service provider's reliance on incorrect data provided by
 7697 the commission in a database created by the commission:

- 7698 (1) containing tax rates or boundaries regarding a tax under this chapter; or
 7699 (2) indicating the taxability of transactions described in Subsection
 7700 59-12-103(1)(~~g~~)(h).

7701 Section 70. Section 59-30-101 is enacted to read:

7702 **CHAPTER 30. REAL ESTATE TRANSFER TAX ACT**

7703 **59-30-101. Title.**

7704 This chapter is known as the "Real Estate Transfer Tax Act."

7705 Section 71. Section 59-30-102 is enacted to read:

7706 **59-30-102. Definitions.**

7707 As used in this chapter:

7708 (1) "Property" includes land, tenements, real estate, and real property and all rights to
 7709 and interests in land, tenements, real estate, or real property.

7710 (2) "Tax" means the state real estate transfer tax imposed under this act.

7711 (3) "Transfer" means the conveyance of title to or other transfer of a present interest or
 7712 beneficial interest or any other interest in real property by any method, including the interest in
 7713 real property acquired through the acquisition of a controlling interest in any entity with an
 7714 interest in the property.

7715 (4) "Value" means the current or fair market worth determined by the legal monetary

7716 exchange at the time of the transfer.

7717 Section 72. Section **59-30-103** is enacted to read:

7718 **59-30-103. Imposition of tax -- Rate.**

7719 (1) (a) There is imposed, in addition to all other taxes, a tax upon the following written
7720 instruments executed within this state when the instrument is recorded:

7721 (i) contracts for the sale or exchange of property or any interest in the property or any
7722 combination of sales or exchanges or any assignment or transfer of property or any interest in
7723 the property; and

7724 (ii) deeds or instruments of conveyance of property or any interest in property, for
7725 consideration.

7726 (b) There is imposed, in addition to all other taxes, a tax upon the following written
7727 instrument executed outside of this state when the instrument is recorded if the contract or
7728 transfer evidenced by the written instrument concerns property wholly located within this state:

7729 (i) contracts for the sale or exchange of property or any interest in the property or any
7730 combination of sales or exchanges or any assignment or transfer of property or any interest in
7731 the property; and

7732 (ii) deeds or instruments of conveyance of property or any interest in property, for
7733 consideration.

7734 (2) The tax imposed under Subsection (1) is levied at the rate of \$.075 for each \$100 or
7735 fraction of \$100 of the total value of the property being transferred.

7736 (3) (a) A written instrument subject to the tax imposed by this chapter shall state on its
7737 face the total value of the real property being transferred unless an affidavit is attached to the
7738 written instrument declaring the total value of the real property being transferred.

7739 (b) The form of the affidavit shall be prescribed by the State Tax Commission.

7740 (c) If the sale or transfer is of a combination of real and personal property, the tax shall
7741 be imposed only upon the transfer of the real property if the values of the real and personal
7742 property are stated separately on the face of the written instrument or if an affidavit is attached
7743 to the written instrument setting forth the respective values of the real and personal property.

7744 (4) The person who is the purchaser of the property is liable for the tax imposed under
7745 this chapter.

7746 Section 73. Section **59-30-104** is enacted to read:

7747 59-30-104. Exemptions.

7748 The following written instruments and transfers of property are exempt from the tax
7749 imposed under this chapter:

7750 (1) a written instrument where the value of consideration is less than \$100;

7751 (2) a written instrument evidencing a contract or transfer that is not to be performed
7752 wholly within this state only to the extent the written instrument includes land lying outside of
7753 this state;

7754 (3) a written instrument that the state is prohibited from taxing under the United States
7755 Constitution or federal statutes;

7756 (4) a written instrument given as security or an assignment or discharge of the security
7757 interest;

7758 (5) a written instrument evidencing a lease, including an oil and gas lease, or a transfer
7759 of a leasehold interest;

7760 (6) a written instrument evidencing an interest that is assessable as personal property;

