

Representative Joel K. Briscoe proposes the following substitute bill:

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:

- ▶ 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 certain individuals who are experiencing intergenerational poverty;
- ▶ enacts refundable tax credits for child care expenses;



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

57 **Money Appropriated in this Bill:**

58 None

59 **Other Special Clauses:**

60 This bill provides a special effective date.

61 **Utah Code Sections Affected:**

62 AMENDS:

- 63 **15A-1-204**, as last amended by Laws of Utah 2017, Chapter 18
- 64 **31A-8-103**, as last amended by Laws of Utah 2018, Chapter 391
- 65 **35A-8-308**, as last amended by Laws of Utah 2017, Chapters 181 and 421
- 66 **35A-8-309**, as last amended by Laws of Utah 2017, Chapters 181 and 421
- 67 **59-1-1503**, as last amended by Laws of Utah 2012, Chapter 399
- 68 **59-9-101**, as last amended by Laws of Utah 2017, Chapters 28, 168, and 363
- 69 **59-10-529.1**, as enacted by Laws of Utah 2015, Chapter 369
- 70 **59-10-1002.2**, as last amended by Laws of Utah 2016, Chapter 263
- 71 **59-10-1018**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 3
- 72 **59-10-1019**, as renumbered and amended by Laws of Utah 2008, Chapter 389
- 73 **59-12-102**, as last amended by Laws of Utah 2018, Chapters 25, 281, 415, 424, and 472
- 74 **59-12-103**, as amended by Statewide Initiative -- Proposition 3, Nov. 6, 2018
- 75 **59-12-104**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 76 **59-12-104.2**, as last amended by Laws of Utah 2016, Chapter 135
- 77 **59-12-104.5**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 78 **59-12-104.6**, as enacted by Laws of Utah 2011, Chapter 288
- 79 **59-12-107**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 80 **59-12-204**, as last amended by Laws of Utah 2014, Chapter 258
- 81 **59-12-205**, as last amended by Laws of Utah 2018, Chapters 258, 312, and 330
- 82 **59-12-211**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 83 **59-12-301**, as last amended by Laws of Utah 2015, Chapter 283
- 84 **59-12-302**, as last amended by Laws of Utah 2018, Chapters 258 and 312
- 85 **59-12-352**, as last amended by Laws of Utah 2009, Chapter 92
- 86 **59-12-353**, as last amended by Laws of Utah 2015, Chapter 258
- 87 **59-12-354**, as last amended by Laws of Utah 2018, Chapters 258 and 312

- 88 [59-12-355](#), as last amended by Laws of Utah 2004, Chapter 255
- 89 [59-12-401](#), as last amended by Laws of Utah 2017, Chapter 422
- 90 [59-12-402](#), as last amended by Laws of Utah 2017, Chapter 422
- 91 [59-12-402.1](#), as last amended by Laws of Utah 2017, Chapter 422
- 92 [59-12-403](#), as last amended by Laws of Utah 2018, Chapters 258 and 312
- 93 [59-12-603](#), as last amended by Laws of Utah 2018, Chapters 258 and 312
- 94 [59-12-703](#), as last amended by Laws of Utah 2017, Chapters 181 and 422
- 95 [59-12-802](#), as last amended by Laws of Utah 2017, Chapter 422
- 96 [59-12-804](#), as last amended by Laws of Utah 2017, Chapter 422
- 97 [59-12-1102](#), as last amended by Laws of Utah 2016, Chapter 364
- 98 [59-12-1302](#), as last amended by Laws of Utah 2017, Chapter 422
- 99 [59-12-1402](#), as last amended by Laws of Utah 2017, Chapter 422
- 100 [59-12-2003](#), as last amended by Laws of Utah 2017, Chapter 422
- 101 [59-12-2103](#), as last amended by Laws of Utah 2017, Chapter 422
- 102 [59-12-2206](#), as last amended by Laws of Utah 2018, Chapters 258 and 312
- 103 [59-12-2213](#), as last amended by Laws of Utah 2011, Chapter 223
- 104 [59-12-2214](#), as last amended by Laws of Utah 2015, Chapter 421
- 105 [59-12-2215](#), as enacted by Laws of Utah 2010, Chapter 263
- 106 [59-12-2216](#), as enacted by Laws of Utah 2010, Chapter 263
- 107 [59-12-2217](#), as last amended by Laws of Utah 2018, Chapter 424
- 108 [59-12-2218](#), as last amended by Laws of Utah 2018, Chapter 424
- 109 [59-12-2219](#), as last amended by Laws of Utah 2018, Chapters 330 and 424
- 110 [59-12-2220](#), as enacted by Laws of Utah 2018, Chapter 424
- 111 [59-28-103](#), as last amended by Laws of Utah 2018, Chapter 415
- 112 [59-28-105](#), as enacted by Laws of Utah 2017, Chapter 166
- 113 [63H-1-205](#), as enacted by Laws of Utah 2018, Chapter 442
- 114 [63M-4-702](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 115 ENACTS:
- 116 [35A-9-214](#), Utah Code Annotated 1953
- 117 [59-10-1041](#), Utah Code Annotated 1953
- 118 [59-10-1102.1](#), Utah Code Annotated 1953

- 119 [59-10-1112](#), Utah Code Annotated 1953
- 120 [59-10-1113](#), Utah Code Annotated 1953
- 121 [59-10-1114](#), Utah Code Annotated 1953
- 122 [59-10-1115](#), Utah Code Annotated 1953
- 123 [59-12-103.3](#), Utah Code Annotated 1953
- 124 [59-12-103.4](#), Utah Code Annotated 1953
- 125 [59-30-101](#), Utah Code Annotated 1953
- 126 [59-30-102](#), Utah Code Annotated 1953
- 127 [59-30-103](#), Utah Code Annotated 1953
- 128 [59-30-104](#), Utah Code Annotated 1953
- 129 [59-30-105](#), Utah Code Annotated 1953
- 130 [59-30-106](#), Utah Code Annotated 1953
- 131 [59-30-107](#), Utah Code Annotated 1953
- 132 [59-30-108](#), Utah Code Annotated 1953
- 133 [59-30-109](#), Utah Code Annotated 1953

134 REPEALS:

135 [59-12-104.4](#), as enacted by Laws of Utah 2011, Chapter 314



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

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

139 **15A-1-204. Adoption of State Construction Code -- Amendments by commission**
 140 **-- Approved codes -- Exemptions.**

141 (1) (a) The State Construction Code is the construction codes adopted with any
 142 modifications in accordance with this section that the state and each political subdivision of the
 143 state shall follow.

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

- 146 (i) new construction is involved; and
- 147 (ii) the owner of an existing building, or the owner's agent, is voluntarily engaged in:
 - 148 (A) the repair, renovation, remodeling, alteration, enlargement, rehabilitation,
 - 149 conservation, or reconstruction of the building; or

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

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

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

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

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

158 (i) to the entire state; or

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

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

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

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

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

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

170 (3) (a) Except as provided in Subsection (3)(b), for each update of a nationally
171 recognized construction code, the commission shall prepare a report described in Subsection
172 (4).

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

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

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

180 (4) (a) In accordance with Subsection (3), on or before September 1 of the same year as

181 the year designated in the title of a nationally recognized construction code, the commission
182 shall prepare and submit, in accordance with Section 68-3-14, a written report to the Business
183 and Labor Interim Committee that:

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

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

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

190 (i) study the recommendations; and

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

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

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

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

203 (i) on its own initiative;

204 (ii) upon the recommendation of the division; or

205 (iii) upon the receipt of a request by one of the following that the commission
206 recommend legislative action related to the State Construction Code:

207 (A) a local regulator;

208 (B) a state regulator;

209 (C) a state agency involved with the construction and design of a building;

210 (D) the Construction Services Commission;

211 (E) the Electrician Licensing Board;

212 (F) the Plumbers Licensing Board; or

213 (G) a recognized construction-related association.

214 (c) If the Business and Labor Interim Committee decides to recommend legislative
215 action to the Legislature, the Business and Labor Interim Committee shall prepare legislation
216 for consideration by the Legislature in the next general session.

217 (6) (a) Notwithstanding the provisions of this section, the commission may, in
218 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, amend the State
219 Construction Code if the commission determines that waiting for legislative action in the next
220 general legislative session would:

221 (i) cause an imminent peril to the public health, safety, or welfare; or

222 (ii) place a person in violation of federal or other state law.

223 (b) If the commission amends the State Construction Code in accordance with this
224 Subsection (6), the commission shall file with the division:

225 (i) the text of the amendment to the State Construction Code; and

226 (ii) an analysis that includes the specific reasons and justifications for the commission's
227 findings.

228 (c) If the State Construction Code is amended under this Subsection (6), the division
229 shall:

230 (i) publish the amendment to the State Construction Code in accordance with Section
231 [15A-1-205](#); and

232 (ii) prepare and submit, in accordance with Section [68-3-14](#), a written notice to the
233 Business and Labor Interim Committee containing the amendment to the State Construction
234 Code, including a copy of the commission's analysis described in Subsection (6)(b)(ii).

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

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

242 (b) If the code adopted by a compliance agency is an approved code described in

243 Subsection (7)(a), the compliance agency may:

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

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

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

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

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

252 (a) enforce a federal law or regulation;

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

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

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

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

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

264 (11) (a) Except as provided in Subsection (11)(b), a structure used solely in
265 conjunction with agriculture use, and not for human occupancy, or a structure that is no more
266 than 1,500 square feet and used solely for the type of sales described in Subsection
267 [59-12-104](#)~~(20)~~(16), is exempt from the permit requirements of the State Construction Code.

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

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

274 that is:

275 (A) within the boundaries of a city or town, and less than five contiguous acres; or

276 (B) within a subdivision for which the county has approved a subdivision plat under
277 Title 17, Chapter 27a, Part 6, Subdivisions, and less than two contiguous acres.

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

279 **31A-8-103. Applicability to other provisions of law.**

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

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

284 (i) is wholly exempt from:

285 (A) Chapter 7, Nonprofit Health Service Insurance Corporations;

286 (B) Chapter 9, Insurance Fraternal;

287 (C) Chapter 10, Annuities;

288 (D) Chapter 11, Motor Clubs;

289 (E) Chapter 12, State Risk Management Fund; and

290 (F) Chapter 19a, Utah Rate Regulation Act; and

291 (ii) is not subject to:

292 (A) Chapter 3, Department Funding, Fees, and Taxes, except for Part 1, Funding the
293 Insurance Department;

294 (B) Section [31A-4-107](#);

295 (C) Chapter 5, Domestic Stock and Mutual Insurance Corporations, except for
296 provisions specifically made applicable by this chapter;

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

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

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

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

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

304 (G) Chapter 22, Contracts in Specific Lines, except for Part 6, Accident and Health

305 Insurance, Part 7, Group Accident and Health Insurance, and Part 12, Reinsurance.

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

- 309 (a) enrollees;
- 310 (b) investors; or
- 311 (c) the public.

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

- 315 (a) this chapter;
- 316 (b) a provision referenced under this chapter; or
- 317 (c) a rule adopted by the commissioner to deal with corporate law issues of health
318 maintenance organizations that are not settled under this chapter.

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

- 322 (i) of those provisions that apply to a mutual corporation if the organization is
323 nonprofit; and
- 324 (ii) of those that apply to a stock corporation if the organization is for profit.

325 (b) When Chapter 5, Domestic Stock and Mutual Insurance Corporations, or Chapter
326 14, Foreign Insurers, is made applicable to an organization under this chapter, "mutual" means
327 nonprofit organization.

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

- 331 (a) this chapter; and
- 332 (b) Chapter 23a, Insurance Marketing - Licensing Producers, Consultants, and
333 Reinsurance Intermediaries.

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

336 (a) receive federal funds; or

337 (b) obtain or maintain federal qualification status.

338 (7) Except as provided in Chapter 45, Managed Care Organizations, an organization is
339 exempt from statutes in this title or department rules that restrict or limit the organization's
340 freedom of choice in contracting with or selecting health care providers, including Section
341 31A-22-618.

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

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

345 **35A-8-308. Throughput Infrastructure Fund.**

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

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

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

349 (b) any voluntary contributions received;

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

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

353 (3) The state treasurer shall:

354 (a) invest the money in the fund by following the procedures and requirements of Title
355 51, Chapter 7, State Money Management Act; and

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

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

358 **35A-8-309. Throughput Infrastructure Fund administered by impact board --**

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

360 (1) The impact board shall:

361 (a) make grants and loans from the Throughput Infrastructure Fund created in Section
362 35A-8-308 for a throughput infrastructure project;

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

367 Cooperation Act;

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

370 (d) determine provisions for repayment of loans;

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

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

373 (2) The cost of acquisition or construction of a throughput infrastructure project

374 includes amounts for working capital, reserves, transaction costs, and other amounts

375 determined by the impact board to be allocable to a throughput infrastructure project.

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

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

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

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

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

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

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

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

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

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

397 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual

398 receipts to the fund.

399 (7) The board shall include in the annual written report described in Section

400 [35A-1-109](#):

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

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

404 Section 5. Section [35A-9-214](#) is enacted to read:

405 **[35A-9-214. Tax credit notification -- Intergenerational poverty report to State](#)**
406 **Tax Commission.**

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

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

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

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

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

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

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

421 (i) the name of the individual; and

422 (ii) the social security number of the individual.

423 (b) The department and the commission shall provide for the security and
424 confidentiality of the information contained in the electronic report.

425 Section 6. Section [59-1-1503](#) is amended to read:

426 **[59-1-1503. Nonrefundable credit -- Sales and use tax exemption -- Sales and use](#)**
427 **tax remittance.**

428 (1) A nonrefundable individual income tax credit is allowed as provided in Section

429 59-10-1028 related to a capital gain on a transaction involving the exchange of one form of
430 legal tender for another form of legal tender.

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

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

435 Section 7. Section 59-9-101 is amended to read:

436 **59-9-101. Tax basis -- Rates -- Exemptions -- Rate reductions.**

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

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

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

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

444 (iii) annuity considerations;

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

447 (v) ocean marine insurance.

448 (c) The taxable premium under this Subsection (1) shall be reduced by:

449 (i) the premiums returned or credited to policyholders on direct business subject to tax
450 in this state;

451 (ii) the premiums received for reinsurance of property or risks located in this state; and

452 (iii) the dividends, including premium reduction benefits maturing within the year:

453 (A) paid or credited to policyholders in this state; or

454 (B) applied in abatement or reduction of premiums due during the preceding calendar
455 year.

456 (d) (i) For purposes of this Subsection (1)(d):

457 (A) "Utah variable life insurance premium" means an insurance premium paid:

458 (I) by:

459 (Aa) a corporation; or

460 (Bb) a trust established or funded by a corporation; and
461 (II) for variable life insurance covering risks located within the state.
462 (B) "Variable life insurance" means an insurance policy that provides for life
463 insurance, the amount or duration of which varies according to the investment experience of
464 one or more separate accounts that are established and maintained by the insurer pursuant to
465 Title 31A, Insurance Code.

466 (ii) Notwithstanding Subsection (1)(a), beginning on January 1, 2006, the tax on that
467 portion of the total premiums subject to a tax under Subsection (1)(a) that is a Utah variable
468 life insurance premium shall be calculated as follows:

469 (A) 2-1/4% of the first \$100,000 of Utah variable life insurance premiums:

470 (I) paid for each variable life insurance policy; and
471 (II) received by the admitted insurer in the preceding calendar year; and

472 (B).08% of the Utah variable life insurance premiums that exceed \$100,000:

473 (I) paid for the policy described in Subsection (1)(d)(ii)(A); and
474 (II) received by the admitted insurer in the preceding calendar year.

475 (2) (a) An admitted insurer writing workers' compensation insurance in this state shall
476 pay to the tax commission, on or before March 31 in each year, a premium assessment on the
477 basis of the total workers' compensation premium income received by the insurer from workers'
478 compensation insurance in this state during the preceding calendar year as follows:

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

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

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

487 (b) Total workers' compensation premium income means the net written premium as
488 calculated before any premium reduction for any insured employer's deductible, retention, or
489 reimbursement amounts and also those amounts equivalent to premiums as provided in Section
490 [34A-2-202](#).

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

496 (i) income to the state treasurer for credit to the Employers' Reinsurance Fund created
497 under Subsection 34A-2-702(1) as follows:

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

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

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

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

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

508 (iii) an amount of up to .5% and any remaining assessed percentage of the total
509 workers' compensation premium income to the state treasurer for credit to the Uninsured
510 Employers' Fund created under Section 34A-2-704; and

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

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

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

521 (iii) The actuary shall recommend a premium assessment rate sufficient to provide

522 payments of benefits and expenses from the Uninsured Employers' Fund and to maintain it at a
523 funded condition with assets equal to or greater than liabilities.

524 (iv) At the end of each fiscal year the minimum approximate assets in the Employers'
525 Reinsurance Fund shall be \$5,000,000 which amount shall be adjusted each year beginning in
526 1990 by multiplying by the ratio that the total workers' compensation premium income for the
527 preceding calendar year bears to the total workers' compensation premium income for the
528 calendar year 1988.

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

534 (vi) At the end of each fiscal year the minimum approximate assets in the Uninsured
535 Employers' Fund shall be \$2,000,000, which amount shall be adjusted each year beginning in
536 1990 by multiplying by the ratio that the total workers' compensation premium income for the
537 preceding calendar year bears to the total workers' compensation premium income for the
538 calendar year 1988.

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

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

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

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

552 (4) Beginning July 1, 1986, a former county mutual and a former mutual benefit

553 association shall pay the premium tax or assessment due under this chapter. Premiums
554 received after July 1, 1986, shall be considered in determining the tax or assessment.

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

557 (5) The following admitted insurers writing health insurance, as defined in Section
558 31A-1-301, in this state shall pay to the State Tax Commission, on or before March 31 in each
559 year, a tax of 1% of the total premiums received by the insurer during the preceding calendar
560 year from health insurance in this state:

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

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

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

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

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

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

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

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

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

577 Section 8. Section 59-10-529.1 is amended to read:

578 **59-10-529.1. Time period for commission to issue a refund.**

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

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

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

584 [59-10-406](#)(8) the employer is required to file with respect to an individual; and
585 (ii) for a refund of a tax credit described in Section [59-10-1112](#), the Department of
586 Workforce Services has submitted the electronic report required by Section [35A-9-214](#); and
587 (b) the individual has filed a return in accordance with this chapter.
588 Section 9. Section **59-10-1002.2** is amended to read:
589 **59-10-1002.2. Apportionment of tax credits.**
590 (1) A nonresident individual or a part-year resident individual that claims a tax credit
591 in accordance with Section [59-10-1017](#), [59-10-1018](#), [59-10-1019](#), [59-10-1022](#), [59-10-1023](#),
592 [59-10-1024](#), [or] [59-10-1028](#), or [59-10-1041](#) may only claim an apportioned amount of the tax
593 credit equal to:
594 (a) for a nonresident individual, the product of:
595 (i) the state income tax percentage for the nonresident individual; and
596 (ii) the amount of the tax credit that the nonresident individual would have been
597 allowed to claim but for the apportionment requirements of this section; or
598 (b) for a part-year resident individual, the product of:
599 (i) the state income tax percentage for the part-year resident individual; and
600 (ii) the amount of the tax credit that the part-year resident individual would have been
601 allowed to claim but for the apportionment requirements of this section.
602 (2) A nonresident estate or trust that claims a tax credit in accordance with Section
603 [59-10-1017](#), [59-10-1020](#), [59-10-1022](#), [59-10-1024](#), or [59-10-1028](#) may only claim an
604 apportioned amount of the tax credit equal to the product of:
605 (a) the state income tax percentage for the nonresident estate or trust; and
606 (b) the amount of the tax credit that the nonresident estate or trust would have been
607 allowed to claim but for the apportionment requirements of this section.
608 Section 10. Section **59-10-1018** is amended to read:
609 **59-10-1018. Definitions -- Nonrefundable taxpayer tax credits.**
610 (1) As used in this section:
611 (a) "Head of household filing status" means a head of household, as defined in Section
612 2(b), Internal Revenue Code, who files a single federal individual income tax return for the
613 taxable year.
614 (b) "Income threshold" means:

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

616 (ii) for a claimant who has a head of household filing status, an adjusted gross income

617 of \$56,000; and

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

619 ~~(b)~~ (c) "Joint filing status" means:

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

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

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

626 ~~(d)~~ (e) "Single filing status" means:

627 (i) a single individual who files a single federal individual income tax return for the
628 taxable year; or

629 (ii) a married individual who:

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

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

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

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

635 (A) pays for the taxable year; and

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

640 (ii) \$10,000.

641 ~~(f)~~ (g) (i) "Utah itemized deduction" means the amount the claimant deducts as

642 allowed as an itemized deduction on the claimant's federal individual income tax return for that
643 taxable year minus any amount of state or local income tax for the taxable year.

644 (ii) "Utah itemized deduction" does not include any amount of qualified business
645 income that the claimant subtracts as allowed by Section 199A, Internal Revenue Code, on the

646 claimant's federal income tax return for that taxable year.

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

648 (i) for a claimant whose adjusted gross income exceeds the income threshold for the
649 claimant's filing status, \$565 multiplied by the number of the claimant's qualifying

650 dependents[-]; or

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

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

657 (a) (i) for a claimant that deducts the standard deduction on the claimant's federal
658 individual income tax return for the taxable year, 6% of the amount the claimant deducts as
659 allowed as the standard deduction on the claimant's federal individual income tax return for
660 that taxable year; or

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

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

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

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

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

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

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

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

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

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

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

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

- 683 (i) the dollar amount listed in Subsection (4)(a); and
- 684 (ii) two.

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

687 (6) (a) For a taxable year beginning on or after January 1, 2019, the commission shall
 688 increase annually the Utah personal exemption [~~amount~~] amounts listed in Subsection [(+)(g)]
 689 (1)(h) by a percentage equal to the percentage by which the consumer price index for the
 690 preceding calendar year exceeds the consumer price index for calendar year 2017.

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

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

696 Section 11. Section **59-10-1019** is amended to read:

697 **59-10-1019. Definitions -- Nonrefundable retirement tax credits.**

698 (1) As used in this section:

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

- 701 (i) is over 65 years of age [~~or older~~]; and
- 702 (ii) was born on or before December 31, 1952.

703 [~~(b) (i) "Eligible retirement income" means income received by an eligible under age
 704 65 retiree as a pension or annuity if that pension or annuity is:]~~

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

707 [~~(B) (i) paid from an annuity contract purchased by an employer under a plan that~~

708 meets the requirements of Section ~~404(a)(2), Internal Revenue Code;~~
709 ~~[(H) purchased by an employee under a plan that meets the requirements of Section~~
710 ~~408, Internal Revenue Code; or]~~
711 ~~[(Hh) paid by:]~~
712 ~~[(Aa) the United States;]~~
713 ~~[(Bb) a state or a political subdivision of a state; or]~~
714 ~~[(Cc) the District of Columbia.]~~
715 ~~[(ii) "Eligible retirement income" does not include amounts received by the spouse of a~~
716 ~~living eligible under age 65 retiree because of the eligible under age 65 retiree's having been~~
717 ~~employed in a community property state.]~~
718 ~~[(e) "Eligible under age 65 retiree" means a claimant, regardless of whether that~~
719 ~~claimant is retired, who:]~~
720 ~~[(i) is younger than 65 years of age;]~~
721 ~~[(ii) was born on or before December 31, 1952; and]~~
722 ~~[(iii) has eligible retirement income for the taxable year for which a tax credit is~~
723 ~~claimed under this section.]~~
724 ~~[(d)] (b) "Head of household filing status" is as defined in Section 59-10-1018.~~
725 ~~[(e)] (c) "Joint filing status" is as defined in Section 59-10-1018.~~
726 ~~[(f)] (d) "Married filing separately status" means a married individual who:~~
727 (i) does not file a single federal individual income tax return jointly with that married
728 individual's spouse for the taxable year; and
729 (ii) files a single federal individual income tax return for the taxable year.
730 ~~[(g)] (e) "Modified adjusted gross income" means the sum of an eligible over age 65~~
731 ~~[or older] retiree's [or eligible under age 65 retiree's]:~~
732 (i) adjusted gross income for the taxable year for which a tax credit is claimed under
733 this section;
734 (ii) any interest income that is not included in adjusted gross income for the taxable
735 year described in Subsection ~~[(+)(g)(i)] (1)(e)(i); and~~
736 (iii) any addition to adjusted gross income required by Section 59-10-114 for the
737 taxable year described in Subsection ~~[(+)(g)(i)] (1)(e)(i).~~
738 ~~[(h)] (f) "Single filing status" means a single individual who files a single federal~~

739 individual income tax return for the taxable year.

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

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

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

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

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

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

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

751 (4) The ~~[sum of the tax credits]~~ tax credit allowed by Subsection (2) claimed on ~~[one]~~ a
752 return filed under this part shall be reduced by \$.025 for each dollar by which modified
753 adjusted gross income for purposes of the return exceeds:

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

756 (b) for a federal individual income tax return that is allowed a single filing status,
757 \$25,000;

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

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

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

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

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

768 (b) the tax credit under Section [59-10-1041](#).

769 Section 12. Section **59-10-1041** is enacted to read:

770 **59-10-1041. Nonrefundable tax credit for social security benefits.**
771 (1) As used in this section:
772 (a) "Head of household filing status" means the same as that term is defined in Section
773 [59-10-1018](#).
774 (b) "Joint filing status" means the same as that term is defined in Section [59-10-1018](#).
775 (c) "Married filing separately status" means a married individual who:
776 (i) does not file a single federal individual income tax return jointly with that married
777 individual's spouse for the taxable year; and
778 (ii) files a single federal individual income tax return for the taxable year.
779 (d) "Modified adjusted gross income" means the sum of a claimant's:
780 (i) adjusted gross income for the taxable year for which a tax credit is claimed under
781 this section;
782 (ii) any interest income that is not included in adjusted gross income for the taxable
783 year described in Subsection (1)(d)(i); and
784 (iii) any addition to adjusted gross income required by Section [59-10-114](#) for the
785 taxable year described in Subsection (1)(d)(i).
786 (e) "Single filing status" means a single individual who files a single federal individual
787 income tax return for the taxable year.
788 (f) "Social security benefit" means an amount received by a claimant as a monthly
789 benefit in accordance with the Social Security Act, 42 U.S.C. Sec. 401 et seq.
790 (2) Except as provided in Section [59-10-1002.2](#), a claimant may claim a nonrefundable
791 tax credit against taxes otherwise due under this part equal to the product of:
792 (a) 5%; and
793 (b) the claimant's social security benefit that is included in adjusted gross income on
794 the claimant's federal income tax return for the taxable year.
795 (3) A claimant:
796 (a) may not carry forward or carry back a tax credit under this section; and
797 (b) may not claim a tax credit under this section if a tax credit under Section
798 [59-10-1019](#) is claimed on the return.
799 (4) The tax credit allowed by Subsection (2) claimed on a return filed under this part
800 shall be reduced by \$.025 for each dollar by which modified adjusted gross income for

801 purposes of the return exceeds:

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

804 (b) for a federal individual income tax return that is allowed a single filing status,
805 \$30,000;

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

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

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

812 Section 13. Section **59-10-1102.1** is enacted to read:

813 **59-10-1102.1. Apportionment of tax credit.**

814 A nonresident individual or a part-year resident individual who claims the tax credit
815 described in Section [59-10-1112](#), [59-10-1113](#), [59-10-1114](#), or [59-10-1115](#) may only claim an
816 apportioned amount of the tax credit equal to the product of:

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

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

822 Section 14. Section **59-10-1112** is enacted to read:

823 **59-10-1112. Refundable state earned income tax credit -- Definition -- Tax credit**
824 **calculation -- Transfers from General Fund.**

825 (1) As used in this section:

826 (a) "Department" means the Department of Workforce Services created in Section
827 [35A-1-103](#).

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

830 (c) "Intergenerational poverty" means the same as that term is defined in Section
831 [35A-9-102](#).

832 (d) "Qualifying claimant" means a resident or nonresident individual who:
833 (i) is identified by the department as experiencing intergenerational poverty; and
834 (ii) claimed the federal earned income tax credit for the previous taxable year.
835 (2) Except as provided in Section 59-10-1102.1, a qualifying claimant may claim a
836 refundable earned income tax credit equal to 10% of the amount of the federal earned income
837 tax credit that the qualifying claimant was entitled to claim on a federal income tax return in
838 the previous taxable year.

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

841 (b) The commission may not use the electronic report described in Section 35A-9-214
842 for any other purpose.

843 Section 15. Section 59-10-1113 is enacted to read:

844 **59-10-1113. Refundable tax credit for child care expenses for individual who**
845 **claims a federal child care expenses tax credit.**

846 (1) As used in this section:

847 (a) "Eligible child care expenses" means child care expenses that a qualifying
848 individual claims on the qualifying individual's federal tax return for child care expenses if the
849 expenses were incurred to receive care of a child who is 12 years old or younger.

850 (b) "Qualifying individual" means an individual:

851 (i) whose adjusted gross income for the year in which the individual claims a tax credit
852 under this section is \$60,000 or less; and

853 (ii) who claimed a tax credit for child care expenses on the individual's federal income
854 tax return for the previous taxable year.

855 (2) Except as provided in Section 59-10-1102.1 and Subsection (3), a qualifying
856 individual may claim a refundable tax credit equal to 50% of the amount the qualifying
857 individual claimed and was eligible to claim for the previous taxable year on the qualifying
858 individual's federal income tax return for eligible child care expenses.

859 (3) A qualifying individual may not claim a credit under this section to the extent the
860 qualifying individual receives reimbursement for the child care expenses from the state.

861 Section 16. Section 59-10-1114 is enacted to read:

862 **59-10-1114. Refundable tax credit for child care expenses for individual who is**

863 **not required to file a federal tax return.**

864 (1) As used in this section:

865 (a) "Child care expenses" mean payments to a child care provider to provide care for a
866 child age 12 or younger:

867 (i) to enable an individual to be gainfully employed; and

868 (ii) up to the amount of:

869 (A) if the individual files a joint state tax return, the lesser of the individual's or the
870 individual's spouse's earned income; or

871 (B) if the individual does not file a joint state tax return, the individual's earned
872 income.

873 (b) "Child care provider" does not include:

874 (i) the qualifying individual's spouse;

875 (ii) the parent of a child for whom the qualifying individual pays child care expenses;

876 (iii) a child under the age of 19; or

877 (iv) an individual for whom the qualifying individual or the qualifying individual's
878 spouse claims a Utah personal exemption, as defined in Section [59-10-1018](#).

879 (c) "Qualifying individual" means an individual:

880 (i) whose adjusted gross income for the year in which the individual claims a tax credit
881 under this section is \$25,000 or less; and

882 (ii) who is not eligible to claim the tax credit described in Section [59-10-1113](#) because
883 the individual:

884 (A) did not file a federal income tax return for the previous year; and

885 (B) was not required to file a federal income tax return for the previous taxable year.

886 (2) Except as provided in Section [59-10-1102.1](#) and Subsection (3), a qualifying
887 individual may claim a refundable tax credit equal to the lesser of:

888 (a) 25% of the qualifying individual's child care expenses; or

889 (b) (i) for a qualifying individual that has child care expenses for one child, \$500; or

890 (ii) for a qualifying individual that has child care expenses for two or more children,
891 \$1,000.

892 (3) A qualifying individual may not claim a credit under this section to the extent the
893 qualifying individual receives reimbursement for the child care expenses from the state.

894 (4) (a) A qualifying individual shall claim the tax credit described in Subsection (2) by
895 filing a state income tax return.

896 (b) A qualifying individual shall file a state income tax return to claim the tax credit
897 even if the qualifying individual is otherwise exempt from state tax.

898 (c) The commission may create a shortened state income tax return for use by a
899 qualifying individual who has to file a return only to claim the tax credit described in
900 Subsection (2).

901 (d) A qualifying individual may not claim the tax credit under this section unless:

902 (i) the qualifying individual provides the following information for the child care
903 provider:

904 (A) the name;

905 (B) the address; and

906 (C) unless exempt under Section 503(c)(3), Internal Revenue Code, the taxpayer
907 identification number; or

908 (ii) a statement that the qualifying individual could not provide the required
909 information after exercising due diligence to obtain the information.

910 (e) A qualifying individual may not claim a tax credit under this section unless the
911 claimant provides the social security number for each child for whom the qualifying individual
912 pays child care expenses.

913 Section 17. Section **59-10-1115** is enacted to read:

914 **59-10-1115. Refundable grocery tax credit.**

915 (1) As used in this section:

916 (a) "Qualifying household member" means:

917 (i) the qualifying individual;

918 (ii) the qualifying individual's spouse if the qualifying individual files a joint income
919 state tax return; and

920 (iii) an individual for whom the qualifying individual claims a Utah personal
921 exemption.

922 (b) "Qualifying individual" means a resident or nonresident individual whose adjusted
923 gross income for the year in which the individual claims a tax credit under this section is:

924 (i) for an individual who has a single filing status, \$42,000 or less;

925 (ii) for an individual who has a head of household filing status, \$56,000 or less; or

926 (iii) for an individual who has a joint filing status, \$70,000 or less.

927 (c) "Utah personal exemption" means the same as that term is defined in Section
928 59-10-1018.

929 (2) (a) Except as provided in Section 59-10-1102.1 and subject to Subsections (2)(b)
930 and (c), a qualifying individual may claim a refundable grocery tax credit equal to \$100
931 multiplied by the number of qualifying household members.

932 (b) If a qualifying household member is age 65 by the end of the taxable year, the
933 qualifying individual may claim an additional refundable grocery tax credit equal to \$20 per
934 qualifying household member age 65 or older.

935 (c) (i) If a qualifying household member was incarcerated for any part of the taxable
936 year for which the qualifying individual claims the grocery tax for the qualifying household
937 member, the qualifying individual's credit for the qualifying household member who was
938 incarcerated shall be a proportionate amount of the full grocery tax credit.

939 (ii) The proportionate amount of the grocery tax credit shall be calculated as follows:

940 (A) divide the number of months that the qualifying household member was not
941 incarcerated by 12; and

942 (B) multiply the amount calculated in Subsection (2)(c)(i)(A) by the total grocery tax
943 credit amount described in Subsections (2)(a) and (b) for the qualifying household member
944 who was incarcerated.

945 (3) (a) A qualifying individual shall claim the tax credit described in Subsection (2) by
946 filing a state income tax return.

947 (b) A qualifying individual shall file a state income tax return to claim the tax credit
948 even if the qualifying individual is otherwise exempt from state tax.

949 (c) The commission may create a shortened state income tax return for use by a
950 qualifying individual who has to file a return only to claim the tax credit described in
951 Subsection (2).

952 Section 18. Section **59-12-102** is amended to read:

953 **59-12-102. Definitions.**

954 As used in this chapter:

955 (1) "800 service" means a telecommunications service that:

956 (a) allows a caller to dial a toll-free number without incurring a charge for the call; and
957 (b) is typically marketed:
958 (i) under the name 800 toll-free calling;
959 (ii) under the name 855 toll-free calling;
960 (iii) under the name 866 toll-free calling;
961 (iv) under the name 877 toll-free calling;
962 (v) under the name 888 toll-free calling; or
963 (vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the
964 Federal Communications Commission.
965 (2) (a) "900 service" means an inbound toll telecommunications service that:
966 (i) a subscriber purchases;
967 (ii) allows a customer of the subscriber described in Subsection (2)(a)(i) to call in to
968 the subscriber's:
969 (A) prerecorded announcement; or
970 (B) live service; and
971 (iii) is typically marketed:
972 (A) under the name 900 service; or
973 (B) under a name similar to Subsection (2)(a)(iii)(A) as designated by the Federal
974 Communications Commission.
975 (b) "900 service" does not include a charge for:
976 (i) a collection service a seller of a telecommunications service provides to a
977 subscriber; or
978 (ii) the following a subscriber sells to the subscriber's customer:
979 (A) a product; or
980 (B) a service.
981 (3) (a) "Admission or user fees" includes season passes.
982 (b) "Admission or user fees" does not include annual membership dues to private
983 organizations.
984 (4) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on
985 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax
986 Agreement after November 12, 2002.

- 987 (5) "Agreement combined tax rate" means the sum of the tax rates:
988 (a) listed under Subsection (6); and
989 (b) that are imposed within a local taxing jurisdiction.
- 990 (6) "Agreement sales and use tax" means a tax imposed under:
991 (a) Subsection 59-12-103(2)(a)(i)(A);
992 (b) Subsection 59-12-103(2)(b)(i);
993 (c) Subsection 59-12-103(2)(c)(i);
994 (d) Subsection 59-12-103(2)(d)(i)(A)(I);
995 (e) Section 59-12-204;
996 (f) Section 59-12-401;
997 (g) Section 59-12-402;
998 (h) Section 59-12-402.1;
999 (i) Section 59-12-703;
1000 (j) Section 59-12-802;
1001 (k) Section 59-12-804;
1002 (l) Section 59-12-1102;
1003 (m) Section 59-12-1302;
1004 (n) Section 59-12-1402;
1005 (o) Section 59-12-1802;
1006 (p) Section 59-12-2003;
1007 (q) Section 59-12-2103;
1008 (r) Section 59-12-2213;
1009 (s) Section 59-12-2214;
1010 (t) Section 59-12-2215;
1011 (u) Section 59-12-2216;
1012 (v) Section 59-12-2217;
1013 (w) Section 59-12-2218;
1014 (x) Section 59-12-2219; or
1015 (y) Section 59-12-2220.
- 1016 (7) "Aircraft" means the same as that term is defined in Section 72-10-102.
1017 (8) "Aircraft maintenance, repair, and overhaul provider" means a business entity:

- 1018 (a) except for:
- 1019 (i) an airline as defined in Section 59-2-102; or
- 1020 (ii) an affiliated group, as defined in Section 59-7-101, except that "affiliated group"
- 1021 includes a corporation that is qualified to do business but is not otherwise doing business in the
- 1022 state, of an airline; and
- 1023 (b) that has the workers, expertise, and facilities to perform the following, regardless of
- 1024 whether the business entity performs the following in this state:
- 1025 (i) check, diagnose, overhaul, and repair:
- 1026 (A) an onboard system of a fixed wing turbine powered aircraft; and
- 1027 (B) the parts that comprise an onboard system of a fixed wing turbine powered aircraft;
- 1028 (ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered aircraft
- 1029 engine;
- 1030 (iii) perform at least the following maintenance on a fixed wing turbine powered
- 1031 aircraft:
- 1032 (A) an inspection;
- 1033 (B) a repair, including a structural repair or modification;
- 1034 (C) changing landing gear; and
- 1035 (D) addressing issues related to an aging fixed wing turbine powered aircraft;
- 1036 (iv) completely remove the existing paint of a fixed wing turbine powered aircraft and
- 1037 completely apply new paint to the fixed wing turbine powered aircraft; and
- 1038 (v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that
- 1039 results in a change in the fixed wing turbine powered aircraft's certification requirements by the
- 1040 authority that certifies the fixed wing turbine powered aircraft.
- 1041 (9) "Alcoholic beverage" means a beverage that:
- 1042 (a) is suitable for human consumption; and
- 1043 (b) contains .5% or more alcohol by volume.
- 1044 (10) "Alternative energy" means:
- 1045 (a) biomass energy;
- 1046 (b) geothermal energy;
- 1047 (c) hydroelectric energy;
- 1048 (d) solar energy;

- 1049 (e) wind energy; or
- 1050 (f) energy that is derived from:
 - 1051 (i) coal-to-liquids;
 - 1052 (ii) nuclear fuel;
 - 1053 (iii) oil-impregnated diatomaceous earth;
 - 1054 (iv) oil sands;
 - 1055 (v) oil shale;
 - 1056 (vi) petroleum coke; or
 - 1057 (vii) waste heat from:
 - 1058 (A) an industrial facility; or
 - 1059 (B) a power station in which an electric generator is driven through a process in which
 - 1060 water is heated, turns into steam, and spins a steam turbine.
- 1061 (11) (a) Subject to Subsection (11)(b), "alternative energy electricity production
- 1062 facility" means a facility that:
 - 1063 (i) uses alternative energy to produce electricity; and
 - 1064 (ii) has a production capacity of two megawatts or greater.
- 1065 (b) A facility is an alternative energy electricity production facility regardless of
- 1066 whether the facility is:
 - 1067 (i) connected to an electric grid; or
 - 1068 (ii) located on the premises of an electricity consumer.
- 1069 (12) (a) "Ancillary service" means a service associated with, or incidental to, the
- 1070 provision of telecommunications service.
- 1071 (b) "Ancillary service" includes:
 - 1072 (i) a conference bridging service;
 - 1073 (ii) a detailed communications billing service;
 - 1074 (iii) directory assistance;
 - 1075 (iv) a vertical service; or
 - 1076 (v) a voice mail service.
- 1077 (13) "Area agency on aging" means the same as that term is defined in Section
- 1078 [62A-3-101](#).
- 1079 ~~[(14) "Assisted amusement device" means an amusement device, skill device, or ride~~

1080 ~~device that is started and stopped by an individual:]~~

1081 ~~[(a) who is not the purchaser or renter of the right to use or operate the amusement~~
1082 ~~device, skill device, or ride device; and]~~

1083 ~~[(b) at the direction of the seller of the right to use the amusement device, skill device,~~
1084 ~~or ride device.]~~

1085 ~~[(15) "Assisted cleaning or washing of tangible personal property" means cleaning or~~
1086 ~~washing of tangible personal property if the cleaning or washing labor is primarily performed~~
1087 ~~by an individual:]~~

1088 ~~[(a) who is not the purchaser of the cleaning or washing of the tangible personal~~
1089 ~~property; and]~~

1090 ~~[(b) at the direction of the seller of the cleaning or washing of the tangible personal~~
1091 ~~property.]~~

1092 ~~[(16)]~~ (14) "Authorized carrier" means:

1093 (a) in the case of vehicles operated over public highways, the holder of credentials
1094 indicating that the vehicle is or will be operated pursuant to both the International Registration
1095 Plan and the International Fuel Tax Agreement;

1096 (b) in the case of aircraft, the holder of a Federal Aviation Administration operating
1097 certificate or air carrier's operating certificate; or

1098 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling
1099 stock, a person who uses locomotives, freight cars, railroad work equipment, or other rolling
1100 stock in more than one state.