7761 (7) a written instrument evidencing the transfer of a right and interest for underground
7762 gas storage purposes;

7763 (8) any of the following written instruments:

7764 (a) a written instrument in which the grantor is:

7765 (i) the United States;

7766 (ii) the state;

7767 (iii) any political subdivision of the state; or

7768 (iv) an officer of the United States, the state, or a political subdivision of the state if the
7769 officer is acting in the officer's official capacity;

7770 (b) a written instrument given in foreclosure or in lieu of foreclosure of a loan made,
7771 guaranteed, or insured by:

7772 (i) the United States;

7773 (ii) the state;

7774 (iii) a political subdivision of the state; or

7775 (iv) an officer of the United States, the state, or a political subdivision of the state if the
7776 officer is acting in the officer's official capacity; or

7777 (c) a written instrument given to the United States, the state, or an officer of the United

7778 States or the state as grantee, pursuant to the terms or guarantee or insurance of a loan
7779 guaranteed or insured by the grantee;

7780 (9) a conveyance from a spouse or married couple creating or disjoining a tenancy by
7781 the entireties in the grantors or the grantor and the grantor's spouse;

7782 (10) a conveyance from an individual to that individual's child, stepchild, or adopted
7783 child;

7784 (11) a conveyance from an individual to that individual's grandchild, stepgrandchild, or
7785 adopted grandchild;

7786 (12) a judgment or order of a court of record making or ordering a transfer, unless a
7787 specific monetary consideration is specified or ordered by the court for the transfer;

7788 (13) a written instrument used to straighten boundary lines where no monetary
7789 consideration is given;

7790 (14) a written instrument to confirm title already vested in a grantee, including a
7791 quitclaim deed to correct a flaw in title;

7792 (15) a land contract in which the legal title does not pass to the grantee until the total
7793 consideration specified in the contract has been paid;

7794 (16) a conveyance that meets one of the following:

7795 (a) a transfer between a limited liability company and its members if the ownership
7796 interest in the limited liability company are held by the same persons and in the same
7797 proportion as in the partnership prior to the transfer;

7798 (b) a transfer between a partnership and its partners if the ownership interests in the
7799 partnership are held by the same persons and in the same proportion as in the partnership prior
7800 to the transfer; or

7801 (c) a transfer in connection with the reorganization of an entity and the beneficial
7802 ownership is not changed;

7803 (17) a written instrument evidencing the transfer of mineral rights and interests;

7804 (18) a written instrument creating a joint tenancy between two or more persons where
7805 at least one of the persons already owns the property; or

7806 (19) a written instrument that conveys or transfers property or an interest in the
7807 property to a receiver, administrator, or trustee, whether special or general, in a bankruptcy or
7808 insolvency proceeding.

7809 Section 74. Section **59-30-105** is enacted to read:

7810 **59-30-105. Collection and remittance of tax.**

7811 (1) A tax imposed under this part shall be collected from the purchaser at the time the
7812 instrument of conveyance is submitted for recording.

7813 (2) (a) The tax imposed under this chapter shall be paid to the county treasurer where
7814 the real property is located not later than 15 days after the delivery of the instrument effecting
7815 the conveyance by the seller or grantor to the buyer or grantee.

7816 (b) For purposes of this Subsection (2), the date of the instrument effecting the transfer
7817 is presumed to be the date of delivery of the instrument.

7818 (c) The county treasurer shall remit a tax collected under this section to the
7819 commission on or before the last day of the month.

7820 (3) (a) After the tax is paid, if the buyer or the seller who has paid the tax on behalf of
7821 the buyer believes that the property was eligible for an exemption under Section [59-30-104](#) at
7822 the time of the transfer, the buyer or the seller who has paid the tax on behalf of the buyer may
7823 request a refund from the State Tax Commission in a form and manner determined by the State
7824 Tax Commission.

7825 (b) The State Tax Commission shall pay the refund if it determines that the property
7826 was eligible for the exemption under Section [59-30-104](#) at the time of the transfer.