1101 ~~[(17)]~~ (15) (a) Except as provided in Subsection ~~[(17)]~~ (15)(b), "biomass energy"
1102 means any of the following that is used as the primary source of energy to produce fuel or
1103 electricity:

1104 (i) material from a plant or tree; or

1105 (ii) other organic matter that is available on a renewable basis, including:

1106 (A) slash and brush from forests and woodlands;

1107 (B) animal waste;

1108 (C) waste vegetable oil;

1109 (D) methane or synthetic gas produced at a landfill, as a byproduct of the treatment of
1110 wastewater residuals, or through the conversion of a waste material through a nonincineration,

1111 thermal conversion process;

1112 (E) aquatic plants; and

1113 (F) agricultural products.

1114 (b) "Biomass energy" does not include:

1115 (i) black liquor; or

1116 (ii) treated woods.

1117 [~~(18)~~] (16) (a) "Bundled transaction" means the sale of two or more items of tangible

1118 personal property, products, or services if the tangible personal property, products, or services

1119 are:

1120 (i) distinct and identifiable; and

1121 (ii) sold for one nonitemized price.

1122 (b) "Bundled transaction" does not include:

1123 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on

1124 the basis of the selection by the purchaser of the items of tangible personal property included in

1125 the transaction;

1126 (ii) the sale of real property;

1127 (iii) the sale of services to real property;

1128 (iv) the retail sale of tangible personal property and a service if:

1129 (A) the tangible personal property:

1130 (I) is essential to the use of the service; and

1131 (II) is provided exclusively in connection with the service; and

1132 (B) the service is the true object of the transaction;

1133 (v) the retail sale of two services if:

1134 (A) one service is provided that is essential to the use or receipt of a second service;

1135 (B) the first service is provided exclusively in connection with the second service; and

1136 (C) the second service is the true object of the transaction;

1137 (vi) a transaction that includes tangible personal property or a product subject to

1138 taxation under this chapter and tangible personal property or a product that is not subject to

1139 taxation under this chapter if the:

1140 (A) seller's purchase price of the tangible personal property or product subject to

1141 taxation under this chapter is de minimis; or

1142 (B) seller's sales price of the tangible personal property or product subject to taxation
1143 under this chapter is de minimis; and

1144 (vii) the retail sale of tangible personal property that is not subject to taxation under
1145 this chapter and tangible personal property that is subject to taxation under this chapter if:

1146 (A) that retail sale includes:

1147 (I) food and food ingredients;

1148 (II) a drug;

1149 (III) durable medical equipment;

1150 (IV) mobility enhancing equipment;

1151 (V) an over-the-counter drug;

1152 (VI) a prosthetic device; or

1153 (VII) a medical supply; and

1154 (B) subject to Subsection [~~(18)~~] (16)(f):

1155 (I) the seller's purchase price of the tangible personal property subject to taxation under
1156 this chapter is 50% or less of the seller's total purchase price of that retail sale; or

1157 (II) the seller's sales price of the tangible personal property subject to taxation under
1158 this chapter is 50% or less of the seller's total sales price of that retail sale.

1159 (c) (i) For purposes of Subsection [~~(18)~~] (16)(a)(i), tangible personal property, a
1160 product, or a service that is distinct and identifiable does not include:

1161 (A) packaging that:

1162 (I) accompanies the sale of the tangible personal property, product, or service; and

1163 (II) is incidental or immaterial to the sale of the tangible personal property, product, or
1164 service;

1165 (B) tangible personal property, a product, or a service provided free of charge with the
1166 purchase of another item of tangible personal property, a product, or a service; or

1167 (C) an item of tangible personal property, a product, or a service included in the
1168 definition of "purchase price."

1169 (ii) For purposes of Subsection [~~(18)~~] (16)(c)(i)(B), an item of tangible personal
1170 property, a product, or a service is provided free of charge with the purchase of another item of
1171 tangible personal property, a product, or a service if the sales price of the purchased item of
1172 tangible personal property, product, or service does not vary depending on the inclusion of the

1173 tangible personal property, product, or service provided free of charge.

1174 (d) (i) For purposes of Subsection [~~(18)~~] (16)(a)(ii), property sold for one nonitemized
1175 price does not include a price that is separately identified by tangible personal property,
1176 product, or service on the following, regardless of whether the following is in paper format or
1177 electronic format:

1178 (A) a binding sales document; or

1179 (B) another supporting sales-related document that is available to a purchaser.

1180 (ii) For purposes of Subsection [~~(18)~~] (16)(d)(i), a binding sales document or another
1181 supporting sales-related document that is available to a purchaser includes:

1182 (A) a bill of sale;

1183 (B) a contract;

1184 (C) an invoice;

1185 (D) a lease agreement;

1186 (E) a periodic notice of rates and services;

1187 (F) a price list;

1188 (G) a rate card;

1189 (H) a receipt; or

1190 (I) a service agreement.

1191 (e) (i) For purposes of Subsection [~~(18)~~] (16)(b)(vi), the sales price of tangible personal
1192 property or a product subject to taxation under this chapter is de minimis if:

1193 (A) the seller's purchase price of the tangible personal property or product is 10% or
1194 less of the seller's total purchase price of the bundled transaction; or

1195 (B) the seller's sales price of the tangible personal property or product is 10% or less of
1196 the seller's total sales price of the bundled transaction.

1197 (ii) For purposes of Subsection [~~(18)~~] (16)(b)(vi), a seller:

1198 (A) shall use the seller's purchase price or the seller's sales price to determine if the
1199 purchase price or sales price of the tangible personal property or product subject to taxation
1200 under this chapter is de minimis; and

1201 (B) may not use a combination of the seller's purchase price and the seller's sales price
1202 to determine if the purchase price or sales price of the tangible personal property or product
1203 subject to taxation under this chapter is de minimis.

1204 (iii) For purposes of Subsection [~~(18)~~] (16)(b)(vi), a seller shall use the full term of a
1205 service contract to determine if the sales price of tangible personal property or a product is de
1206 minimis.

1207 (f) For purposes of Subsection [~~(18)~~] (16)(b)(vii)(B), a seller may not use a
1208 combination of the seller's purchase price and the seller's sales price to determine if tangible
1209 personal property subject to taxation under this chapter is 50% or less of the seller's total
1210 purchase price or sales price of that retail sale.

1211 [~~(19)~~] (17) "Certified automated system" means software certified by the governing
1212 board of the agreement that:

1213 (a) calculates the agreement sales and use tax imposed within a local taxing
1214 jurisdiction:

1215 (i) on a transaction; and

1216 (ii) in the states that are members of the agreement;

1217 (b) determines the amount of agreement sales and use tax to remit to a state that is a
1218 member of the agreement; and

1219 (c) maintains a record of the transaction described in Subsection [~~(19)~~] (17)(a)(i).

1220 [~~(20)~~] (18) "Certified service provider" means an agent certified:

1221 (a) by the governing board of the agreement; and

1222 (b) to perform all of a seller's sales and use tax functions for an agreement sales and
1223 use tax other than the seller's obligation under Section [59-12-124](#) to remit a tax on the seller's
1224 own purchases.

1225 [~~(21)~~] (19) (a) Subject to Subsection [~~(21)~~] (19)(b), "clothing" means all human
1226 wearing apparel suitable for general use.

1227 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1228 commission shall make rules:

1229 (i) listing the items that constitute "clothing"; and

1230 (ii) that are consistent with the list of items that constitute "clothing" under the
1231 agreement.

1232 [~~(22)~~] (20) "Coal-to-liquid" means the process of converting coal into a liquid synthetic
1233 fuel.

1234 [~~(23)~~] (21) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or

1235 other fuels that does not constitute industrial use under Subsection [~~(56)~~] (55) or residential use
1236 under Subsection (106).

1237 [~~(24)~~] (22) (a) "Common carrier" means a person engaged in or transacting the
1238 business of transporting passengers, freight, merchandise, or other property for hire within this
1239 state.

1240 (b) (i) "Common carrier" does not include a person who, at the time the person is
1241 traveling to or from that person's place of employment, transports a passenger to or from the
1242 passenger's place of employment.

1243 (ii) For purposes of Subsection [~~(24)~~] (22)(b)(i), in accordance with Title 63G, Chapter
1244 3, Utah Administrative Rulemaking Act, the commission may make rules defining what
1245 constitutes a person's place of employment.

1246 (c) "Common carrier" does not include a person that provides transportation network
1247 services, as defined in Section 13-51-102.

1248 [~~(25)~~] (23) "Component part" includes:

1249 (a) poultry, dairy, and other livestock feed, and their components;

1250 (b) baling ties and twine used in the baling of hay and straw;

1251 (c) fuel used for providing temperature control of orchards and commercial
1252 greenhouses doing a majority of their business in wholesale sales, and for providing power for
1253 off-highway type farm machinery; and

1254 (d) feed, seeds, and seedlings.

1255 [~~(26)~~] (24) "Computer" means an electronic device that accepts information:

1256 (a) (i) in digital form; or

1257 (ii) in a form similar to digital form; and

1258 (b) manipulates that information for a result based on a sequence of instructions.

1259 [~~(27)~~] (25) "Computer software" means a set of coded instructions designed to cause:

1260 (a) a computer to perform a task; or

1261 (b) automatic data processing equipment to perform a task.

1262 [~~(28)~~] (26) "Computer software maintenance contract" means a contract that obligates a
1263 seller of computer software to provide a customer with:

1264 (a) future updates or upgrades to computer software;

1265 (b) support services with respect to computer software; or

1266 (c) a combination of Subsections [~~(28)~~] (26)(a) and (b).

1267 [~~(29)~~] (27) (a) "Conference bridging service" means an ancillary service that links two
1268 or more participants of an audio conference call or video conference call.

1269 (b) "Conference bridging service" may include providing a telephone number as part of
1270 the ancillary service described in Subsection [~~(29)~~] (27)(a).

1271 (c) "Conference bridging service" does not include a telecommunications service used
1272 to reach the ancillary service described in Subsection [~~(29)~~] (27)(a).

1273 [~~(30)~~] (28) "Construction materials" means any tangible personal property that will be
1274 converted into real property.

1275 (29) (a) "Cosmetic medical procedure" means a medical procedure performed in order
1276 to improve a human subject's appearance without significantly serving to prevent or treat
1277 illness or disease or to promote proper functioning of the body.

1278 (b) "Cosmetic medical procedure" may include:

1279 (i) cosmetic surgery;

1280 (ii) hair transplants;

1281 (iii) cosmetic injections;

1282 (iv) cosmetic soft tissue fillers;

1283 (v) dermabrasion and chemical peels;

1284 (vi) laser hair removal;

1285 (vii) laser skin resurfacing;

1286 (viii) laser treatment of leg veins;

1287 (ix) sclerotherapy;

1288 (x) cosmetic dentistry; and

1289 (xi) facility occupancies, such as hospitalization or clinic stays, required for or directly
1290 associated with a cosmetic medical procedure.

1291 (c) "Cosmetic medical procedure" does not include:

1292 (i) reconstructive surgery or dentistry to correct or minimize abnormal structures
1293 caused by:

1294 (A) congenital defects;

1295 (B) developmental abnormalities;

1296 (C) trauma;

- 1297 (D) infection;
- 1298 (E) tumors; or
- 1299 (F) disease; or
- 1300 (ii) other procedures performed in order to improve proper functioning of the body.
- 1301 [~~(31)~~] (30) "Delivered electronically" means delivered to a purchaser by means other
- 1302 than tangible storage media.
- 1303 [~~(32)~~] (31) (a) "Delivery charge" means a charge:
- 1304 (i) by a seller of:
- 1305 (A) tangible personal property;
- 1306 (B) a product transferred electronically; or
- 1307 (C) services; and
- 1308 (ii) for preparation and delivery of the tangible personal property, product transferred
- 1309 electronically, or services described in Subsection [~~(32)~~] (31)(a)(i) to a location designated by
- 1310 the purchaser.
- 1311 (b) "Delivery charge" includes a charge for the following:
- 1312 (i) transportation;
- 1313 (ii) shipping;
- 1314 (iii) postage;
- 1315 (iv) handling;
- 1316 (v) crating; or
- 1317 (vi) packing.
- 1318 [~~(33)~~] (32) "Detailed telecommunications billing service" means an ancillary service of
- 1319 separately stating information pertaining to individual calls on a customer's billing statement.
- 1320 [~~(34)~~] (33) "Dietary supplement" means a product, other than tobacco, that:
- 1321 (a) is intended to supplement the diet;
- 1322 (b) contains one or more of the following dietary ingredients:
- 1323 (i) a vitamin;
- 1324 (ii) a mineral;
- 1325 (iii) an herb or other botanical;
- 1326 (iv) an amino acid;
- 1327 (v) a dietary substance for use by humans to supplement the diet by increasing the total

1328 dietary intake; or
1329 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient
1330 described in Subsections ~~[(34)]~~ (33)(b)(i) through (v);
1331 (c) (i) except as provided in Subsection ~~[(34)]~~ (33)(c)(ii), is intended for ingestion in:
1332 (A) tablet form;
1333 (B) capsule form;
1334 (C) powder form;
1335 (D) softgel form;
1336 (E) gelcap form; or
1337 (F) liquid form; or
1338 (ii) if the product is not intended for ingestion in a form described in Subsections ~~[(34)]~~
1339 (33)(c)(i)(A) through (F), is not represented:
1340 (A) as conventional food; and
1341 (B) for use as a sole item of:
1342 (I) a meal; or
1343 (II) the diet; and
1344 (d) is required to be labeled as a dietary supplement:
1345 (i) identifiable by the "Supplemental Facts" box found on the label; and
1346 (ii) as required by 21 C.F.R. Sec. 101.36.
1347 (34) (a) "Digital audio work" means a work that results from the fixation of a series of
1348 musical, spoken, or other sounds.
1349 (b) "Digital audio work" includes a ringtone.
1350 (35) "Digital audio-visual work" means a series of related images which, when shown
1351 in succession, imparts an impression of motion, together with accompanying sounds, if any.
1352 ~~[(36) (a) "Digital audio work" means a work that results from the fixation of a series of~~
1353 ~~musical, spoken, or other sounds.]~~
1354 ~~[(b) "Digital audio work" includes a ringtone.]~~
1355 ~~[(37)]~~ (36) "Digital book" means a work that is generally recognized in the ordinary
1356 and usual sense as a book.
1357 ~~[(38)]~~ (37) (a) "Direct mail" means printed material delivered or distributed by United
1358 States mail or other delivery service:

- 1359 (i) to:
- 1360 (A) a mass audience; or
- 1361 (B) addressees on a mailing list provided:
 - 1362 (I) by a purchaser of the mailing list; or
 - 1363 (II) at the discretion of the purchaser of the mailing list; and
- 1364 (ii) if the cost of the printed material is not billed directly to the recipients.
- 1365 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a
- 1366 purchaser to a seller of direct mail for inclusion in a package containing the printed material.
- 1367 (c) "Direct mail" does not include multiple items of printed material delivered to a
- 1368 single address.
- 1369 ~~[(39)]~~ (38) "Directory assistance" means an ancillary service of providing:
- 1370 (a) address information; or
- 1371 (b) telephone number information.
- 1372 ~~[(40)]~~ (39) (a) "Disposable home medical equipment or supplies" means medical
- 1373 equipment or supplies that:
 - 1374 (i) cannot withstand repeated use; and
 - 1375 (ii) are purchased by, for, or on behalf of a person other than:
 - 1376 (A) a health care facility as defined in Section 26-21-2;
 - 1377 (B) a health care provider as defined in Section 78B-3-403;
 - 1378 (C) an office of a health care provider described in Subsection ~~[(40)]~~ (39)(a)(ii)(B); or
 - 1379 (D) a person similar to a person described in Subsections ~~[(40)]~~ (39)(a)(ii)(A) through
 - 1380 (C).
- 1381 (b) "Disposable home medical equipment or supplies" does not include:
 - 1382 (i) a drug;
 - 1383 (ii) durable medical equipment;
 - 1384 (iii) a hearing aid;
 - 1385 (iv) a hearing aid accessory;
 - 1386 (v) mobility enhancing equipment; or
 - 1387 (vi) tangible personal property used to correct impaired vision, including:
 - 1388 (A) eyeglasses; or
 - 1389 (B) contact lenses.

1390 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1391 commission may by rule define what constitutes medical equipment or supplies.

1392 [~~(41)~~] (40) "Drilling equipment manufacturer" means a facility:

1393 (a) located in the state;

1394 (b) with respect to which 51% or more of the manufacturing activities of the facility
1395 consist of manufacturing component parts of drilling equipment;

1396 (c) that uses pressure of 800,000 or more pounds per square inch as part of the
1397 manufacturing process; and

1398 (d) that uses a temperature of 2,000 or more degrees Fahrenheit as part of the
1399 manufacturing process.

1400 [~~(42)~~] (41) (a) "Drug" means a compound, substance, or preparation, or a component of
1401 a compound, substance, or preparation that is:

1402 (i) recognized in:

1403 (A) the official United States Pharmacopoeia;

1404 (B) the official Homeopathic Pharmacopoeia of the United States;

1405 (C) the official National Formulary; or

1406 (D) a supplement to a publication listed in Subsections [~~(42)~~] (41)(a)(i)(A) through
1407 (C);

1408 (ii) intended for use in the:

1409 (A) diagnosis of disease;

1410 (B) cure of disease;

1411 (C) mitigation of disease;

1412 (D) treatment of disease; or

1413 (E) prevention of disease; or

1414 (iii) intended to affect:

1415 (A) the structure of the body; or

1416 (B) any function of the body.

1417 (b) "Drug" does not include:

1418 (i) food and food ingredients;

1419 (ii) a dietary supplement;

1420 (iii) an alcoholic beverage; or

- 1421 (iv) a prosthetic device.
- 1422 [~~(43)~~] (42) (a) Except as provided in Subsection [~~(43)~~] (42)(c), "durable medical
1423 equipment" means equipment that:
- 1424 (i) can withstand repeated use;
- 1425 (ii) is primarily and customarily used to serve a medical purpose;
- 1426 (iii) generally is not useful to a person in the absence of illness or injury; and
- 1427 (iv) is not worn in or on the body.
- 1428 (b) "Durable medical equipment" includes parts used in the repair or replacement of the
1429 equipment described in Subsection [~~(43)~~] (42)(a).
- 1430 (c) "Durable medical equipment" does not include mobility enhancing equipment.
- 1431 [~~(44)~~] (43) "Electronic" means:
- 1432 (a) relating to technology; and
- 1433 (b) having:
- 1434 (i) electrical capabilities;
- 1435 (ii) digital capabilities;
- 1436 (iii) magnetic capabilities;
- 1437 (iv) wireless capabilities;
- 1438 (v) optical capabilities;
- 1439 (vi) electromagnetic capabilities; or
- 1440 (vii) capabilities similar to Subsections [~~(44)~~] (43)(b)(i) through (vi).
- 1441 [~~(45)~~] (44) "Electronic financial payment service" means an establishment:
- 1442 (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and
1443 Clearinghouse Activities, of the 2012 North American Industry Classification System of the
1444 federal Executive Office of the President, Office of Management and Budget; and
- 1445 (b) that performs electronic financial payment services.
- 1446 [~~(46)~~] (45) "Employee" means the same as that term is defined in Section 59-10-401.
- 1447 [~~(47)~~] (46) "Fixed guideway" means a public transit facility that uses and occupies:
- 1448 (a) rail for the use of public transit; or
- 1449 (b) a separate right-of-way for the use of public transit.
- 1450 [~~(48)~~] (47) "Fixed wing turbine powered aircraft" means an aircraft that:
- 1451 (a) is powered by turbine engines;

- 1452 (b) operates on jet fuel; and
- 1453 (c) has wings that are permanently attached to the fuselage of the aircraft.
- 1454 [~~(49)~~] (48) "Fixed wireless service" means a telecommunications service that provides
- 1455 radio communication between fixed points.
- 1456 [~~(50)~~] (49) (a) "Food and food ingredients" means substances:
- 1457 (i) regardless of whether the substances are in:
- 1458 (A) liquid form;
- 1459 (B) concentrated form;
- 1460 (C) solid form;
- 1461 (D) frozen form;
- 1462 (E) dried form; or
- 1463 (F) dehydrated form; and
- 1464 (ii) that are:
- 1465 (A) sold for:
- 1466 (I) ingestion by humans; or
- 1467 (II) chewing by humans; and
- 1468 (B) consumed for the substance's:
- 1469 (I) taste; or
- 1470 (II) nutritional value.
- 1471 (b) "Food and food ingredients" includes an item described in Subsection [~~(91)~~]
- 1472 (89)(b)(iii).
- 1473 (c) "Food and food ingredients" does not include:
- 1474 (i) an alcoholic beverage;
- 1475 (ii) tobacco; or
- 1476 (iii) prepared food.
- 1477 [~~(51)~~] (50) (a) "Fundraising sales" means sales:
- 1478 (i) (A) made by a school; or
- 1479 (B) made by a school student;
- 1480 (ii) that are for the purpose of raising funds for the school to purchase equipment,
- 1481 materials, or provide transportation; and
- 1482 (iii) that are part of an officially sanctioned school activity.

1483 (b) For purposes of Subsection [~~(51)~~] (50)(a)(iii), "officially sanctioned school activity"
1484 means a school activity:

1485 (i) that is conducted in accordance with a formal policy adopted by the school or school
1486 district governing the authorization and supervision of fundraising activities;

1487 (ii) that does not directly or indirectly compensate an individual teacher or other
1488 educational personnel by direct payment, commissions, or payment in kind; and

1489 (iii) the net or gross revenues from which are deposited in a dedicated account
1490 controlled by the school or school district.

1491 [~~(52)~~] (51) "Geothermal energy" means energy contained in heat that continuously
1492 flows outward from the earth that is used as the sole source of energy to produce electricity.

1493 [~~(53)~~] (52) "Governing board of the agreement" means the governing board of the
1494 agreement that is:

1495 (a) authorized to administer the agreement; and

1496 (b) established in accordance with the agreement.

1497 [~~(54)~~] (53) (a) For purposes of Subsection 59-12-104[~~(41)~~](33), "governmental entity"
1498 means:

1499 (i) the executive branch of the state, including all departments, institutions, boards,
1500 divisions, bureaus, offices, commissions, and committees;

1501 (ii) the judicial branch of the state, including the courts, the Judicial Council, the
1502 Administrative Office of the Courts, and similar administrative units in the judicial branch;

1503 (iii) the legislative branch of the state, including the House of Representatives, the
1504 Senate, the Legislative Printing Office, the Office of Legislative Research and General
1505 Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal
1506 Analyst;

1507 (iv) the National Guard;

1508 (v) an independent entity as defined in Section 63E-1-102; or

1509 (vi) a political subdivision as defined in Section 17B-1-102.

1510 (b) "Governmental entity" does not include the state systems of public and higher
1511 education, including:

1512 (i) a school;

1513 (ii) the State Board of Education;

- 1514 (iii) the State Board of Regents; or
- 1515 (iv) an institution of higher education described in Section [53B-1-102](#).
- 1516 [~~55~~] (54) "Hydroelectric energy" means water used as the sole source of energy to
- 1517 produce electricity.
- 1518 [~~56~~] (55) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil,
- 1519 or other fuels:
- 1520 (a) in mining or extraction of minerals;
- 1521 (b) in agricultural operations to produce an agricultural product up to the time of
- 1522 harvest or placing the agricultural product into a storage facility, including:
- 1523 (i) commercial greenhouses;
- 1524 (ii) irrigation pumps;
- 1525 (iii) farm machinery;
- 1526 (iv) implements of husbandry as defined in Section [41-1a-102](#) that are not registered
- 1527 under Title 41, Chapter 1a, Part 2, Registration; and
- 1528 (v) other farming activities;
- 1529 (c) in manufacturing tangible personal property at an establishment described in:
- 1530 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
- 1531 the federal Executive Office of the President, Office of Management and Budget; or
- 1532 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
- 1533 American Industry Classification System of the federal Executive Office of the President,
- 1534 Office of Management and Budget;
- 1535 (d) by a scrap recycler if:
- 1536 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
- 1537 one or more of the following items into prepared grades of processed materials for use in new
- 1538 products:
- 1539 (A) iron;
- 1540 (B) steel;
- 1541 (C) nonferrous metal;
- 1542 (D) paper;
- 1543 (E) glass;
- 1544 (F) plastic;

1545 (G) textile; or
1546 (H) rubber; and
1547 (ii) the new products under Subsection [~~(56)~~] (55)(d)(i) would otherwise be made with
1548 nonrecycled materials; or

1549 (e) in producing a form of energy or steam described in Subsection 54-2-1(3)(a) by a
1550 cogeneration facility as defined in Section 54-2-1.

1551 [~~(57)~~] (56) (a) Except as provided in Subsection [~~(57)~~] (56)(b), "installation charge"
1552 means a charge for installing:

1553 (i) tangible personal property; or

1554 (ii) a product transferred electronically.

1555 (b) "Installation charge" does not include a charge for:

1556 (i) repairs or renovations of:

1557 (A) tangible personal property; or

1558 (B) a product transferred electronically; or

1559 (ii) attaching tangible personal property or a product transferred electronically:

1560 (A) to other tangible personal property; and

1561 (B) as part of a manufacturing or fabrication process.

1562 [~~(58)~~] (57) "Institution of higher education" means an institution of higher education
1563 listed in Section 53B-2-101.

1564 [~~(59)~~] (58) (a) "Lease" or "rental" means a transfer of possession or control of tangible
1565 personal property or a product transferred electronically for:

1566 (i) (A) a fixed term; or

1567 (B) an indeterminate term; and

1568 (ii) consideration.

1569 (b) "Lease" or "rental" includes an agreement covering a motor vehicle and trailer if the
1570 amount of consideration may be increased or decreased by reference to the amount realized
1571 upon sale or disposition of the property as defined in Section 7701(h)(1), Internal Revenue
1572 Code.

1573 (c) "Lease" or "rental" does not include:

1574 (i) a transfer of possession or control of property under a security agreement or
1575 deferred payment plan that requires the transfer of title upon completion of the required

1576 payments;

1577 (ii) a transfer of possession or control of property under an agreement that requires the

1578 transfer of title:

1579 (A) upon completion of required payments; and

1580 (B) if the payment of an option price does not exceed the greater of:

1581 (I) \$100; or

1582 (II) 1% of the total required payments; or

1583 (iii) providing tangible personal property along with an operator for a fixed period of

1584 time or an indeterminate period of time if the operator is necessary for equipment to perform as

1585 designed.

1586 (d) For purposes of Subsection [~~(59)~~] (58)(c)(iii), an operator is necessary for

1587 equipment to perform as designed if the operator's duties exceed the:

1588 (i) set-up of tangible personal property;

1589 (ii) maintenance of tangible personal property; or

1590 (iii) inspection of tangible personal property.

1591 [~~(60)~~] (59) "Life science establishment" means an establishment in this state that is

1592 classified under the following NAICS codes of the 2007 North American Industry

1593 Classification System of the federal Executive Office of the President, Office of Management

1594 and Budget:

1595 (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;

1596 (b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus

1597 Manufacturing; or

1598 (c) NAICS Code 334517, Irradiation Apparatus Manufacturing.

1599 [~~(61)~~] (60) "Life science research and development facility" means a facility owned,

1600 leased, or rented by a life science establishment if research and development is performed in

1601 51% or more of the total area of the facility.

1602 [~~(62)~~] (61) "Load and leave" means delivery to a purchaser by use of a tangible storage

1603 media if the tangible storage media is not physically transferred to the purchaser.

1604 [~~(63)~~] (62) "Local taxing jurisdiction" means a:

1605 (a) county that is authorized to impose an agreement sales and use tax;

1606 (b) city that is authorized to impose an agreement sales and use tax; or

- 1607 (c) town that is authorized to impose an agreement sales and use tax.
- 1608 [~~(64)~~] (63) "Manufactured home" means the same as that term is defined in Section
- 1609 15A-1-302.
- 1610 [~~(65)~~] (64) "Manufacturing facility" means:
- 1611 (a) an establishment described in:
- 1612 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
- 1613 the federal Executive Office of the President, Office of Management and Budget; or
- 1614 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
- 1615 American Industry Classification System of the federal Executive Office of the President,
- 1616 Office of Management and Budget;
- 1617 (b) a scrap recycler if:
- 1618 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
- 1619 one or more of the following items into prepared grades of processed materials for use in new
- 1620 products:
- 1621 (A) iron;
- 1622 (B) steel;
- 1623 (C) nonferrous metal;
- 1624 (D) paper;
- 1625 (E) glass;
- 1626 (F) plastic;
- 1627 (G) textile; or
- 1628 (H) rubber; and
- 1629 (ii) the new products under Subsection [~~(65)~~] (64)(b)(i) would otherwise be made with
- 1630 nonrecycled materials; or
- 1631 (c) a cogeneration facility as defined in Section 54-2-1 if the cogeneration facility is
- 1632 placed in service on or after May 1, 2006.
- 1633 [~~(66)~~] (65) "Member of the immediate family of the producer" means a person who is
- 1634 related to a producer described in Subsection 59-12-104[~~(20)~~](16)(a) as a:
- 1635 (a) child or stepchild, regardless of whether the child or stepchild is:
- 1636 (i) an adopted child or adopted stepchild; or
- 1637 (ii) a foster child or foster stepchild;

- 1638 (b) grandchild or stepgrandchild;
- 1639 (c) grandparent or stepgrandparent;
- 1640 (d) nephew or stepnephew;
- 1641 (e) niece or stepniece;
- 1642 (f) parent or stepparent;
- 1643 (g) sibling or stepsibling;
- 1644 (h) spouse;
- 1645 (i) person who is the spouse of a person described in Subsections ~~[(66)]~~ (65)(a) through
- 1646 (g); or
- 1647 (j) person similar to a person described in Subsections ~~[(66)]~~ (65)(a) through (i) as
- 1648 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah
- 1649 Administrative Rulemaking Act.
- 1650 ~~[(67)]~~ (66) "Mobile home" means the same as that term is defined in Section
- 1651 15A-1-302.
- 1652 ~~[(68)]~~ (67) "Mobile telecommunications service" means the same as that term is
- 1653 defined in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.
- 1654 ~~[(69)]~~ (68) (a) "Mobile wireless service" means a telecommunications service,
- 1655 regardless of the technology used, if:
- 1656 (i) the origination point of the conveyance, routing, or transmission is not fixed;
- 1657 (ii) the termination point of the conveyance, routing, or transmission is not fixed; or
- 1658 (iii) the origination point described in Subsection ~~[(69)]~~ (68)(a)(i) and the termination
- 1659 point described in Subsection ~~[(69)]~~ (68)(a)(ii) are not fixed.
- 1660 (b) "Mobile wireless service" includes a telecommunications service that is provided
- 1661 by a commercial mobile radio service provider.
- 1662 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1663 commission may by rule define "commercial mobile radio service provider."
- 1664 ~~[(70)]~~ (69) (a) Except as provided in Subsection ~~[(70)]~~ (69)(c), "mobility enhancing
- 1665 equipment" means equipment that is:
- 1666 (i) primarily and customarily used to provide or increase the ability to move from one
- 1667 place to another;
- 1668 (ii) appropriate for use in a:

- 1669 (A) home; or
- 1670 (B) motor vehicle; and
- 1671 (iii) not generally used by persons with normal mobility.
- 1672 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of
- 1673 the equipment described in Subsection [~~(70)~~] (69)(a).
- 1674 (c) "Mobility enhancing equipment" does not include:
- 1675 (i) a motor vehicle;
- 1676 (ii) equipment on a motor vehicle if that equipment is normally provided by the motor
- 1677 vehicle manufacturer;
- 1678 (iii) durable medical equipment; or
- 1679 (iv) a prosthetic device.
- 1680 [~~(71)~~] (70) "Model 1 seller" means a seller registered under the agreement that has
- 1681 selected a certified service provider as the seller's agent to perform all of the seller's sales and
- 1682 use tax functions for agreement sales and use taxes other than the seller's obligation under
- 1683 Section 59-12-124 to remit a tax on the seller's own purchases.
- 1684 [~~(72)~~] (71) "Model 2 seller" means a seller registered under the agreement that:
- 1685 (a) except as provided in Subsection [~~(72)~~] (71)(b), has selected a certified automated
- 1686 system to perform the seller's sales tax functions for agreement sales and use taxes; and
- 1687 (b) retains responsibility for remitting all of the sales tax:
- 1688 (i) collected by the seller; and
- 1689 (ii) to the appropriate local taxing jurisdiction.
- 1690 [~~(73)~~] (72) (a) Subject to Subsection [~~(73)~~] (72)(b), "model 3 seller" means a seller
- 1691 registered under the agreement that has:
- 1692 (i) sales in at least five states that are members of the agreement;
- 1693 (ii) total annual sales revenues of at least \$500,000,000;
- 1694 (iii) a proprietary system that calculates the amount of tax:
- 1695 (A) for an agreement sales and use tax; and
- 1696 (B) due to each local taxing jurisdiction; and
- 1697 (iv) entered into a performance agreement with the governing board of the agreement.
- 1698 (b) For purposes of Subsection [~~(73)~~] (72)(a), "model 3 seller" includes an affiliated
- 1699 group of sellers using the same proprietary system.

1700 [~~(74)~~] (73) "Model 4 seller" means a seller that is registered under the agreement and is
1701 not a model 1 seller, model 2 seller, or model 3 seller.

1702 [~~(75)~~] (74) "Modular home" means a modular unit as defined in Section 15A-1-302.

1703 [~~(76)~~] (75) "Motor vehicle" means the same as that term is defined in Section
1704 41-1a-102.

1705 [~~(77)~~] (76) "Oil sands" means impregnated bituminous sands that:

1706 (a) contain a heavy, thick form of petroleum that is released when heated, mixed with
1707 other hydrocarbons, or otherwise treated;

1708 (b) yield mixtures of liquid hydrocarbon; and

1709 (c) require further processing other than mechanical blending before becoming finished
1710 petroleum products.

1711 [~~(78)~~] (77) "Oil shale" means a group of fine black to dark brown shales containing
1712 kerogen material that yields petroleum upon heating and distillation.

1713 [~~(79)~~] (78) "Optional computer software maintenance contract" means a computer
1714 software maintenance contract that a customer is not obligated to purchase as a condition to the
1715 retail sale of computer software.

1716 [~~(80)~~] (79) (a) "Other fuels" means products that burn independently to produce heat or
1717 energy.

1718 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible
1719 personal property.

1720 [~~(81)~~] (80) (a) "Paging service" means a telecommunications service that provides
1721 transmission of a coded radio signal for the purpose of activating a specific pager.

1722 (b) For purposes of Subsection [~~(81)~~] (80)(a), the transmission of a coded radio signal
1723 includes a transmission by message or sound.

1724 [~~(82)~~] (81) "Pawnbroker" means the same as that term is defined in Section
1725 13-32a-102.

1726 [~~(83)~~] (82) "Pawn transaction" means the same as that term is defined in Section
1727 13-32a-102.

1728 [~~(84)~~] (83) (a) "Permanently attached to real property" means that for tangible personal
1729 property attached to real property:

1730 (i) the attachment of the tangible personal property to the real property:

- 1731 (A) is essential to the use of the tangible personal property; and
- 1732 (B) suggests that the tangible personal property will remain attached to the real
- 1733 property in the same place over the useful life of the tangible personal property; or
- 1734 (ii) if the tangible personal property is detached from the real property, the detachment
- 1735 would:
- 1736 (A) cause substantial damage to the tangible personal property; or
- 1737 (B) require substantial alteration or repair of the real property to which the tangible
- 1738 personal property is attached.
- 1739 (b) "Permanently attached to real property" includes:
- 1740 (i) the attachment of an accessory to the tangible personal property if the accessory is:
- 1741 (A) essential to the operation of the tangible personal property; and
- 1742 (B) attached only to facilitate the operation of the tangible personal property;
- 1743 (ii) a temporary detachment of tangible personal property from real property for a
- 1744 repair or renovation if the repair or renovation is performed where the tangible personal
- 1745 property and real property are located; or
- 1746 (iii) property attached to oil, gas, or water pipelines, except for the property listed in
- 1747 Subsection [~~(84)~~] (83)(c)(iii) or (iv).
- 1748 (c) "Permanently attached to real property" does not include:
- 1749 (i) the attachment of portable or movable tangible personal property to real property if
- 1750 that portable or movable tangible personal property is attached to real property only for:
- 1751 (A) convenience;
- 1752 (B) stability; or
- 1753 (C) for an obvious temporary purpose;
- 1754 (ii) the detachment of tangible personal property from real property except for the
- 1755 detachment described in Subsection [~~(84)~~] (83)(b)(ii); or
- 1756 (iii) an attachment of the following tangible personal property to real property if the
- 1757 attachment to real property is only through a line that supplies water, electricity, gas,
- 1758 telecommunications, cable, or supplies a similar item as determined by the commission by rule
- 1759 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:
- 1760 (A) a computer;
- 1761 (B) a telephone;

1762 (C) a television; or

1763 (D) tangible personal property similar to Subsections ~~[(84)]~~ (83)(c)(iii)(A) through (C)
1764 as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah
1765 Administrative Rulemaking Act~~[-or].~~

1766 ~~[(iv) an item listed in Subsection (125)(c).]~~

1767 ~~[(85)]~~ (84) "Person" includes any individual, firm, partnership, joint venture,
1768 association, corporation, estate, trust, business trust, receiver, syndicate, this state, any county,
1769 city, municipality, district, or other local governmental entity of the state, or any group or
1770 combination acting as a unit.

1771 ~~[(86)]~~ (85) "Place of primary use":

1772 (a) for telecommunications service other than mobile telecommunications service,
1773 means the street address representative of where the customer's use of the telecommunications
1774 service primarily occurs, which shall be:

1775 (i) the residential street address of the customer; or

1776 (ii) the primary business street address of the customer; or

1777 (b) for mobile telecommunications service, means the same as that term is defined in
1778 the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

1779 ~~[(87)]~~ (86) (a) "Postpaid calling service" means a telecommunications service a person
1780 obtains by making a payment on a call-by-call basis:

1781 (i) through the use of a:

1782 (A) bank card;

1783 (B) credit card;

1784 (C) debit card; or

1785 (D) travel card; or

1786 (ii) by a charge made to a telephone number that is not associated with the origination
1787 or termination of the telecommunications service.

1788 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling
1789 service, that would be a prepaid wireless calling service if the service were exclusively a
1790 telecommunications service.

1791 ~~[(88) "Postproduction" means an activity related to the finishing or duplication of a~~
1792 ~~medium described in Subsection 59-12-104(54)(a).]~~

- 1793 [~~(89)~~] (87) "Prepaid calling service" means a telecommunications service:
1794 (a) that allows a purchaser access to telecommunications service that is exclusively
1795 telecommunications service;
1796 (b) that:
1797 (i) is paid for in advance; and
1798 (ii) enables the origination of a call using an:
1799 (A) access number; or
1800 (B) authorization code;
1801 (c) that is dialed:
1802 (i) manually; or
1803 (ii) electronically; and
1804 (d) sold in predetermined units or dollars that decline:
1805 (i) by a known amount; and
1806 (ii) with use.
1807 [~~(90)~~] (88) "Prepaid wireless calling service" means a telecommunications service:
1808 (a) that provides the right to utilize:
1809 (i) mobile wireless service; and
1810 (ii) other service that is not a telecommunications service, including:
1811 (A) the download of a product transferred electronically;
1812 (B) a content service; or
1813 (C) an ancillary service;
1814 (b) that:
1815 (i) is paid for in advance; and
1816 (ii) enables the origination of a call using an:
1817 (A) access number; or
1818 (B) authorization code;
1819 (c) that is dialed:
1820 (i) manually; or
1821 (ii) electronically; and
1822 (d) sold in predetermined units or dollars that decline:
1823 (i) by a known amount; and

- 1824 (ii) with use.
- 1825 [~~(91)~~] (89) (a) "Prepared food" means:
- 1826 (i) food:
- 1827 (A) sold in a heated state; or
- 1828 (B) heated by a seller;
- 1829 (ii) two or more food ingredients mixed or combined by the seller for sale as a single
- 1830 item; or
- 1831 (iii) except as provided in Subsection [~~(91)~~] (89)(c), food sold with an eating utensil
- 1832 provided by the seller, including a:
- 1833 (A) plate;
- 1834 (B) knife;
- 1835 (C) fork;
- 1836 (D) spoon;
- 1837 (E) glass;
- 1838 (F) cup;
- 1839 (G) napkin; or
- 1840 (H) straw.
- 1841 (b) "Prepared food" does not include:
- 1842 (i) food that a seller only:
- 1843 (A) cuts;
- 1844 (B) repackages; or
- 1845 (C) pasteurizes; or
- 1846 (ii) (A) the following:
- 1847 (I) raw egg;
- 1848 (II) raw fish;
- 1849 (III) raw meat;
- 1850 (IV) raw poultry; or
- 1851 (V) a food containing an item described in Subsections [~~(91)~~] (89)(b)(ii)(A)(I) through
- 1852 (IV); and
- 1853 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the
- 1854 Food and Drug Administration's Food Code that a consumer cook the items described in

1855 Subsection [~~(91)~~] (89)(b)(ii)(A) to prevent food borne illness; or
1856 (iii) the following if sold without eating utensils provided by the seller:
1857 (A) food and food ingredients sold by a seller if the seller's proper primary
1858 classification under the 2002 North American Industry Classification System of the federal
1859 Executive Office of the President, Office of Management and Budget, is manufacturing in
1860 Sector 311, Food Manufacturing, except for Subsector 3118, Bakeries and Tortilla
1861 Manufacturing;
1862 (B) food and food ingredients sold in an unheated state:
1863 (I) by weight or volume; and
1864 (II) as a single item; or
1865 (C) a bakery item, including:
1866 (I) a bagel;
1867 (II) a bar;
1868 (III) a biscuit;
1869 (IV) bread;
1870 (V) a bun;
1871 (VI) a cake;
1872 (VII) a cookie;
1873 (VIII) a croissant;
1874 (IX) a danish;
1875 (X) a donut;
1876 (XI) a muffin;
1877 (XII) a pastry;
1878 (XIII) a pie;
1879 (XIV) a roll;
1880 (XV) a tart;
1881 (XVI) a torte; or
1882 (XVII) a tortilla.
1883 (c) An eating utensil provided by the seller does not include the following used to
1884 transport the food:
1885 (i) a container; or

1886 (ii) packaging.

1887 [~~(92)~~] (90) "Prescription" means an order, formula, or recipe that is issued:

1888 (a) (i) orally;

1889 (ii) in writing;

1890 (iii) electronically; or

1891 (iv) by any other manner of transmission; and

1892 (b) by a licensed practitioner authorized by the laws of a state.

1893 [~~(93)~~] (91) (a) Except as provided in Subsection [~~(93)~~] (91)(b)(ii) or (iii), "prewritten

1894 computer software" means computer software that is not designed and developed:

1895 (i) by the author or other creator of the computer software; and

1896 (ii) to the specifications of a specific purchaser.

1897 (b) "Prewritten computer software" includes:

1898 (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer

1899 software is not designed and developed:

1900 (A) by the author or other creator of the computer software; and

1901 (B) to the specifications of a specific purchaser;

1902 (ii) computer software designed and developed by the author or other creator of the

1903 computer software to the specifications of a specific purchaser if the computer software is sold

1904 to a person other than the purchaser; or

1905 (iii) except as provided in Subsection [~~(93)~~] (91)(c), prewritten computer software or a

1906 prewritten portion of prewritten computer software:

1907 (A) that is modified or enhanced to any degree; and

1908 (B) if the modification or enhancement described in Subsection [~~(93)~~] (91)(b)(iii)(A) is

1909 designed and developed to the specifications of a specific purchaser.

1910 (c) "Prewritten computer software" does not include a modification or enhancement

1911 described in Subsection [~~(93)~~] (91)(b)(iii) if the charges for the modification or enhancement

1912 are:

1913 (i) reasonable; and

1914 (ii) subject to Subsections 59-12-103(2)(e)(ii) and (2)(f)(i), separately stated on the

1915 invoice or other statement of price provided to the purchaser at the time of sale or later, as

1916 demonstrated by:

1917 (A) the books and records the seller keeps at the time of the transaction in the regular
1918 course of business, including books and records the seller keeps at the time of the transaction in
1919 the regular course of business for nontax purposes;

1920 (B) a preponderance of the facts and circumstances at the time of the transaction; and

1921 (C) the understanding of all of the parties to the transaction.

1922 [~~94~~] (92) (a) "Private communications service" means a telecommunications service:

1923 (i) that entitles a customer to exclusive or priority use of one or more communications
1924 channels between or among termination points; and

1925 (ii) regardless of the manner in which the one or more communications channels are
1926 connected.

1927 (b) "Private communications service" includes the following provided in connection
1928 with the use of one or more communications channels:

1929 (i) an extension line;

1930 (ii) a station;

1931 (iii) switching capacity; or

1932 (iv) another associated service that is provided in connection with the use of one or
1933 more communications channels as defined in Section [59-12-215](#).

1934 [~~95~~] (93) (a) Except as provided in Subsection [~~95~~] (93)(b), "product transferred
1935 electronically" means a product transferred electronically that would be subject to a tax under
1936 this chapter if that product was transferred in a manner other than electronically.

1937 (b) "Product transferred electronically" does not include:

1938 (i) an ancillary service;

1939 (ii) computer software; or

1940 (iii) a telecommunications service.

1941 [~~96~~] (94) (a) "Prosthetic device" means a device that is worn on or in the body to:

1942 (i) artificially replace a missing portion of the body;

1943 (ii) prevent or correct a physical deformity or physical malfunction; or

1944 (iii) support a weak or deformed portion of the body.

1945 (b) "Prosthetic device" includes:

1946 (i) parts used in the repairs or renovation of a prosthetic device;

1947 (ii) replacement parts for a prosthetic device;

- 1948 (iii) a dental prosthesis; or
- 1949 (iv) a hearing aid.
- 1950 (c) "Prosthetic device" does not include:
- 1951 (i) corrective eyeglasses; or
- 1952 (ii) contact lenses.
- 1953 ~~[(97)]~~ (95) (a) "Protective equipment" means an item:
- 1954 (i) for human wear; and
- 1955 (ii) that is:
- 1956 (A) designed as protection:
- 1957 (I) to the wearer against injury or disease; or
- 1958 (II) against damage or injury of other persons or property; and
- 1959 (B) not suitable for general use.
- 1960 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1961 commission shall make rules:
- 1962 (i) listing the items that constitute "protective equipment"; and
- 1963 (ii) that are consistent with the list of items that constitute "protective equipment"
- 1964 under the agreement.
- 1965 ~~[(98)]~~ (96) (a) For purposes of Subsection [59-12-104](#)~~[(41)]~~(33), "publication" means
- 1966 any written or printed matter, other than a photocopy:
- 1967 (i) regardless of:
- 1968 (A) characteristics;
- 1969 (B) copyright;
- 1970 (C) form;
- 1971 (D) format;
- 1972 (E) method of reproduction; or
- 1973 (F) source; and
- 1974 (ii) made available in printed or electronic format.
- 1975 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1976 commission may by rule define the term "photocopy."
- 1977 ~~[(99)]~~ (97) (a) "Purchase price" and "sales price" mean the total amount of
- 1978 consideration:

- 1979 (i) valued in money; and
- 1980 (ii) for which tangible personal property, a product transferred electronically, or
- 1981 services are:
- 1982 (A) sold;
- 1983 (B) leased; or
- 1984 (C) rented.
- 1985 (b) "Purchase price" and "sales price" include:
- 1986 (i) the seller's cost of the tangible personal property, a product transferred
- 1987 electronically, or services sold;
- 1988 (ii) expenses of the seller, including:
- 1989 (A) the cost of materials used;
- 1990 (B) a labor cost;
- 1991 (C) a service cost;
- 1992 (D) interest;
- 1993 (E) a loss;
- 1994 (F) the cost of transportation to the seller; [~~or~~]
- 1995 (G) a tax imposed on the seller;
- 1996 (H) a delivery charge; or
- 1997 (I) an installation charge;
- 1998 (iii) a charge by the seller for any service necessary to complete the sale; or
- 1999 (iv) consideration a seller receives from a person other than the purchaser if:
- 2000 (A) (I) the seller actually receives consideration from a person other than the purchaser;
- 2001 and
- 2002 (II) the consideration described in Subsection [~~(99)~~] (97)(b)(iv)(A)(I) is directly related
- 2003 to a price reduction or discount on the sale;
- 2004 (B) the seller has an obligation to pass the price reduction or discount through to the
- 2005 purchaser;
- 2006 (C) the amount of the consideration attributable to the sale is fixed and determinable by
- 2007 the seller at the time of the sale to the purchaser; and
- 2008 (D) (I) (Aa) the purchaser presents a certificate, coupon, or other documentation to the
- 2009 seller to claim a price reduction or discount; and

2010 (Bb) a person other than the seller authorizes, distributes, or grants the certificate,
2011 coupon, or other documentation with the understanding that the person other than the seller
2012 will reimburse any seller to whom the certificate, coupon, or other documentation is presented;

2013 (II) the purchaser identifies that purchaser to the seller as a member of a group or
2014 organization allowed a price reduction or discount, except that a preferred customer card that is
2015 available to any patron of a seller does not constitute membership in a group or organization
2016 allowed a price reduction or discount; or

2017 (III) the price reduction or discount is identified as a third party price reduction or
2018 discount on the:

2019 (Aa) invoice the purchaser receives; or

2020 (Bb) certificate, coupon, or other documentation the purchaser presents.

2021 (c) "Purchase price" and "sales price" do not include:

2022 (i) a discount:

2023 (A) in a form including:

2024 (I) cash;

2025 (II) term; or

2026 (III) coupon;

2027 (B) that is allowed by a seller;

2028 (C) taken by a purchaser on a sale; and

2029 (D) that is not reimbursed by a third party; or

2030 (ii) subject to Subsections 59-12-103(2)(e)(ii) and (2)(f)(i), the following if separately
2031 stated on an invoice, bill of sale, or similar document provided to the purchaser at the time of
2032 sale or later, as demonstrated by the books and records the seller keeps at the time of the
2033 transaction in the regular course of business, including books and records the seller keeps at the
2034 time of the transaction in the regular course of business for nontax purposes, by a
2035 preponderance of the facts and circumstances at the time of the transaction, and by the
2036 understanding of all of the parties to the transaction:

2037 (A) the following from credit extended on the sale of tangible personal property or
2038 services:

2039 (I) a carrying charge;

2040 (II) a financing charge; or

2041 (III) an interest charge;
2042 [~~(B)~~ a delivery charge;]
2043 [~~(C)~~ an installation charge;]
2044 [~~(D)~~] (B) a manufacturer rebate on a motor vehicle; or
2045 [~~(E)~~] (C) a tax or fee legally imposed directly on the consumer.
2046 [~~(100)~~] (98) "Purchaser" means a person to whom:
2047 (a) a sale of tangible personal property is made;
2048 (b) a product is transferred electronically; or
2049 (c) a service is furnished.
2050 [~~(101)~~] (99) "Qualifying enterprise data center" means an establishment that will:
2051 (a) own and operate a data center facility that will house a group of networked server
2052 computers in one physical location in order to centralize the dissemination, management, and
2053 storage of data and information;
2054 (b) be located in the state;
2055 (c) be a new operation constructed on or after July 1, 2016;
2056 (d) consist of one or more buildings that total 150,000 or more square feet;
2057 (e) be owned or leased by:
2058 (i) the establishment; or
2059 (ii) a person under common ownership, as defined in Section 59-7-101, of the
2060 establishment; and
2061 (f) be located on one or more parcels of land that are owned or leased by:
2062 (i) the establishment; or
2063 (ii) a person under common ownership, as defined in Section 59-7-101, of the
2064 establishment.
2065 (100) "Rate reduction factor" means:
2066 (a) except as provided in Subsection (100)(b), .83%; and
2067 (b) if the sales and use tax rate described in Subsection 59-12-103(2)(a)(i)(A) is
2068 reduced on October 1, 2020, as determined in Subsection 59-12-103(13), .66%.
2069 [~~(102)~~] (101) "Regularly rented" means:
2070 (a) rented to a guest for value three or more times during a calendar year; or
2071 (b) advertised or held out to the public as a place that is regularly rented to guests for

2072 value.

2073 ~~[(103)]~~ (102) "Rental" means the same as that term is defined in Subsection ~~[(59)]~~ (58).

2074 ~~[(104)]~~ (103) (a) Except as provided in Subsection ~~[(104)]~~ (103)(b), "repairs or

2075 renovations of tangible personal property" means:

2076 (i) a repair or renovation of tangible personal property that is not permanently attached
2077 to real property; or

2078 (ii) attaching tangible personal property or a product transferred electronically to other
2079 tangible personal property or detaching tangible personal property or a product transferred
2080 electronically from other tangible personal property if:

2081 (A) the other tangible personal property to which the tangible personal property or
2082 product transferred electronically is attached or from which the tangible personal property or
2083 product transferred electronically is detached is not permanently attached to real property; and

2084 (B) the attachment of tangible personal property or a product transferred electronically
2085 to other tangible personal property or detachment of tangible personal property or a product
2086 transferred electronically from other tangible personal property is made in conjunction with a
2087 repair or replacement of tangible personal property or a product transferred electronically.

2088 (b) "Repairs or renovations of tangible personal property" does not include:

2089 (i) attaching prewritten computer software to other tangible personal property if the
2090 other tangible personal property to which the prewritten computer software is attached is not
2091 permanently attached to real property; or

2092 (ii) detaching prewritten computer software from other tangible personal property if the
2093 other tangible personal property from which the prewritten computer software is detached is
2094 not permanently attached to real property.

2095 ~~[(105)]~~ (104) "Research and development" means the process of inquiry or
2096 experimentation aimed at the discovery of facts, devices, technologies, or applications and the
2097 process of preparing those devices, technologies, or applications for marketing.

2098 ~~[(106)]~~ (105) (a) "Residential telecommunications services" means a
2099 telecommunications service or an ancillary service that is provided to an individual for personal
2100 use:

2101 (i) at a residential address; or

2102 (ii) at an institution, including a nursing home or a school, if the telecommunications

2103 service or ancillary service is provided to and paid for by the individual residing at the
2104 institution rather than the institution.

2105 (b) For purposes of Subsection [~~(106)~~] (105)(a)(i), a residential address includes an:

2106 (i) apartment; or

2107 (ii) other individual dwelling unit.

2108 [~~(107)~~] (106) "Residential use" means the use in or around a home, apartment building,
2109 sleeping quarters, and similar facilities or accommodations.

2110 [~~(108)~~] (107) (a) "Retailer" means any person engaged in a regularly organized
2111 business in tangible personal property or any other taxable transaction under Subsection
2112 59-12-103(1), and who is selling to the user or consumer and not for resale.

2113 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly
2114 engaged in the business of selling to users or consumers within the state.

2115 [~~(109)~~] (108) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose
2116 other than:

2117 (a) resale;

2118 (b) sublease; or

2119 (c) subrent.

2120 [~~(110)~~] (109) (a) "Sale" means any transfer of title, exchange, or barter, conditional or
2121 otherwise, in any manner, of tangible personal property or any other taxable transaction under
2122 Subsection 59-12-103(1), for consideration.

2123 (b) "Sale" includes:

2124 (i) installment and credit sales;

2125 (ii) any closed transaction constituting a sale;

2126 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this
2127 chapter;

2128 (iv) any transaction if the possession of property is transferred but the seller retains the
2129 title as security for the payment of the price; and

2130 (v) any transaction under which right to possession, operation, or use of any article of
2131 tangible personal property is granted under a lease or contract and the transfer of possession
2132 would be taxable if an outright sale were made.

2133 [~~(111)~~] (110) "Sale at retail" means the same as that term is defined in Subsection

2134 [~~(109)~~] (108).
2135 [~~(112)~~] (111) "Sale-leaseback transaction" means a transaction by which title to
2136 tangible personal property or a product transferred electronically that is subject to a tax under
2137 this chapter is transferred:
2138 (a) by a purchaser-lessee;
2139 (b) to a lessor;
2140 (c) for consideration; and
2141 (d) if:
2142 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase
2143 of the tangible personal property or product transferred electronically;
2144 (ii) the sale of the tangible personal property or product transferred electronically to the
2145 lessor is intended as a form of financing:
2146 (A) for the tangible personal property or product transferred electronically; and
2147 (B) to the purchaser-lessee; and
2148 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee
2149 is required to:
2150 (A) capitalize the tangible personal property or product transferred electronically for
2151 financial reporting purposes; and
2152 (B) account for the lease payments as payments made under a financing arrangement.
2153 [~~(113)~~] (112) "Sales price" means the same as that term is defined in Subsection [~~(99)~~]
2154 (97).
2155 [~~(114)~~] (113) (a) "Sales relating to schools" means the following sales by, amounts
2156 paid to, or amounts charged by a school:
2157 (i) sales that are directly related to the school's educational functions or activities
2158 including:
2159 (A) the sale of:
2160 (I) textbooks;
2161 (II) textbook fees;
2162 (III) laboratory fees;
2163 (IV) laboratory supplies; or
2164 (V) safety equipment;

2165 (B) the sale of a uniform, protective equipment, or sports or recreational equipment
2166 that:
2167 (I) a student is specifically required to wear as a condition of participation in a
2168 school-related event or school-related activity; and
2169 (II) is not readily adaptable to general or continued usage to the extent that it takes the
2170 place of ordinary clothing;
2171 (C) sales of the following if the net or gross revenues generated by the sales are
2172 deposited into a school district fund or school fund dedicated to school meals:
2173 (I) food and food ingredients; or
2174 (II) prepared food; or
2175 (D) transportation charges for official school activities; or
2176 (ii) amounts paid to or amounts charged by a school for admission to a school-related
2177 event or school-related activity.
2178 (b) "Sales relating to schools" does not include:
2179 (i) bookstore sales of items that are not educational materials or supplies;
2180 (ii) except as provided in Subsection [~~(114)~~] (113)(a)(i)(B):
2181 (A) clothing;
2182 (B) clothing accessories or equipment;
2183 (C) protective equipment; or
2184 (D) sports or recreational equipment; or
2185 (iii) amounts paid to or amounts charged by a school for admission to a school-related
2186 event or school-related activity if the amounts paid or charged are passed through to a person:
2187 (A) other than a:
2188 (I) school;
2189 (II) nonprofit organization authorized by a school board or a governing body of a
2190 private school to organize and direct a competitive secondary school activity; or
2191 (III) nonprofit association authorized by a school board or a governing body of a
2192 private school to organize and direct a competitive secondary school activity; and
2193 (B) that is required to collect sales and use taxes under this chapter.
2194 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2195 commission may make rules defining the term "passed through."

- 2196 [~~(H5)~~] (114) For purposes of this section and Section 59-12-104, "school":
- 2197 (a) means:
- 2198 (i) an elementary school or a secondary school that:
- 2199 (A) is a:
- 2200 (I) public school; or
- 2201 (II) private school; and
- 2202 (B) provides instruction for one or more grades kindergarten through 12; or
- 2203 (ii) a public school district; and
- 2204 (b) includes the Electronic High School as defined in Section 53E-10-601.
- 2205 [~~(H6)~~] (115) "Seller" means a person that makes a sale, lease, or rental of:
- 2206 (a) tangible personal property;
- 2207 (b) a product transferred electronically; or
- 2208 (c) a service.
- 2209 [~~(H7)~~] (116) (a) "Semiconductor fabricating, processing, research, or development
- 2210 materials" means tangible personal property or a product transferred electronically if the
- 2211 tangible personal property or product transferred electronically is:
- 2212 (i) used primarily in the process of:
- 2213 (A) (I) manufacturing a semiconductor;
- 2214 (II) fabricating a semiconductor; or
- 2215 (III) research or development of a:
- 2216 (Aa) semiconductor; or
- 2217 (Bb) semiconductor manufacturing process; or
- 2218 (B) maintaining an environment suitable for a semiconductor; or
- 2219 (ii) consumed primarily in the process of:
- 2220 (A) (I) manufacturing a semiconductor;
- 2221 (II) fabricating a semiconductor; or
- 2222 (III) research or development of a:
- 2223 (Aa) semiconductor; or
- 2224 (Bb) semiconductor manufacturing process; or
- 2225 (B) maintaining an environment suitable for a semiconductor.
- 2226 (b) "Semiconductor fabricating, processing, research, or development materials"

2227 includes:

2228 (i) parts used in the repairs or renovations of tangible personal property or a product
2229 transferred electronically described in Subsection [~~(117)~~] (116)(a); or

2230 (ii) a chemical, catalyst, or other material used to:

2231 (A) produce or induce in a semiconductor a:

2232 (I) chemical change; or

2233 (II) physical change;

2234 (B) remove impurities from a semiconductor; or

2235 (C) improve the marketable condition of a semiconductor.

2236 [~~(118)~~] (117) "Senior citizen center" means a facility having the primary purpose of
2237 providing services to the aged as defined in Section 62A-3-101.

2238 (118) (a) "Service" means an activity engaged in for another person for a fee, retainer,
2239 commission, or other monetary charge, if the activity involves the performance of a service.

2240 (b) "Service" does not include a service rendered by an employee for the employee's
2241 employer.

2242 (119) (a) Subject to Subsections (119)(b) and (c), "short-term lodging consumable"
2243 means tangible personal property that:

2244 (i) a business that provides accommodations and services described in Subsection
2245 59-12-103(1)[~~(f)~~](h) purchases as part of a transaction to provide the accommodations and
2246 services to a purchaser;

2247 (ii) is intended to be consumed by the purchaser; and

2248 (iii) is:

2249 (A) included in the purchase price of the accommodations and services; and

2250 (B) not separately stated on an invoice, bill of sale, or other similar document provided
2251 to the purchaser.

2252 (b) "Short-term lodging consumable" includes:

2253 (i) a beverage;

2254 (ii) a brush or comb;

2255 (iii) a cosmetic;

2256 (iv) a hair care product;

2257 (v) lotion;

- 2258 (vi) a magazine;
- 2259 (vii) makeup;
- 2260 (viii) a meal;
- 2261 (ix) mouthwash;
- 2262 (x) nail polish remover;
- 2263 (xi) a newspaper;
- 2264 (xii) a notepad;
- 2265 (xiii) a pen;
- 2266 (xiv) a pencil;
- 2267 (xv) a razor;
- 2268 (xvi) saline solution;
- 2269 (xvii) a sewing kit;
- 2270 (xviii) shaving cream;
- 2271 (xix) a shoe shine kit;
- 2272 (xx) a shower cap;
- 2273 (xxi) a snack item;
- 2274 (xxii) soap;
- 2275 (xxiii) toilet paper;
- 2276 (xxiv) a toothbrush;
- 2277 (xxv) toothpaste; or
- 2278 (xxvi) an item similar to Subsections (119)(b)(i) through (xxv) as the commission may
- 2279 provide by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 2280 Rulemaking Act.
- 2281 (c) "Short-term lodging consumable" does not include:
- 2282 (i) tangible personal property that is cleaned or washed to allow the tangible personal
- 2283 property to be reused; or
- 2284 (ii) a product transferred electronically.
- 2285 (120) "Simplified electronic return" means the electronic return:
- 2286 (a) described in Section 318(C) of the agreement; and
- 2287 (b) approved by the governing board of the agreement.
- 2288 (121) "Solar energy" means the sun used as the sole source of energy for producing

2289 electricity.

2290 (122) (a) "Sports or recreational equipment" means an item:

2291 (i) designed for human use; and

2292 (ii) that is:

2293 (A) worn in conjunction with:

2294 (I) an athletic activity; or

2295 (II) a recreational activity; and

2296 (B) not suitable for general use.

2297 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2298 commission shall make rules:

2299 (i) listing the items that constitute "sports or recreational equipment"; and

2300 (ii) that are consistent with the list of items that constitute "sports or recreational
2301 equipment" under the agreement.

2302 (123) "State" means the state of Utah, its departments, and agencies.

2303 (124) "Storage" means any keeping or retention of tangible personal property or any
2304 other taxable transaction under Subsection 59-12-103(1), in this state for any purpose except
2305 sale in the regular course of business.

2306 (125) (a) Except as provided in Subsection (125)(d) or (e), "tangible personal property"
2307 means personal property that:

2308 (i) may be:

2309 (A) seen;

2310 (B) weighed;

2311 (C) measured;

2312 (D) felt; or

2313 (E) touched; or

2314 (ii) is in any manner perceptible to the senses.

2315 (b) "Tangible personal property" includes:

2316 (i) electricity;

2317 (ii) water;

2318 (iii) gas;

2319 (iv) steam; or

2320 (v) prewritten computer software, regardless of the manner in which the prewritten
2321 computer software is transferred.

2322 (c) "Tangible personal property" includes the following regardless of whether the item
2323 is attached to real property:

2324 (i) a dishwasher;

2325 (ii) a dryer;

2326 (iii) a freezer;

2327 (iv) a microwave;

2328 (v) a refrigerator;

2329 (vi) a stove;

2330 (vii) a washer; or

2331 (viii) an item similar to Subsections (125)(c)(i) through (vii) as determined by the
2332 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
2333 Rulemaking Act.

2334 (d) "Tangible personal property" does not include a product that is transferred
2335 electronically.

2336 ~~[(e) "Tangible personal property" does not include the following if attached to real
2337 property, regardless of whether the attachment to real property is only through a line that
2338 supplies water, electricity, gas, telephone, cable, or supplies a similar item as determined by the
2339 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
2340 Rulemaking Act:]~~

2341 ~~[(i) a hot water heater;]~~

2342 ~~[(ii) a water filtration system; or]~~

2343 ~~[(iii) a water softener system.]~~

2344 (126) (a) "Telecommunications enabling or facilitating equipment, machinery, or
2345 software" means an item listed in Subsection (126)(b) if that item is purchased or leased
2346 primarily to enable or facilitate one or more of the following to function:

2347 (i) telecommunications switching or routing equipment, machinery, or software; or

2348 (ii) telecommunications transmission equipment, machinery, or software.

2349 (b) The following apply to Subsection (126)(a):

2350 (i) a pole;

- 2351 (ii) software;
- 2352 (iii) a supplementary power supply;
- 2353 (iv) temperature or environmental equipment or machinery;
- 2354 (v) test equipment;
- 2355 (vi) a tower; or
- 2356 (vii) equipment, machinery, or software that functions similarly to an item listed in
- 2357 Subsections (126)(b)(i) through (vi) as determined by the commission by rule made in
- 2358 accordance with Subsection (126)(c).

2359 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

2360 commission may by rule define what constitutes equipment, machinery, or software that

2361 functions similarly to an item listed in Subsections (126)(b)(i) through (vi).

2362 (127) "Telecommunications equipment, machinery, or software required for 911

2363 service" means equipment, machinery, or software that is required to comply with 47 C.F.R.

2364 Sec. 20.18.

2365 (128) "Telecommunications maintenance or repair equipment, machinery, or software"

2366 means equipment, machinery, or software purchased or leased primarily to maintain or repair

2367 one or more of the following, regardless of whether the equipment, machinery, or software is

2368 purchased or leased as a spare part or as an upgrade or modification to one or more of the

2369 following:

- 2370 (a) telecommunications enabling or facilitating equipment, machinery, or software;
- 2371 (b) telecommunications switching or routing equipment, machinery, or software; or
- 2372 (c) telecommunications transmission equipment, machinery, or software.

2373 (129) (a) "Telecommunications service" means the electronic conveyance, routing, or

2374 transmission of audio, data, video, voice, or any other information or signal to a point, or

2375 among or between points.

2376 (b) "Telecommunications service" includes:

2377 (i) an electronic conveyance, routing, or transmission with respect to which a computer

2378 processing application is used to act:

- 2379 (A) on the code, form, or protocol of the content;
- 2380 (B) for the purpose of electronic conveyance, routing, or transmission; and
- 2381 (C) regardless of whether the service:

- 2382 (I) is referred to as voice over Internet protocol service; or
- 2383 (II) is classified by the Federal Communications Commission as enhanced or value
- 2384 added;
- 2385 (ii) an 800 service;
- 2386 (iii) a 900 service;
- 2387 (iv) a fixed wireless service;
- 2388 (v) a mobile wireless service;
- 2389 (vi) a postpaid calling service;
- 2390 (vii) a prepaid calling service;
- 2391 (viii) a prepaid wireless calling service; or
- 2392 (ix) a private communications service.
- 2393 (c) "Telecommunications service" does not include:
- 2394 (i) advertising, including directory advertising;
- 2395 (ii) an ancillary service;
- 2396 (iii) a billing and collection service provided to a third party;
- 2397 (iv) a data processing and information service if:
- 2398 (A) the data processing and information service allows data to be:
- 2399 (I) (Aa) acquired;
- 2400 (Bb) generated;
- 2401 (Cc) processed;
- 2402 (Dd) retrieved; or
- 2403 (Ee) stored; and
- 2404 (II) delivered by an electronic transmission to a purchaser; and
- 2405 (B) the purchaser's primary purpose for the underlying transaction is the processed data
- 2406 or information;
- 2407 (v) installation or maintenance of the following on a customer's premises:
- 2408 (A) equipment; or
- 2409 (B) wiring;
- 2410 (vi) Internet access service;
- 2411 (vii) a paging service;
- 2412 (viii) a product transferred electronically, including:

- 2413 (A) music;
- 2414 (B) reading material;
- 2415 (C) a ring tone;
- 2416 (D) software; or
- 2417 (E) video;
- 2418 (ix) a radio and television audio and video programming service:
- 2419 (A) regardless of the medium; and
- 2420 (B) including:
 - 2421 (I) furnishing conveyance, routing, or transmission of a television audio and video
 - 2422 programming service by a programming service provider;
 - 2423 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or
 - 2424 (III) audio and video programming services delivered by a commercial mobile radio
 - 2425 service provider as defined in 47 C.F.R. Sec. 20.3;
 - 2426 (x) a value-added nonvoice data service; or
 - 2427 (xi) tangible personal property.
- 2428 (130) (a) "Telecommunications service provider" means a person that:
 - 2429 (i) owns, controls, operates, or manages a telecommunications service; and
 - 2430 (ii) engages in an activity described in Subsection (130)(a)(i) for the shared use with or
 - 2431 resale to any person of the telecommunications service.
- 2432 (b) A person described in Subsection (130)(a) is a telecommunications service provider
- 2433 whether or not the Public Service Commission of Utah regulates:
 - 2434 (i) that person; or
 - 2435 (ii) the telecommunications service that the person owns, controls, operates, or
 - 2436 manages.
- 2437 (131) (a) "Telecommunications switching or routing equipment, machinery, or
- 2438 software" means an item listed in Subsection (131)(b) if that item is purchased or leased
- 2439 primarily for switching or routing:
 - 2440 (i) an ancillary service;
 - 2441 (ii) data communications;
 - 2442 (iii) voice communications; or
 - 2443 (iv) telecommunications service.

2444 (b) The following apply to Subsection (131)(a):

2445 (i) a bridge;

2446 (ii) a computer;

2447 (iii) a cross connect;

2448 (iv) a modem;

2449 (v) a multiplexer;

2450 (vi) plug in circuitry;

2451 (vii) a router;

2452 (viii) software;

2453 (ix) a switch; or

2454 (x) equipment, machinery, or software that functions similarly to an item listed in

2455 Subsections (131)(b)(i) through (ix) as determined by the commission by rule made in

2456 accordance with Subsection (131)(c).

2457 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

2458 commission may by rule define what constitutes equipment, machinery, or software that

2459 functions similarly to an item listed in Subsections (131)(b)(i) through (ix).

2460 (132) (a) "Telecommunications transmission equipment, machinery, or software"

2461 means an item listed in Subsection (132)(b) if that item is purchased or leased primarily for

2462 sending, receiving, or transporting:

2463 (i) an ancillary service;

2464 (ii) data communications;

2465 (iii) voice communications; or

2466 (iv) telecommunications service.

2467 (b) The following apply to Subsection (132)(a):

2468 (i) an amplifier;

2469 (ii) a cable;

2470 (iii) a closure;

2471 (iv) a conduit;

2472 (v) a controller;

2473 (vi) a duplexer;

2474 (vii) a filter;

- 2475 (viii) an input device;
- 2476 (ix) an input/output device;
- 2477 (x) an insulator;
- 2478 (xi) microwave machinery or equipment;
- 2479 (xii) an oscillator;
- 2480 (xiii) an output device;
- 2481 (xiv) a pedestal;
- 2482 (xv) a power converter;
- 2483 (xvi) a power supply;
- 2484 (xvii) a radio channel;
- 2485 (xviii) a radio receiver;
- 2486 (xix) a radio transmitter;
- 2487 (xx) a repeater;
- 2488 (xxi) software;
- 2489 (xxii) a terminal;
- 2490 (xxiii) a timing unit;
- 2491 (xxiv) a transformer;
- 2492 (xxv) a wire; or

2493 (xxvi) equipment, machinery, or software that functions similarly to an item listed in
 2494 Subsections (132)(b)(i) through (xxv) as determined by the commission by rule made in
 2495 accordance with Subsection (132)(c).

2496 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 2497 commission may by rule define what constitutes equipment, machinery, or software that
 2498 functions similarly to an item listed in Subsections (132)(b)(i) through (xxv).

2499 ~~[(133)(a) "Textbook for a higher education course" means a textbook or other printed~~
 2500 ~~material that is required for a course:]~~

2501 ~~[(i) offered by an institution of higher education; and]~~

2502 ~~[(ii) that the purchaser of the textbook or other printed material attends or will attend:]~~

2503 ~~[(b) "Textbook for a higher education course" includes a textbook in electronic~~
 2504 ~~format.]~~

2505 ~~[(134)]~~ (133) "Tobacco" means:

- 2506 (a) a cigarette;
- 2507 (b) a cigar;
- 2508 (c) chewing tobacco;
- 2509 (d) pipe tobacco; or
- 2510 (e) any other item that contains tobacco.

2511 ~~[(135) "Unassisted amusement device" means an amusement device, skill device, or~~
2512 ~~ride device that is started and stopped by the purchaser or renter of the right to use or operate~~
2513 ~~the amusement device, skill device, or ride device.]~~

2514 [(136)] (134) (a) "Use" means the exercise of any right or power over tangible personal
2515 property, a product transferred electronically, or a service under Subsection 59-12-103(1),
2516 incident to the ownership or the leasing of that tangible personal property, product transferred
2517 electronically, or service.

2518 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal
2519 property, a product transferred electronically, or a service in the regular course of business and
2520 held for resale.

2521 [(137)] (135) "Value-added nonvoice data service" means a service:

2522 (a) that otherwise meets the definition of a telecommunications service except that a
2523 computer processing application is used to act primarily for a purpose other than conveyance,
2524 routing, or transmission; and

2525 (b) with respect to which a computer processing application is used to act on data or
2526 information:

- 2527 (i) code;
- 2528 (ii) content;
- 2529 (iii) form; or
- 2530 (iv) protocol.

2531 [(138)] (136) (a) Subject to Subsection [(138)] (136)(b), "vehicle" means the following
2532 that are required to be titled, registered, or titled and registered:

- 2533 (i) an aircraft as defined in Section 72-10-102;
- 2534 (ii) a vehicle as defined in Section 41-1a-102;
- 2535 (iii) an off-highway vehicle as defined in Section 41-22-2; or
- 2536 (iv) a vessel as defined in Section 41-1a-102.

- 2537 (b) For purposes of Subsection ~~59-12-104~~(~~33~~)(28) only, "vehicle" includes:
- 2538 (i) a vehicle described in Subsection [~~(138)~~] (136)(a); or
- 2539 (ii) (A) a locomotive;
- 2540 (B) a freight car;
- 2541 (C) railroad work equipment; or
- 2542 (D) other railroad rolling stock.
- 2543 [~~(139)~~] (137) "Vehicle dealer" means a person engaged in the business of buying,
- 2544 selling, or exchanging a vehicle as defined in Subsection [~~(138)~~] (136).
- 2545 [~~(140)~~] (138) (a) "Vertical service" means an ancillary service that:
- 2546 (i) is offered in connection with one or more telecommunications services; and
- 2547 (ii) offers an advanced calling feature that allows a customer to:
- 2548 (A) identify a caller; and
- 2549 (B) manage multiple calls and call connections.
- 2550 (b) "Vertical service" includes an ancillary service that allows a customer to manage a
- 2551 conference bridging service.
- 2552 [~~(141)~~] (139) (a) "Voice mail service" means an ancillary service that enables a
- 2553 customer to receive, send, or store a recorded message.
- 2554 (b) "Voice mail service" does not include a vertical service that a customer is required
- 2555 to have in order to utilize a voice mail service.
- 2556 [~~(142)~~] (140) (a) Except as provided in Subsection [~~(142)~~] (140)(b), "waste energy
- 2557 facility" means a facility that generates electricity:
- 2558 (i) using as the primary source of energy waste materials that would be placed in a
- 2559 landfill or refuse pit if it were not used to generate electricity, including:
- 2560 (A) tires;
- 2561 (B) waste coal;
- 2562 (C) oil shale; or
- 2563 (D) municipal solid waste; and
- 2564 (ii) in amounts greater than actually required for the operation of the facility.
- 2565 (b) "Waste energy facility" does not include a facility that incinerates:
- 2566 (i) hospital waste as defined in 40 C.F.R. 60.51c; or
- 2567 (ii) medical/infectious waste as defined in 40 C.F.R. 60.51c.

2568 [~~(143)~~] (141) "Watercraft" means a vessel as defined in Section 73-18-2.

2569 [~~(144)~~] (142) "Wind energy" means wind used as the sole source of energy to produce
2570 electricity.

2571 [~~(145)~~] (143) "ZIP Code" means a Zoning Improvement Plan Code assigned to a
2572 geographic location by the United States Postal Service.

2573 Section 19. Section 59-12-103 is amended to read:

2574 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
2575 **tax revenues.**

2576 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
2577 sales price for amounts paid or charged for the following transactions:

2578 (a) retail sales of tangible personal property made within the state;

2579 (b) amounts paid for:

2580 (i) telecommunications service, other than mobile telecommunications service, that
2581 originates and terminates within the boundaries of this state;

2582 (ii) mobile telecommunications service that originates and terminates within the
2583 boundaries of one state only to the extent permitted by the Mobile Telecommunications
2584 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

2585 (iii) an ancillary service associated with a:

2586 (A) telecommunications service described in Subsection (1)(b)(i); or

2587 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

2588 (c) sales of the following for commercial use:

2589 (i) gas;

2590 (ii) electricity;

2591 (iii) heat;

2592 (iv) coal;

2593 (v) fuel oil; or

2594 (vi) other fuels;

2595 (d) sales of the following for residential use:

2596 (i) gas;

2597 (ii) electricity;

2598 (iii) heat;

- 2599 (iv) coal;
- 2600 (v) fuel oil; or
- 2601 (vi) other fuels;
- 2602 (e) sales of prepared food;
- 2603 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 2604 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 2605 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 2606 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 2607 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 2608 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 2609 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 2610 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 2611 exhibition, cultural, or athletic activity;
- 2612 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 2613 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 2614 (i) the tangible personal property; and
- 2615 (ii) parts used in the repairs or renovations of the tangible personal property described
- 2616 in Subsection (1)(g)(i), regardless of whether:
- 2617 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 2618 property; or
- 2619 (B) the particular parts used in the repairs or renovations of that tangible personal
- 2620 property are exempt from a tax under this chapter;
- 2621 [~~(h) except as provided in Subsection 59-12-104(7), amounts paid or charged for~~
- 2622 ~~assisted cleaning or washing of tangible personal property;~~]
- 2623 [~~(i)~~] (h) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 2624 accommodations and services that are regularly rented for less than 30 consecutive days;
- 2625 [~~(j) amounts paid or charged for laundry or dry cleaning services;~~]
- 2626 [~~(k)~~] (i) amounts paid or charged for leases or rentals of tangible personal property if
- 2627 within this state the tangible personal property is:
- 2628 (i) stored;
- 2629 (ii) used; or

2630 (iii) otherwise consumed;

2631 ~~(H)~~ (j) amounts paid or charged for tangible personal property if within this state the

2632 tangible personal property is:

2633 (i) stored;

2634 (ii) used; or

2635 (iii) consumed; ~~and~~

2636 ~~(m)~~ (k) amounts paid or charged for a sale:

2637 (i) (A) of a product transferred electronically; or

2638 (B) of a repair or renovation of a product transferred electronically; and

2639 (ii) regardless of whether the sale provides:

2640 (A) a right of permanent use of the product; or

2641 (B) a right to use the product that is less than a permanent use, including a right:

2642 (I) for a definite or specified length of time; and

2643 (II) that terminates upon the occurrence of a condition[-];

2644 (l) amounts paid or charged for access:

2645 (i) to digital audio-visual works, digital audio works, digital books, or gaming services,

2646 including the streaming of or subscription for access to digital audio-visual works, digital audio

2647 works, digital books, or gaming services;

2648 (ii) regardless of the method of delivery; and

2649 (iii) regardless of whether the amount paid or charged for access provides:

2650 (A) a right to single-use access to the digital audio-visual works, digital audio works,

2651 digital books, or gaming services; or

2652 (B) a right to access the audio-visual works, digital audio works, digital books, or

2653 gaming services through a subscription, including a right that terminates upon the occurrence

2654 of a condition;

2655 (m) amounts paid or charged for:

2656 (i) services provided in relation to the use of computer software; and

2657 (ii) the use of computer software; and

2658 (n) amounts paid or charged for a sale of a service performed by a seller unless the

2659 economic activities are exempt from the sales and use tax under Section [59-12-104](#).

2660 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax

2661 is imposed on a transaction described in Subsection (1) equal to the sum of:

2662 (i) (A) (I) beginning on January 1, 2020, a state tax imposed on the transaction at a tax
2663 rate equal to the sum of[~~:~~] 3.9% plus the rate specified in Subsection (12)(a); and

2664 ~~[(A) (I) through March 31, 2019, 4.70%; and]~~

2665 ~~[(H) beginning on April 1, 2019, 4.70% plus the rate specified in Subsection (14)(a);~~

2666 ~~and]~~

2667 (II) unless Subsection (13) applies, the tax rate described in Subsection (2)(a)(i)(A)(I)

2668 shall be reduced by .8% on October 1, 2020.

2669 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
2670 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

2671 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
2672 State Sales and Use Tax Act; and

2673 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
2674 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

2675 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
2676 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

2677 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2678 transaction under this chapter other than this part.

2679 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
2680 on a transaction described in Subsection (1)(d) equal to the sum of:

2681 (i) a state tax imposed on the transaction at a tax rate of 2%; and

2682 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2683 transaction under this chapter other than this part.

2684 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
2685 on amounts paid or charged for food and food ingredients equal to the sum of:

2686 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
2687 a tax rate of 1.75%; and

2688 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2689 amounts paid or charged for food and food ingredients under this chapter other than this part.

2690 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
2691 tangible personal property other than food and food ingredients, a state tax and a local tax is

2692 imposed on the entire bundled transaction equal to the sum of:

2693 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

2694 (I) the tax rate described in Subsection (2)(a)(i)(A); and

2695 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State

2696 Sales and Use Tax Act, if the location of the transaction as determined under Sections

2697 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,

2698 Additional State Sales and Use Tax Act; and

2699 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State

2700 Sales and Use Tax Act, if the location of the transaction as determined under Sections

2701 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which

2702 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

2703 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates

2704 described in Subsection (2)(a)(ii).

2705 (ii) If an optional computer software maintenance contract is a bundled transaction that

2706 consists of taxable and nontaxable products that are not separately itemized on an invoice or

2707 similar billing document, the purchase of the optional computer software maintenance contract

2708 is 40% taxable under this chapter and 60% nontaxable under this chapter.

2709 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled

2710 transaction described in Subsection (2)(d)(i) or (ii):

2711 (A) if the sales price of the bundled transaction is attributable to tangible personal

2712 property, a product, or a service that is subject to taxation under this chapter and tangible

2713 personal property, a product, or service that is not subject to taxation under this chapter, the

2714 entire bundled transaction is subject to taxation under this chapter unless:

2715 (I) the seller is able to identify by reasonable and verifiable standards the tangible

2716 personal property, product, or service that is not subject to taxation under this chapter from the

2717 books and records the seller keeps in the seller's regular course of business; or

2718 (II) state or federal law provides otherwise; or

2719 (B) if the sales price of a bundled transaction is attributable to two or more items of

2720 tangible personal property, products, or services that are subject to taxation under this chapter

2721 at different rates, the entire bundled transaction is subject to taxation under this chapter at the

2722 higher tax rate unless:

2723 (I) the seller is able to identify by reasonable and verifiable standards the tangible
2724 personal property, product, or service that is subject to taxation under this chapter at the lower
2725 tax rate from the books and records the seller keeps in the seller's regular course of business; or

2726 (II) state or federal law provides otherwise.