7827 Section 75. Section **59-30-106** is enacted to read:

7828 **59-30-106. Deposit of tax revenue.**

7829 The commission shall deposit revenues generated by the tax imposed by this chapter
7830 into the General Fund.

7831 Section 76. Section **59-30-107** is enacted to read:

7832 **59-30-107. Rulemaking authority.**

7833 The commission may make rules in accordance with Title 63G, Chapter 3, Utah
7834 Administrative Rulemaking Act, to implement and enforce this chapter.

7835 Section 77. Section **59-30-108** is enacted to read:

7836 **59-30-108. Penalties and interest.**

7837 A purchaser that fails to comply with any provision of this chapter is subject to
7838 penalties and interest as provided in Sections [59-1-401](#) and [59-1-402](#).

7839 Section 78. Section **63H-1-205** is amended to read:

7840 **63H-1-205. MIDA accommodations tax.**

7841 (1) As used in this section:

7842 (a) "Accommodations and services" means an accommodation or service described in
7843 Subsection [59-12-103\(1\)\(i\)](#)~~(i)~~(h).

7844 (b) "Accommodations and services" does not include amounts paid or charged that are
7845 not part of a rental room rate.

7846 (2) By ordinance, the authority board may impose a MIDA accommodations tax on a
7847 provider for amounts paid or charged for accommodations and services, if the place of
7848 accommodation is located on authority-owned or other government-owned property within the
7849 project area.

7850 (3) The maximum rate of the MIDA accommodations tax is 15% of the amounts paid
7851 to or charged by the provider for accommodations and services.

7852 (4) A provider may recover an amount equal to the MIDA accommodations tax from
7853 customers, if the provider includes the amount as a separate billing line item.

7854 (5) If the authority imposes the tax described in this section, neither the authority nor a
7855 public entity may impose, on the amounts paid or charged for accommodations and services,
7856 any other tax described in:

7857 (a) Title 59, Chapter 12, Sales and Use Tax Act; or

7858 (b) Title 59, Chapter 28, State Transient Room Tax Act.

7859 (6) Except as provided in Subsection (7) or (8), the tax imposed under this section shall
7860 be administered, collected, and enforced in accordance with:

7861 (a) the same procedures used to administer, collect, and enforce the tax under:

7862 (i) Title 59, Chapter 12, Part 1, Tax Collection; or

7863 (ii) Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and

7864 (b) Title 59, Chapter 1, General Taxation Policies.

7865 (7) The location of a transaction shall be determined in accordance with Sections
7866 [59-12-211](#) through [59-12-215](#).

7867 (8) (a) A tax under this section is not subject to Section [59-12-107.1](#) or [59-12-123](#) or
7868 Subsections [59-12-205\(2\)](#) through (7).

7869 (b) The exemptions described in Sections [59-12-104](#), [59-12-104.1](#), and [59-12-104.6](#) do
7870 not apply to a tax imposed under this section.

7871 (9) The State Tax Commission shall:

7872 (a) except as provided in Subsection (9)(b), distribute the revenue collected from the
7873 tax to the authority; and

7874 (b) retain and deposit an administrative charge in accordance with Section 59-1-306
7875 from revenue the commission collects from a tax under this section.

7876 (10) (a) If the authority imposes, repeals, or changes the rate of tax under this section,
7877 the implementation, repeal, or change shall take effect:

7878 (i) on the first day of a calendar quarter; and

7879 (ii) after a 90-day period beginning on the date the State Tax Commission receives the
7880 notice described in Subsection (10)(b) from the authority.

7881 (b) The notice required in Subsection (10)(a)(ii) shall state:

7882 (i) that the authority will impose, repeal, or change the rate of a tax under this section;

7883 (ii) the effective date of the implementation, repeal, or change of the tax; and

7884 (iii) the rate of the tax.