2727 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
2728 seller's regular course of business includes books and records the seller keeps in the regular
2729 course of business for nontax purposes.

2730 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
2731 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
2732 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
2733 of tangible personal property, other property, a product, or a service that is not subject to
2734 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
2735 the seller, at the time of the transaction:

2736 (A) separately states the portion of the transaction that is not subject to taxation under
2737 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

2738 (B) is able to identify by reasonable and verifiable standards, from the books and
2739 records the seller keeps in the seller's regular course of business, the portion of the transaction
2740 that is not subject to taxation under this chapter.

2741 (ii) A purchaser and a seller may correct the taxability of a transaction if:

2742 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
2743 the transaction that is not subject to taxation under this chapter was not separately stated on an
2744 invoice, bill of sale, or similar document provided to the purchaser because of an error or
2745 ignorance of the law; and

2746 (B) the seller is able to identify by reasonable and verifiable standards, from the books
2747 and records the seller keeps in the seller's regular course of business, the portion of the
2748 transaction that is not subject to taxation under this chapter.

2749 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
2750 in the seller's regular course of business includes books and records the seller keeps in the
2751 regular course of business for nontax purposes.

2752 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
2753 personal property, products, or services that are subject to taxation under this chapter at

2754 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
2755 unless the seller, at the time of the transaction:

2756 (A) separately states the items subject to taxation under this chapter at each of the
2757 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

2758 (B) is able to identify by reasonable and verifiable standards the tangible personal
2759 property, product, or service that is subject to taxation under this chapter at the lower tax rate
2760 from the books and records the seller keeps in the seller's regular course of business.

2761 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
2762 seller's regular course of business includes books and records the seller keeps in the regular
2763 course of business for nontax purposes.

2764 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
2765 rate imposed under the following shall take effect on the first day of a calendar quarter:

2766 (i) Subsection (2)(a)(i)(A);

2767 (ii) Subsection (2)(b)(i);

2768 (iii) Subsection (2)(c)(i); or

2769 (iv) Subsection (2)(d)(i)(A)(I).

2770 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
2771 begins on or after the effective date of the tax rate increase if the billing period for the
2772 transaction begins before the effective date of a tax rate increase imposed under:

2773 (A) Subsection (2)(a)(i)(A);

2774 (B) Subsection (2)(b)(i);

2775 (C) Subsection (2)(c)(i); or

2776 (D) Subsection (2)(d)(i)(A)(I).

2777 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
2778 statement for the billing period is rendered on or after the effective date of the repeal of the tax
2779 or the tax rate decrease imposed under:

2780 (A) Subsection (2)(a)(i)(A);

2781 (B) Subsection (2)(b)(i);

2782 (C) Subsection (2)(c)(i); or

2783 (D) Subsection (2)(d)(i)(A)(I).

2784 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is

2785 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
2786 change in a tax rate takes effect:

2787 (A) on the first day of a calendar quarter; and

2788 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

2789 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

2790 (A) Subsection (2)(a)(i)(A);

2791 (B) Subsection (2)(b)(i);

2792 (C) Subsection (2)(c)(i); or

2793 (D) Subsection (2)(d)(i)(A)(I).

2794 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

2795 the commission may by rule define the term "catalogue sale."

2796 (3) (a) The following state taxes shall be deposited into the General Fund:

2797 (i) the tax imposed by Subsection (2)(a)(i)(A);

2798 (ii) the tax imposed by Subsection (2)(b)(i);

2799 (iii) the tax imposed by Subsection (2)(c)(i); or

2800 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

2801 (b) The following local taxes shall be distributed to a county, city, or town as provided
2802 in this chapter:

2803 (i) the tax imposed by Subsection (2)(a)(ii);

2804 (ii) the tax imposed by Subsection (2)(b)(ii);

2805 (iii) the tax imposed by Subsection (2)(c)(ii); and

2806 (iv) the tax imposed by Subsection (2)(d)(i)(B).

2807 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,

2808 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)

2809 through (g):

2810 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

2811 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

2812 (B) for the fiscal year; or

2813 (ii) \$17,500,000.

2814 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount

2815 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the

2816 Department of Natural Resources to:

2817 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
2818 protect sensitive plant and animal species; or

2819 (B) award grants, up to the amount authorized by the Legislature in an appropriations
2820 act, to political subdivisions of the state to implement the measures described in Subsections
2821 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

2822 (ii) Money transferred to the Department of Natural Resources under Subsection
2823 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
2824 person to list or attempt to have listed a species as threatened or endangered under the
2825 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

2826 (iii) At the end of each fiscal year:

2827 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
2828 Conservation and Development Fund created in Section 73-10-24;

2829 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
2830 Program Subaccount created in Section 73-10c-5; and

2831 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
2832 Program Subaccount created in Section 73-10c-5.

2833 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
2834 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
2835 created in Section 4-18-106.

2836 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
2837 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
2838 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
2839 water rights.

2840 (ii) At the end of each fiscal year:

2841 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
2842 Conservation and Development Fund created in Section 73-10-24;

2843 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
2844 Program Subaccount created in Section 73-10c-5; and

2845 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
2846 Program Subaccount created in Section 73-10c-5.

2847 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
2848 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and
2849 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

2850 (ii) In addition to the uses allowed of the Water Resources Conservation and
2851 Development Fund under Section 73-10-24, the Water Resources Conservation and
2852 Development Fund may also be used to:

2853 (A) conduct hydrologic and geotechnical investigations by the Division of Water
2854 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
2855 quantifying surface and ground water resources and describing the hydrologic systems of an
2856 area in sufficient detail so as to enable local and state resource managers to plan for and
2857 accommodate growth in water use without jeopardizing the resource;

2858 (B) fund state required dam safety improvements; and

2859 (C) protect the state's interest in interstate water compact allocations, including the
2860 hiring of technical and legal staff.

2861 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2862 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
2863 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

2864 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2865 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
2866 created in Section 73-10c-5 for use by the Division of Drinking Water to:

2867 (i) provide for the installation and repair of collection, treatment, storage, and
2868 distribution facilities for any public water system, as defined in Section 19-4-102;

2869 (ii) develop underground sources of water, including springs and wells; and

2870 (iii) develop surface water sources.

2871 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2872 2006, the difference between the following amounts shall be expended as provided in this
2873 Subsection (5), if that difference is greater than \$1:

2874 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
2875 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

2876 (ii) \$17,500,000.

2877 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

2878 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
2879 credits; and

2880 (B) expended by the Department of Natural Resources for watershed rehabilitation or
2881 restoration.

2882 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2883 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
2884 created in Section 73-10-24.

2885 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
2886 remaining difference described in Subsection (5)(a) shall be:

2887 (A) transferred each fiscal year to the Division of Water Resources as dedicated
2888 credits; and

2889 (B) expended by the Division of Water Resources for cloud-seeding projects
2890 authorized by Title 73, Chapter 15, Modification of Weather.

2891 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2892 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
2893 created in Section 73-10-24.

2894 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
2895 remaining difference described in Subsection (5)(a) shall be deposited into the Water
2896 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
2897 Division of Water Resources for:

2898 (i) preconstruction costs:

2899 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
2900 26, Bear River Development Act; and

2901 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
2902 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

2903 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
2904 Chapter 26, Bear River Development Act;

2905 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
2906 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

2907 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
2908 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

2909 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
2910 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be
2911 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
2912 incurred for employing additional technical staff for the administration of water rights.

2913 (f) At the end of each fiscal year, any unexpended dedicated credits described in
2914 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
2915 Fund created in Section 73-10-24.

2916 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the
2917 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
2918 (1) for the fiscal year shall be deposited as follows:

2919 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)
2920 shall be deposited into the Transportation Investment Fund of 2005 created by Section
2921 72-2-124;

2922 (b) for fiscal year 2017-18 only:

2923 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the
2924 Transportation Investment Fund of 2005 created by Section 72-2-124; and

2925 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the
2926 Water Infrastructure Restricted Account created by Section 73-10g-103;

2927 (c) for fiscal year 2018-19 only:

2928 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the
2929 Transportation Investment Fund of 2005 created by Section 72-2-124; and

2930 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the
2931 Water Infrastructure Restricted Account created by Section 73-10g-103;

2932 (d) for fiscal year 2019-20 only:

2933 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the
2934 Transportation Investment Fund of 2005 created by Section 72-2-124; and

2935 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the
2936 Water Infrastructure Restricted Account created by Section 73-10g-103;

2937 (e) for fiscal year 2020-21 only:

2938 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the
2939 Transportation Investment Fund of 2005 created by Section 72-2-124; and

2940 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the
2941 Water Infrastructure Restricted Account created by Section 73-10g-103; and

2942 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described
2943 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account
2944 created by Section 73-10g-103.

2945 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
2946 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,
2947 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
2948 created by Section 72-2-124:

2949 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
2950 the revenues collected from the following taxes, which represents a portion of the
2951 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
2952 on vehicles and vehicle-related products:

2953 (A) the tax imposed by Subsection (2)(a)(i)(A) at [~~a 4.7% rate~~] the rate currently in
2954 effect under Subsection (2)(a)(i)(A) minus the rate specified in Subsection (12)(a);

2955 (B) the tax imposed by Subsection (2)(b)(i);

2956 (C) the tax imposed by Subsection (2)(c)(i); and

2957 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

2958 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
2959 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through
2960 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
2961 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

2962 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of
2963 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total
2964 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)
2965 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
2966 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
2967 (7)(a) equal to the product of:

2968 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the
2969 previous fiscal year; and

2970 (B) the total sales and use tax revenue generated by the taxes described in Subsections

2971 (7)(a)(i)(A) through (D) in the current fiscal year.

2972 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
2973 Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes
2974 described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of
2975 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
2976 Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

2977 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
2978 from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited
2979 under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues
2980 collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the
2981 current fiscal year under Subsection (7)(a).

2982 ~~[(8)(a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited~~
2983 ~~under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall~~
2984 ~~deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into~~
2985 ~~the Transportation Investment Fund of 2005 created by Section 72-2-124.]~~

2986 ~~[(b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under~~
2987 ~~Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit~~
2988 ~~\$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the~~
2989 ~~Transportation Investment Fund of 2005 created by Section 72-2-124.]~~

2990 ~~[(c)(i)]~~ (8)(a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited
2991 under Subsections (6) and (7), and subject to Subsection ~~[(8)(c)(i)]~~ (8)(b), for a fiscal year
2992 beginning on or after July 1, 2018, the commission shall annually deposit into the
2993 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes
2994 listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the
2995 following taxes:

2996 (A) the tax imposed by Subsection (2)(a)(i)(A) at ~~[a 4.7% rate]~~ the rate currently in
2997 effect under Subsection (2)(a)(i)(A) minus the rate specified in Subsection (12)(a);

2998 (B) the tax imposed by Subsection (2)(b)(i);

2999 (C) the tax imposed by Subsection (2)(c)(i); and

3000 (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

3001 ~~[(i)]~~ (b) For a fiscal year beginning on or after July 1, 2019, the commission shall

3002 annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsection
3003 ~~[(8)(c)(i)]~~ (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the
3004 current fiscal year by the portion of the tax imposed on motor and special fuel that is sold,
3005 used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

3006 ~~[(iii)]~~ (c) The commission shall annually deposit the amount described in Subsection
3007 ~~[(8)(c)(ii)]~~ (8)(b) into the Transit ~~[and]~~ Transportation Investment Fund created in Section
3008 [72-2-124](#).

3009 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
3010 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
3011 created by Section [35A-8-1009](#) and expended as provided in Section [35A-8-1009](#).

3012 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),
3013 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17
3014 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund
3015 of 2005 created by Section [72-2-124](#) the amount of tax revenue generated by a .05% tax rate on
3016 the transactions described in Subsection (1).

3017 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in
3018 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance
3019 shall deposit into the Transportation Investment Fund of 2005 created by Section [72-2-124](#) the
3020 amount of revenue described as follows:

3021 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%
3022 tax rate on the transactions described in Subsection (1);

3023 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%
3024 tax rate on the transactions described in Subsection (1);

3025 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%
3026 tax rate on the transactions described in Subsection (1);

3027 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a
3028 .05% tax rate on the transactions described in Subsection (1); and

3029 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%
3030 tax rate on the transactions described in Subsection (1).

3031 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not
3032 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts

3033 paid or charged for food and food ingredients, except for tax revenue generated by a bundled
 3034 transaction attributable to food and food ingredients and tangible personal property other than
 3035 food and food ingredients described in Subsection (2)(d).

3036 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
 3037 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that
 3038 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of
 3039 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue
 3040 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,
 3041 created in Section 63N-2-512.

3042 [~~(12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the~~
 3043 ~~Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed~~
 3044 ~~under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section~~
 3045 ~~35A-8-308.]~~

3046 [~~(b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division~~
 3047 ~~of Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under~~
 3048 ~~Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.]~~

3049 [~~(13) Notwithstanding Subsections (4) through (12) and (14), an amount required to be~~
 3050 ~~expended or deposited in accordance with Subsections (4) through (12) and (14) may not~~
 3051 ~~include an amount the Division of Finance deposits in accordance with Section 59-12-103.2.]~~

3052 [~~(14)~~] (12) (a) The rate specified in this ~~[subsection]~~ Subsection (12) is the product of:

3053 (i) 0.15%; and

3054 (ii) the rate reduction factor.

3055 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall:

3056 (i) on or before September 30, 2019, transfer the amount of revenue generated by a
 3057 0.15% tax rate imposed beginning on April 1, 2019, and ending on June 30, 2019, on the
 3058 transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) as dedicated
 3059 credits to the Division of Health Care Financing; and

3060 (ii) for a fiscal year beginning on or after fiscal year 2019-20, annually transfer the
 3061 amount of revenue generated by ~~[a 0.15%]~~ the tax rate currently in effect under Subsection
 3062 (12)(a) on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A)
 3063 as dedicated credits to the Division of Health Care Financing.

3064 (c) The revenue described in Subsection [~~(14)~~] (12)(b) that the Division of Finance
3065 transfers to the Division of Health Care Financing as dedicated credits shall be expended for
3066 the following uses:

3067 (i) implementation of the Medicaid expansion described in Sections 26-18-3.1(4) and
3068 26-18-3.9(2)(b);

3069 (ii) if revenue remains after the use specified in Subsection [~~(14)~~] (12)(c)(i), other
3070 measures required by Section 26-18-3.9; and

3071 (iii) if revenue remains after the uses specified in Subsections [~~(14)~~] (12)(c)(i) and (ii),
3072 other measures described in Title 26, Chapter 18, Medical Assistance Act.

3073 (13) (a) Notwithstanding the rate reduction specified in Subsection (2)(a)(i)(A)(II), if
3074 the actual sales and use tax collections do not meet the latest consensus revenue estimates as
3075 adopted by the Executive Appropriations Committee of the Legislature the rate reduction
3076 specified in Subsection (2)(a)(i)(A)(II) does not take effect.

3077 (b) The Executive Appropriations Committee of the Legislature shall certify:

3078 (i) whether the actual collections for the calendar quarter beginning on or after January
3079 1, 2020, meet the latest adopted consensus revenue estimates; and

3080 (ii) whether the rate reduction specified in Subsection (2)(a)(i)(A)(II) shall take effect.

3081 (c) The Executive Appropriations Committee shall provide notice to the State Tax
3082 Commission no later than 90 days before the new rate is scheduled to take effect under
3083 Subsection (2)(a)(i)(A)(II):

3084 (i) whether the requirement of Subsection (13)(b)(i) has been met; and

3085 (ii) whether the new rate scheduled to take effect under Subsection (2)(a)(i)(A)(II) will
3086 take effect.

3087 (14) (a) For the fiscal years 2019-2020 and 2020-2021, the Division of Finance shall
3088 deposit a portion of the revenues generated by the taxes listed in Subsection (3)(a) into the
3089 Sales and Use Tax Base Expansion Restricted Account created by Section 59-12-103.3 in an
3090 amount equal to the actual General Fund revenues collected in the completed fiscal year
3091 2019-2020 or 2020-2021 that exceed the estimated revenues for the General Fund for that
3092 fiscal year that were adopted by the Executive Appropriations Committee of the Legislature.

3093 (b) Notwithstanding Subsections (4) through (12), an amount required to be expended
3094 or deposited in accordance with Subsections (4) through (12) may not include the amount the

3095 Division of Finance deposits in accordance with Subsection (14)(a).

3096 Section 20. Section **59-12-103.3** is enacted to read:

3097 **59-12-103.3. Sales and Use Tax Base Expansion Restricted Account.**

3098 (1) As used in this section:

3099 (a) "Account" means the Sales and Use Tax Base Expansion Restricted Account
3100 created by this section.

3101 (b) "Qualified local revenue" means revenue from the local option sales and use tax
3102 imposed under Part 2, Local Sales and Use Tax Act, and Section [59-12-1102](#) required to be
3103 deposited into the account.

3104 (c) "Qualified state revenue" means revenue from the state sales and use tax imposed
3105 under Section [59-12-103](#) required to be deposited into the account.

3106 (2) There is created within the General Fund a restricted account known as the "Sales
3107 and Use Tax Base Expansion Restricted Account."

3108 (3) The account shall be funded by:

3109 (a) the qualified local revenue deposited into the account in accordance with Sections
3110 [59-12-204](#) and [59-12-1102](#); and

3111 (b) the qualified state revenue deposited into the account in accordance with Section
3112 [59-12-103](#).

3113 (4) (a) The account shall earn interest.

3114 (b) The interest described in Subsection (4)(a) shall be deposited into the account.

3115 (5) The Division of Finance shall deposit the revenue described in Subsection (3) into
3116 the account.

3117 (6) The Division of Finance shall separately account for:

3118 (a) (i) the qualified local revenue deposited into the account; and

3119 (ii) interest earned on the amount described in Subsection (6)(a)(i); and

3120 (b) (i) the qualified state revenue deposited into the account; and

3121 (ii) interest earned on the amount described in Subsection (6)(b)(i).

3122 (7) (a) The revenue and interest described in Subsection (6)(a) may be used to:

3123 (i) lower local sales and use tax rates as the Legislature may provide by statute;

3124 (ii) distribute revenues to counties, cities, towns, or metro townships to offset revenue
3125 losses from the lowering of local option sales and use tax rates in Chapter 12, Sales and Use

3126 Tax Act, enacted by the Legislature on January 1, 2020; and
3127 (iii) implement future hold harmless distribution formulas for ongoing revenue losses
3128 for counties, cities, towns, or metro townships.
3129 (b) The revenue and interest described in Subsection (6)(b) may be used to:
3130 (i) lower state sales and use tax rates as the Legislature may provide by statute; and
3131 (ii) provide additional tax relief to taxpayers as the Legislature may provide by statute.
3132 Section 21. Section **59-12-103.4** is enacted to read:
3133 **59-12-103.4. Commission report to Revenue and Taxation Interim Committee --**
3134 **Revenue and Taxation Interim Committee study.**
3135 (1) The commission shall:
3136 (a) beginning on March 1, 2020, make a monthly report by the final day of each month
3137 to the Revenue and Taxation Interim Committee by electronic means:
3138 (i) stating the number of sellers who obtain a license under Section [59-12-106](#) for the
3139 first time for the filing period that ended two months before the date of the report;
3140 (ii) stating the amount of state sales and use tax revenue collected from the collections
3141 that were due in the filing period that ended two months before the time of the report; and
3142 (iii) stating the amount of local option sales and use tax revenue collected from
3143 collections that were due in the filing period that ended two months before the time of the
3144 report for each county, city, town, or metro township for each local option sales and use tax
3145 authorized under Chapter 12, Sales and Use Tax Act; and
3146 (b) report to the Revenue and Taxation Interim Committee before November 30, 2020,
3147 and at any other meeting requested by the committee, the data provided to the Revenue and
3148 Taxation Interim Committee by electronic means under this Subsection (1).
3149 (2) The Revenue and Taxation Interim Committee shall, after receiving the
3150 commission's reports under Subsection (1):
3151 (a) review the data provided to the committee under Subsection (1); and
3152 (b) make recommendations to the Legislative Management Committee and the
3153 Executive Appropriations Committee regarding:
3154 (i) whether the sales and use tax rates should be reduced;
3155 (ii) whether any other provisions of this chapter should be amended or repealed; and
3156 (iii) the distribution of the revenues in the Sales and Use Tax Base Expansion

3157 Restricted Account created by Section [59-12-103.3](#).

3158 Section 22. Section **59-12-104** is amended to read:

3159 **59-12-104. Exemptions.**

3160 Exemptions from the taxes imposed by this chapter are as follows:

3161 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
3162 under Chapter 13, Motor and Special Fuel Tax Act;

3163 (2) subject to Section [59-12-104.6](#), sales to the state, its institutions, and its political
3164 subdivisions; however, this exemption does not apply to sales of:

3165 (a) construction materials except:

3166 (i) construction materials purchased by or on behalf of institutions of the public
3167 education system as defined in Utah Constitution, Article X, Section 2, provided the
3168 construction materials are clearly identified and segregated and installed or converted to real
3169 property which is owned by institutions of the public education system; and

3170 (ii) construction materials purchased by the state, its institutions, or its political
3171 subdivisions which are installed or converted to real property by employees of the state, its
3172 institutions, or its political subdivisions; or

3173 (b) tangible personal property in connection with the construction, operation,
3174 maintenance, repair, or replacement of a project, as defined in Section [11-13-103](#), or facilities
3175 providing additional project capacity, as defined in Section [11-13-103](#);

3176 [~~(3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:~~]

3177 [~~(i) the proceeds of each sale do not exceed \$1; and~~]

3178 [~~(ii) the seller or operator of the vending machine reports an amount equal to 150% of~~
3179 ~~the cost of the item described in Subsection (3)(b) as goods consumed; and]~~

3180 [~~(b) Subsection (3)(a) applies to:~~]

3181 [~~(i) food and food ingredients; or~~]

3182 [~~(ii) prepared food;~~]

3183 [~~(4)~~] (3) (a) sales of the following to a commercial airline carrier for in-flight
3184 consumption:

3185 (i) alcoholic beverages;

3186 (ii) food and food ingredients; or

3187 (iii) prepared food;

3188 (b) sales of tangible personal property or a product transferred electronically:
3189 (i) to a passenger;
3190 (ii) by a commercial airline carrier; and
3191 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
3192 (c) services related to Subsection ~~[(4)]~~ (3)(a) or (b);
3193 ~~[(5)(a)(i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts~~
3194 ~~and equipment:]~~
3195 ~~[(A)(I) by an establishment described in NAICS Code 336411 or 336412 of the 2002~~
3196 ~~North American Industry Classification System of the federal Executive Office of the~~
3197 ~~President, Office of Management and Budget; and]~~
3198 ~~[(H) for:]~~
3199 ~~[(Aa) installation in an aircraft, including services relating to the installation of parts or~~
3200 ~~equipment in the aircraft;]~~
3201 ~~[(Bb) renovation of an aircraft; or]~~
3202 ~~[(Cc) repair of an aircraft; or]~~
3203 ~~[(B) for installation in an aircraft operated by a common carrier in interstate or foreign~~
3204 ~~commerce; or]~~
3205 ~~[(ii) beginning on October 1, 2008;]~~
3206 (4) sales of parts and equipment for installation in an aircraft operated by a common
3207 carrier in interstate or foreign commerce; ~~[and]~~
3208 ~~[(b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,~~
3209 ~~a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a~~
3210 ~~refund:]~~
3211 ~~[(i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;]~~
3212 ~~[(ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;]~~
3213 ~~[(iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for~~
3214 ~~the sale prior to filing for the refund;]~~
3215 ~~[(iv) for sales and use taxes paid under this chapter on the sale;]~~
3216 ~~[(v) in accordance with Section 59-1-1410; and]~~
3217 ~~[(vi) subject to any extension allowed for filing for a refund under Section 59-1-1410,~~
3218 ~~if the person files for the refund on or before September 30, 2011;]~~

3219 ~~[(6)]~~ (5) sales of commercials, motion picture films, prerecorded audio program tapes
3220 or records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture
3221 exhibitor, distributor, or commercial television or radio broadcaster;

3222 ~~[(7) (a) except as provided in Subsection (88) and subject to Subsection (7)(b), sales of~~
3223 ~~cleaning or washing of tangible personal property if the cleaning or washing of the tangible~~
3224 ~~personal property is not assisted cleaning or washing of tangible personal property;]~~

3225 ~~[(b) if a seller that sells at the same business location assisted cleaning or washing of~~
3226 ~~tangible personal property and cleaning or washing of tangible personal property that is not~~
3227 ~~assisted cleaning or washing of tangible personal property, the exemption described in~~
3228 ~~Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning~~
3229 ~~or washing of the tangible personal property; and]~~

3230 ~~[(c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,~~
3231 ~~Utah Administrative Rulemaking Act, the commission may make rules:]~~

3232 ~~[(i) governing the circumstances under which sales are at the same business location;~~
3233 ~~and]~~

3234 ~~[(ii) establishing the procedures and requirements for a seller to separately account for~~
3235 ~~sales of assisted cleaning or washing of tangible personal property;]~~

3236 (8) (6) sales made to or by religious or charitable institutions in the conduct of their
3237 regular religious or charitable functions and activities, if the requirements of Section
3238 [59-12-104.1](#) are fulfilled;

3239 (9) (7) sales of a vehicle of a type required to be registered under the motor vehicle
3240 laws of this state if the vehicle is:

3241 (a) not registered in this state; and

3242 (b) (i) not used in this state; or

3243 (ii) used in this state:

3244 (A) if the vehicle is not used to conduct business, for a time period that does not
3245 exceed the longer of:

3246 (I) 30 days in any calendar year; or

3247 (II) the time period necessary to transport the vehicle to the borders of this state; or

3248 (B) if the vehicle is used to conduct business, for the time period necessary to transport
3249 the vehicle to the borders of this state;

3250 [~~(10)~~] (8) (a) amounts paid for an item described in Subsection [~~(10)~~] (8)(b) if:

3251 (i) the item is intended for human use; and

3252 (ii) (A) a prescription was issued for the item; or

3253 (B) the item was purchased by a hospital or other medical facility; and

3254 (b) (i) Subsection [~~(10)~~] (8)(a) applies to:

3255 (A) a drug;

3256 (B) a syringe; or

3257 (C) a stoma supply; and

3258 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

3259 commission may by rule define the terms:

3260 (A) "syringe"; or

3261 (B) "stoma supply";

3262 [~~(11)~~] (9) purchases or leases exempt under Section [19-12-201](#);

3263 [~~(12)~~] (10) (a) sales of an item described in Subsection [~~(12)~~] (10)(c) served by:

3264 (i) the following if the item described in Subsection [~~(12)~~] (10)(c) is not available to

3265 the general public:

3266 (A) a church; or

3267 (B) a charitable institution; or

3268 (ii) an institution of higher education if:

3269 (A) the item described in Subsection [~~(12)~~] (10)(c) is not available to the general

3270 public; or

3271 (B) the item described in Subsection [~~(12)~~] (10)(c) is prepaid as part of a student meal

3272 plan offered by the institution of higher education; or

3273 (b) sales of an item described in Subsection [~~(12)~~] (10)(c) provided for a patient by:

3274 (i) a medical facility; or

3275 (ii) a nursing facility; and

3276 (c) Subsections [~~(12)~~] (10)(a) and (b) apply to:

3277 (i) food and food ingredients;

3278 (ii) prepared food; or

3279 (iii) alcoholic beverages;

3280 [~~(13)~~] (11) (a) except as provided in Subsection [~~(13)~~] (11)(b), the sale of tangible

3281 personal property [or], a product transferred electronically, or a service by a person:

3282 (i) regardless of the number of transactions involving the sale of that tangible personal
3283 property [or], product transferred electronically, or service by that person; and

3284 (ii) not regularly engaged in the business of selling that type of tangible personal
3285 property [or], product transferred electronically, or service;

3286 (b) this Subsection [~~(13)~~] (11) does not apply if:

3287 (i) the sale is one of a series of sales of a character to indicate that the person is
3288 regularly engaged in the business of selling that type of tangible personal property [or], product
3289 transferred electronically, or service;

3290 (ii) the person holds that person out as regularly engaged in the business of selling that
3291 type of tangible personal property [or], product transferred electronically, or service;

3292 (iii) the person sells an item of tangible personal property or product transferred
3293 electronically that the person purchased as a sale that is exempt under Subsection [~~(25)~~] (21);
3294 or

3295 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of
3296 this state in which case the tax is based upon:

3297 (A) the bill of sale or other written evidence of value of the vehicle or vessel being
3298 sold; or

3299 (B) in the absence of a bill of sale or other written evidence of value, the fair market
3300 value of the vehicle or vessel being sold at the time of the sale as determined by the
3301 commission; and

3302 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3303 commission shall make rules establishing the circumstances under which:

3304 (i) a person is regularly engaged in the business of selling a type of tangible personal
3305 property [or], product transferred electronically, or service;

3306 (ii) a sale of tangible personal property [or], a product transferred electronically, or a
3307 service is one of a series of sales of a character to indicate that a person is regularly engaged in
3308 the business of selling that type of tangible personal property [or], product transferred
3309 electronically, or service; or

3310 (iii) a person holds that person out as regularly engaged in the business of selling a type
3311 of tangible personal property [or], product transferred electronically, or service;

3312 [~~(14)~~] (12) amounts paid or charged for a purchase or lease of machinery, equipment,
3313 normal operating repair or replacement parts, or materials, except for office equipment or
3314 office supplies, by:

3315 (a) a manufacturing facility that:

3316 (i) is located in the state; and

3317 (ii) uses or consumes the machinery, equipment, normal operating repair or
3318 replacement parts, or materials:

3319 (A) in the manufacturing process to manufacture an item sold as tangible personal
3320 property, as the commission may define that phrase in accordance with Title 63G, Chapter 3,
3321 Utah Administrative Rulemaking Act; or

3322 (B) for a scrap recycler, to process an item sold as tangible personal property, as the
3323 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
3324 Administrative Rulemaking Act;

3325 (b) an establishment, as the commission defines that term in accordance with Title
3326 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

3327 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
3328 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal
3329 Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the
3330 2002 North American Industry Classification System of the federal Executive Office of the
3331 President, Office of Management and Budget;

3332 (ii) is located in the state; and

3333 (iii) uses or consumes the machinery, equipment, normal operating repair or
3334 replacement parts, or materials in:

3335 (A) the production process to produce an item sold as tangible personal property, as the
3336 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
3337 Administrative Rulemaking Act;

3338 (B) research and development, as the commission may define that phrase in accordance
3339 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

3340 (C) transporting, storing, or managing tailings, overburden, or similar waste materials
3341 produced from mining;

3342 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in

3343 mining; or

3344 (E) preventing, controlling, or reducing dust or other pollutants from mining; or

3345 (c) an establishment, as the commission defines that term in accordance with Title 63G,

3346 Chapter 3, Utah Administrative Rulemaking Act, that:

3347 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North

3348 American Industry Classification System of the federal Executive Office of the President,

3349 Office of Management and Budget;

3350 (ii) is located in the state; and

3351 (iii) uses or consumes the machinery, equipment, normal operating repair or

3352 replacement parts, or materials in the operation of the web search portal;

3353 ~~[(15)]~~ (13) (a) sales of the following if the requirements of Subsection ~~[(15)]~~ (13)(b)

3354 are met:

3355 (i) tooling;

3356 (ii) special tooling;

3357 (iii) support equipment;

3358 (iv) special test equipment; or

3359 (v) parts used in the repairs or renovations of tooling or equipment described in

3360 Subsections ~~[(15)]~~ (13)(a)(i) through (iv); and

3361 (b) sales of tooling, equipment, or parts described in Subsection ~~[(15)]~~ (13)(a) are

3362 exempt if:

3363 (i) the tooling, equipment, or parts are used or consumed exclusively in the

3364 performance of any aerospace or electronics industry contract with the United States

3365 government or any subcontract under that contract; and

3366 (ii) under the terms of the contract or subcontract described in Subsection ~~[(15)]~~

3367 (13)(b)(i), title to the tooling, equipment, or parts is vested in the United States government as

3368 evidenced by:

3369 (A) a government identification tag placed on the tooling, equipment, or parts; or

3370 (B) listing on a government-approved property record if placing a government

3371 identification tag on the tooling, equipment, or parts is impractical;

3372 ~~[(16) sales of newspapers or newspaper subscriptions;]~~

3373 ~~[(17) (a) except as provided in Subsection (17)(b), tangible personal property or a~~

3374 ~~product transferred electronically traded in as full or part payment of the purchase price, except~~
3375 ~~that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,~~
3376 ~~trade-ins are limited to other vehicles only, and the tax is based upon:]~~

3377 ~~[(i) the bill of sale or other written evidence of value of the vehicle being sold and the~~
3378 ~~vehicle being traded in; or]~~

3379 ~~[(ii) in the absence of a bill of sale or other written evidence of value, the then existing~~
3380 ~~fair market value of the vehicle being sold and the vehicle being traded in, as determined by the~~
3381 ~~commission; and]~~

3382 ~~[(b) Subsection (17)(a) does not apply to the following items of tangible personal~~
3383 ~~property or products transferred electronically traded in as full or part payment of the purchase~~
3384 ~~price:]~~

3385 ~~[(i) money;]~~

3386 ~~[(ii) electricity;]~~

3387 ~~[(iii) water;]~~

3388 ~~[(iv) gas; or]~~

3389 ~~[(v) steam;]~~

3390 ~~[(18)] (14) (a) (i) except as provided in Subsection [(18)] (14)(b), sales of tangible~~
3391 ~~personal property [or], a product transferred electronically, or a service used or consumed~~
3392 ~~primarily and directly in farming operations, regardless of whether the tangible personal~~
3393 ~~property [or], product transferred electronically, or service:~~

3394 (A) becomes part of real estate; or

3395 (B) is installed by a:

3396 (I) farmer;

3397 (II) contractor; or

3398 (III) subcontractor; or

3399 (ii) sales of parts used in the repairs or renovations of tangible personal property [or], a
3400 product transferred electronically, or a service if the tangible personal property [or], product
3401 transferred electronically, or service is exempt under Subsection [(18)] (14)(a)(i); and

3402 (b) amounts paid or charged for the following are subject to the taxes imposed by this
3403 chapter:

3404 (i) (A) subject to Subsection [(18)] (14)(b)(i)(B), machinery, equipment, materials, or

3405 supplies if used in a manner that is incidental to farming; and

3406 (B) tangible personal property that is considered to be used in a manner that is

3407 incidental to farming includes:

3408 (I) hand tools; or

3409 (II) maintenance and janitorial equipment and supplies;

3410 (ii) (A) subject to Subsection [~~(18)~~] (14)(b)(ii)(B), tangible personal property [~~or~~], a

3411 product transferred electronically, or a service if the tangible personal property [~~or~~], product

3412 transferred electronically, or service is used in an activity other than farming; and

3413 (B) tangible personal property or a product transferred electronically that is considered

3414 to be used in an activity other than farming includes:

3415 (I) office equipment and supplies; or

3416 (II) equipment [~~and~~], supplies, and services used in:

3417 (Aa) the sale or distribution of farm products;

3418 (Bb) research; or

3419 (Cc) transportation; or

3420 (iii) a vehicle required to be registered by the laws of this state during the period

3421 ending two years after the date of the vehicle's purchase;

3422 [~~(19)~~] (15) sales of hay;

3423 [~~(20)~~] (16) exclusive sale during the harvest season of seasonal crops, seedling plants,

3424 or garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or

3425 garden, farm, or other agricultural produce is sold by:

3426 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other

3427 agricultural produce;

3428 (b) an employee of the producer described in Subsection [~~(20)~~] (16)(a); or

3429 (c) a member of the immediate family of the producer described in Subsection [~~(20)~~]

3430 (16)(a);

3431 [~~(21)~~] (17) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is

3432 issued under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

3433 [~~(22)~~] (18) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,

3434 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,

3435 wholesaler, or retailer for use in packaging tangible personal property to be sold by that

3436 manufacturer, processor, wholesaler, or retailer;

3437 ~~[(23)]~~ (19) a product stored in the state for resale;

3438 ~~[(24)]~~ (20) (a) purchases of a product if:

3439 (i) the product is:

3440 (A) purchased outside of this state;

3441 (B) brought into this state:

3442 (I) at any time after the purchase described in Subsection ~~[(24)]~~ (20)(a)(i)(A); and

3443 (II) by a nonresident person who is not living or working in this state at the time of the

3444 purchase;

3445 (C) used for the personal use or enjoyment of the nonresident person described in

3446 Subsection ~~[(24)]~~ (20)(a)(i)(B)(II) while that nonresident person is within the state; and

3447 (D) not used in conducting business in this state; and

3448 (ii) for:

3449 (A) a product other than a boat described in Subsection ~~[(24)]~~ (20)(a)(ii)(B), the first

3450 use of the product for a purpose for which the product is designed occurs outside of this state;

3451 (B) a boat, the boat is registered outside of this state; or

3452 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered

3453 outside of this state; and

3454 (b) the exemption provided for in Subsection ~~[(24)]~~ (20)(a) does not apply to:

3455 (i) a lease or rental of a product; or

3456 (ii) a sale of a vehicle exempt under Subsection ~~[(33)]~~ (28); ~~[and]~~

3457 ~~[(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for~~

3458 ~~purposes of Subsection (24)(a), the commission may by rule define what constitutes the~~

3459 ~~following:]~~

3460 ~~[(i) conducting business in this state if that phrase has the same meaning in this~~

3461 ~~Subsection (24) as in Subsection (63);]~~

3462 ~~[(ii) the first use of a product if that phrase has the same meaning in this Subsection~~

3463 ~~(24) as in Subsection (63); or]~~

3464 ~~[(iii) a purpose for which a product is designed if that phrase has the same meaning in~~

3465 ~~this Subsection (24) as in Subsection (63);]~~

3466 ~~[(25)]~~ (21) a product or service purchased for resale in the regular course of business,

3467 either in its original form or as an ingredient or component part of a manufactured or
3468 compounded product;

3469 ~~[(26)]~~ (22) a product upon which a sales or use tax was paid to some other state, or one
3470 of its subdivisions, except that the state shall be paid any difference between the tax paid and
3471 the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is
3472 allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and
3473 Use Tax Act;

3474 ~~[(27)]~~ (23) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d)
3475 to a person for use in compounding a service taxable under the subsections;

3476 ~~[(28)]~~ (24) purchases made in accordance with the special supplemental nutrition
3477 program for women, infants, and children established in 42 U.S.C. Sec. 1786;

3478 ~~[(29)]~~ (25) sales or leases of rolls, rollers, refractory brick, electric motors, or other
3479 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code
3480 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of
3481 the President, Office of Management and Budget;

3482 ~~[(30)]~~ (26) sales of a boat of a type required to be registered under Title 73, Chapter 18,
3483 State Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard
3484 motor is:

3485 (a) not registered in this state; and

3486 (b) (i) not used in this state; or

3487 (ii) used in this state:

3488 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a
3489 time period that does not exceed the longer of:

3490 (I) 30 days in any calendar year; or

3491 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to
3492 the borders of this state; or

3493 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time
3494 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this
3495 state;

3496 ~~[(31) sales of aircraft manufactured in Utah;]~~

3497 ~~[(32)]~~ (27) amounts paid for the purchase of telecommunications service for purposes

3498 of providing telecommunications service;

3499 ~~[(33)]~~ (28) sales, leases, or uses of the following:

3500 (a) a vehicle by an authorized carrier; or

3501 (b) tangible personal property that is installed on a vehicle:

3502 (i) sold or leased to or used by an authorized carrier; and

3503 (ii) before the vehicle is placed in service for the first time;

3504 ~~[(34)]~~ (29) (a) 45% of the sales price of any new manufactured home; and

3505 (b) 100% of the sales price of any used manufactured home;

3506 ~~[(35)]~~ (30) sales relating to schools and fundraising sales;

3507 ~~[(36)]~~ (31) sales or rentals of durable medical equipment if:

3508 (a) a person presents a prescription for the durable medical equipment; and

3509 (b) the durable medical equipment is used for home use only;

3510 ~~[(37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in~~

3511 ~~Section 72-11-102; and]~~

3512 ~~[(b) the commission shall by rule determine the method for calculating sales exempt~~

3513 ~~under Subsection (37)(a) that are not separately metered and accounted for in utility billings;]~~

3514 ~~[(38) sales to a ski resort of:]~~

3515 ~~[(a) snowmaking equipment;]~~

3516 ~~[(b) ski slope grooming equipment;]~~

3517 ~~[(c) passenger ropeways as defined in Section 72-11-102; or]~~

3518 ~~[(d) parts used in the repairs or renovations of equipment or passenger ropeways~~

3519 ~~described in Subsections (38)(a) through (c);]~~

3520 ~~[(39)]~~ (32) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for

3521 industrial use;

3522 ~~[(40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for~~

3523 ~~amusement, entertainment, or recreation an unassisted amusement device as defined in Section~~

3524 ~~59-12-102;]~~

3525 ~~[(b) if a seller that sells or rents at the same business location the right to use or operate~~

3526 ~~for amusement, entertainment, or recreation one or more unassisted amusement devices and~~

3527 ~~one or more assisted amusement devices, the exemption described in Subsection (40)(a)~~

3528 ~~applies if the seller separately accounts for the sales or rentals of the right to use or operate for~~

3529 amusement, entertainment, or recreation for the assisted amusement devices; and]

3530 [~~(c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,~~

3531 ~~Utah Administrative Rulemaking Act, the commission may make rules:]~~

3532 [~~(i) governing the circumstances under which sales are at the same business location;~~

3533 ~~and]~~

3534 [~~(ii) establishing the procedures and requirements for a seller to separately account for~~

3535 ~~the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for~~

3536 ~~assisted amusement devices;]~~

3537 [~~(41)~~ (33) (a) sales of photocopies by:

3538 (i) a governmental entity; or

3539 (ii) an entity within the state system of public education, including:

3540 (A) a school; or

3541 (B) the State Board of Education; or

3542 (b) sales of publications by a governmental entity;

3543 [~~(42) amounts paid for admission to an athletic event at an institution of higher~~

3544 ~~education that is subject to the provisions of Title IX of the Education Amendments of 1972,~~

3545 ~~20 U.S.C. Sec. 1681 et seq.];~~

3546 [~~(43)~~ (34) (a) sales made to or by:

3547 (i) an area agency on aging; or

3548 (ii) a senior citizen center owned by a county, city, or town; or

3549 (b) sales made by a senior citizen center that contracts with an area agency on aging;

3550 [~~(44)~~ (35) sales or leases of semiconductor fabricating, processing, research, or

3551 development materials regardless of whether the semiconductor fabricating, processing,

3552 research, or development materials:

3553 (a) actually come into contact with a semiconductor; or

3554 (b) ultimately become incorporated into real property;

3555 [~~(45)~~ (36) an amount paid by or charged to a purchaser for accommodations and

3556 services described in Subsection [~~59-12-103(1)(i)~~] [59-12-103\(1\)\(h\)](#) to the extent the amount is

3557 exempt under Section [59-12-104.2](#);

3558 [~~(46)~~ (37) beginning on September 1, 2001, the lease or use of a vehicle issued a

3559 temporary sports event registration certificate in accordance with Section [41-3-306](#) for the

3560 event period specified on the temporary sports event registration certificate;

3561 ~~[(47)]~~ (38) (a) sales or uses of electricity, if the sales or uses are made under a retail

3562 tariff adopted by the Public Service Commission only for purchase of electricity produced from

3563 a new alternative energy source built after January 1, 2016, as designated in the tariff by the

3564 Public Service Commission; and

3565 (b) for a residential use customer only, the exemption under Subsection ~~[(47)]~~ (38)(a)

3566 applies only to the portion of the tariff rate a customer pays under the tariff described in

3567 Subsection ~~[(47)]~~ (38)(a) that exceeds the tariff rate under the tariff described in Subsection

3568 ~~[(47)]~~ (38)(a) that the customer would have paid absent the tariff;

3569 ~~[(48)]~~ (39) sales or rentals of mobility enhancing equipment if a person presents a

3570 prescription for the mobility enhancing equipment;

3571 ~~[(49) sales of water in a:]~~

3572 ~~[(a) pipe;]~~

3573 ~~[(b) conduit;]~~

3574 ~~[(c) ditch; or]~~

3575 ~~[(d) reservoir;]~~

3576 ~~[(50)]~~ (40) sales of currency or coins that constitute legal tender of a state, the United

3577 States, or a foreign nation;

3578 ~~[(51)]~~ (41) (a) sales of an item described in Subsection ~~[(51)]~~ (41)(b) if the item:

3579 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and

3580 (ii) has a gold, silver, or platinum content of 50% or more; and

3581 (b) Subsection ~~[(51)]~~ (41)(a) applies to a gold, silver, or platinum:

3582 (i) ingot;

3583 (ii) bar;

3584 (iii) medallion; or

3585 (iv) decorative coin;

3586 ~~[(52)]~~ (42) amounts paid on a sale-leaseback transaction;

3587 ~~[(53)]~~ (43) sales of a prosthetic device:

3588 (a) for use on or in a human; and

3589 (b) (i) for which a prescription is required; or

3590 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

3591 ~~[(54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of~~
 3592 ~~machinery or equipment by an establishment described in Subsection (54)(c) if the machinery~~
 3593 ~~or equipment is primarily used in the production or postproduction of the following media for~~
 3594 ~~commercial distribution:]~~

3595 ~~[(i) a motion picture;]~~

3596 ~~[(ii) a television program;]~~

3597 ~~[(iii) a movie made for television;]~~

3598 ~~[(iv) a music video;]~~

3599 ~~[(v) a commercial;]~~

3600 ~~[(vi) a documentary; or]~~

3601 ~~[(vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the~~
 3602 ~~commission by administrative rule made in accordance with Subsection (54)(d); or]~~

3603 ~~[(b) purchases, leases, or rentals of machinery or equipment by an establishment~~
 3604 ~~described in Subsection (54)(c) that is used for the production or postproduction of the~~
 3605 ~~following are subject to the taxes imposed by this chapter:]~~

3606 ~~[(i) a live musical performance;]~~

3607 ~~[(ii) a live news program; or]~~

3608 ~~[(iii) a live sporting event;]~~

3609 ~~[(c) the following establishments listed in the 1997 North American Industry~~
 3610 ~~Classification System of the federal Executive Office of the President, Office of Management~~
 3611 ~~and Budget, apply to Subsections (54)(a) and (b):]~~

3612 ~~[(i) NAICS Code 512110; or]~~

3613 ~~[(ii) NAICS Code 51219; and]~~

3614 ~~[(d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~
 3615 ~~the commission may by rule:]~~

3616 ~~[(i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);~~

3617 ~~or]~~

3618 ~~[(ii) define:]~~

3619 ~~[(A) "commercial distribution";]~~

3620 ~~[(B) "live musical performance";]~~

3621 ~~[(C) "live news program"; or]~~

3622 [~~(D)~~ "live sporting event";]
3623 [~~(55)~~] (44) (a) leases of seven or more years or purchases made on or after July 1,
3624 2004, but on or before June 30, 2027, of tangible personal property that:
3625 (i) is leased or purchased for or by a facility that:
3626 (A) is an alternative energy electricity production facility;
3627 (B) is located in the state; and
3628 (C) (I) becomes operational on or after July 1, 2004; or
3629 (II) has its generation capacity increased by one or more megawatts on or after July 1,
3630 2004, as a result of the use of the tangible personal property;
3631 (ii) has an economic life of five or more years; and
3632 (iii) is used to make the facility or the increase in capacity of the facility described in
3633 Subsection [~~(55)~~] (44)(a)(i) operational up to the point of interconnection with an existing
3634 transmission grid including:
3635 (A) a wind turbine;
3636 (B) generating equipment;
3637 (C) a control and monitoring system;
3638 (D) a power line;
3639 (E) substation equipment;
3640 (F) lighting;
3641 (G) fencing;
3642 (H) pipes; or
3643 (I) other equipment used for locating a power line or pole; and
3644 (b) this Subsection [~~(55)~~] (44) does not apply to:
3645 (i) tangible personal property used in construction of:
3646 (A) a new alternative energy electricity production facility; or
3647 (B) the increase in the capacity of an alternative energy electricity production facility;
3648 (ii) contracted services required for construction and routine maintenance activities;
3649 and
3650 (iii) unless the tangible personal property is used or acquired for an increase in capacity
3651 of the facility described in Subsection [~~(55)~~] (44)(a)(i)(C)(II), tangible personal property used
3652 or acquired after:

3653 (A) the alternative energy electricity production facility described in Subsection [~~(55)~~
 3654 (44)(a)(i) is operational as described in Subsection [~~(55)~~] (44)(a)(iii); or

3655 (B) the increased capacity described in Subsection [~~(55)~~] (44)(a)(i) is operational as
 3656 described in Subsection [~~(55)~~] (44)(a)(iii);

3657 [~~(56)~~] (45) (a) leases of seven or more years or purchases made on or after July 1,
 3658 2004, but on or before June 30, 2027, of tangible personal property that:

3659 (i) is leased or purchased for or by a facility that:

3660 (A) is a waste energy production facility;

3661 (B) is located in the state; and

3662 (C) (I) becomes operational on or after July 1, 2004; or

3663 (II) has its generation capacity increased by one or more megawatts on or after July 1,
 3664 2004, as a result of the use of the tangible personal property;

3665 (ii) has an economic life of five or more years; and

3666 (iii) is used to make the facility or the increase in capacity of the facility described in
 3667 Subsection [~~(56)~~] (45)(a)(i) operational up to the point of interconnection with an existing
 3668 transmission grid including:

3669 (A) generating equipment;

3670 (B) a control and monitoring system;

3671 (C) a power line;

3672 (D) substation equipment;

3673 (E) lighting;

3674 (F) fencing;

3675 (G) pipes; or

3676 (H) other equipment used for locating a power line or pole; and

3677 (b) this Subsection [~~(56)~~] (45) does not apply to:

3678 (i) tangible personal property used in construction of:

3679 (A) a new waste energy facility; or

3680 (B) the increase in the capacity of a waste energy facility;

3681 (ii) contracted services required for construction and routine maintenance activities;

3682 and

3683 (iii) unless the tangible personal property is used or acquired for an increase in capacity

3684 described in Subsection [~~(56)~~] (45)(a)(i)(C)(II), tangible personal property used or acquired
3685 after:

3686 (A) the waste energy facility described in Subsection [~~(56)~~] (45)(a)(i) is operational as
3687 described in Subsection [~~(56)~~] (45)(a)(iii); or

3688 (B) the increased capacity described in Subsection [~~(56)~~] (45)(a)(i) is operational as
3689 described in Subsection [~~(56)~~] (45)(a)(iii);

3690 [~~(57)~~] (46) (a) leases of five or more years or purchases made on or after July 1, 2004,
3691 but on or before June 30, 2027, of tangible personal property that:

3692 (i) is leased or purchased for or by a facility that:

3693 (A) is located in the state;

3694 (B) produces fuel from alternative energy, including:

3695 (I) methanol; or

3696 (II) ethanol; and

3697 (C) (I) becomes operational on or after July 1, 2004; or

3698 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as
3699 a result of the installation of the tangible personal property;

3700 (ii) has an economic life of five or more years; and

3701 (iii) is installed on the facility described in Subsection [~~(57)~~] (46)(a)(i);

3702 (b) this Subsection [~~(57)~~] (46) does not apply to:

3703 (i) tangible personal property used in construction of:

3704 (A) a new facility described in Subsection [~~(57)~~] (46)(a)(i); or

3705 (B) the increase in capacity of the facility described in Subsection [~~(57)~~] (46)(a)(i); or

3706 (ii) contracted services required for construction and routine maintenance activities;

3707 and

3708 (iii) unless the tangible personal property is used or acquired for an increase in capacity
3709 described in Subsection [~~(57)~~] (46)(a)(i)(C)(II), tangible personal property used or acquired

3710 after:

3711 (A) the facility described in Subsection [~~(57)~~] (46)(a)(i) is operational; or

3712 (B) the increased capacity described in Subsection [~~(57)~~] (46)(a)(i) is operational;

3713 [~~(58)~~] (47) (a) subject to Subsection [~~(58)~~] (47)(b) or (c), sales of tangible personal
3714 property or a product transferred electronically to a person within this state if that tangible

3715 personal property or product transferred electronically is subsequently shipped outside the state
3716 and incorporated pursuant to contract into and becomes a part of real property located outside
3717 of this state;

3718 (b) the exemption under Subsection [~~(58)~~] (47)(a) is not allowed to the extent that the
3719 other state or political entity to which the tangible personal property is shipped imposes a sales,
3720 use, gross receipts, or other similar transaction excise tax on the transaction against which the
3721 other state or political entity allows a credit for sales and use taxes imposed by this chapter; and

3722 (c) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,
3723 a person may claim the exemption allowed by this Subsection [~~(58)~~] (47) for a sale by filing for
3724 a refund:

3725 (i) if the sale is made on or after July 1, 2004, but on or before June 30, 2008;

3726 (ii) as if this Subsection [~~(58)~~] (47) as in effect on July 1, 2008, were in effect on the
3727 day on which the sale is made;

3728 (iii) if the person did not claim the exemption allowed by this Subsection [~~(58)~~] (47)
3729 for the sale prior to filing for the refund;

3730 (iv) for sales and use taxes paid under this chapter on the sale;

3731 (v) in accordance with Section 59-1-1410; and

3732 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if
3733 the person files for the refund on or before June 30, 2011;

3734 [~~(59) purchases;~~]

3735 [~~(a) of one or more of the following items in printed or electronic format:~~]

3736 [~~(i) a list containing information that includes one or more:~~]

3737 [~~(A) names; or~~]

3738 [~~(B) addresses; or~~]

3739 [~~(ii) a database containing information that includes one or more:~~]

3740 [~~(A) names; or~~]

3741 [~~(B) addresses; and~~]

3742 [~~(b) used to send direct mail;~~]

3743 [~~(60)~~] (48) redemptions or repurchases of a product by a person if that product was:

3744 (a) delivered to a pawnbroker as part of a pawn transaction; and

3745 (b) redeemed or repurchased within the time period established in a written agreement

3746 between the person and the pawnbroker for redeeming or repurchasing the product;
3747 ~~[(61)]~~ (49) (a) purchases or leases of an item described in Subsection ~~[(61)]~~ (49)(b) if
3748 the item:
3749 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
3750 and
3751 (ii) has a useful economic life of one or more years; and
3752 (b) the following apply to Subsection ~~[(61)]~~ (49)(a):
3753 (i) telecommunications enabling or facilitating equipment, machinery, or software;
3754 (ii) telecommunications equipment, machinery, or software required for 911 service;
3755 (iii) telecommunications maintenance or repair equipment, machinery, or software;
3756 (iv) telecommunications switching or routing equipment, machinery, or software; or
3757 (v) telecommunications transmission equipment, machinery, or software;
3758 ~~[(62)]~~ (50) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of
3759 tangible personal property or a product transferred electronically that are used in the research
3760 and development of alternative energy technology; and
3761 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3762 commission may, for purposes of Subsection ~~[(62)]~~ (50)(a), make rules defining what
3763 constitutes purchases of tangible personal property or a product transferred electronically that
3764 are used in the research and development of alternative energy technology;
3765 ~~[(63)]~~ (51) (a) purchases of tangible personal property or a product transferred
3766 electronically if:
3767 (i) the tangible personal property or product transferred electronically is:
3768 (A) purchased outside of this state;
3769 (B) brought into this state at any time after the purchase described in Subsection ~~[(63)]~~
3770 (51)(a)(i)(A); and
3771 (C) used in conducting business in this state; and
3772 (ii) for:
3773 (A) tangible personal property or a product transferred electronically other than the
3774 tangible personal property described in Subsection ~~[(63)]~~ (51)(a)(ii)(B), the first use of the
3775 property for a purpose for which the property is designed occurs outside of this state; or
3776 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered

3777 outside of this state;

3778 (b) the exemption provided for in Subsection ~~[(63)]~~ (51)(a) does not apply to:

3779 (i) a lease or rental of tangible personal property or a product transferred electronically;

3780 or

3781 (ii) a sale of a vehicle exempt under Subsection ~~[(33)]~~ (28); ~~[and]~~

3782 ~~[(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for~~
3783 ~~purposes of Subsection (63)(a), the commission may by rule define what constitutes the~~
3784 ~~following:]~~

3785 ~~[(i) conducting business in this state if that phrase has the same meaning in this~~
3786 ~~Subsection (63) as in Subsection (24);]~~

3787 ~~[(ii) the first use of tangible personal property or a product transferred electronically if~~
3788 ~~that phrase has the same meaning in this Subsection (63) as in Subsection (24); or]~~

3789 ~~[(iii) a purpose for which tangible personal property or a product transferred~~
3790 ~~electronically is designed if that phrase has the same meaning in this Subsection (63) as in~~
3791 ~~Subsection (24);]~~

3792 ~~[(64)]~~ (52) sales of disposable home medical equipment or supplies if:

3793 (a) a person presents a prescription for the disposable home medical equipment or
3794 supplies;

3795 (b) the disposable home medical equipment or supplies are used exclusively by the
3796 person to whom the prescription described in Subsection ~~[(64)]~~ (52)(a) is issued; and

3797 (c) the disposable home medical equipment and supplies are listed as eligible for
3798 payment under:

3799 (i) Title XVIII, federal Social Security Act; or

3800 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

3801 ~~[(65)]~~ (53) sales:

3802 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit
3803 District Act; or

3804 (b) of tangible personal property to a subcontractor of a public transit district, if the
3805 tangible personal property is:

3806 (i) clearly identified; and

3807 (ii) installed or converted to real property owned by the public transit district;

- 3808 [~~(66)~~] (54) sales of construction materials:
- 3809 (a) purchased on or after July 1, 2010;
- 3810 (b) purchased by, on behalf of, or for the benefit of an international airport:
- 3811 (i) located within a county of the first class; and
- 3812 (ii) that has a United States customs office on its premises; and
- 3813 (c) if the construction materials are:
- 3814 (i) clearly identified;
- 3815 (ii) segregated; and
- 3816 (iii) installed or converted to real property:
- 3817 (A) owned or operated by the international airport described in Subsection [~~(66)~~]
- 3818 (54)(b); and
- 3819 (B) located at the international airport described in Subsection [~~(66)~~] (54)(b);
- 3820 [~~(67)~~] (55) sales of construction materials:
- 3821 (a) purchased on or after July 1, 2008;
- 3822 (b) purchased by, on behalf of, or for the benefit of a new airport:
- 3823 (i) located within a county of the second class; and
- 3824 (ii) that is owned or operated by a city in which an airline as defined in Section
- 3825 [59-2-102](#) is headquartered; and
- 3826 (c) if the construction materials are:
- 3827 (i) clearly identified;
- 3828 (ii) segregated; and
- 3829 (iii) installed or converted to real property:
- 3830 (A) owned or operated by the new airport described in Subsection [~~(67)~~] (55)(b);
- 3831 (B) located at the new airport described in Subsection [~~(67)~~] (55)(b); and
- 3832 (C) as part of the construction of the new airport described in Subsection [~~(67)~~]
- 3833 (55)(b);
- 3834 [~~(68)~~] (56) sales of fuel to a common carrier that is a railroad for use in a locomotive
- 3835 engine;
- 3836 [~~(69)~~] (57) purchases and sales described in Section [63H-4-111](#);
- 3837 [~~(70)~~] (58) (a) sales of tangible personal property to an aircraft maintenance, repair, and
- 3838 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of

3839 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
3840 lists a state or country other than this state as the location of registry of the fixed wing turbine
3841 powered aircraft; or

3842 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
3843 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of
3844 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
3845 lists a state or country other than this state as the location of registry of the fixed wing turbine
3846 powered aircraft;

3847 [~~(71)~~ subject to Section ~~59-12-104.4~~, sales of a textbook for a higher education
3848 course;]

3849 [~~(a)~~ to a person admitted to an institution of higher education; and]

3850 [~~(b)~~ by a seller, other than a bookstore owned by an institution of higher education, if
3851 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a
3852 textbook for a higher education course;]

3853 [~~(72)~~ (59) a license fee or tax a municipality imposes in accordance with Subsection
3854 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced
3855 level of municipal services;

3856 [~~(73)~~ (60) amounts paid or charged for construction materials used in the construction
3857 of a new or expanding life science research and development facility in the state, if the
3858 construction materials are:

3859 (a) clearly identified;

3860 (b) segregated; and

3861 (c) installed or converted to real property;

3862 [~~(74)~~ (61) amounts paid or charged for:

3863 (a) a purchase or lease of machinery and equipment that:

3864 (i) are used in performing qualified research:

3865 (A) as defined in Section 41(d), Internal Revenue Code; and

3866 (B) in the state; and

3867 (ii) have an economic life of three or more years; and

3868 (b) normal operating repair or replacement parts:

3869 (i) for the machinery and equipment described in Subsection [~~(74)~~ (61)(a); and

3870 (ii) that have an economic life of three or more years;

3871 [~~75~~] (62) a sale or lease of tangible personal property used in the preparation of

3872 prepared food if:

3873 (a) for a sale:

3874 (i) the ownership of the seller and the ownership of the purchaser are identical; and

3875 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that

3876 tangible personal property prior to making the sale; or

3877 (b) for a lease:

3878 (i) the ownership of the lessor and the ownership of the lessee are identical; and

3879 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible

3880 personal property prior to making the lease;

3881 [~~76~~] (63) (a) purchases of machinery or equipment if:

3882 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,

3883 Gambling, and Recreation Industries, of the 2012 North American Industry Classification

3884 System of the federal Executive Office of the President, Office of Management and Budget;

3885 (ii) the machinery or equipment:

3886 (A) has an economic life of three or more years; and

3887 (B) is used by one or more persons who pay admission or user fees described in

3888 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and

3889 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:

3890 (A) amounts paid or charged as admission or user fees described in Subsection

3891 59-12-103(1)(f); and

3892 (B) subject to taxation under this chapter; and

3893 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

3894 commission may make rules for verifying that 51% of a purchaser's sales revenue for the

3895 previous calendar quarter is:

3896 (i) amounts paid or charged as admission or user fees described in Subsection

3897 59-12-103(1)(f); and

3898 (ii) subject to taxation under this chapter;

3899 [~~77~~] (64) purchases of a short-term lodging consumable by a business that provides

3900 accommodations and services described in Subsection [~~59-12-103(1)(i)~~] 59-12-103(1)(h);

3901 ~~[(78) amounts paid or charged to access a database:]~~
3902 ~~[(a) if the primary purpose for accessing the database is to view or retrieve information~~
3903 ~~from the database; and]~~
3904 ~~[(b) not including amounts paid or charged for a:]~~
3905 ~~[(i) digital audiowork;]~~
3906 ~~[(ii) digital audio-visual work; or]~~
3907 ~~[(iii) digital book;]~~
3908 ~~[(79)]~~ (65) amounts paid or charged for a purchase or lease made by an electronic
3909 financial payment service, of:
3910 (a) machinery and equipment that:
3911 (i) are used in the operation of the electronic financial payment service; and
3912 (ii) have an economic life of three or more years; and
3913 (b) normal operating repair or replacement parts that:
3914 (i) are used in the operation of the electronic financial payment service; and
3915 (ii) have an economic life of three or more years;
3916 ~~[(80)]~~ (66) beginning on April 1, 2013, sales of a fuel cell as defined in Section
3917 [54-15-102](#);
3918 ~~[(81)]~~ (67) amounts paid or charged for a purchase or lease of tangible personal
3919 property or a product transferred electronically if the tangible personal property or product
3920 transferred electronically:
3921 (a) is stored, used, or consumed in the state; and
3922 (b) is temporarily brought into the state from another state:
3923 (i) during a disaster period as defined in Section [53-2a-1202](#);
3924 (ii) by an out-of-state business as defined in Section [53-2a-1202](#);
3925 (iii) for a declared state disaster or emergency as defined in Section [53-2a-1202](#); and
3926 (iv) for disaster- or emergency-related work as defined in Section [53-2a-1202](#);
3927 ~~[(82)]~~ (68) sales of goods and services at a morale, welfare, and recreation facility, as
3928 defined in Section [39-9-102](#), made pursuant to Title 39, Chapter 9, State Morale, Welfare, and
3929 Recreation Program;
3930 ~~[(83)]~~ (69) amounts paid or charged for a purchase or lease of molten magnesium;
3931 ~~[(84)]~~ (70) amounts paid or charged for a purchase or lease made by a qualifying

3932 enterprise data center of machinery, equipment, or normal operating repair or replacement
3933 parts, if the machinery, equipment, or normal operating repair or replacement parts:

3934 (a) are used in the operation of the establishment; and

3935 (b) have an economic life of one or more years;

3936 [~~(85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a~~
3937 ~~vehicle that includes cleaning or washing of the interior of the vehicle;]~~

3938 [(86)] (71) amounts paid or charged for a purchase or lease of machinery, equipment,
3939 normal operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or
3940 supplies used or consumed:

3941 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
3942 in Section 63M-4-701 located in the state;

3943 (b) if the machinery, equipment, normal operating repair or replacement parts,
3944 catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:

3945 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
3946 added to gasoline or diesel fuel;

3947 (ii) research and development;

3948 (iii) transporting, storing, or managing raw materials, work in process, finished
3949 products, and waste materials produced from refining gasoline or diesel fuel, or adding
3950 blendstock to gasoline or diesel fuel;

3951 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
3952 refining; or

3953 (v) preventing, controlling, or reducing pollutants from refining; and

3954 (c) beginning on July 1, 2021, if the person has obtained a form certified by the Office
3955 of Energy Development under Subsection 63M-4-702(2);

3956 [(87)] (72) amounts paid to or charged by a proprietor for accommodations and
3957 services, as defined in Section 63H-1-205, if the proprietor is subject to the MIDA
3958 accommodations tax imposed under Section 63H-1-205; [and]

3959 [(88)] (73) amounts paid or charged for a purchase or lease of machinery, equipment,
3960 normal operating repair or replacement parts, or materials, except for office equipment or
3961 office supplies, by an establishment, as the commission defines that term in accordance with
3962 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

3963 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North
3964 American Industry Classification System of the federal Executive Office of the President,
3965 Office of Management and Budget;

3966 (b) is located in this state; and

3967 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
3968 materials in the operation of the establishment[-];

3969 (74) sales of an item of tangible personal property or a service by a person under 18
3970 years of age if:

3971 (a) the service is solely provided by the person described in this Subsection (74); or

3972 (b) the item of tangible personal property is handcrafted solely by the person described
3973 in this Subsection (74); and

3974 (75) amounts paid or charged for a sale of a service if the service is an economic
3975 activity classified in one of the following NAICS Codes of the 2017 North American Industry
3976 Classification System of the federal Executive Office of the President, Office of Management
3977 and Budget:

3978 (a) NAICS Sector 11, Agriculture, Forestry, Fishing and Hunting;

3979 (b) (i) except as provided in Subsection (75)(b)(ii), NAICS Sector 23, Construction, if
3980 the service is provided for the construction of a:

3981 (A) new single-family residential housing unit;

3982 (B) new multifamily residential housing unit;

3983 (C) new industrial building;

3984 (D) new commercial or institutional building;

3985 (E) highway;

3986 (F) street; or

3987 (G) bridge;

3988 (ii) the exemption under Subsection (75)(b)(i) is not allowed and the service is subject
3989 to the taxes imposed by this chapter to the extent that the service is an economic activity
3990 classified in:

3991 (A) NAICS Code 237990, Other Heavy and Civil Engineering Construction;

3992 (B) NAICS Code 238210, Electrical Contractors and Other Wiring Installation
3993 Contractors; or

- 3994 (C) NAICS Code 238220, Plumbing, Heating, and Air-Conditioning Contractors;
- 3995 (c) NAICS Code 237210, Land Subdivision;
- 3996 (d) NAICS Sectors 31-33, Manufacturing;
- 3997 (e) NAICS Sector 42, Wholesale Trade;
- 3998 (f) NAICS Code 481111, Scheduled Passenger Air Transportation;
- 3999 (g) NAICS Code 4841, General Freight Trucking;
- 4000 (h) NAICS Code 4842, Specialized Freight Trucking;
- 4001 (i) NAICS Code 4851, Urban Transit Systems;
- 4002 (j) NAICS Code 4852, Interurban and Rural Bus Transportation;
- 4003 (k) NAICS Code 4854, School and Employee Bus Transportation;
- 4004 (l) NAICS Code 4881, Support Activities for Air Transportation;
- 4005 (m) NAICS Code 491, Postal Service;
- 4006 (n) NAICS Code 519120, Libraries and Archives;
- 4007 (o) NAICS Code 5211, Monetary Authorities-Central Bank;
- 4008 (p) NAICS Code 5221, Depository Credit Intermediation;
- 4009 (q) NAICS Code 5222, Nondepository Credit Intermediation;
- 4010 (r) NAICS Code 5223, Activities Related to Credit Intermediation;
- 4011 (s) NAICS Code 523110, Investment Banking and Securities Dealing;
- 4012 (t) NAICS Code 5241, Insurance Carriers;
- 4013 (u) NAICS Code 5242, Agencies, Brokerages, and Other Insurance Related Activities;
- 4014 (v) NAICS Code 5251, Insurance and Employee Benefit Funds;
- 4015 (w) NAICS Code 5259, Other Investment Pools and Funds;
- 4016 (x) NAICS Code 531110, Lessors of Residential Buildings and Dwellings;
- 4017 (y) NAICS Code 531120, Lessors of Nonresidential Buildings (except
- 4018 Miniwarehouses);
- 4019 (z) NAICS Code 531210, Offices of Real Estate Agents and Brokers;
- 4020 (aa) NAICS Sector 55, Management of Companies and Enterprises;
- 4021 (bb) NAICS Code 561330, Professional Employer Organizations;
- 4022 (cc) NAICS Code 6111, Elementary and Secondary Schools;
- 4023 (dd) NAICS Code 6112, Junior Colleges;
- 4024 (ee) NAICS Code 6113, Colleges, Universities, and Professional Schools;

- 4025 (ff) NAICS Code 611410, Business and Secretarial Schools;
 4026 (gg) NAICS Code 611420, Computer Training;
 4027 (hh) NAICS Code 611511, Cosmetology and Barber Schools;
 4028 (ii) NAICS Code 611513, Apprenticeship Training;
 4029 (jj) NAICS Code 611519, Other Technical and Trade Schools;
 4030 (kk) NAICS Code 611710, Educational Support Services;
 4031 (ll) (i) except as provided in Subsection (75)(ll)(ii), NAICS Sector 62, Health Care and
 4032 Social Assistance; and
 4033 (ii) the exemption under Subsection (75)(ll)(i) is not allowed and the service is subject
 4034 to the taxes imposed by this chapter to the extent that the service described in Subsection
 4035 (75)(ll)(i) is a cosmetic medical procedure;
 4036 (mm) NAICS Code 8131, Religious Organizations;
 4037 (nn) NAICS Code 8132, Grantmaking and Giving Services;
 4038 (oo) NAICS Code 8133, Social Advocacy Organizations;
 4039 (pp) NAICS Code 8134, Civic and Social Organizations; or
 4040 (qq) NAICS Sector 92, Public Administration.

4041 Section 23. Section **59-12-104.2** is amended to read:

4042 **59-12-104.2. Exemption for accommodations and services taxed by the Navajo**
 4043 **Nation.**

4044 (1) As used in this section "tribal taxing area" means the geographical area that:

4045 (a) is subject to the taxing authority of the Navajo Nation; and

4046 (b) consists of:

4047 (i) notwithstanding the issuance of a patent, all land:

4048 (A) within the limits of an Indian reservation under the jurisdiction of the federal

4049 government; and

4050 (B) including any rights-of-way running through the reservation; and

4051 (ii) all Indian allotments the Indian titles to which have not been extinguished,

4052 including any rights-of-way running through an Indian allotment.

4053 (2) (a) Beginning July 1, 2001, amounts paid by or charged to a purchaser for

4054 accommodations and services described in Subsection **59-12-103(1)**~~(f)~~(h) are exempt from

4055 the tax imposed by Subsection **59-12-103(2)(a)(i)(A)** or **(2)(d)(i)(A)(I)** to the extent permitted

4056 under Subsection (2)(b) if:

4057 (i) the accommodations and services described in Subsection 59-12-103(1)(~~(f)~~)(h) are
4058 provided within:

4059 (A) the state; and

4060 (B) a tribal taxing area;

4061 (ii) the Navajo Nation imposes and collects a tax on the amounts paid by or charged to
4062 the purchaser for the accommodations and services described in Subsection
4063 59-12-103(1)(~~(f)~~)(h);

4064 (iii) the Navajo Nation imposes the tax described in Subsection (2)(a)(ii) without
4065 regard to whether or not the purchaser that pays or is charged for the accommodations and
4066 services is an enrolled member of the Navajo Nation; and

4067 (iv) the requirements of Subsection (4) are met.

4068 (b) If but for Subsection (2)(a) the amounts paid by or charged to a purchaser for
4069 accommodations and services described in Subsection (2)(a) are subject to a tax imposed by
4070 Subsection 59-12-103(2)(a)(i)(A) or (2)(d)(i)(A)(I):

4071 (i) the seller shall collect and pay to the state the difference described in Subsection (3)
4072 if that difference is greater than \$0; and

4073 (ii) a person may not require the state to provide a refund, a credit, or similar tax relief
4074 if the difference described in Subsection (3) is equal to or less than \$0.

4075 (3) The difference described in Subsection (2)(b) is equal to the difference between:

4076 (a) the amount of tax imposed by Subsection 59-12-103(2)(a)(i)(A) or (2)(d)(i)(A)(I)
4077 on the amounts paid by or charged to a purchaser for accommodations and services described
4078 in Subsection 59-12-103(1)(~~(f)~~)(h); less

4079 (b) the tax imposed and collected by the Navajo Nation on the amounts paid by or
4080 charged to a purchaser for the accommodations and services described in Subsection
4081 59-12-103(1)(~~(f)~~)(h).

4082 (4) (a) If, on or after July 1, 2001, the Navajo Nation changes the tax rate of a tax
4083 imposed on amounts paid by or charged to a purchaser for accommodations and services
4084 described in Subsection 59-12-103(1)(~~(f)~~)(h), any change in the amount of the exemption under
4085 Subsection (2) as a result of the change in the tax rate is not effective until the first day of the
4086 calendar quarter after a 90-day period beginning on the date the commission receives notice

4087 meeting the requirements of Subsection (4)(b) from the Navajo Nation.

4088 (b) The notice described in Subsection (4)(a) shall state:

4089 (i) that the Navajo Nation has changed or will change the tax rate of a tax imposed on
4090 amounts paid by or charged to a purchaser for accommodations and services described in

4091 Subsection ~~59-12-103~~(1)(~~h~~)(h);

4092 (ii) the effective date of the rate change on the tax described in Subsection (4)(b)(i);

4093 and

4094 (iii) the new rate of the tax described in Subsection (4)(b)(i).

4095 Section 24. Section ~~59-12-104.5~~ is amended to read:

4096 **59-12-104.5. Revenue and Taxation Interim Committee review of sales and use**
4097 **taxes.**

4098 The Revenue and Taxation Interim Committee shall:

4099 (1) review Subsection ~~59-12-104~~(~~28~~)(24) before October 1 of the year after the year
4100 in which Congress permits a state to participate in the special supplemental nutrition program
4101 under 42 U.S.C. Sec. 1786 even if state or local sales taxes are collected within the state on
4102 purchases of food under that program; and

4103 (2) review Subsection ~~59-12-104~~(~~21~~)(17) before October 1 of the year after the year
4104 in which Congress permits a state to participate in the SNAP as defined in Section ~~35A-1-102~~,
4105 even if state or local sales taxes are collected within the state on purchases of food under that
4106 program.

4107 Section 25. Section ~~59-12-104.6~~ is amended to read:

4108 **59-12-104.6. Procedure for claiming a sales and use tax exemption for certain**
4109 **lodging related purchases -- Rulemaking authority -- Applicability of section.**

4110 (1) As used in this section:

4111 (a) "Designated establishment within the lodging industry" means an establishment
4112 described in NAICS Code 721110 or 721191 of the 2007 North American Industry
4113 Classification System of the federal Executive Office of the President, Office of Management
4114 and Budget.

4115 (b) "Exempt purchaser" means a person that:

4116 (i) makes a lodging related purchase; and

4117 (ii) may claim an exemption from a tax under this chapter for the purchase.

4118 (c) "Lodging related purchase" means the purchase of the following from a seller that is
4119 a designated establishment within the lodging industry:

4120 (i) accommodations and services described in Subsection 59-12-103(1)(~~h~~)(h); or

4121 (ii) any other tangible personal property, product, or service that is:

4122 (A) purchased as part of a transaction that includes the purchase of accommodations
4123 and services described in Subsection (1)(c)(i); and

4124 (B) included on the invoice, bill of sale, or similar document provided to the purchaser
4125 of the accommodations and services described in Subsection (1)(c)(i).

4126 (2) Except as provided in Subsection (3), an exempt purchaser that makes a lodging
4127 related purchase:

4128 (a) shall pay a tax that would otherwise be imposed under this chapter on the lodging
4129 related purchase but for the purchaser being allowed to claim an exemption from a tax under
4130 this chapter for the purchase; and

4131 (b) may apply to the commission for a refund of the tax described in Subsection (2)(a)
4132 that the purchaser pays.

4133 (3) An exempt purchaser that makes a lodging related purchase may claim an
4134 exemption from a tax under this chapter at the point of sale if the exempt purchaser:

4135 (a) is an agency or instrumentality of the United States;

4136 (b) is exempt from a tax under this chapter on a lodging related purchase as authorized
4137 by a diplomatic tax exemption card issued by the United States; or

4138 (c) may claim the exemption at the point of sale in accordance with Section
4139 59-12-104.1.

4140 (4) An exempt purchaser that applies to the commission for a refund may not make an
4141 application to the commission for a refund more frequently than monthly.

4142 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4143 commission may make rules providing:

4144 (a) procedures for applying for a refund under this section;

4145 (b) standards for determining and verifying the amount of a lodging related purchase by
4146 an exempt purchaser; and

4147 (c) procedures for claiming a refund on a monthly basis.

4148 (6) This section does not apply to amounts taxed by the Navajo Nation that are exempt

4149 from sales and use taxes in accordance with Section [59-12-104.2](#).

4150 Section 26. Section **59-12-107** is amended to read:

4151 **59-12-107. Definitions -- Collection, remittance, and payment of tax by sellers or**
4152 **other persons -- Returns -- Reports -- Direct payment by purchaser of vehicle -- Other**
4153 **liability for collection -- Rulemaking authority -- Credits -- Treatment of bad debt --**
4154 **Penalties and interest.**

4155 (1) As used in this section:

4156 (a) "Ownership" means direct ownership or indirect ownership through a parent,
4157 subsidiary, or affiliate.

4158 (b) "Related seller" means a seller that:

4159 (i) meets one or more of the criteria described in Subsection (2)(a)(i); and

4160 (ii) delivers tangible personal property, a service, or a product transferred electronically

4161 that is sold:

4162 (A) by a seller that does not meet one or more of the criteria described in Subsection

4163 (2)(a)(i); and

4164 (B) to a purchaser in the state.

4165 (c) "Substantial ownership interest" means an ownership interest in a business entity if
4166 that ownership interest is greater than the degree of ownership of equity interest specified in 15
4167 U.S.C. Sec. 78p, with respect to a person other than a director or an officer.

4168 (2) (a) Except as provided in Subsection (2)(f), Section [59-12-107.1](#), or Section

4169 [59-12-123](#), and subject to Subsection (2)(g), each seller shall pay or collect and remit the sales

4170 and use taxes imposed by this chapter if within this state the seller:

4171 (i) has or utilizes:

4172 (A) an office;

4173 (B) a distribution house;

4174 (C) a sales house;

4175 (D) a warehouse;

4176 (E) a service enterprise; or

4177 (F) a place of business similar to Subsections (2)(a)(i)(A) through (E);

4178 (ii) maintains a stock of goods;

4179 (iii) regularly solicits orders, regardless of whether or not the orders are accepted in the

4180 state, unless the seller's only activity in the state is:

4181 (A) advertising; or

4182 (B) solicitation by:

4183 (I) direct mail;

4184 (II) electronic mail;

4185 (III) the Internet;

4186 (IV) telecommunications service; or

4187 (V) a means similar to Subsection (2)(a)(iii)(A) or (B);

4188 (iv) regularly engages in the delivery of property in the state other than by:

4189 (A) common carrier; or

4190 (B) United States mail; or

4191 (v) regularly engages in an activity directly related to the leasing or servicing of

4192 property located within the state.

4193 (b) A seller is considered to be engaged in the business of selling tangible personal
4194 property, a service, or a product transferred electronically for use in the state, and shall pay or
4195 collect and remit the sales and use taxes imposed by this chapter if:

4196 (i) the seller holds a substantial ownership interest in, or is owned in whole or in
4197 substantial part by, a related seller; and

4198 (ii) (A) the seller sells the same or a substantially similar line of products as the related
4199 seller and does so under the same or a substantially similar business name; or

4200 (B) the place of business described in Subsection (2)(a)(i) of the related seller or an in
4201 state employee of the related seller is used to advertise, promote, or facilitate sales by the seller
4202 to a purchaser.

4203 (c) Each seller that does not meet one or more of the criteria provided for in Subsection
4204 (2)(a) or is not a seller required to pay or collect and remit the sales and use taxes imposed by
4205 this chapter under Subsection (2)(b) shall pay or collect and remit the sales and use tax
4206 imposed by this chapter if the seller:

4207 (i) sells tangible personal property, products transferred electronically, or services for
4208 storage, use, or consumption in the state; and

4209 (ii) in either the previous calendar year or the current calendar year:

4210 (A) receives gross revenue from the sale of tangible personal property, any product

4211 transferred electronically, or services for storage, use, or consumption in the state of more than
4212 \$100,000; or

4213 (B) sells tangible personal property, products transferred electronically, or services for
4214 storage, use, or consumption in the state in 200 or more separate transactions.

4215 (d) A seller that does not meet one or more of the criteria provided for in Subsection
4216 (2)(a) or is not a seller required to pay or collect and remit sales and use taxes under Subsection
4217 (2)(b) or (2)(c) may voluntarily:

4218 (i) collect a tax on a transaction described in Subsection 59-12-103(1); and

4219 (ii) remit the tax to the commission as provided in this part.

4220 (e) The collection and remittance of a tax under this chapter by a seller that is
4221 registered under the agreement may not be used as a factor in determining whether that seller is
4222 required by this Subsection (2) to:

4223 (i) pay a tax, fee, or charge under:

4224 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

4225 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

4226 (C) Section 19-6-714;

4227 (D) Section 19-6-805;

4228 (E) Title 69, Chapter 2, Part 4, 911 Emergency Service Charges; or

4229 (F) this title; or

4230 (ii) collect and remit a tax, fee, or charge under:

4231 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

4232 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

4233 (C) Section 19-6-714;

4234 (D) Section 19-6-805;

4235 (E) Title 69, Chapter 2, Part 4, 911 Emergency Service Charges; or

4236 (F) this title.

4237 (f) A person shall pay a use tax imposed by this chapter on a transaction described in
4238 Subsection 59-12-103(1) if:

4239 (i) the seller did not collect a tax imposed by this chapter on the transaction; and

4240 (ii) the person:

4241 (A) stores the tangible personal property or product transferred electronically in the

4242 state;

4243 (B) uses the tangible personal property or product transferred electronically in the state;

4244 or

4245 (C) consumes the tangible personal property or product transferred electronically in the

4246 state.

4247 (g) The ownership of property that is located at the premises of a printer's facility with

4248 which the retailer has contracted for printing and that consists of the final printed product,

4249 property that becomes a part of the final printed product, or copy from which the printed

4250 product is produced, shall not result in the retailer being considered to have or maintain an

4251 office, distribution house, sales house, warehouse, service enterprise, or other place of

4252 business, or to maintain a stock of goods, within this state.

4253 (3) (a) Except as provided in Section [59-12-107.1](#), a tax under this chapter shall be

4254 collected from a purchaser.

4255 (b) A seller may not collect as tax an amount, without regard to fractional parts of one

4256 cent, in excess of the tax computed at the rates prescribed by this chapter.

4257 (c) (i) Each seller shall:

4258 (A) give the purchaser a receipt for the tax collected; or

4259 (B) bill the tax as a separate item and declare the name of this state and the seller's

4260 sales and use tax license number on the invoice for the sale.