7885 (11) In addition to the uses permitted under Section 63H-1-502, the authority may
7886 allocate revenue from the MIDA accommodations tax to a county in which a place of
7887 accommodation that is subject to the MIDA accommodations tax is located, if:

7888 (a) the county had a transient room tax described in Section 59-12-301 in effect at the
7889 time the authority board imposed a MIDA accommodations tax by ordinance; and

7890 (b) the revenue replaces revenue that the county received from a county transient room
7891 tax described in Section 59-12-301 for the county's general operations and administrative
7892 expenses.

7893 Section 79. Section 63M-4-702 is amended to read:

7894 **63M-4-702. Refiner gasoline standard reporting -- Office of Energy Development**
7895 **certification of sales and use tax exemption eligibility.**

7896 (1) (a) Beginning on July 1, 2021, a refiner that seeks to be eligible for a sales and use
7897 tax exemption under Subsection 59-12-104[(86)](71) shall annually report to the office
7898 whether the refiner's facility that is located within the state will have an average gasoline sulfur
7899 level of 10 parts per million (ppm) or less using the formulas prescribed in 40 C.F.R. Sec.
7900 80.1603, excluding the offset for credit use and transfer as prescribed in 40 C.F.R. Sec.
7901 80.1616.

7902 (b) Fuels for which a final destination outside Utah can be demonstrated or that are not
7903 subject to the standards and requirements of 40 C.F.R. Sec. 80.1603 as specified in 40 C.F.R.
7904 Sec. 80.1601 are not subject to the reporting provisions under Subsection (1)(a).

7905 (2) (a) Beginning on July 1, 2021, the office shall annually certify that the refiner is
7906 eligible for the sales and use tax exemption under Subsection [59-12-104](#)~~(86)~~(71):

7907 (i) on a form provided by the State Tax Commission that shall be retained by the
7908 refiner claiming the sales and use tax exemption under Subsection [59-12-104](#)~~(86)~~(71);

7909 (ii) if the refiner's refinery that is located within the state had an average sulfur level of
7910 10 parts per million (ppm) or less as reported under Subsection (1) in the previous calendar
7911 year; and

7912 (iii) before a taxpayer is allowed the sales and use tax exemption under Subsection
7913 [59-12-104](#)~~(86)~~(71).

7914 (b) The certification provided by the office under Subsection (2)(a) shall be renewed
7915 annually.

7916 (c) The office:

7917 (i) shall accept a copy of a report submitted by a refiner to the Environmental
7918 Protection Agency under 40 C.F.R. Sec. 80.1652 as sufficient evidence of the refiner's average
7919 gasoline sulfur level; or

7920 (ii) may establish another reporting mechanism through rules made under Subsection
7921 (3).

7922 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
7923 office may make rules to implement this section.

7924 **Section 80. Repealer.**

7925 This bill repeals:

7926 Section [59-12-104.4](#), **Seller recordkeeping for purposes of higher education**
7927 **textbook exemption -- Rulemaking authority.**

7928 **Section 81. Effective date.**

7929 (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2020.

7930 (2) The actions affecting the following sections take effect for a taxable year beginning
7931 on or after January 1, 2020:

7932 (a) Section [35A-9-214](#);

- 7933 (b) Section 59-9-101;
- 7934 (c) Section 59-7-104;
- 7935 (d) Section 59-7-201;
- 7936 (e) Section 59-7-610;
- 7937 (f) Section 59-7-620;
- 7938 (g) Section 59-10-104;
- 7939 (h) Section 59-10-529.1;
- 7940 (i) Section 59-10-1002.2;
- 7941 (j) Section 59-10-1007;
- 7942 (k) Section 59-10-1017;
- 7943 (l) Section 59-10-1017.1;
- 7944 (m) Section 59-10-1018;
- 7945 (n) Section 59-10-1019;
- 7946 (o) Section 59-10-1022;
- 7947 (p) Section 59-10-1023;
- 7948 (q) Section 59-10-1028;
- 7949 (r) Section 59-10-1035;
- 7950 (s) Section 59-10-1036;
- 7951 (t) Section 59-10-1041;
- 7952 (u) Section 59-10-1102.1; and
- 7953 (v) Section 59-10-1112.