4261 (ii) The receipt or invoice is prima facie evidence that the seller has collected the tax

4262 and relieves the purchaser of the liability for reporting the tax to the commission as a

4263 consumer.

4264 (d) A seller is not required to maintain a separate account for the tax collected, but is

4265 considered to be a person charged with receipt, safekeeping, and transfer of public money.

4266 (e) Taxes collected by a seller pursuant to this chapter shall be held in trust for the

4267 benefit of the state and for payment to the commission in the manner and at the time provided

4268 for in this chapter.

4269 (f) If any seller, during any reporting period, collects as a tax an amount in excess of

4270 the lawful state and local percentage of total taxable sales allowed under this chapter, the seller

4271 shall remit to the commission the full amount of the tax imposed under this chapter, plus any

4272 excess.

4273 (g) If the accounting methods regularly employed by the seller in the transaction of the
4274 seller's business are such that reports of sales made during a calendar month or quarterly period
4275 will impose unnecessary hardships, the commission may accept reports at intervals that, in the
4276 commission's opinion, will better suit the convenience of the taxpayer or seller and will not
4277 jeopardize collection of the tax.

4278 (h) (i) For a purchase paid with specie legal tender as defined in Section 59-1-1501.1,
4279 and until such time as the commission accepts specie legal tender for the payment of a tax
4280 under this chapter, if the commission requires a seller to remit a tax under this chapter in legal
4281 tender other than specie legal tender, the seller shall state on the seller's books and records and
4282 on an invoice, bill of sale, or similar document provided to the purchaser:

4283 (A) the purchase price in specie legal tender and in the legal tender the seller is
4284 required to remit to the commission;

4285 (B) subject to Subsection (3)(h)(ii), the amount of tax due under this chapter in specie
4286 legal tender and in the legal tender the seller is required to remit to the commission;

4287 (C) the tax rate under this chapter applicable to the purchase; and

4288 (D) the date of the purchase.

4289 (ii) (A) Subject to Subsection (3)(h)(ii)(B), for purposes of determining the amount of
4290 tax due under Subsection (3)(h)(i), a seller shall use the most recent London fixing price for the
4291 specie legal tender the purchaser paid.

4292 (B) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4293 commission may make rules for determining the amount of tax due under Subsection (3)(h)(i)
4294 if the London fixing price is not available for a particular day.

4295 (4) (a) Except as provided in Subsections (5) through (7) and Section 59-12-108, the
4296 sales or use tax imposed by this chapter is due and payable to the commission quarterly on or
4297 before the last day of the month next succeeding each quarterly calendar period.

4298 (b) (i) Each seller shall, on or before the last day of the month next succeeding each
4299 quarterly calendar period, file with the commission a return for the preceding quarterly period.

4300 (ii) The seller shall remit with the return under Subsection (4)(b)(i) the amount of the
4301 tax required under this chapter to be collected or paid for the period covered by the return.

4302 (c) Except as provided in Subsection (5)(c), a return shall contain information and be in
4303 a form the commission prescribes by rule.

4304 (d) (i) Subject to Subsection (4)(d)(ii), the sales tax as computed in the return shall be
4305 based on the total nonexempt sales made during the period for which the return is filed,
4306 including both cash and charge sales.

4307 (ii) For a sale that includes the delivery or installation of tangible personal property at a
4308 location other than a seller's place of business described in Subsection (2)(a)(i), if the delivery
4309 or installation is separately stated on an invoice or receipt, a seller may compute the tax due on
4310 the sale for purposes of Subsection (4)(d)(i) based on the amount the seller receives for that
4311 sale during each period for which the seller receives payment for the sale.

4312 (e) (i) The use tax as computed in the return shall be based on the total amount of
4313 purchases for storage, use, or other consumption in this state made during the period for which
4314 the return is filed, including both cash and charge purchases.

4315 (ii) (A) As used in this Subsection (4)(e)(ii), "qualifying purchaser" means a purchaser
4316 that is required to remit taxes under this chapter, but is not required to remit taxes monthly in
4317 accordance with Section [59-12-108](#), and that converts tangible personal property into real
4318 property.

4319 (B) Subject to Subsections (4)(e)(ii)(C) and (D), a qualifying purchaser may remit the
4320 taxes due under this chapter on tangible personal property for which the qualifying purchaser
4321 claims an exemption as allowed under Subsection [59-12-104](#)~~[(23)]~~(19) or ~~[(25)]~~ (21) based on
4322 the period in which the qualifying purchaser receives payment, in accordance with Subsection
4323 (4)(e)(ii)(C), for the conversion of the tangible personal property into real property.

4324 (C) A qualifying purchaser remitting taxes due under this chapter in accordance with
4325 Subsection (4)(e)(ii)(B) shall remit an amount equal to the total amount of tax due on the
4326 qualifying purchaser's purchase of the tangible personal property that was converted into real
4327 property multiplied by a fraction, the numerator of which is the payment received in the period
4328 for the qualifying purchaser's sale of the tangible personal property that was converted into real
4329 property and the denominator of which is the entire sales price for the qualifying purchaser's
4330 sale of the tangible personal property that was converted into real property.

4331 (D) A qualifying purchaser may remit taxes due under this chapter in accordance with
4332 this Subsection (4)(e)(ii) only if the books and records that the qualifying purchaser keeps in
4333 the qualifying purchaser's regular course of business identify by reasonable and verifiable
4334 standards that the tangible personal property was converted into real property.

4335 (f) (i) Subject to Subsection (4)(f)(ii) and in accordance with Title 63G, Chapter 3,
4336 Utah Administrative Rulemaking Act, the commission may by rule extend the time for making
4337 returns and paying the taxes.

4338 (ii) An extension under Subsection (4)(f)(i) may not be for more than 90 days.

4339 (g) The commission may require returns and payment of the tax to be made for other
4340 than quarterly periods if the commission considers it necessary in order to ensure the payment
4341 of the tax imposed by this chapter.

4342 (h) (i) The commission may require a seller that files a simplified electronic return with
4343 the commission to file an additional electronic report with the commission.

4344 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4345 commission may make rules providing:

4346 (A) the information required to be included in the additional electronic report described
4347 in Subsection (4)(h)(i); and

4348 (B) one or more due dates for filing the additional electronic report described in
4349 Subsection (4)(h)(i).

4350 (5) (a) As used in this Subsection (5) and Subsection (6)(b), "remote seller" means a
4351 seller that is:

4352 (i) registered under the agreement;

4353 (ii) described in Subsection (2)(d); and

4354 (iii) not a:

4355 (A) model 1 seller;

4356 (B) model 2 seller; or

4357 (C) model 3 seller.

4358 (b) (i) Except as provided in Subsection (5)(b)(ii), a tax a remote seller collects in
4359 accordance with Subsection (2)(d) is due and payable:

4360 (A) to the commission;

4361 (B) annually; and

4362 (C) on or before the last day of the month immediately following the last day of each
4363 calendar year.

4364 (ii) The commission may require that a tax a remote seller collects in accordance with
4365 Subsection (2)(d) be due and payable:

- 4366 (A) to the commission; and
- 4367 (B) on the last day of the month immediately following any month in which the seller
- 4368 accumulates a total of at least \$1,000 in agreement sales and use tax.
- 4369 (c) (i) If a remote seller remits a tax to the commission in accordance with Subsection
- 4370 (5)(b), the remote seller shall file a return:
- 4371 (A) with the commission;
- 4372 (B) with respect to the tax;
- 4373 (C) containing information prescribed by the commission; and
- 4374 (D) on a form prescribed by the commission.
- 4375 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 4376 commission shall make rules prescribing:
- 4377 (A) the information required to be contained in a return described in Subsection
- 4378 (5)(c)(i); and
- 4379 (B) the form described in Subsection (5)(c)(i)(D).
- 4380 (d) A tax a remote seller collects in accordance with this Subsection (5) shall be
- 4381 calculated on the basis of the total amount of taxable transactions under Subsection
- 4382 [59-12-103](#)(1) the remote seller completes, including:
- 4383 (i) a cash transaction; and
- 4384 (ii) a charge transaction.
- 4385 (6) (a) Except as provided in Subsection (6)(b), a tax a seller that files a simplified
- 4386 electronic return collects in accordance with this chapter is due and payable:
- 4387 (i) monthly on or before the last day of the month immediately following the month for
- 4388 which the seller collects a tax under this chapter; and
- 4389 (ii) for the month for which the seller collects a tax under this chapter.
- 4390 (b) A tax a remote seller that files a simplified electronic return collects in accordance
- 4391 with this chapter is due and payable as provided in Subsection (5).
- 4392 (7) (a) On each vehicle sale made by other than a regular licensed vehicle dealer, the
- 4393 purchaser shall pay the sales or use tax directly to the commission if the vehicle is subject to
- 4394 titling or registration under the laws of this state.
- 4395 (b) The commission shall collect the tax described in Subsection (7)(a) when the
- 4396 vehicle is titled or registered.

4397 (8) If any sale of tangible personal property or any other taxable transaction under
4398 Subsection 59-12-103(1), is made by a wholesaler to a retailer:

4399 (a) the wholesaler is not responsible for the collection or payment of the tax imposed
4400 on the sale; and

4401 (b) the retailer is responsible for the collection or payment of the tax imposed on the
4402 sale if:

4403 (i) the retailer represents that the tangible personal property, product transferred
4404 electronically, or service is purchased by the retailer for resale; and

4405 (ii) the tangible personal property, product transferred electronically, or service is not
4406 subsequently resold.

4407 (9) If any sale of property or service subject to the tax is made to a person prepaying
4408 sales or use tax in accordance with Title 63M, Chapter 5, Resource Development Act, or to a
4409 contractor or subcontractor of that person:

4410 (a) the person to whom such payment or consideration is payable is not responsible for
4411 the collection or payment of the sales or use tax; and

4412 (b) the person prepaying the sales or use tax is responsible for the collection or
4413 payment of the sales or use tax if the person prepaying the sales or use tax represents that the
4414 amount prepaid as sales or use tax has not been fully credited against sales or use tax due and
4415 payable under the rules promulgated by the commission.

4416 (10) (a) For purposes of this Subsection (10):

4417 (i) Except as provided in Subsection (10)(a)(ii), "bad debt" means the same as that term
4418 is defined in Section 166, Internal Revenue Code.

4419 (ii) "Bad debt" does not include:

4420 (A) an amount included in the purchase price of tangible personal property, a product
4421 transferred electronically, or a service that is:

4422 (I) not a transaction described in Subsection 59-12-103(1); or

4423 (II) exempt under Section 59-12-104;

4424 (B) a financing charge;

4425 (C) interest;

4426 (D) a tax imposed under this chapter on the purchase price of tangible personal
4427 property, a product transferred electronically, or a service;

4428 (E) an uncollectible amount on tangible personal property or a product transferred
4429 electronically that:

4430 (I) is subject to a tax under this chapter; and

4431 (II) remains in the possession of a seller until the full purchase price is paid;

4432 (F) an expense incurred in attempting to collect any debt; or

4433 (G) an amount that a seller does not collect on repossessed property.

4434 (b) (i) To the extent an amount remitted in accordance with Subsection (4)(d) later
4435 becomes bad debt, a seller may deduct the bad debt from the total amount from which a tax
4436 under this chapter is calculated on a return.

4437 (ii) A qualifying purchaser, as defined in Subsection (4)(e)(ii)(A), may deduct from the
4438 total amount of taxes due under this chapter the amount of tax the qualifying purchaser paid on
4439 the qualifying purchaser's purchase of tangible personal property converted into real property to
4440 the extent that:

4441 (A) tax was remitted in accordance with Subsection (4)(e) on that tangible personal
4442 property converted into real property;

4443 (B) the qualifying purchaser's sale of that tangible personal property converted into real
4444 property later becomes bad debt; and

4445 (C) the books and records that the qualifying purchaser keeps in the qualifying
4446 purchaser's regular course of business identify by reasonable and verifiable standards that the
4447 tangible personal property was converted into real property.

4448 (c) A seller may file a refund claim with the commission if:

4449 (i) the amount of bad debt for the time period described in Subsection (10)(e) exceeds
4450 the amount of the seller's sales that are subject to a tax under this chapter for that same time
4451 period; and

4452 (ii) as provided in Section [59-1-1410](#).

4453 (d) A bad debt deduction under this section may not include interest.

4454 (e) A bad debt may be deducted under this Subsection (10) on a return for the time
4455 period during which the bad debt:

4456 (i) is written off as uncollectible in the seller's books and records; and

4457 (ii) would be eligible for a bad debt deduction:

4458 (A) for federal income tax purposes; and

4459 (B) if the seller were required to file a federal income tax return.
4460 (f) If a seller recovers any portion of bad debt for which the seller makes a deduction or
4461 claims a refund under this Subsection (10), the seller shall report and remit a tax under this
4462 chapter:
4463 (i) on the portion of the bad debt the seller recovers; and
4464 (ii) on a return filed for the time period for which the portion of the bad debt is
4465 recovered.
4466 (g) For purposes of reporting a recovery of a portion of bad debt under Subsection
4467 (10)(f), a seller shall apply amounts received on the bad debt in the following order:
4468 (i) in a proportional amount:
4469 (A) to the purchase price of the tangible personal property, product transferred
4470 electronically, or service; and
4471 (B) to the tax due under this chapter on the tangible personal property, product
4472 transferred electronically, or service; and
4473 (ii) to:
4474 (A) interest charges;
4475 (B) service charges; and
4476 (C) other charges.
4477 (h) A seller's certified service provider may make a deduction or claim a refund for bad
4478 debt on behalf of the seller:
4479 (i) in accordance with this Subsection (10); and
4480 (ii) if the certified service provider credits or refunds the entire amount of the bad debt
4481 deduction or refund to the seller.
4482 (i) A seller may allocate bad debt among the states that are members of the agreement
4483 if the seller's books and records support that allocation.
4484 (11) (a) A seller may not, with intent to evade any tax, fail to timely remit the full
4485 amount of tax required by this chapter.
4486 (b) A violation of this section is punishable as provided in Section 59-1-401.
4487 (c) Each person that fails to pay any tax to the state or any amount of tax required to be
4488 paid to the state, except amounts determined to be due by the commission under Chapter 1,
4489 Part 14, Assessment, Collections, and Refunds Act, or Section 59-12-111, within the time

4490 required by this chapter, or that fails to file any return as required by this chapter, shall pay, in
4491 addition to the tax, penalties and interest as provided in Sections 59-1-401 and 59-1-402.

4492 (d) For purposes of prosecution under this section, each quarterly tax period in which a
4493 seller, with intent to evade any tax, collects a tax and fails to timely remit the full amount of the
4494 tax required to be remitted constitutes a separate offense.

4495 Section 27. Section 59-12-204 is amended to read:

4496 **59-12-204. Sales and use tax ordinance provisions -- Tax rate -- Distribution of**
4497 **tax revenues -- Commission requirement to retain an amount to be deposited into the**
4498 **Qualified Emergency Food Agencies Fund.**

4499 (1) The tax ordinance adopted pursuant to this part shall impose a tax upon those
4500 transactions listed in Subsection 59-12-103(1).

4501 (2) (a) The tax ordinance under Subsection (1) shall include a provision imposing a tax
4502 upon every transaction listed in Subsection 59-12-103(1) made within a county, including areas
4503 contained within the cities and towns located in the county:

4504 (i) at the rate of 1% of the purchase price paid or charged; and

4505 (ii) if the location of the transaction is within the county as determined under Sections
4506 59-12-211 through 59-12-215.

4507 (b) Notwithstanding Subsection (2)(a), a tax ordinance under this Subsection (2) shall
4508 include a provision prohibiting a county, city, or town from imposing a tax under this section
4509 on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
4510 exempt from taxation under Section 59-12-104.

4511 (3) Such tax ordinance shall include provisions substantially the same as those
4512 contained in Part 1, Tax Collection, insofar as they relate to sales or use tax, except that the
4513 name of the county as the taxing agency shall be substituted for that of the state where
4514 necessary for the purpose of this part and that an additional license is not required if one has
4515 been or is issued under Section 59-12-106.

4516 (4) Such tax ordinance shall include a provision that the county shall contract, prior to
4517 the effective date of the ordinance, with the commission to perform all functions incident to the
4518 administration or operation of the ordinance.

4519 (5) Such tax ordinance shall include a provision that the sale, storage, use, or other
4520 consumption of tangible personal property, the purchase price or the cost of which has been

4521 subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this
4522 part by any county, city, or town in any other county in this state, shall be exempt from the tax
4523 due under this ordinance.

4524 (6) Such tax ordinance shall include a provision that any person subject to the
4525 provisions of a city or town sales and use tax shall be exempt from the county sales and use tax
4526 if the city or town sales and use tax is levied under an ordinance including provisions in
4527 substance as follows:

4528 (a) a provision imposing a tax upon every transaction listed in Subsection 59-12-103(1)
4529 made within the city or town at the rate imposed by the county in which it is situated pursuant
4530 to Subsection (2);

4531 (b) notwithstanding Subsection (2)(a), a provision prohibiting the city or town from
4532 imposing a tax under this section on the sales and uses described in Section 59-12-104 to the
4533 extent the sales and uses are exempt from taxation under Section 59-12-104;

4534 (c) provisions substantially the same as those contained in Part 1, Tax Collection,
4535 insofar as they relate to sales and use taxes, except that the name of the city or town as the
4536 taxing agency shall be substituted for that of the state where necessary for the purposes of this
4537 part;

4538 (d) a provision that the city or town shall contract prior to the effective date of the city
4539 or town sales and use tax ordinance with the commission to perform all functions incident to
4540 the administration or operation of the sales and use tax ordinance of the city or town;

4541 (e) a provision that the sale, storage, use, or other consumption of tangible personal
4542 property, the gross receipts from the sale of or the cost of which has been subject to sales or use
4543 tax under a sales and use tax ordinance enacted in accordance with this part by any county
4544 other than the county in which the city or town is located, or city or town in this state, shall be
4545 exempt from the tax; and

4546 (f) a provision that the amount of any tax paid under Part 1, Tax Collection, shall not
4547 be included as a part of the purchase price paid or charged for a taxable item.

4548 (7) (a) Notwithstanding any other provision of this section, beginning on July 1, 2009,
4549 the commission shall calculate and retain a portion of the sales and use tax collected under this
4550 part as provided in this Subsection (7).

4551 (b) For a city, town, or unincorporated area of a county that imposes a tax under this

4552 part, the commission shall calculate a percentage each month by dividing the sales and use tax
4553 collected under this part for that month within the boundaries of that city, town, or
4554 unincorporated area of a county by the total sales and use tax collected under this part for that
4555 month within the boundaries of all of the cities, towns, and unincorporated areas of the
4556 counties that impose a tax under this part.

4557 (c) For a city, town, or unincorporated area of a county that imposes a tax under this
4558 part, the commission shall retain each month an amount equal to the product of:

4559 (i) the percentage the commission determines for the month under Subsection (7)(b)
4560 for the city, town, or unincorporated area of a county; and

4561 (ii) \$25,417.

4562 (d) The commission shall deposit an amount the commission retains in accordance
4563 with this Subsection (7) into the Qualified Emergency Food Agencies Fund created by Section
4564 [35A-8-1009](#).

4565 (e) An amount the commission deposits into the Qualified Emergency Food Agencies
4566 Fund shall be expended as provided in Section [35A-8-1009](#).

4567 (8) (a) Notwithstanding any other provision of this section or Section [59-12-205](#), for a
4568 filing period beginning on or after January 1, 2020, the commission shall calculate and retain a
4569 portion of the sales and use tax collected under this part as provided in this Subsection (8).

4570 (b) For a county, city, or town that imposes a sales and use tax under this part, the
4571 commission shall calculate and retain an amount each month by subtracting from the sales and
4572 use tax collected under this part for that month from that county, city, or town any amount that
4573 exceeds an amount equal to the quotient of the revenue distribution determined for that county,
4574 city, or town under Subsection [59-12-205](#)(7)(b) for that county, city, or town divided by 12.

4575 (c) The commission shall deposit an amount the commission retains in accordance with
4576 this Subsection (8) into the Sales and Use Tax Base Expansion Restricted Account created by
4577 Section [59-12-103.3](#).

4578 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4579 commission may make rules governing the calculation and method for making the deposit
4580 described in this Subsection (8).

4581 (e) An amount the commission deposits into the Sales and Use Tax Base Expansion
4582 Restricted Account shall be expended as provided in Section [59-12-103.3](#).

4583 Section 28. Section **59-12-205** is amended to read:

4584 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of**
4585 **tax revenue -- Determination of population.**

4586 (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section
4587 **59-12-204**, a county, city, or town shall adopt amendments to the county's, city's, or town's
4588 sales and use tax ordinances:

4589 (a) within 30 days of the day on which the state makes an amendment to an applicable
4590 provision of Part 1, Tax Collection; and

4591 (b) as required to conform to the amendments to Part 1, Tax Collection.

4592 (2) Except as provided in Subsections (3) through (5) and subject to [~~Subsection~~]
4593 Subsections (6) and (7):

4594 (a) 50% of each dollar collected from the sales and use tax authorized by this part shall
4595 be distributed to each county, city, and town on the basis of the percentage that the population
4596 of the county, city, or town bears to the total population of all counties, cities, and towns in the
4597 state; and

4598 (b) (i) except as provided in Subsection (2)(b)(ii), 50% of each dollar collected from
4599 the sales and use tax authorized by this part shall be distributed to each county, city, and town
4600 on the basis of the location of the transaction as determined under Sections **59-12-211** through
4601 **59-12-215**; and

4602 (ii) 50% of each dollar collected from the sales and use tax authorized by this part
4603 within a project area described in a project area plan adopted by the military installation
4604 development authority under Title 63H, Chapter 1, Military Installation Development
4605 Authority Act, shall be distributed to the military installation development authority created in
4606 Section **63H-1-201**.

4607 (3) (a) [~~Beginning~~] Subject to Subsection (7), beginning on July 1, 2017, and ending on
4608 June 30, 2022, the commission shall distribute annually to a county, city, or town the
4609 distribution required by this Subsection (3) if:

4610 (i) the county, city, or town is a:

4611 (A) county of the third, fourth, fifth, or sixth class;

4612 (B) city of the fifth class; or

4613 (C) town;

4614 (ii) the county, city, or town received a distribution under this section for the calendar
4615 year beginning on January 1, 2008, that was less than the distribution under this section that the
4616 county, city, or town received for the calendar year beginning on January 1, 2007;

4617 (iii) (A) for a county described in Subsection (3)(a)(i)(A), the county had located
4618 within the unincorporated area of the county for one or more days during the calendar year
4619 beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121,
4620 Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North
4621 American Industry Classification System of the federal Executive Office of the President,
4622 Office of Management and Budget; or

4623 (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection
4624 (3)(a)(i)(C), the city or town had located within the city or town for one or more days during
4625 the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry
4626 Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the
4627 2002 North American Industry Classification System of the federal Executive Office of the
4628 President, Office of Management and Budget; and

4629 (iv) (A) for a county described in Subsection (3)(a)(i)(A), at least one establishment
4630 described in Subsection (3)(a)(iii)(A) located within the unincorporated area of the county for
4631 one or more days during the calendar year beginning on January 1, 2008, was not the holder of
4632 a direct payment permit under Section [59-12-107.1](#); or

4633 (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection
4634 (3)(a)(i)(C), at least one establishment described in Subsection (3)(a)(iii)(B) located within a
4635 city or town for one or more days during the calendar year beginning on January 1, 2008, was
4636 not the holder of a direct payment permit under Section [59-12-107.1](#).

4637 (b) The commission shall make the distribution required by this Subsection (3) to a
4638 county, city, or town described in Subsection (3)(a):

4639 (i) from the distribution required by Subsection (2)(a); and

4640 (ii) before making any other distribution required by this section.

4641 (c) (i) For purposes of this Subsection (3), the distribution is the amount calculated by
4642 multiplying the fraction calculated under Subsection (3)(c)(ii) by \$333,583.

4643 (ii) For purposes of Subsection (3)(c)(i):

4644 (A) the numerator of the fraction is the difference calculated by subtracting the

4645 distribution a county, city, or town described in Subsection (3)(a) received under this section
4646 for the calendar year beginning on January 1, 2008, from the distribution under this section that
4647 the county, city, or town received for the calendar year beginning on January 1, 2007; and

4648 (B) the denominator of the fraction is \$333,583.

4649 (d) A distribution required by this Subsection (3) is in addition to any other distribution
4650 required by this section.

4651 (4) (a) As used in this Subsection (4):

4652 (i) "Eligible county, city, or town" means a county, city, or town that:

4653 (A) for fiscal year 2012-13, received a tax revenue distribution under Subsection (4)(b)
4654 equal to the amount described in Subsection (4)(b)(ii); and

4655 (B) does not impose a sales and use tax under Section 59-12-2103 on or before July 1,
4656 2016.

4657 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue
4658 distributions an eligible county, city, or town received from a tax imposed in accordance with
4659 this part for fiscal year 2004-05.

4660 (b) ~~[An]~~ Subject to Subsection (7), an eligible county, city, or town shall receive a tax
4661 revenue distribution for a tax imposed in accordance with this part equal to the greater of:

4662 (i) the payment required by Subsection (2); or

4663 (ii) the minimum tax revenue distribution.

4664 (5) (a) For purposes of this Subsection (5):

4665 (i) "Annual local contribution" means the lesser of \$200,000 or an amount equal to
4666 1.8% of the participating local government's tax revenue distribution amount under Subsection
4667 (2)(a) for the previous fiscal year.

4668 (ii) "Participating local government" means a county or municipality, as defined in
4669 Section 10-1-104, that is not an eligible municipality or grant eligible entity certified in
4670 accordance with Section 35A-8-609.

4671 (b) For revenue collected from the tax authorized by this part that is distributed on or
4672 after January 1, 2019, the commission, before making a tax revenue distribution under
4673 Subsection (2)(a) to a participating local government, shall:

4674 (i) subtract one-twelfth of the annual local contribution for each participating local
4675 government from the participating local government's tax revenue distribution under

4676 Subsection (2)(a); and

4677 (ii) deposit the amount described in Subsection (5)(b)(i) into the Homeless Shelter
4678 Cities Mitigation Restricted Account created in Section [35A-8a-606](#).

4679 (c) The commission shall make the calculation and distribution described in this
4680 Subsection (5) after making the distributions described in Subsections (3) and (4).

4681 (6) (a) Population figures for purposes of this section shall be based on the most recent
4682 official census or census estimate of the United States Bureau of the Census.

4683 (b) If a needed population estimate is not available from the United States Bureau of
4684 the Census, population figures shall be derived from the estimate from the Utah Population
4685 Committee.

4686 (c) The population of a county for purposes of this section shall be determined only
4687 from the unincorporated area of the county.

4688 (7) (a) As used in this Subsection (7):

4689 (i) "Consumer price index" means the Consumer Price Index for All Urban Consumers:
4690 All Items Less Food & Energy, as published by the Bureau of Labor Statistics of the United
4691 States Department of Labor.

4692 (ii) "Population estimate" means the population estimate as published by the Utah
4693 Population Committee created by Section [63C-20-103](#).

4694 (b) Notwithstanding the provisions of this section, beginning on or after January 1,
4695 2020, the commission may not distribute to a county, city, or town, in accordance with the
4696 distribution requirements of this section, an amount that exceeds the amount equal to the
4697 participating local government's tax revenue distribution amount under this section for the
4698 previous fiscal year multiplied by the sum of:

4699 (i) one;

4700 (ii) the actual percent change in the population estimate used in the December
4701 distribution with the population estimate used for the prior December for the same distribution;
4702 and

4703 (iii) the actual percent change of the consumer price index during the 12 months ending
4704 in November of the current year.

4705 Section 29. Section **59-12-211** is amended to read:

4706 **59-12-211. Definitions -- Location of certain transactions -- Reports to**

4707 **commission -- Direct payment provision for a seller making certain purchases --**

4708 **Exceptions.**

4709 (1) As used in this section:

4710 (a) (i) "Receipt" and "receive" mean:

4711 (A) taking possession of tangible personal property;

4712 (B) making first use of a service; or

4713 (C) for a product transferred electronically, the earlier of:

4714 (I) taking possession of the product transferred electronically; or

4715 (II) making first use of the product transferred electronically.

4716 (ii) "Receipt" and "receive" do not include possession by a shipping company on behalf

4717 of a purchaser.

4718 (b) "Transportation equipment" means:

4719 (i) a locomotive or rail car that is used to carry a person or property in interstate

4720 commerce;

4721 (ii) a truck or truck-tractor:

4722 (A) with a gross vehicle weight rating of 10,001 pounds or more;

4723 (B) registered under Section [41-1a-301](#); and

4724 (C) operated under the authority of a carrier authorized and certificated:

4725 (I) by the United States Department of Transportation or another federal authority; and

4726 (II) to engage in carrying a person or property in interstate commerce;

4727 (iii) a trailer, semitrailer, or passenger bus that is:

4728 (A) registered under Section [41-1a-301](#); and

4729 (B) operated under the authority of a carrier authorized and certificated:

4730 (I) by the United States Department of Transportation or another federal authority; and

4731 (II) to engage in carrying a person or property in interstate commerce;

4732 (iv) an aircraft that is operated by an air carrier authorized and certificated:

4733 (A) by the United States Department of Transportation or another federal or foreign

4734 authority; and

4735 (B) to engage in carrying a person or property in interstate commerce; or

4736 (v) a container designed for use on, or a component part attached or secured on, an

4737 item of equipment listed in Subsections (1)(b)(i) through (iv).

4738 (2) Except as provided in Subsections (8) and (14), if tangible personal property, a
4739 product transferred electronically, or a service that is subject to taxation under this chapter is
4740 received by a purchaser at a business location of a seller, the location of the transaction is the
4741 business location of the seller.

4742 (3) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9), (11),
4743 and (14), if tangible personal property, a product transferred electronically, or a service that is
4744 subject to taxation under this chapter is not received by a purchaser at a business location of a
4745 seller, the location of the transaction is the location where the purchaser takes receipt of the
4746 tangible personal property or service.

4747 (4) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9), (11),
4748 and (14), if Subsection (2) or (3) does not apply, the location of the transaction is the location
4749 indicated by an address for or other information on the purchaser if:

- 4750 (a) the address or other information is available from the seller's business records; and
- 4751 (b) use of the address or other information from the seller's records does not constitute
4752 bad faith.

4753 (5) (a) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9),
4754 (11), and (14), if Subsection (2), (3), or (4) does not apply, the location of the transaction is the
4755 location indicated by an address for the purchaser if:

- 4756 (i) the address is obtained during the consummation of the transaction; and
- 4757 (ii) use of the address described in Subsection (5)(a)(i) does not constitute bad faith.

4758 (b) An address used under Subsection (5)(a) includes the address of a purchaser's
4759 payment instrument if no other address is available.

4760 (6) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9), (11),
4761 and (14), if Subsection (2), (3), (4), or (5) does not apply or if a seller does not have sufficient
4762 information to apply Subsection (2), (3), (4), or (5), the location of the transaction is the
4763 location:

- 4764 (a) indicated by the address from which:
 - 4765 (i) except as provided in Subsection (6)(a)(ii), for tangible personal property that is
4766 subject to taxation under this chapter, the tangible personal property is shipped;
 - 4767 (ii) for computer software delivered electronically or for a product transferred
4768 electronically that is subject to taxation under this chapter, the computer software or product

4769 transferred electronically is first available for transmission by the seller; or

4770 (iii) for a service that is subject to taxation under this chapter, the service is provided;

4771 or

4772 (b) as determined by the seller with respect to a prepaid wireless calling service:

4773 (i) provided in Subsection (6)(a)(iii); or

4774 (ii) associated with the mobile telephone number.

4775 (7) (a) For purposes of this Subsection (7), "shared ZIP Code" means a nine-digit ZIP
4776 Code that is located within two or more local taxing jurisdictions.

4777 (b) If the location of a transaction determined under Subsections (3) through (6) is in a
4778 shared ZIP Code, the location of the transaction is:

4779 (i) if there is only one local taxing jurisdiction that imposes the lowest agreement
4780 combined tax rate for the shared ZIP Code, the local taxing jurisdiction that imposes the lowest
4781 agreement combined tax rate; or

4782 (ii) if two or more local taxing jurisdictions impose the lowest agreement combined tax
4783 rate for the shared ZIP Code, the local taxing jurisdiction that:

4784 (A) imposes the lowest agreement combined tax rate for the shared ZIP Code; and

4785 (B) has located within the local taxing jurisdiction the largest number of street
4786 addresses within the shared ZIP Code.

4787 (c) Notwithstanding any provision under this chapter authorizing or requiring the
4788 imposition of a sales and use tax, for purposes of Subsection (7)(b), a seller shall collect a sales
4789 and use tax imposed under this chapter at the lowest agreement combined tax rate imposed
4790 within the local taxing jurisdiction in which the transaction is located under Subsection (7)(b).

4791 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4792 commission may make rules:

4793 (i) providing for the circumstances under which a seller has exercised due diligence in
4794 determining the nine-digit ZIP Code for an address; or

4795 (ii) notwithstanding Subsection (7)(b), for determining the local taxing jurisdiction
4796 within which a transaction is located if a seller is unable to determine the local taxing
4797 jurisdiction within which the transaction is located under Subsection (7)(b).

4798 (8) The location of a transaction made with a direct payment permit described in
4799 Section [59-12-107.1](#) is the location where receipt of the tangible personal property, product, or

4800 service by the purchaser occurs.

4801 (9) The location of a purchase of direct mail is the location determined in accordance
4802 with Section 59-12-123.

4803 (10) (a) Except as provided in Subsection (10)(b), the location of a transaction
4804 determined under Subsections (3) through (6), (8), or (9), is the local taxing jurisdiction within
4805 which:

4806 (i) the nine-digit ZIP Code assigned to the location determined under Subsections (3)
4807 through (6), (8), or (9) is located; or

4808 (ii) the five-digit ZIP Code assigned to the location determined under Subsections (3)
4809 through (6), (8), or (9) is located if:

4810 (A) a nine-digit ZIP Code is not available for the location determined under
4811 Subsections (3) through (6), (8), or (9); or

4812 (B) after exercising due diligence, a seller or certified service provider is unable to
4813 determine a nine-digit ZIP Code for the location determined under Subsections (3) through (6),
4814 (8), or (9).

4815 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4816 commission may make rules for determining the local taxing jurisdiction within which a
4817 transaction is located if a seller or certified service provider is unable to determine the local
4818 taxing jurisdiction within which the transaction is located under Subsection (10)(a).

4819 (11) (a) As used in this Subsection (11), "florist delivery transaction" means a
4820 transaction commenced by a florist that transmits an order:

4821 (i) by:

4822 (A) telegraph;

4823 (B) telephone; or

4824 (C) a means of communication similar to Subsection (11)(a)(i)(A) or (B); and

4825 (ii) for delivery to another place:

4826 (A) in this state; or

4827 (B) outside this state.

4828 (b) Notwithstanding Subsections (3) through (6), beginning on January 1, 2009, and
4829 ending on December 31, 2009, the location of a florist delivery transaction is the business
4830 location of the florist that commences the florist delivery transaction.

4831 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4832 commission may by rule:

4833 (i) define:

4834 (A) "business location"; and

4835 (B) "florist";

4836 (ii) define what constitutes a means of communication similar to Subsection

4837 (11)(a)(i)(A) or (B); and

4838 (iii) provide procedures for determining when a transaction is commenced.

4839 (12) (a) Notwithstanding any other provision of this section and except as provided in
4840 Subsection (12)(b), ~~[if a purchaser uses computer software and there is not a transfer of a copy~~
4841 ~~of that software to the purchaser]~~ if there is not a transfer of a copy of tangible personal
4842 property, a product transferred electronically, or a service described in Subsection
4843 59-12-103(1)(m) to the purchaser, the location of the transaction is determined in accordance
4844 with Subsections (4) and (5).

4845 (b) If a purchaser uses ~~[computer software described in Subsection (12)(a)]~~ tangible
4846 personal property, a product transferred electronically, or a service described in Subsection
4847 (12)(a) at more than one location, the location of the transaction shall be determined in
4848 accordance with rules made by the commission in accordance with Title 63G, Chapter 3, Utah
4849 Administrative Rulemaking Act.

4850 (13) (a) A tax collected under this chapter shall be reported to the commission on a
4851 form that identifies the location of each transaction that occurs during the return filing period.

4852 (b) The form described in Subsection (13)(a) shall be filed with the commission as
4853 required under this chapter.

4854 (14) This section does not apply to:

4855 (a) amounts charged by a seller for:

4856 (i) telecommunications service except for a prepaid calling service or a prepaid
4857 wireless calling service as provided in Subsection (6)(b) or Section 59-12-215; or

4858 (ii) the retail sale or transfer of:

4859 (A) a motor vehicle other than a motor vehicle that is transportation equipment;

4860 (B) an aircraft other than an aircraft that is transportation equipment;

4861 (C) a watercraft;

- 4862 (D) a modular home;
- 4863 (E) a manufactured home; or
- 4864 (F) a mobile home; or
- 4865 (iii) except as provided in Section 59-12-214, the lease or rental of tangible personal
- 4866 property other than tangible personal property that is transportation equipment;
- 4867 (b) a tax a person pays in accordance with Subsection 59-12-107(2)(f); or
- 4868 (c) a retail sale of tangible personal property or a product transferred electronically if:
- 4869 (i) the seller receives the order for the tangible personal property or product transferred
- 4870 electronically in this state;
- 4871 (ii) receipt of the tangible personal property or product transferred electronically by the
- 4872 purchaser or the purchaser's donee occurs in this state;
- 4873 (iii) the location where receipt of the tangible personal property or product transferred
- 4874 electronically by the purchaser occurs is determined in accordance with Subsections (3)
- 4875 through (5); and
- 4876 (iv) at the time the seller receives the order, the record keeping system that the seller
- 4877 uses to calculate the proper amount of tax imposed under this chapter captures the location
- 4878 where the order is received.

4879 Section 30. Section 59-12-301 is amended to read:

4880 **59-12-301. Transient room tax -- Rate -- Expenditure of revenues -- Enactment or**
4881 **repeal of tax -- Tax rate change -- Effective date -- Notice requirements.**

4882 (1) (a) A county legislative body may impose a tax on charges for the accommodations
4883 and services described in Subsection 59-12-103(1)(~~+~~)(h) at a rate of not to exceed 4.25%
4884 beginning on or after October 1, 2006.

4885 (b) Subject to Subsection (2), the revenues raised from the tax imposed under
4886 Subsection (1)(a) shall be used for the purposes listed in Section 17-31-2.

4887 (c) The tax imposed under Subsection (1)(a) shall be in addition to the tax imposed
4888 under Part 6, Tourism, Recreation, Cultural, Convention, and Airport Facilities Tax Act.

4889 (2) If a county legislative body of a county of the first class imposes a tax under this
4890 section, beginning on July 1, 2007, and ending on June 30, 2027, each year the first 15% of the
4891 revenues collected from the tax authorized by Subsection (1)(a) within that county shall be:

4892 (a) deposited into the Transient Room Tax Fund created by Section 63N-3-403; and

- 4893 (b) expended as provided in Section [63N-3-403](#).
- 4894 (3) Subject to Subsection (4), a county legislative body:
- 4895 (a) may increase or decrease the tax authorized under this part; and
- 4896 (b) shall regulate the tax authorized under this part by ordinance.
- 4897 (4) (a) For purposes of this Subsection (4):
- 4898 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, County
- 4899 Consolidations and Annexations.
- 4900 (ii) "Annexing area" means an area that is annexed into a county.
- 4901 (b) (i) Except as provided in Subsection (4)(c), if, on or after July 1, 2004, a county
- 4902 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
- 4903 change shall take effect:
- 4904 (A) on the first day of a calendar quarter; and
- 4905 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 4906 the requirements of Subsection (4)(b)(ii) from the county.
- 4907 (ii) The notice described in Subsection (4)(b)(i)(B) shall state:
- 4908 (A) that the county will enact or repeal a tax or change the rate of a tax under this part;
- 4909 (B) the statutory authority for the tax described in Subsection (4)(b)(ii)(A);
- 4910 (C) the effective date of the tax described in Subsection (4)(b)(ii)(A); and
- 4911 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
- 4912 (4)(b)(ii)(A), the rate of the tax.
- 4913 (c) (i) Notwithstanding Subsection (4)(b)(i), for a transaction described in Subsection
- 4914 (4)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
- 4915 first billing period:
- 4916 (A) that begins after the effective date of the enactment of the tax or the tax rate
- 4917 increase; and
- 4918 (B) if the billing period for the transaction begins before the effective date of the
- 4919 enactment of the tax or the tax rate increase imposed under this section.
- 4920 (ii) Notwithstanding Subsection (4)(b)(i), for a transaction described in Subsection
- 4921 (4)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
- 4922 billing period:
- 4923 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;

4924 and

4925 (B) if the billing period for the transaction begins before the effective date of the repeal
4926 of the tax or the tax rate decrease imposed under this section.

4927 (iii) Subsections (4)(c)(i) and (ii) apply to transactions subject to a tax under
4928 Subsection 59-12-103(1)(~~h~~)(h).

4929 (d) (i) Except as provided in Subsection (4)(e), if, for an annexation that occurs on or
4930 after July 1, 2004, the annexation will result in the enactment, repeal, or a change in the rate of
4931 a tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

4932 (A) on the first day of a calendar quarter; and

4933 (B) after a 90-day period beginning on the date the commission receives notice meeting
4934 the requirements of Subsection (4)(d)(ii) from the county that annexes the annexing area.

4935 (ii) The notice described in Subsection (4)(d)(i)(B) shall state:

4936 (A) that the annexation described in Subsection (4)(d)(i) will result in an enactment,
4937 repeal, or change in the rate of a tax under this part for the annexing area;

4938 (B) the statutory authority for the tax described in Subsection (4)(d)(ii)(A);

4939 (C) the effective date of the tax described in Subsection (4)(d)(ii)(A); and

4940 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
4941 (4)(d)(ii)(A), the rate of the tax.

4942 (e) (i) Notwithstanding Subsection (4)(d)(i), for a transaction described in Subsection
4943 (4)(e)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
4944 first billing period:

4945 (A) that begins after the effective date of the enactment of the tax or the tax rate
4946 increase; and

4947 (B) if the billing period for the transaction begins before the effective date of the
4948 enactment of the tax or the tax rate increase imposed under this section.

4949 (ii) Notwithstanding Subsection (4)(d)(i), for a transaction described in Subsection
4950 (4)(e)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
4951 billing period:

4952 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
4953 and

4954 (B) if the billing period for the transaction begins before the effective date of the repeal

4955 of the tax or the tax rate decrease imposed under this section.

4956 (iii) Subsections (4)(e)(i) and (ii) apply to transactions subject to a tax under

4957 Subsection 59-12-103(1)(~~(f)~~)(h).

4958 Section 31. Section 59-12-302 is amended to read:

4959 **59-12-302. Collection of tax -- Administrative charge.**

4960 (1) Except as provided in Subsection (2) or (3), the tax authorized under this part shall
4961 be administered, collected, and enforced in accordance with:

4962 (a) the same procedures used to administer, collect, and enforce the tax under:

4963 (i) Part 1, Tax Collection; or

4964 (ii) Part 2, Local Sales and Use Tax Act; and

4965 (b) Chapter 1, General Taxation Policies.

4966 (2) The location of a transaction shall be determined in accordance with Sections
4967 59-12-211 through 59-12-215.

4968 (3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or
4969 Subsections 59-12-205(2) through [~~(6)~~] (7).

4970 (4) The commission:

4971 (a) shall distribute the revenue collected from the tax to the county within which the
4972 revenue was collected; and

4973 (b) shall retain and deposit an administrative charge in accordance with Section
4974 59-1-306 from revenue the commission collects from a tax under this part.

4975 Section 32. Section 59-12-352 is amended to read:

4976 **59-12-352. Transient room tax authority for municipalities and military
4977 installation development authority -- Purposes for which revenues may be used.**

4978 (1) (a) Except as provided in Subsection (5), the governing body of a municipality may
4979 impose a tax of not to exceed 1% on charges for the accommodations and services described in
4980 Subsection 59-12-103(1)(~~(f)~~)(h).

4981 (b) Subject to Section 63H-1-203, the military installation development authority
4982 created in Section 63H-1-201 may impose a tax under this section for accommodations and
4983 services described in Subsection 59-12-103(1)(~~(f)~~)(h) within a project area described in a
4984 project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation
4985 Development Authority Act, as though the authority were a municipality.

4986 (2) Subject to the limitations of Subsection (1), a governing body of a municipality
4987 may, by ordinance, increase or decrease the tax under this part.

4988 (3) A governing body of a municipality shall regulate the tax under this part by
4989 ordinance.

4990 (4) A municipality may use revenues generated by the tax under this part for general
4991 fund purposes.

4992 (5) (a) A municipality may not impose a tax under this section for accommodations and
4993 services described in Subsection 59-12-103(1)(~~†~~)(h) within a project area described in a
4994 project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation
4995 Development Authority Act.

4996 (b) Subsection (5)(a) does not apply to the military installation development authority's
4997 imposition of a tax under this section.

4998 Section 33. Section 59-12-353 is amended to read:

4999 **59-12-353. Additional municipal transient room tax to repay bonded or other**
5000 **indebtedness.**

5001 (1) Subject to the limitations of Subsection (2), the governing body of a municipality
5002 may, in addition to the tax authorized under Section 59-12-352, impose a tax of not to exceed
5003 .5% on charges for the accommodations and services described in Subsection
5004 59-12-103(1)(~~†~~)(h) if the governing body of the municipality:

5005 (a) before January 1, 1996, levied and collected a license fee or tax under Section
5006 10-1-203; and

5007 (b) before January 1, 1997, took official action to obligate the municipality in reliance
5008 on the license fees or taxes under Subsection (1)(a) to the payment of debt service on bonds or
5009 other indebtedness, including lease payments under a lease purchase agreement.

5010 (2) The governing body of a municipality may impose the tax under this section until
5011 the sooner of:

5012 (a) the day on which the following have been paid in full:

5013 (i) the debt service on bonds or other indebtedness, including lease payments under a
5014 lease purchase agreement described in Subsection (1)(b); and

5015 (ii) refunding obligations that the municipality incurred as a result of the debt service
5016 on bonds or other indebtedness, including lease payments under a lease purchase agreement

5017 described in Subsection (1)(b); or

5018 (b) 25 years from the day on which the municipality levied the tax under this section.

5019 Section 34. Section **59-12-354** is amended to read:

5020 **59-12-354. Collection of tax -- Administrative charge.**

5021 (1) Except as provided in Subsections (2) and (3), the tax authorized under this part
5022 shall be administered, collected, and enforced in accordance with:

5023 (a) the same procedures used to administer, collect, and enforce the tax under:

5024 (i) Part 1, Tax Collection; or

5025 (ii) Part 2, Local Sales and Use Tax Act; and

5026 (b) Chapter 1, General Taxation Policies.

5027 (2) (a) The location of a transaction shall be determined in accordance with Sections
5028 [59-12-211](#) through [59-12-215](#).

5029 (b) The commission:

5030 (i) except as provided in Subsection (2)(b)(ii), shall distribute the revenue collected
5031 from the tax to the municipality within which the revenue was collected; and

5032 (ii) shall retain and deposit an administrative charge in accordance with Section
5033 [59-1-306](#) from the revenue the commission collects from a tax under this part.

5034 (3) A tax under this part is not subject to Section [59-12-107.1](#) or [59-12-123](#) or
5035 Subsections [59-12-205](#)(2) through [~~(6)~~] (7).

5036 Section 35. Section **59-12-355** is amended to read:

5037 **59-12-355. Enactment or repeal of tax -- Tax rate change -- Effective date --**
5038 **Notice requirements.**

5039 (1) For purposes of this section:

5040 (a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
5041 4, Annexation.

5042 (b) "Annexing area" means an area that is annexed into a city or town.

5043 (2) (a) Except as provided in Subsection (2)(c), if, on or after July 1, 2004, a city or
5044 town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal,
5045 or change shall take effect:

5046 (i) on the first day of a calendar quarter; and

5047 (ii) after a 90-day period beginning on the date the commission receives notice meeting

5048 the requirements of Subsection (2)(b) from the city or town.

5049 (b) The notice described in Subsection (2)(a)(ii) shall state:

5050 (i) that the city or town will enact or repeal a tax or change the rate of a tax under this
5051 part;

5052 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);

5053 (iii) the effective date of the tax described in Subsection (2)(b)(i); and

5054 (iv) if the city or town enacts the tax or changes the rate of the tax described in
5055 Subsection (2)(b)(i), the rate of the tax.

5056 (c) (i) Notwithstanding Subsection (2)(a), for a transaction described in Subsection
5057 (2)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
5058 first billing period:

5059 (A) that begins after the effective date of the enactment of the tax or the tax rate
5060 increase; and

5061 (B) if the billing period for the transaction begins before the effective date of the
5062 enactment of the tax or the tax rate increase imposed under:

5063 (I) Section [59-12-352](#); or

5064 (II) Section [59-12-353](#).

5065 (ii) Notwithstanding Subsection (2)(a), for a transaction described in Subsection
5066 (2)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
5067 billing period:

5068 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
5069 and

5070 (B) if the billing period for the transaction begins before the effective date of the repeal
5071 of the tax or the tax rate decrease imposed under:

5072 (I) Section [59-12-352](#); or

5073 (II) Section [59-12-353](#).

5074 (iii) Subsections (2)(c)(i) and (ii) apply to transactions subject to a tax under
5075 Subsection [59-12-103](#)(1)(~~i~~)(h).

5076 (3) (a) Except as provided in Subsection (3)(c), if, for an annexation that occurs on or
5077 after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a
5078 tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

5079 (i) on the first day of a calendar quarter; and
5080 (ii) after a 90-day period beginning on the date the commission receives notice meeting
5081 the requirements of Subsection (3)(b) from the city or town that annexes the annexing area.
5082 (b) The notice described in Subsection (3)(a)(ii) shall state:
5083 (i) that the annexation described in Subsection (3)(a) will result in an enactment,
5084 repeal, or change in the rate of a tax under this part for the annexing area;
5085 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);
5086 (iii) the effective date of the tax described in Subsection (3)(b)(i); and
5087 (iv) if the city or town enacts the tax or changes the rate of the tax described in
5088 Subsection (3)(b)(i), the rate of the tax.
5089 (c) (i) Notwithstanding Subsection (3)(a), for a transaction described in Subsection
5090 (3)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
5091 first billing period:
5092 (A) that begins after the effective date of the enactment of the tax or the tax rate
5093 increase; and
5094 (B) if the billing period for the transaction begins before the effective date of the
5095 enactment of the tax or the tax rate increase imposed under:
5096 (I) Section 59-12-352; or
5097 (II) Section 59-12-353.
5098 (ii) Notwithstanding Subsection (3)(a), for a transaction described in Subsection
5099 (3)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
5100 billing period:
5101 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
5102 and
5103 (B) if the billing period for the transaction begins before the effective date of the repeal
5104 of the tax or the tax rate decrease imposed under:
5105 (I) Section 59-12-352; or
5106 (II) Section 59-12-353.
5107 (iii) Subsections (3)(c)(i) and (ii) apply to transactions subject to a tax under
5108 Subsection 59-12-103(1)(~~t~~)(h).
5109 Section 36. Section 59-12-401 is amended to read:

5110 **59-12-401. Resort communities tax authority for cities, towns, and military**
5111 **installation development authority -- Base -- Rate -- Collection fees.**

5112 (1) (a) In addition to other sales and use taxes, a city or town in which the transient
5113 room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the
5114 municipality's permanent census population may impose a sales and use tax [~~of up to 1.1%~~] on
5115 the transactions described in Subsection 59-12-103(1) located within the city or town of up to a
5116 rate equal to the product of:

5117 (i) 1.1%; and

5118 (ii) the rate reduction factor.

5119 (b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this
5120 section on:

5121 (i) the sale of:

5122 (A) a motor vehicle;

5123 (B) an aircraft;

5124 (C) a watercraft;

5125 (D) a modular home;

5126 (E) a manufactured home; or

5127 (F) a mobile home;

5128 (ii) the sales and uses described in Section 59-12-104 to the extent the sales and uses
5129 are exempt from taxation under Section 59-12-104; and

5130 (iii) except as provided in Subsection (1)(d), amounts paid or charged for food and
5131 food ingredients.

5132 (c) For purposes of this Subsection (1), the location of a transaction shall be
5133 determined in accordance with Sections 59-12-211 through 59-12-215.

5134 (d) A city or town imposing a tax under this section shall impose the tax on the
5135 purchase price or the sales price for amounts paid or charged for food and food ingredients if
5136 the food and food ingredients are sold as part of a bundled transaction attributable to food and
5137 food ingredients and tangible personal property other than food and food ingredients.

5138 (2) (a) An amount equal to the total of any costs incurred by the state in connection
5139 with the implementation of Subsection (1) which exceed, in any year, the revenues received by
5140 the state from its collection fees received in connection with the implementation of Subsection

5141 (1) shall be paid over to the state General Fund by the cities and towns which impose the tax
5142 provided for in Subsection (1).

5143 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among
5144 those cities and towns according to the amount of revenue the respective cities and towns
5145 generate in that year through imposition of that tax.

5146 (3) (a) Subject to Section 63H-1-203, the military installation development authority
5147 created in Section 63H-1-201 may impose a tax under this section on the transactions described
5148 in Subsection 59-12-103(1) located within a project area described in a project area plan
5149 adopted by the authority under Title 63H, Chapter 1, Military Installation Development
5150 Authority Act, as though the authority were a city or a town.

5151 (b) For purposes of calculating the permanent census population within a project area,
5152 the board as defined in Section 63H-1-102 shall:

5153 (i) use the actual number of permanent residents within the project area as determined
5154 by the board;

5155 (ii) adopt a resolution verifying the population number; and

5156 (iii) provide the commission any information required in Section 59-12-405.

5157 (c) Notwithstanding Subsection (1)(a), a board as defined in Section 63H-1-102 may
5158 impose the sales and use tax under this section if there are no permanent residents.

5159 Section 37. Section 59-12-402 is amended to read:

5160 **59-12-402. Additional resort communities sales and use tax -- Base -- Rate --**
5161 **Collection fees -- Resolution and voter approval requirements -- Election requirements --**
5162 **Notice requirements -- Ordinance requirements -- Prohibition of military installation**
5163 **development authority imposition of tax.**

5164 (1) (a) Subject to Subsections (2) through (6), the governing body of a municipality in
5165 which the transient room capacity as defined in Section 59-12-405 is greater than or equal to
5166 66% of the municipality's permanent census population may, in addition to the sales tax
5167 authorized under Section 59-12-401, impose an additional resort communities sales tax on the
5168 transactions described in Subsection 59-12-103(1) located within the municipality in an
5169 amount that is less than or equal to [.5% on the transactions described in Subsection
5170 59-12-103(1) located within the municipality] a rate equal to the product of:

5171 (i) .5%; and

5172 (ii) the rate reduction factor.

5173 (b) Notwithstanding Subsection (1)(a), the governing body of a municipality may not
5174 impose a tax under this section on:

5175 (i) the sale of:

5176 (A) a motor vehicle;

5177 (B) an aircraft;

5178 (C) a watercraft;

5179 (D) a modular home;

5180 (E) a manufactured home; or

5181 (F) a mobile home;

5182 (ii) the sales and uses described in Section 59-12-104 to the extent the sales and uses
5183 are exempt from taxation under Section 59-12-104; and

5184 (iii) except as provided in Subsection (1)(d), amounts paid or charged for food and
5185 food ingredients.

5186 (c) For purposes of this Subsection (1), the location of a transaction shall be
5187 determined in accordance with Sections 59-12-211 through 59-12-215.

5188 (d) A municipality imposing a tax under this section shall impose the tax on the
5189 purchase price or sales price for amounts paid or charged for food and food ingredients if the
5190 food and food ingredients are sold as part of a bundled transaction attributable to food and food
5191 ingredients and tangible personal property other than food and food ingredients.

5192 (2) (a) An amount equal to the total of any costs incurred by the state in connection
5193 with the implementation of Subsection (1) which exceed, in any year, the revenues received by
5194 the state from its collection fees received in connection with the implementation of Subsection
5195 (1) shall be paid over to the state General Fund by the cities and towns which impose the tax
5196 provided for in Subsection (1).

5197 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among
5198 those cities and towns according to the amount of revenue the respective cities and towns
5199 generate in that year through imposition of that tax.

5200 (3) To impose an additional resort communities sales tax under this section, the
5201 governing body of the municipality shall:

5202 (a) pass a resolution approving the tax; and

5203 (b) except as provided in Subsection (6), obtain voter approval for the tax as provided
5204 in Subsection (4).

5205 (4) To obtain voter approval for an additional resort communities sales tax under
5206 Subsection (3)(b), a municipality shall:

5207 (a) hold the additional resort communities sales tax election during:

5208 (i) a regular general election; or

5209 (ii) a municipal general election; and

5210 (b) publish notice of the election:

5211 (i) 15 days or more before the day on which the election is held; and

5212 (ii) (A) in a newspaper of general circulation in the municipality; and

5213 (B) as required in Section [45-1-101](#).

5214 (5) An ordinance approving an additional resort communities sales tax under this
5215 section shall provide an effective date for the tax as provided in Section [59-12-403](#).

5216 (6) (a) Except as provided in Subsection (6)(b), a municipality is not subject to the
5217 voter approval requirements of Subsection (3)(b) if, on or before January 1, 1996, the
5218 municipality imposed a license fee or tax on businesses based on gross receipts pursuant to
5219 Section [10-1-203](#).

5220 (b) The exception from the voter approval requirements in Subsection (6)(a) does not
5221 apply to a municipality that, on or before January 1, 1996, imposed a license fee or tax on only
5222 one class of businesses based on gross receipts pursuant to Section [10-1-203](#).

5223 (7) A military installation development authority authorized to impose a resort
5224 communities tax under Section [59-12-401](#) may not impose an additional resort communities
5225 sales tax under this section.

5226 Section 38. Section [59-12-402.1](#) is amended to read:

5227 **59-12-402.1. State correctional facility sales and use tax -- Base -- Rate --**
5228 **Collection fees -- Imposition -- Prohibition of military installation development authority**
5229 **imposition of tax.**

5230 (1) As used in this section, "new state correctional facility" means a new prison in the
5231 state:

5232 (a) that is operated by the Department of Corrections;

5233 (b) the construction of which begins on or after May 12, 2015; and

- 5234 (c) that provides a capacity of 2,500 or more inmate beds.
- 5235 (2) Subject to the other provisions of this part, a city or town legislative body may
- 5236 impose a tax under this section if the construction of a new state correctional facility has begun
- 5237 within the boundaries of the city or town.
- 5238 (3) For purposes of this section, the tax rate may not exceed [~~.5%~~] a rate equal to the
- 5239 product of:
- 5240 (a) .5%; and
- 5241 (b) the rate reduction factor.
- 5242 (4) Except as provided in Subsection (5), a tax under this section shall be imposed on
- 5243 the transactions described in Subsection 59-12-103(1) within the city or town.
- 5244 (5) A city or town may not impose a tax under this section on:
- 5245 (a) the sale of:
- 5246 (i) a motor vehicle;
- 5247 (ii) an aircraft;
- 5248 (iii) a watercraft;
- 5249 (iv) a modular home;
- 5250 (v) a manufactured home; or
- 5251 (vi) a mobile home;
- 5252 (b) the sales and uses described in Section 59-12-104 to the extent the sales and uses
- 5253 are exempt under Section 59-12-104; and
- 5254 (c) except as provided in Subsection (7), amounts paid or charged for food and food
- 5255 ingredients.
- 5256 (6) For purposes of this section, the location of a transaction shall be determined in
- 5257 accordance with Sections 59-12-211 through 59-12-215.
- 5258 (7) A city or town that imposes a tax under this section shall impose the tax on the
- 5259 purchase price or sales price for amounts paid or charged for food and food ingredients if the
- 5260 food and food ingredients are sold as part of a bundled transaction attributable to food and food
- 5261 ingredients and tangible personal property other than food and food ingredients.
- 5262 (8) A city or town may impose a tax under this section by majority vote of the
- 5263 members of the city or town legislative body.
- 5264 (9) A city or town that imposes a tax under this section is not subject to Section

5265 59-12-405.

5266 (10) A military installation development authority may not impose a tax under this
5267 section.

5268 Section 39. Section **59-12-403** is amended to read:

5269 **59-12-403. Enactment or repeal of tax -- Tax rate change -- Effective date --**
5270 **Notice requirements -- Administration, collection, and enforcement of tax --**
5271 **Administrative charge.**

5272 (1) For purposes of this section:

5273 (a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
5274 4, Annexation.

5275 (b) "Annexing area" means an area that is annexed into a city or town.

5276 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after April 1, 2008, a
5277 city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
5278 repeal, or change shall take effect:

5279 (i) on the first day of a calendar quarter; and

5280 (ii) after a 90-day period beginning on the date the commission receives notice meeting
5281 the requirements of Subsection (2)(b) from the city or town.

5282 (b) The notice described in Subsection (2)(a)(ii) shall state:

5283 (i) that the city or town will enact or repeal a tax or change the rate of a tax under this
5284 part;

5285 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);

5286 (iii) the effective date of the tax described in Subsection (2)(b)(i); and

5287 (iv) if the city or town enacts the tax or changes the rate of the tax described in
5288 Subsection (2)(b)(i), the rate of the tax.

5289 (c) (i) If the billing period for a transaction begins before the effective date of the
5290 enactment of the tax or the tax rate increase imposed under Section 59-12-401, 59-12-402, or
5291 59-12-402.1, the enactment of the tax or the tax rate increase takes effect on the first day of the
5292 first billing period that begins on or after the effective date of the enactment of the tax or the
5293 tax rate increase.

5294 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
5295 statement for the billing period is produced on or after the effective date of the repeal of the tax

5296 or the tax rate decrease imposed under Section 59-12-401, 59-12-402, or 59-12-402.1.

5297 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
5298 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
5299 a tax described in Subsection (2)(a) takes effect:

5300 (A) on the first day of a calendar quarter; and

5301 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
5302 rate of the tax under Subsection (2)(a).

5303 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5304 commission may by rule define the term "catalogue sale."

5305 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs
5306 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
5307 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
5308 effect:

5309 (i) on the first day of a calendar quarter; and

5310 (ii) after a 90-day period beginning on the date the commission receives notice meeting
5311 the requirements of Subsection (3)(b) from the city or town that annexes the annexing area.

5312 (b) The notice described in Subsection (3)(a)(ii) shall state:

5313 (i) that the annexation described in Subsection (3)(a) will result in an enactment,
5314 repeal, or change in the rate of a tax under this part for the annexing area;

5315 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);

5316 (iii) the effective date of the tax described in Subsection (3)(b)(i); and

5317 (iv) if the city or town enacts the tax or changes the rate of the tax described in
5318 Subsection (3)(b)(i), the rate of the tax.

5319 (c) (i) If the billing period for a transaction begins before the effective date of the
5320 enactment of the tax or the tax rate increase imposed under Section 59-12-401, 59-12-402, or
5321 59-12-402.1, the enactment of the tax or the tax rate increase takes effect on the first day of the
5322 first billing period that begins on or after the effective date of the enactment of the tax or the
5323 tax rate increase.

5324 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
5325 statement for the billing period is produced on or after the effective date of the repeal of the tax
5326 or the tax rate decrease imposed under Section 59-12-401, 59-12-402, or 59-12-402.1.

5327 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
5328 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
5329 a tax described in Subsection (3)(a) takes effect:

5330 (A) on the first day of a calendar quarter; and

5331 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
5332 rate of the tax under Subsection (3)(a).

5333 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5334 commission may by rule define the term "catalogue sale."

5335 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be
5336 administered, collected, and enforced in accordance with:

5337 (i) the same procedures used to administer, collect, and enforce the tax under:

5338 (A) Part 1, Tax Collection; or

5339 (B) Part 2, Local Sales and Use Tax Act; and

5340 (ii) Chapter 1, General Taxation Policies.

5341 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(6)]~~ (7).

5342 (5) The commission shall retain and deposit an administrative charge in accordance
5343 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

5344 Section 40. Section 59-12-603 is amended to read:

5345 **59-12-603. County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance**
5346 **required -- Advisory board -- Administration -- Collection -- Administrative charge --**
5347 **Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice**
5348 **requirements.**

5349 (1) (a) In addition to any other taxes, a county legislative body may, as provided in this
5350 part, impose a tax as follows:

5351 (i) (A) a county legislative body of any county may impose a tax of not to exceed 3%
5352 on all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases
5353 and rentals of motor vehicles made for the purpose of temporarily replacing a person's motor
5354 vehicle that is being repaired pursuant to a repair or an insurance agreement; and

5355 (B) beginning on or after January 1, 1999, a county legislative body of any county
5356 imposing a tax under Subsection (1)(a)(i)(A) may, in addition to imposing the tax under
5357 Subsection (1)(a)(i)(A), impose a tax of not to exceed 4% on all short-term leases and rentals

5358 of motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made
5359 for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant
5360 to a repair or an insurance agreement;

5361 (ii) a county legislative body of any county may impose a tax of not to exceed 1% of all
5362 sales of the following that are sold by a restaurant:

5363 (A) alcoholic beverages;

5364 (B) food and food ingredients; or

5365 (C) prepared food; and

5366 (iii) a county legislative body of a county of the first class may impose a tax of not to
5367 exceed .5% on charges for the accommodations and services described in Subsection

5368 [59-12-103\(1\)\(†\)\(h\)](#).

5369 (b) A tax imposed under Subsection (1)(a) is subject to the audit provisions of Section
5370 [17-31-5.5](#).

5371 (2) (a) Subject to Subsection (2)(b), revenue from the imposition of the taxes provided
5372 for in Subsections (1)(a)(i) through (iii) may be used for:

5373 (i) financing tourism promotion; and

5374 (ii) the development, operation, and maintenance of:

5375 (A) an airport facility;

5376 (B) a convention facility;

5377 (C) a cultural facility;

5378 (D) a recreation facility; or

5379 (E) a tourist facility.

5380 (b) A county of the first class shall expend at least \$450,000 each year of the revenue
5381 from the imposition of a tax authorized by Subsection (1)(a)(iii) within the county to fund a
5382 marketing and ticketing system designed to:

5383 (i) promote tourism in ski areas within the county by persons that do not reside within
5384 the state; and

5385 (ii) combine the sale of:

5386 (A) ski lift tickets; and

5387 (B) accommodations and services described in Subsection [59-12-103\(1\)\(†\)\(h\)](#).

5388 (3) A tax imposed under this part may be pledged as security for bonds, notes, or other

5389 evidences of indebtedness incurred by a county, city, or town under Title 11, Chapter 14, Local
5390 Government Bonding Act, or a community reinvestment agency under Title 17C, Chapter 1,
5391 Part 5, Agency Bonds, to finance:

- 5392 (a) an airport facility;
- 5393 (b) a convention facility;
- 5394 (c) a cultural facility;
- 5395 (d) a recreation facility; or
- 5396 (e) a tourist facility.

5397 (4) (a) To impose the tax under Subsection (1), each county legislative body shall adopt
5398 an ordinance imposing the tax.

5399 (b) The ordinance under Subsection (4)(a) shall include provisions substantially the
5400 same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on
5401 those items and sales described in Subsection (1).

5402 (c) The name of the county as the taxing agency shall be substituted for that of the state
5403 where necessary, and an additional license is not required if one has been or is issued under
5404 Section [59-12-106](#).

5405 (5) To maintain in effect its tax ordinance adopted under this part, each county
5406 legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1,
5407 Tax Collection, adopt amendments to its tax ordinance to conform with the applicable
5408 amendments to Part 1, Tax Collection.

5409 (6) (a) Regardless of whether a county of the first class creates a tourism tax advisory
5410 board in accordance with Section [17-31-8](#), the county legislative body of the county of the first
5411 class shall create a tax advisory board in accordance with this Subsection (6).

5412 (b) The tax advisory board shall be composed of nine members appointed as follows:

5413 (i) four members shall be residents of a county of the first class appointed by the
5414 county legislative body of the county of the first class; and

5415 (ii) subject to Subsections (6)(c) and (d), five members shall be mayors of cities or
5416 towns within the county of the first class appointed by an organization representing all mayors
5417 of cities and towns within the county of the first class.

5418 (c) Five members of the tax advisory board constitute a quorum.

5419 (d) The county legislative body of the county of the first class shall determine:

5420 (i) terms of the members of the tax advisory board;

5421 (ii) procedures and requirements for removing a member of the tax advisory board;

5422 (iii) voting requirements, except that action of the tax advisory board shall be by at

5423 least a majority vote of a quorum of the tax advisory board;

5424 (iv) chairs or other officers of the tax advisory board;

5425 (v) how meetings are to be called and the frequency of meetings; and

5426 (vi) the compensation, if any, of members of the tax advisory board.

5427 (e) The tax advisory board under this Subsection (6) shall advise the county legislative

5428 body of the county of the first class on the expenditure of revenue collected within the county

5429 of the first class from the taxes described in Subsection (1)(a).

5430 (7) (a) (i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part

5431 shall be administered, collected, and enforced in accordance with:

5432 (A) the same procedures used to administer, collect, and enforce the tax under:

5433 (I) Part 1, Tax Collection; or

5434 (II) Part 2, Local Sales and Use Tax Act; and

5435 (B) Chapter 1, General Taxation Policies.

5436 (ii) A tax under this part is not subject to Section [59-12-107.1](#) or [59-12-123](#) or

5437 Subsections [59-12-205\(2\)](#) through [~~6~~] [\(7\)](#).

5438 (b) Except as provided in Subsection (7)(c):

5439 (i) for a tax under this part other than the tax under Subsection (1)(a)(i)(B), the

5440 commission shall distribute the revenue to the county imposing the tax; and

5441 (ii) for a tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenue

5442 according to the distribution formula provided in Subsection (8).

5443 (c) The commission shall retain and deposit an administrative charge in accordance

5444 with Section [59-1-306](#) from the revenue the commission collects from a tax under this part.

5445 (8) The commission shall distribute the revenue generated by the tax under Subsection

5446 (1)(a)(i)(B) to each county collecting a tax under Subsection (1)(a)(i)(B) according to the

5447 following formula:

5448 (a) the commission shall distribute 70% of the revenue based on the percentages

5449 generated by dividing the revenue collected by each county under Subsection (1)(a)(i)(B) by

5450 the total revenue collected by all counties under Subsection (1)(a)(i)(B); and

5451 (b) the commission shall distribute 30% of the revenue based on the percentages
5452 generated by dividing the population of each county collecting a tax under Subsection
5453 (1)(a)(i)(B) by the total population of all counties collecting a tax under Subsection (1)(a)(i)(B).

5454 (9) (a) For purposes of this Subsection (9):

5455 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,
5456 County Annexation.

5457 (ii) "Annexing area" means an area that is annexed into a county.

5458 (b) (i) Except as provided in Subsection (9)(c), if, on or after July 1, 2004, a county
5459 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
5460 change shall take effect:

5461 (A) on the first day of a calendar quarter; and

5462 (B) after a 90-day period beginning on the date the commission receives notice meeting
5463 the requirements of Subsection (9)(b)(ii) from the county.

5464 (ii) The notice described in Subsection (9)(b)(i)(B) shall state:

5465 (A) that the county will enact or repeal a tax or change the rate of a tax under this part;

5466 (B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);

5467 (C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and

5468 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
5469 (9)(b)(ii)(A), the rate of the tax.

5470 (c) (i) If the billing period for a transaction begins before the effective date of the
5471 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
5472 the tax or the tax rate increase shall take effect on the first day of the first billing period that
5473 begins after the effective date of the enactment of the tax or the tax rate increase.

5474 (ii) If the billing period for a transaction begins before the effective date of the repeal
5475 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
5476 rate decrease shall take effect on the first day of the last billing period that began before the
5477 effective date of the repeal of the tax or the tax rate decrease.

5478 (d) (i) Except as provided in Subsection (9)(e), if, for an annexation that occurs on or
5479 after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a
5480 tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

5481 (A) on the first day of a calendar quarter; and

5482 (B) after a 90-day period beginning on the date the commission receives notice meeting
5483 the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

5484 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:

5485 (A) that the annexation described in Subsection (9)(d)(i) will result in an enactment,
5486 repeal, or change in the rate of a tax under this part for the annexing area;

5487 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

5488 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

5489 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
5490 (9)(d)(ii)(A), the rate of the tax.

5491 (e) (i) If the billing period for a transaction begins before the effective date of the
5492 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
5493 the tax or the tax rate increase shall take effect on the first day of the first billing period that
5494 begins after the effective date of the enactment of the tax or the tax rate increase.

5495 (ii) If the billing period for a transaction begins before the effective date of the repeal
5496 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
5497 rate decrease shall take effect on the first day of the last billing period that began before the
5498 effective date of the repeal of the tax or the tax rate decrease.

5499 Section 41. Section **59-12-703** is amended to read:

5500 **59-12-703. Opinion question election -- Base -- Rate -- Imposition of tax --**
5501 **Expenditure of revenues -- Administration -- Enactment or repeal of tax -- Effective date**
5502 **-- Notice requirements.**

5503 (1) (a) Subject to the other provisions of this section, a county legislative body may
5504 submit an opinion question to the residents of that county, by majority vote of all members of
5505 the legislative body, so that each resident of the county, except residents in municipalities that
5506 have already imposed a sales and use tax under Part 14, City or Town Option Funding for
5507 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, has an
5508 opportunity to express the resident's opinion on the imposition of a local sales and use tax[~~of~~
5509 ~~.1%~~] on the transactions described in Subsection **59-12-103**(1) located within the county at a
5510 rate equal to the product of .1% and the rate reduction factor, to:

5511 (i) fund cultural facilities, recreational facilities, and zoological facilities, botanical
5512 organizations, cultural organizations, and zoological organizations, and rural radio stations, in

5513 that county; or

5514 (ii) provide funding for a botanical organization, cultural organization, or zoological
5515 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in
5516 furtherance of the botanical organization's, cultural organization's, or zoological organization's
5517 primary purpose.

5518 (b) The opinion question required by this section shall state:

5519 "Shall (insert the name of the county), Utah, be authorized to impose a [~~1%~~] (insert the
5520 rate currently in effect) sales and use tax for (list the purposes for which the revenue collected
5521 from the sales and use tax shall be expended)?"

5522 (c) A county legislative body may not impose a tax under this section on:

5523 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
5524 are exempt from taxation under Section 59-12-104;

5525 (ii) sales and uses within a municipality that has already imposed a sales and use tax
5526 under Part 14, City or Town Option Funding for Botanical, Cultural, Recreational, and
5527 Zoological Organizations or Facilities; and

5528 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and
5529 food ingredients.

5530 (d) For purposes of this Subsection (1), the location of a transaction shall be
5531 determined in accordance with Sections 59-12-211 through 59-12-215.

5532 (e) A county legislative body imposing a tax under this section shall impose the tax on
5533 the purchase price or sales price for amounts paid or charged for food and food ingredients if
5534 the food and food ingredients are sold as part of a bundled transaction attributable to food and
5535 food ingredients and tangible personal property other than food and food ingredients.

5536 (f) The election shall follow the procedures outlined in Title 11, Chapter 14, Local
5537 Government Bonding Act.

5538 (2) (a) If the county legislative body determines that a majority of the county's
5539 registered voters voting on the imposition of the tax have voted in favor of the imposition of
5540 the tax as prescribed in Subsection (1), the county legislative body may impose the tax by a
5541 majority vote of all members of the legislative body on the transactions:

5542 (i) described in Subsection (1); and

5543 (ii) within the county, including the cities and towns located in the county, except those

5544 cities and towns that have already imposed a sales and use tax under Part 14, City or Town
5545 Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or
5546 Facilities.

5547 (b) A county legislative body may revise county ordinances to reflect statutory changes
5548 to the distribution formula or eligible recipients of revenue generated from a tax imposed under
5549 Subsection (2)(a) without submitting an opinion question to residents of the county.

5550 (3) Subject to Section 59-12-704, revenue collected from a tax imposed under
5551 Subsection (2) shall be expended:

5552 (a) to fund cultural facilities, recreational facilities, and zoological facilities located
5553 within the county or a city or town located in the county, except a city or town that has already
5554 imposed a sales and use tax under Part 14, City or Town Option Funding for Botanical,
5555 Cultural, Recreational, and Zoological Organizations or Facilities;

5556 (b) to fund ongoing operating expenses of:

5557 (i) recreational facilities described in Subsection (3)(a);

5558 (ii) botanical organizations, cultural organizations, and zoological organizations within
5559 the county; and

5560 (iii) rural radio stations within the county; and

5561 (c) as stated in the opinion question described in Subsection (1).

5562 (4) (a) A tax authorized under this part shall be:

5563 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
5564 accordance with:

5565 (A) the same procedures used to administer, collect, and enforce the tax under:

5566 (I) Part 1, Tax Collection; or

5567 (II) Part 2, Local Sales and Use Tax Act; and

5568 (B) Chapter 1, General Taxation Policies; and

5569 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
5570 period in accordance with this section.

5571 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(6)]~~ (7).

5572 (5) (a) For purposes of this Subsection (5):

5573 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,
5574 County Annexation.

- 5575 (ii) "Annexing area" means an area that is annexed into a county.
- 5576 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
5577 county enacts or repeals a tax under this part, the enactment or repeal shall take effect:
- 5578 (A) on the first day of a calendar quarter; and
- 5579 (B) after a 90-day period beginning on the date the commission receives notice meeting
5580 the requirements of Subsection (5)(b)(ii) from the county.
- 5581 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:
- 5582 (A) that the county will enact or repeal a tax under this part;
- 5583 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);
- 5584 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and
- 5585 (D) if the county enacts the tax described in Subsection (5)(b)(ii)(A), the rate of the
5586 tax.
- 5587 (c) (i) If the billing period for a transaction begins before the effective date of the
5588 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
5589 the first billing period that begins on or after the effective date of the enactment of the tax.
- 5590 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
5591 period is produced on or after the effective date of the repeal of the tax imposed under this
5592 section.
- 5593 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
5594 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
5595 Subsection (5)(b)(i) takes effect:
- 5596 (A) on the first day of a calendar quarter; and
- 5597 (B) beginning 60 days after the effective date of the enactment or repeal under
5598 Subsection (5)(b)(i).
- 5599 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5600 commission may by rule define the term "catalogue sale."
- 5601 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
5602 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
5603 part for an annexing area, the enactment or repeal shall take effect:
- 5604 (A) on the first day of a calendar quarter; and
- 5605 (B) after a 90-day period beginning on the date the commission receives notice meeting

5606 the requirements of Subsection (5)(e)(ii) from the county that annexes the annexing area.

5607 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

5608 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
5609 repeal of a tax under this part for the annexing area;

5610 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

5611 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

5612 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

5613 (f) (i) If the billing period for a transaction begins before the effective date of the
5614 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
5615 the first billing period that begins on or after the effective date of the enactment of the tax.

5616 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
5617 period is produced on or after the effective date of the repeal of the tax imposed under this
5618 section.

5619 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
5620 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
5621 Subsection (5)(e)(i) takes effect:

5622 (A) on the first day of a calendar quarter; and

5623 (B) beginning 60 days after the effective date of the enactment or repeal under
5624 Subsection (5)(e)(i).

5625 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5626 commission may by rule define the term "catalogue sale."

5627 Section 42. Section **59-12-802** is amended to read:

5628 **59-12-802. Imposition of rural county health care facilities tax -- Expenditure of**
5629 **tax revenue -- Base -- Rate -- Administration, collection, and enforcement of tax --**
5630 **Administrative charge.**

5631 (1) (a) A county legislative body of a county of the third, fourth, fifth, or sixth class
5632 may impose a sales and use tax [~~of up to 1%~~] on the transactions described in Subsection
5633 **59-12-103**(1) located within the county of up to a rate equal to the product of:

5634 (i) 1%; and

5635 (ii) the rate reduction factor.

5636 (b) Subject to Subsection (3), the money collected from a tax under this section may be

5637 used to fund:

5638 (i) for a county of the third or fourth class, rural county health care facilities in that
5639 county; or

5640 (ii) for a county of the fifth or sixth class:

5641 (A) rural emergency medical services in that county;

5642 (B) federally qualified health centers in that county;

5643 (C) freestanding urgent care centers in that county;

5644 (D) rural county health care facilities in that county;

5645 (E) rural health clinics in that county; or

5646 (F) a combination of Subsections (1)(b)(ii)(A) through (E).

5647 (c) Notwithstanding Subsection (1)(a), a county legislative body may not impose a tax
5648 under this section on:

5649 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
5650 are exempt from taxation under Section 59-12-104;

5651 (ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in
5652 a city that imposes a tax under Section 59-12-804; and

5653 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and
5654 food ingredients.

5655 (d) For purposes of this Subsection (1), the location of a transaction shall be
5656 determined in accordance with Sections 59-12-211 through 59-12-215.

5657 (e) A county legislative body imposing a tax under this section shall impose the tax on
5658 the purchase price or sales price for amounts paid or charged for food and food ingredients if
5659 the food and food ingredients are sold as part of a bundled transaction attributable to food and
5660 food ingredients and tangible personal property other than food and food ingredients.

5661 (2) (a) Before imposing a tax under Subsection (1), a county legislative body shall
5662 obtain approval to impose the tax from a majority of the:

5663 (i) members of the county's legislative body; and

5664 (ii) county's registered voters voting on the imposition of the tax.

5665 (b) The county legislative body shall conduct the election according to the procedures
5666 and requirements of Title 11, Chapter 14, Local Government Bonding Act.

5667 (3) (a) The money collected from a tax imposed under Subsection (1) by a county

5668 legislative body of a county of the third or fourth class may only be used for the financing of:
5669 (i) ongoing operating expenses of a rural county health care facility within that county;
5670 (ii) the acquisition of land for a rural county health care facility within that county; or
5671 (iii) the design, construction, equipping, or furnishing of a rural county health care
5672 facility within that county.

5673 (b) The money collected from a tax imposed under Subsection (1) by a county of the
5674 fifth or sixth class may only be used to fund:

5675 (i) ongoing operating expenses of a center, clinic, or facility described in Subsection
5676 (1)(b)(ii) within that county;

5677 (ii) the acquisition of land for a center, clinic, or facility described in Subsection
5678 (1)(b)(ii) within that county;

5679 (iii) the design, construction, equipping, or furnishing of a center, clinic, or facility
5680 described in Subsection (1)(b)(ii) within that county; or

5681 (iv) rural emergency medical services within that county.

5682 (4) (a) A tax under this section shall be:

5683 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
5684 accordance with:

5685 (A) the same procedures used to administer, collect, and enforce the tax under:

5686 (I) Part 1, Tax Collection; or

5687 (II) Part 2, Local Sales and Use Tax Act; and

5688 (B) Chapter 1, General Taxation Policies; and

5689 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
5690 period by the county legislative body as provided in Subsection (1).

5691 (b) A tax under this section is not subject to Subsections 59-12-205(2) through [~~6~~]
5692 7).

5693 (c) A county legislative body shall distribute money collected from a tax under this
5694 section quarterly.

5695 (5) The commission shall retain and deposit an administrative charge in accordance
5696 with Section 59-1-306 from the revenue the commission collects from a tax under this section.
5697 Section 43. Section 59-12-804 is amended to read:
5698 **59-12-804. Imposition of rural city hospital tax -- Base -- Rate -- Administration,**

5699 **collection, and enforcement of tax -- Administrative charge.**5700 (1) (a) A city legislative body may impose a sales and use tax ~~[of up to 1%]:~~

5701 (i) on the transactions described in Subsection 59-12-103(1) located within the city;

5702 ~~[and]~~5703 (ii) to fund rural city hospitals in that city; and5704 (iii) of up to a rate equal to the product of:5705 (A) 1%; and5706 (B) the rate reduction factor.5707 (b) Notwithstanding Subsection (1)(a)(i), a city legislative body may not impose a tax
5708 under this section on:5709 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
5710 are exempt from taxation under Section 59-12-104; and5711 (ii) except as provided in Subsection (1)(d), amounts paid or charged for food and food
5712 ingredients.5713 (c) For purposes of this Subsection (1), the location of a transaction shall be
5714 determined in accordance with Sections 59-12-211 through 59-12-215.5715 (d) A city legislative body imposing a tax under this section shall impose the tax on the
5716 purchase price or sales price for amounts paid or charged for food and food ingredients if the
5717 food and food ingredients are sold as part of a bundled transaction attributable to food and food
5718 ingredients and tangible personal property other than food and food ingredients.5719 (2) (a) Before imposing a tax under Subsection (1)(a), a city legislative body shall
5720 obtain approval to impose the tax from a majority of the:

5721 (i) members of the city legislative body; and

5722 (ii) city's registered voters voting on the imposition of the tax.

5723 (b) The city legislative body shall conduct the election according to the procedures and
5724 requirements of Title 11, Chapter 14, Local Government Bonding Act.5725 (3) The money collected from a tax imposed under Subsection (1) may only be used to
5726 fund:

5727 (a) ongoing operating expenses of a rural city hospital;

5728 (b) the acquisition of land for a rural city hospital; or

5729 (c) the design, construction, equipping, or furnishing of a rural city hospital.

5730 (4) (a) A tax under this section shall be:
5731 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
5732 accordance with:

5733 (A) the same procedures used to administer, collect, and enforce the tax under:

5734 (I) Part 1, Tax Collection; or

5735 (II) Part 2, Local Sales and Use Tax Act; and

5736 (B) Chapter 1, General Taxation Policies; and

5737 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
5738 period by the city legislative body as provided in Subsection (1).

5739 (b) A tax under this section is not subject to Subsections 59-12-205(2) through ~~[(6)]~~
5740 (7).

5741 (5) The commission shall retain and deposit an administrative charge in accordance
5742 with Section 59-1-306 from the revenue the commission collects from a tax under this section.
5743 Section 44. Section 59-12-1102 is amended to read:

5744 **59-12-1102. Base -- Rate -- Imposition of tax -- Distribution of revenue --**
5745 **Administration -- Administrative charge -- Commission requirement to retain an amount**
5746 **to be deposited into the Qualified Emergency Food Agencies Fund -- Enactment or repeal**
5747 **of tax -- Effective date -- Notice requirements.**

5748 (1) (a) (i) Subject to Subsections (2) through ~~[(6)]~~ (7), and in addition to any other tax
5749 authorized by this chapter, a county may impose by ordinance a county option sales and use tax
5750 of .25% upon the transactions described in Subsection 59-12-103(1).

5751 (ii) Notwithstanding Subsection (1)(a)(i), a county may not impose a tax under this
5752 section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
5753 exempt from taxation under Section 59-12-104.

5754 (b) For purposes of this Subsection (1), the location of a transaction shall be
5755 determined in accordance with Sections 59-12-211 through 59-12-215.

5756 (c) The county option sales and use tax under this section shall be imposed:

5757 (i) upon transactions that are located within the county, including transactions that are
5758 located within municipalities in the county; and

5759 (ii) except as provided in Subsection (1)(d) or (5), beginning on the first day of
5760 January:

- 5761 (A) of the next calendar year after adoption of the ordinance imposing the tax if the
5762 ordinance is adopted on or before May 25; or
- 5763 (B) of the second calendar year after adoption of the ordinance imposing the tax if the
5764 ordinance is adopted after May 25.
- 5765 (d) The county option sales and use tax under this section shall be imposed:
- 5766 (i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before
5767 September 4, 1997; or
- 5768 (ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during 1997
5769 but after September 4, 1997.
- 5770 (2) (a) Before imposing a county option sales and use tax under Subsection (1), a
5771 county shall hold two public hearings on separate days in geographically diverse locations in
5772 the county.
- 5773 (b) (i) At least one of the hearings required by Subsection (2)(a) shall have a starting
5774 time of no earlier than 6 p.m.
- 5775 (ii) The earlier of the hearings required by Subsection (2)(a) shall be no less than seven
5776 days after the day the first advertisement required by Subsection (2)(c) is published.
- 5777 (c) (i) Before holding the public hearings required by Subsection (2)(a), the county
5778 shall advertise:
- 5779 (A) its intent to adopt a county option sales and use tax;
- 5780 (B) the date, time, and location of each public hearing; and
- 5781 (C) a statement that the purpose of each public hearing is to obtain public comments
5782 regarding the proposed tax.
- 5783 (ii) The advertisement shall be published:
- 5784 (A) in a newspaper of general circulation in the county once each week for the two
5785 weeks preceding the earlier of the two public hearings; and
- 5786 (B) on the Utah Public Notice Website created in Section [63F-1-701](#), for two weeks
5787 preceding the earlier of the two public hearings.
- 5788 (iii) The advertisement described in Subsection (2)(c)(ii)(A) shall be no less than 1/8
5789 page in size, and the type used shall be no smaller than 18 point and surrounded by a 1/4-inch
5790 border.
- 5791 (iv) The advertisement described in Subsection (2)(c)(ii)(A) may not be placed in that

5792 portion of the newspaper where legal notices and classified advertisements appear.

5793 (v) In accordance with Subsection (2)(c)(ii)(A), whenever possible:

5794 (A) the advertisement shall appear in a newspaper that is published at least five days a
5795 week, unless the only newspaper in the county is published less than five days a week; and

5796 (B) the newspaper selected shall be one of general interest and readership in the
5797 community, and not one of limited subject matter.

5798 (d) The adoption of an ordinance imposing a county option sales and use tax is subject
5799 to a local referendum election and shall be conducted as provided in Title 20A, Chapter 7, Part
5800 6, Local Referenda - Procedures.

5801 (3) (a) Subject to [~~Subsection~~] Subsections (5) and (7), if the aggregate population of
5802 the counties imposing a county option sales and use tax under Subsection (1) is less than 75%
5803 of the state population, the tax levied under Subsection (1) shall be distributed to the county in
5804 which the tax was collected.

5805 (b) Subject to [~~Subsection~~] Subsections (5) and (7), if the aggregate population of the
5806 counties imposing a county option sales and use tax under Subsection (1) is greater than or
5807 equal to 75% of the state population:

5808 (i) 50% of the tax collected under Subsection (1) in each county shall be distributed to
5809 the county in which the tax was collected; and

5810 (ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection
5811 (1) in each county shall be distributed proportionately among all counties imposing the tax,
5812 based on the total population of each county.

5813 (c) Except as provided in [~~Subsection~~] Subsections (5) and (7), the amount to be
5814 distributed annually to a county under Subsection (3)(b)(ii), when combined with the amount
5815 distributed to the county under Subsection (3)(b)(i), does not equal at least \$75,000, then:

5816 (i) the amount to be distributed annually to that county under Subsection (3)(b)(ii) shall
5817 be increased so that, when combined with the amount distributed to the county under
5818 Subsection (3)(b)(i), the amount distributed annually to the county is \$75,000; and

5819 (ii) the amount to be distributed annually to all other counties under Subsection
5820 (3)(b)(ii) shall be reduced proportionately to offset the additional amount distributed under
5821 Subsection (3)(c)(i).

5822 (d) The commission shall establish rules to implement the distribution of the tax under

5823 Subsections (3)(a), (b), and (c).

5824 (4) (a) Except as provided in Subsection (4)(b) or (c), a tax authorized under this part
5825 shall be administered, collected, and enforced in accordance with:

5826 (i) the same procedures used to administer, collect, and enforce the tax under:

5827 (A) Part 1, Tax Collection; or

5828 (B) Part 2, Local Sales and Use Tax Act; and

5829 (ii) Chapter 1, General Taxation Policies.

5830 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(6)]~~ (7).

5831 (c) (i) Subject to Subsection (4)(c)(ii), the commission shall retain and deposit an
5832 administrative charge in accordance with Section 59-1-306 from the revenue the commission
5833 collects from a tax under this part.

5834 (ii) Notwithstanding Section 59-1-306, the administrative charge described in
5835 Subsection (4)(c)(i) shall be calculated by taking a percentage described in Section 59-1-306 of
5836 the distribution amounts resulting after:

5837 (A) the applicable distribution calculations under Subsection (3) have been made; and

5838 (B) the commission retains the amount required by Subsection (5).

5839 (5) (a) Beginning on July 1, 2009, the commission shall calculate and retain a portion
5840 of the sales and use tax collected under this part as provided in this Subsection (5).

5841 (b) For a county that imposes a tax under this part, the commission shall calculate a
5842 percentage each month by dividing the sales and use tax collected under this part for that
5843 month within the boundaries of that county by the total sales and use tax collected under this
5844 part for that month within the boundaries of all of the counties that impose a tax under this part.

5845 (c) For a county that imposes a tax under this part, the commission shall retain each
5846 month an amount equal to the product of:

5847 (i) the percentage the commission determines for the month under Subsection (5)(b)
5848 for the county; and

5849 (ii) \$6,354.

5850 (d) The commission shall deposit an amount the commission retains in accordance
5851 with this Subsection (5) into the Qualified Emergency Food Agencies Fund created by Section
5852 35A-8-1009.

5853 (e) An amount the commission deposits into the Qualified Emergency Food Agencies

5854 Fund shall be expended as provided in Section 35A-8-1009.

5855 (6) (a) For purposes of this Subsection (6):

5856 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, County
5857 Consolidations and Annexations.

5858 (ii) "Annexing area" means an area that is annexed into a county.

5859 (b) (i) Except as provided in Subsection (6)(c) or (d), if, on or after July 1, 2004, a
5860 county enacts or repeals a tax under this part:

5861 (A) (I) the enactment shall take effect as provided in Subsection (1)(c); or

5862 (II) the repeal shall take effect on the first day of a calendar quarter; and

5863 (B) after a 90-day period beginning on the date the commission receives notice meeting
5864 the requirements of Subsection (6)(b)(ii) from the county.

5865 (ii) The notice described in Subsection (6)(b)(i)(B) shall state:

5866 (A) that the county will enact or repeal a tax under this part;

5867 (B) the statutory authority for the tax described in Subsection (6)(b)(ii)(A);

5868 (C) the effective date of the tax described in Subsection (6)(b)(ii)(A); and

5869 (D) if the county enacts the tax described in Subsection (6)(b)(ii)(A), the rate of the
5870 tax.

5871 (c) (i) If the billing period for a transaction begins before the effective date of the
5872 enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day
5873 of the first billing period that begins on or after the effective date of the enactment of the tax.

5874 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
5875 period is produced on or after the effective date of the repeal of the tax imposed under
5876 Subsection (1).

5877 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
5878 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
5879 Subsection (6)(b)(i) takes effect:

5880 (A) on the first day of a calendar quarter; and

5881 (B) beginning 60 days after the effective date of the enactment or repeal under
5882 Subsection (6)(b)(i).

5883 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5884 commission may by rule define the term "catalogue sale."

5885 (e) (i) Except as provided in Subsection (6)(f) or (g), if, for an annexation that occurs
5886 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
5887 part for an annexing area, the enactment or repeal shall take effect:

5888 (A) on the first day of a calendar quarter; and

5889 (B) after a 90-day period beginning on the date the commission receives notice meeting
5890 the requirements of Subsection (6)(e)(ii) from the county that annexes the annexing area.

5891 (ii) The notice described in Subsection (6)(e)(i)(B) shall state:

5892 (A) that the annexation described in Subsection (6)(e)(i) will result in an enactment or
5893 repeal of a tax under this part for the annexing area;

5894 (B) the statutory authority for the tax described in Subsection (6)(e)(ii)(A);

5895 (C) the effective date of the tax described in Subsection (6)(e)(ii)(A); and

5896 (D) the rate of the tax described in Subsection (6)(e)(ii)(A).

5897 (f) (i) If the billing period for a transaction begins before the effective date of the
5898 enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day
5899 of the first billing period that begins on or after the effective date of the enactment of the tax.

5900 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
5901 period is produced on or after the effective date of the repeal of the tax imposed under
5902 Subsection (1).

5903 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
5904 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
5905 Subsection (6)(e)(i) takes effect:

5906 (A) on the first day of a calendar quarter; and

5907 (B) beginning 60 days after the effective date of the enactment or repeal under
5908 Subsection (6)(e)(i).

5909 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5910 commission may by rule define the term "catalogue sale."

5911 (7) (a) As used in this Subsection (7):

5912 (i) "Consumer price index" means the Consumer Price Index for All Urban Consumers:
5913 All Items Less Food & Energy, as published by the Bureau of Labor Statistics of the United
5914 States Department of Labor.

5915 (ii) "Population estimate" means the population estimate as published by the Utah

5916 Population Committee created by Section [63C-20-103](#).

5917 (b) Notwithstanding the provisions of this section, beginning on or after January 1,
5918 2020, the commission may not distribute to a county, in accordance with the distribution
5919 requirements of this section, an amount that exceeds the amount equal to the county's tax
5920 revenue distribution amount under this section for the previous fiscal year multiplied by the
5921 sum of:

5922 (i) one;

5923 (ii) the actual percent change in the population estimate used in the December
5924 distribution with the population estimate used for the prior December for the same distribution;
5925 and

5926 (iii) the actual percent change of the consumer price index during the 12 months ending
5927 in November of the current year.

5928 (8) (a) For a filing period beginning on or after January 1, 2020, the commission shall
5929 calculate and retain a portion of the sales and use tax collected under this part as provided in
5930 this Subsection (8).

5931 (b) For a county that imposes a sales and use tax under this section, the commission
5932 shall calculate and retain an amount each month by subtracting from the sales and use tax
5933 collected under this part for that month from that county any amount that exceeds an amount
5934 equal to the quotient of the revenue distribution determined for that county, city, or town under
5935 Subsection (7)(b) for that county, city, or town divided by 12.

5936 (c) The commission shall deposit the amount the commission retains in accordance
5937 with this Subsection (8) into the Sales and Use Tax Base Expansion Restricted Account created
5938 by Section [59-12-103.3](#).

5939 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5940 commission may make rules governing the calculation and method for making the deposit
5941 described in this Subsection (8).

5942 (e) An amount the commission deposits into the Sales and Use Tax Base Expansion
5943 Restricted Account shall be expended as provided in Section [59-12-103.3](#).

5944 Section 45. Section **59-12-1302** is amended to read:

5945 **59-12-1302. Imposition of tax -- Base -- Rate -- Enactment or repeal of tax -- Tax**
5946 **rate change -- Effective date -- Notice requirements -- Administration, collection, and**

5947 **enforcement of tax -- Administrative charge.**

5948 (1) Beginning on or after January 1, 1998, the governing body of a town may impose a
5949 tax as provided in this part in an amount that does not exceed [~~1%~~] a rate equal to the product
5950 of:

5951 (a) 1%; and

5952 (b) the rate reduction factor.

5953 (2) A town may impose a tax as provided in this part if the town imposed a license fee
5954 or tax on businesses based on gross receipts under Section 10-1-203 on or before January 1,
5955 1996.

5956 (3) A town imposing a tax under this section shall:

5957 (a) except as provided in Subsection (4), impose the tax on the transactions described
5958 in Subsection 59-12-103(1) located within the town; and

5959 (b) provide an effective date for the tax as provided in Subsection (5).

5960 (4) (a) A town may not impose a tax under this section on:

5961 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
5962 are exempt from taxation under Section 59-12-104; and

5963 (ii) except as provided in Subsection (4)(c), amounts paid or charged for food and food
5964 ingredients.

5965 (b) For purposes of this Subsection (4), the location of a transaction shall be
5966 determined in accordance with Sections 59-12-211 through 59-12-215.

5967 (c) A town imposing a tax under this section shall impose the tax on the purchase price
5968 or sales price for amounts paid or charged for food and food ingredients if the food and food
5969 ingredients are sold as part of a bundled transaction attributable to food and food ingredients
5970 and tangible personal property other than food and food ingredients.

5971 (5) (a) For purposes of this Subsection (5):

5972 (i) "Annexation" means an annexation to a town under Title 10, Chapter 2, Part 4,
5973 Annexation.

5974 (ii) "Annexing area" means an area that is annexed into a town.

5975 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
5976 town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal,
5977 or change shall take effect:

5978 (A) on the first day of a calendar quarter; and
5979 (B) after a 90-day period beginning on the date the commission receives notice meeting
5980 the requirements of Subsection (5)(b)(ii) from the town.

5981 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:
5982 (A) that the town will enact or repeal a tax or change the rate of a tax under this part;
5983 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);
5984 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and
5985 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
5986 (5)(b)(ii)(A), the rate of the tax.

5987 (c) (i) If the billing period for the transaction begins before the effective date of the
5988 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
5989 the tax or the tax rate increase takes effect on the first day of the first billing period that begins
5990 on or after the effective date of the enactment of the tax or the tax rate increase.

5991 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
5992 statement for the billing period is produced on or after the effective date of the repeal of the tax
5993 or the tax rate decrease imposed under Subsection (1).

5994 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
5995 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
5996 a tax described in Subsection (5)(b)(i) takes effect:
5997 (A) on the first day of a calendar quarter; and
5998 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
5999 rate of the tax under Subsection (5)(b)(i).

6000 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6001 commission may by rule define the term "catalogue sale."

6002 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
6003 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
6004 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
6005 effect:
6006 (A) on the first day of a calendar quarter; and
6007 (B) after a 90-day period beginning on the date the commission receives notice meeting
6008 the requirements of Subsection (5)(e)(ii) from the town that annexes the annexing area.

- 6009 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:
- 6010 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment,
- 6011 repeal, or change in the rate of a tax under this part for the annexing area;
- 6012 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);
- 6013 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and
- 6014 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
- 6015 (5)(e)(ii)(A), the rate of the tax.
- 6016 (f) (i) If the billing period for a transaction begins before the effective date of the
- 6017 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
- 6018 the tax or the tax rate increase takes effect on the first day of the first billing period that begins
- 6019 on or after the effective date of the enactment of the tax or the tax rate increase.
- 6020 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
- 6021 statement for the billing period is produced on or after the effective date of the repeal of the tax
- 6022 or the tax rate decrease imposed under Subsection (1).
- 6023 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
- 6024 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
- 6025 a tax described in Subsection (5)(e)(i) takes effect:
- 6026 (A) on the first day of a calendar quarter; and
- 6027 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
- 6028 rate of the tax under Subsection (5)(e)(i).
- 6029 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 6030 commission may by rule define the term "catalogue sale."
- 6031 (6) The commission shall:
- 6032 (a) distribute the revenue generated by the tax under this section to the town imposing
- 6033 the tax; and
- 6034 (b) except as provided in Subsection (8), administer, collect, and enforce the tax
- 6035 authorized under this section in accordance with:
- 6036 (i) the same procedures used to administer, collect, and enforce the tax under:
- 6037 (A) Part 1, Tax Collection; or
- 6038 (B) Part 2, Local Sales and Use Tax Act; and
- 6039 (ii) Chapter 1, General Taxation Policies.

6040 (7) The commission shall retain and deposit an administrative charge in accordance
6041 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

6042 (8) A tax under this section is not subject to Subsections 59-12-205(2) through [~~(6)~~]
6043 (7).

6044 Section 46. Section 59-12-1402 is amended to read:

6045 **59-12-1402. Opinion question election -- Base -- Rate -- Imposition of tax --**
6046 **Expenditure of revenue -- Enactment or repeal of tax -- Effective date -- Notice**
6047 **requirements.**

6048 (1) (a) Subject to the other provisions of this section, a city or town legislative body
6049 subject to this part may submit an opinion question to the residents of that city or town, by
6050 majority vote of all members of the legislative body, so that each resident of the city or town
6051 has an opportunity to express the resident's opinion on the imposition of a local sales and use
6052 tax [~~of .1%~~] at a rate equal to the product of .1% and the rate reduction factor on the
6053 transactions described in Subsection 59-12-103(1) located within the city or town, to:

6054 (i) fund cultural facilities, recreational facilities, and zoological facilities and botanical
6055 organizations, cultural organizations, and zoological organizations in that city or town; or

6056 (ii) provide funding for a botanical organization, cultural organization, or zoological
6057 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in
6058 furtherance of the botanical organization's, cultural organization's, or zoological organization's
6059 primary purpose.

6060 (b) The opinion question required by this section shall state:

6061 "Shall (insert the name of the city or town), Utah, be authorized to impose a [~~.1%~~]
6062 (insert the rate currently in effect) sales and use tax for (list the purposes for which the revenue
6063 collected from the sales and use tax shall be expended)?"

6064 (c) A city or town legislative body may not impose a tax under this section:

6065 (i) if the county in which the city or town is located imposes a tax under Part 7, County
6066 Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or
6067 Facilities;

6068 (ii) on the sales and uses described in Section 59-12-104 to the extent the sales and
6069 uses are exempt from taxation under Section 59-12-104; and

6070 (iii) except as provided in Subsection (1)(e), on amounts paid or charged for food and

6071 food ingredients.

6072 (d) For purposes of this Subsection (1), the location of a transaction shall be
6073 determined in accordance with Sections 59-12-211 through 59-12-215.

6074 (e) A city or town legislative body imposing a tax under this section shall impose the
6075 tax on the purchase price or sales price for amounts paid or charged for food and food
6076 ingredients if the food and food ingredients are sold as part of a bundled transaction attributable
6077 to food and food ingredients and tangible personal property other than food and food
6078 ingredients.

6079 (f) Except as provided in Subsection (6), the election shall be held at a regular general
6080 election or a municipal general election, as those terms are defined in Section 20A-1-102, and
6081 shall follow the procedures outlined in Title 11, Chapter 14, Local Government Bonding Act.

6082 (2) If the city or town legislative body determines that a majority of the city's or town's
6083 registered voters voting on the imposition of the tax have voted in favor of the imposition of
6084 the tax as prescribed in Subsection (1), the city or town legislative body may impose the tax by
6085 a majority vote of all members of the legislative body.

6086 (3) Subject to Section 59-12-1403, revenue collected from a tax imposed under
6087 Subsection (2) shall be expended:

6088 (a) to finance cultural facilities, recreational facilities, and zoological facilities within
6089 the city or town or within the geographic area of entities that are parties to an interlocal
6090 agreement, to which the city or town is a party, providing for cultural facilities, recreational
6091 facilities, or zoological facilities;

6092 (b) to finance ongoing operating expenses of:

6093 (i) recreational facilities described in Subsection (3)(a) within the city or town or
6094 within the geographic area of entities that are parties to an interlocal agreement, to which the
6095 city or town is a party, providing for recreational facilities; or

6096 (ii) botanical organizations, cultural organizations, and zoological organizations within
6097 the city or town or within the geographic area of entities that are parties to an interlocal
6098 agreement, to which the city or town is a party, providing for the support of botanical
6099 organizations, cultural organizations, or zoological organizations; and

6100 (c) as stated in the opinion question described in Subsection (1).

6101 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall

6102 be:

6103 (i) administered, collected, and enforced in accordance with:

6104 (A) the same procedures used to administer, collect, and enforce the tax under:

6105 (I) Part 1, Tax Collection; or

6106 (II) Part 2, Local Sales and Use Tax Act; and

6107 (B) Chapter 1, General Taxation Policies; and

6108 (ii) (A) levied for a period of eight years; and

6109 (B) may be reauthorized at the end of the eight-year period in accordance with this

6110 section.

6111 (b) (i) If a tax under this part is imposed for the first time on or after July 1, 2011, the
6112 tax shall be levied for a period of 10 years.

6113 (ii) If a tax under this part is reauthorized in accordance with Subsection (4)(a) on or
6114 after July 1, 2011, the tax shall be reauthorized for a ten-year period.

6115 (c) A tax under this section is not subject to Subsections 59-12-205(2) through [~~6~~]
6116 7).

6117 (5) (a) For purposes of this Subsection (5):

6118 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
6119 4, Annexation.

6120 (ii) "Annexing area" means an area that is annexed into a city or town.

6121 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a city
6122 or town enacts or repeals a tax under this part, the enactment or repeal shall take effect:

6123 (A) on the first day of a calendar quarter; and

6124 (B) after a 90-day period beginning on the date the commission receives notice meeting
6125 the requirements of Subsection (5)(b)(ii) from the city or town.

6126 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

6127 (A) that the city or town will enact or repeal a tax under this part;

6128 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

6129 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

6130 (D) if the city or town enacts the tax described in Subsection (5)(b)(ii)(A), the rate of
6131 the tax.

6132 (c) (i) If the billing period for a transaction begins before the effective date of the

6133 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
6134 the first billing period that begins on or after the effective date of the enactment of the tax.

6135 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
6136 period is produced on or after the effective date of the repeal of the tax imposed under this
6137 section.

6138 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
6139 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
6140 Subsection (5)(b)(i) takes effect:

6141 (A) on the first day of a calendar quarter; and

6142 (B) beginning 60 days after the effective date of the enactment or repeal under
6143 Subsection (5)(b)(i).

6144 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6145 commission may by rule define the term "catalogue sale."

6146 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
6147 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
6148 part for an annexing area, the enactment or repeal shall take effect:

6149 (A) on the first day of a calendar quarter; and

6150 (B) after a 90-day period beginning on the date the commission receives notice meeting
6151 the requirements of Subsection (5)(e)(ii) from the city or town that annexes the annexing area.

6152 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

6153 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
6154 repeal a tax under this part for the annexing area;

6155 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

6156 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

6157 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

6158 (f) (i) If the billing period for a transaction begins before the effective date of the
6159 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
6160 the first billing period that begins on or after the effective date of the enactment of the tax.

6161 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
6162 period is produced on or after the effective date of the repeal of the tax imposed under this
6163 section.

6164 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
6165 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
6166 Subsection (5)(e)(i) takes effect:

6167 (A) on the first day of a calendar quarter; and

6168 (B) beginning 60 days after the effective date of the enactment or repeal under
6169 Subsection (5)(e)(i).

6170 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6171 commission may by rule define the term "catalogue sale."

6172 (6) (a) Before a city or town legislative body submits an opinion question to the
6173 residents of the city or town under Subsection (1), the city or town legislative body shall:

6174 (i) submit to the county legislative body in which the city or town is located a written
6175 notice of the intent to submit the opinion question to the residents of the city or town; and

6176 (ii) receive from the county legislative body:

6177 (A) a written resolution passed by the county legislative body stating that the county
6178 legislative body is not seeking to impose a tax under Part 7, County Option Funding for
6179 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities; or

6180 (B) a written statement that in accordance with Subsection (6)(b) the results of a county
6181 opinion question submitted to the residents of the county under Part 7, County Option Funding
6182 for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, permit the city
6183 or town legislative body to submit the opinion question to the residents of the city or town in
6184 accordance with this part.

6185 (b) (i) Within 60 days after the day the county legislative body receives from a city or
6186 town legislative body described in Subsection (6)(a) the notice of the intent to submit an
6187 opinion question to the residents of the city or town, the county legislative body shall provide
6188 the city or town legislative body:

6189 (A) the written resolution described in Subsection (6)(a)(ii)(A); or

6190 (B) written notice that the county legislative body will submit an opinion question to
6191 the residents of the county under Part 7, County Option Funding for Botanical, Cultural,
6192 Recreational, and Zoological Organizations or Facilities, for the county to impose a tax under
6193 that part.

6194 (ii) If the county legislative body provides the city or town legislative body the written

6195 notice that the county legislative body will submit an opinion question as provided in
6196 Subsection (6)(b)(i)(B), the county legislative body shall submit the opinion question by no
6197 later than, from the date the county legislative body sends the written notice, the later of:

6198 (A) a 12-month period;

6199 (B) the next regular primary election; or

6200 (C) the next regular general election.

6201 (iii) Within 30 days of the date of the canvass of the election at which the opinion
6202 question under Subsection (6)(b)(ii) is voted on, the county legislative body shall provide the
6203 city or town legislative body described in Subsection (6)(a) written results of the opinion
6204 question submitted by the county legislative body under Part 7, County Option Funding for
6205 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, indicating that:

6206 (A) (I) the city or town legislative body may not impose a tax under this part because a
6207 majority of the county's registered voters voted in favor of the county imposing the tax and the
6208 county legislative body by a majority vote approved the imposition of the tax; or

6209 (II) for at least 12 months from the date the written results are submitted to the city or
6210 town legislative body, the city or town legislative body may not submit to the county legislative
6211 body a written notice of the intent to submit an opinion question under this part because a
6212 majority of the county's registered voters voted against the county imposing the tax and the
6213 majority of the registered voters who are residents of the city or town described in Subsection
6214 (6)(a) voted against the imposition of the county tax; or

6215 (B) the city or town legislative body may submit the opinion question to the residents
6216 of the city or town in accordance with this part because although a majority of the county's
6217 registered voters voted against the county imposing the tax, the majority of the registered voters
6218 who are residents of the city or town voted for the imposition of the county tax.

6219 (c) Notwithstanding Subsection (6)(b), at any time a county legislative body may
6220 provide a city or town legislative body described in Subsection (6)(a) a written resolution
6221 passed by the county legislative body stating that the county legislative body is not seeking to
6222 impose a tax under Part 7, County Option Funding for Botanical, Cultural, Recreational, and
6223 Zoological Organizations or Facilities, which permits the city or town legislative body to
6224 submit under Subsection (1) an opinion question to the city's or town's residents.

6225 Section 47. Section **59-12-2003** is amended to read:

6226 **59-12-2003. Imposition -- Base -- Rate -- Revenue distributed to certain public**
6227 **transit districts.**

6228 (1) Subject to the other provisions of this section and except as provided in Subsection
6229 (2) or (4), beginning on July 1, 2008, the state shall impose a tax under this part on the
6230 transactions described in Subsection [59-12-103](#)(1) within a city, town, or the unincorporated
6231 area of a county of the first or second class if, on January 1, 2008, there is a public transit
6232 district within any portion of that county of the first or second class.

6233 (2) The state may not impose a tax under this part within a county of the first or second
6234 class if within all of the cities, towns, and the unincorporated area of the county of the first or
6235 second class there is imposed a sales and use tax [of]:

6236 (a) [~~.30%~~] under Section [59-12-2213](#) at a rate equal to the product of:

6237 (i) .3%; and

6238 (ii) the rate reduction factor;

6239 (b) [~~.30%~~] under Section [59-12-2215](#) at a rate equal to the product of:

6240 (i) .3%; and

6241 (ii) the rate reduction factor; or

6242 (c) [~~.30%~~] under Section [59-12-2216](#) at a rate equal to the product of:

6243 (i) .3%; and

6244 (ii) the rate reduction factor.

6245 (3) (a) Subject to Subsection (3)(b), if the state imposes a tax under this part, the tax
6246 rate imposed within a city, town, or the unincorporated area of a county of the first or second
6247 class is a percentage equal to the difference between:

6248 (i) [~~.30%~~] at a rate equal to the product of:

6249 (A) .3%; and

6250 (B) the rate reduction factor; and

6251 (ii) (A) for a city within the county of the first or second class, the highest tax rate
6252 imposed within that city under:

6253 (I) Section [59-12-2213](#);

6254 (II) Section [59-12-2215](#); or

6255 (III) Section [59-12-2216](#);

6256 (B) for a town within the county of the first or second class, the highest tax rate

6257 imposed within that town under:

6258 (I) Section 59-12-2213;

6259 (II) Section 59-12-2215; or

6260 (III) Section 59-12-2216; or

6261 (C) for the unincorporated area of the county of the first or second class, the highest tax
6262 rate imposed within that unincorporated area under:

6263 (I) Section 59-12-2213;

6264 (II) Section 59-12-2215; or

6265 (III) Section 59-12-2216.

6266 (b) For purposes of Subsection (3)(a), if for a city, town, or the unincorporated area of
6267 a county of the first or second class, the highest tax rate imposed under Section 59-12-2213,
6268 59-12-2215, or 59-12-2216 within that city, town, or unincorporated area of the county of the
6269 first or second class is [~~.30%~~] a rate equal to the product of .3% and the rate reduction factor,
6270 the state may not impose a tax under this part within that city, town, or unincorporated area.

6271 (4) (a) The state may not impose a tax under this part on:

6272 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
6273 are exempt from taxation under Section 59-12-104; or

6274 (ii) except as provided in Subsection (4)(b), amounts paid or charged for food and food
6275 ingredients.

6276 (b) The state shall impose a tax under this part on the purchase price or sales price for
6277 amounts paid or charged for food and food ingredients if the food and food ingredients are sold
6278 as part of a bundled transaction attributable to food and ingredients and tangible personal
6279 property other than food and food ingredients.

6280 (5) For purposes of Subsection (1), the location of a transaction shall be determined in
6281 accordance with Sections 59-12-211 through 59-12-215.

6282 (6) The commission shall distribute the revenues the state collects from the sales and
6283 use tax under this part, after subtracting amounts a seller retains in accordance with Section
6284 59-12-108, to the public transit districts within the cities, towns, and unincorporated areas:

6285 (a) within which the state imposes a tax under this part; and

6286 (b) in proportion to the revenues collected from the sales and use tax under this part
6287 within each city, town, and unincorporated area within which the state imposes a tax under this

6288 part.

6289 Section 48. Section **59-12-2103** is amended to read:

6290 **59-12-2103. Imposition of tax -- Base -- Rate -- Expenditure of revenue collected**
6291 **from the tax -- Administration, collection, and enforcement of tax by commission --**
6292 **Administrative charge -- Enactment or repeal of tax -- Annexation -- Notice.**

6293 (1) (a) As used in this section, "eligible city or town" means a city or town that
6294 imposed a tax under this part on July 1, 2016.

6295 (b) Subject to the other provisions of this section and except as provided in Subsection
6296 (2) or (3), the legislative body of an eligible city or town may impose a sales and use tax [~~of up~~
6297 ~~to .20%~~] on the transactions:

6298 (i) described in Subsection **59-12-103**(1); [~~and]~~

6299 (ii) within the city or town; and

6300 (iii) of up to a rate equal to the product of:

6301 (A) .2%; and

6302 (B) the rate reduction factor.

6303 (c) A city or town legislative body that imposes a tax under Subsection (1)(b) shall
6304 expend the revenue collected from the tax for the same purposes for which the city or town
6305 may expend the city's or town's general fund revenue.

6306 (d) For purposes of this Subsection (1), the location of a transaction shall be
6307 determined in accordance with Sections **59-12-211** through **59-12-215**.

6308 (2) (a) A city or town legislative body may not impose a tax under this section on:

6309 (i) the sales and uses described in Section **59-12-104** to the extent the sales and uses
6310 are exempt from taxation under Section **59-12-104**; and

6311 (ii) except as provided in Subsection (2)(b), amounts paid or charged for food and food
6312 ingredients.

6313 (b) A city or town legislative body imposing a tax under this section shall impose the
6314 tax on the purchase price or sales price for amounts paid or charged for food and food
6315 ingredients if the food and food ingredients are sold as part of a bundled transaction attributable
6316 to food and food ingredients and tangible personal property other than food and food
6317 ingredients.

6318 (3) An eligible city or town may impose a tax under this part until no later than June

6319 30, 2030.

6320 (4) The commission shall transmit revenue collected within a city or town from a tax
6321 under this part:

6322 (a) to the city or town legislative body;

6323 (b) monthly; and

6324 (c) by electronic funds transfer.

6325 (5) (a) Except as provided in Subsection (5)(b), the commission shall administer,
6326 collect, and enforce a tax under this part in accordance with:

6327 (i) the same procedures used to administer, collect, and enforce the tax under:

6328 (A) Part 1, Tax Collection; or

6329 (B) Part 2, Local Sales and Use Tax Act; and

6330 (ii) Chapter 1, General Taxation Policies.

6331 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(6)]~~ (7).

6332 (6) The commission shall retain and deposit an administrative charge in accordance
6333 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

6334 (7) (a) (i) Except as provided in Subsection (7)(b) or (c), if, on or after January 1, 2009,
6335 a city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
6336 repeal, or change shall take effect:

6337 (A) on the first day of a calendar quarter; and

6338 (B) after a 90-day period beginning on the date the commission receives notice meeting
6339 the requirements of Subsection (7)(a)(i) from the city or town.

6340 (ii) The notice described in Subsection (7)(a)(i)(B) shall state:

6341 (A) that the city or town will enact or repeal a tax or change the rate of the tax under
6342 this part;

6343 (B) the statutory authority for the tax described in Subsection (7)(a)(ii)(A);

6344 (C) the effective date of the tax described in Subsection (7)(a)(ii)(A); and

6345 (D) if the city or town enacts the tax or changes the rate of the tax described in
6346 Subsection (7)(a)(ii)(A), the rate of the tax.

6347 (b) (i) If the billing period for a transaction begins before the enactment of the tax or
6348 the tax rate increase under Subsection (1), the enactment of the tax or the tax rate increase takes
6349 effect on the first day of the first billing period that begins on or after the effective date of the

6350 enactment of the tax or the tax rate increase.

6351 (ii) If the billing period for a transaction begins before the effective date of the repeal
6352 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
6353 rate decrease applies to a billing period if the billing statement for the billing period is rendered
6354 on or after the effective date of the repeal of the tax or the tax rate decrease.

6355 (c) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales
6356 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax
6357 described in Subsection (7)(a)(i) takes effect:

6358 (A) on the first day of a calendar quarter; and

6359 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
6360 rate of the tax under Subsection (7)(a)(i).

6361 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6362 commission may by rule define the term "catalogue sale."

6363 (d) (i) Except as provided in Subsection (7)(e) or (f), if, for an annexation that occurs
6364 on or after January 1, 2009, the annexation will result in the enactment, repeal, or change in the
6365 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
6366 effect:

6367 (A) on the first day of a calendar quarter; and

6368 (B) after a 90-day period beginning on the date the commission receives notice meeting
6369 the requirements of Subsection (7)(d)(ii) from the city or town that annexes the annexing area.

6370 (ii) The notice described in Subsection (7)(d)(i)(B) shall state:

6371 (A) that the annexation described in Subsection (7)(d)(i)(B) will result in the
6372 enactment, repeal, or change in the rate of a tax under this part for the annexing area;

6373 (B) the statutory authority for the tax described in Subsection (7)(d)(ii)(A);

6374 (C) the effective date of the tax described in Subsection (7)(d)(ii)(A); and

6375 (D) if the city or town enacts the tax or changes the rate of the tax described in
6376 Subsection (7)(d)(ii)(A), the rate of the tax.

6377 (e) (i) If the billing period for a transaction begins before the effective date of the
6378 enactment of the tax or a tax rate increase under Subsection (1), the enactment of a tax or a tax
6379 rate increase takes effect on the first day of the first billing period that begins on or after the
6380 effective date of the enactment of the tax or the tax rate increase.

6381 (ii) If the billing period for a transaction begins before the effective date of the repeal
6382 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
6383 rate decrease applies to a billing period if the billing statement for the billing period is rendered
6384 on or after the effective date of the repeal of the tax or the tax rate decrease.

6385 (f) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales
6386 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax
6387 described in Subsection (7)(d)(i) takes effect:

6388 (A) on the first day of a calendar quarter; and

6389 (B) beginning 60 days after the effective date of the enactment, repeal, or change under
6390 Subsection (7)(d)(i).

6391 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6392 commission may by rule define the term "catalogue sale."

6393 Section 49. Section **59-12-2206** is amended to read:

6394 **59-12-2206. Administration, collection, and enforcement of a sales and use tax**
6395 **under this part -- Transmission of revenue monthly by electronic funds transfer --**
6396 **Transfer of revenue to a public transit district or eligible political subdivision.**

6397 (1) Except as provided in Subsection (2), the commission shall administer, collect, and
6398 enforce a sales and use tax imposed under this part.

6399 (2) The commission shall administer, collect, and enforce a sales and use tax imposed
6400 under this part in accordance with:

6401 (a) the same procedures used to administer, collect, and enforce a tax under:

6402 (i) Part 1, Tax Collection; or

6403 (ii) Part 2, Local Sales and Use Tax Act; and

6404 (b) Chapter 1, General Taxation Policies.

6405 (3) A sales and use tax under this part is not subject to Subsections [59-12-205\(2\)](#)
6406 through ~~[(6)]~~ [\(7\)](#).

6407 (4) Subject to Section [59-12-2207](#) and except as provided in Subsection (5) or another
6408 provision of this part, the state treasurer shall transmit revenue collected within a county, city,
6409 or town from a sales and use tax under this part to the county, city, or town legislative body
6410 monthly by electronic funds transfer.

6411 (5) (a) Subject to Section [59-12-2207](#), and except as provided in Subsection (5)(b), the

6412 state treasurer shall transfer revenue collected within a county, city, or town from a sales and
6413 use tax under this part directly to a public transit district organized under Title 17B, Chapter 2a,
6414 Part 8, Public Transit District Act, or an eligible political subdivision as defined in Section
6415 59-12-2219, if the county, city, or town legislative body:

6416 (i) provides written notice to the commission and the state treasurer requesting the
6417 transfer; and

6418 (ii) designates the public transit district or eligible political subdivision to which the
6419 county, city, or town legislative body requests the state treasurer to transfer the revenue.

6420 (b) The commission shall transmit a portion of the revenue collected within a county,
6421 city, or town from a sales and use tax under this part that would be transferred to a public
6422 transit district or an eligible political subdivision under Subsection (5)(a) to the county, city, or
6423 town to fund public transit fixed guideway safety oversight under Section 72-1-214 if the
6424 county, city, or town legislative body:

6425 (i) provides written notice to the commission and the state treasurer requesting the
6426 transfer; and

6427 (ii) specifies the amount of revenue required to be transmitted to the county, city, or
6428 town.

6429 Section 50. Section 59-12-2213 is amended to read:

6430 **59-12-2213. County, city, or town option sales and use tax to fund a system for**
6431 **public transit -- Base -- Rate.**

6432 (1) Subject to the other provisions of this part, a county, city, or town may impose a
6433 sales and use tax under this section [~~of up to~~]:

6434 (a) for a county, city, or town other than a county, city, or town described in Subsection
6435 (1)(b), [~~.25%~~] on the transactions described in Subsection 59-12-103(1) located within the
6436 county, city, or town to fund a system for public transit of up to a rate equal to the product of:

6437 (i) .25%; and

6438 (ii) the rate reduction factor; or

6439 (b) for a county, city, or town within which a tax is not imposed under Section
6440 59-12-2216, [~~.30%~~] on the transactions described in Subsection 59-12-103(1) located within
6441 the county, city, or town, to fund a system for public transit of up to a rate equal to the product
6442 of:

- 6443 (i) .3%; and
- 6444 (ii) the rate reduction factor.

6445 (2) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not
6446 required to submit an opinion question to the county's, city's, or town's registered voters in
6447 accordance with Section 59-12-2208 to impose a sales and use tax under this section if the
6448 county, city, or town imposes the sales and use tax under Section 59-12-2216 on or before July
6449 1, 2011.

6450 Section 51. Section 59-12-2214 is amended to read:

6451 **59-12-2214. County, city, or town option sales and use tax to fund a system for**
6452 **public transit, an airport facility, a water conservation project, or to be deposited into the**
6453 **County of the First Class Highway Projects Fund -- Base -- Rate -- Voter approval**
6454 **exception.**

6455 (1) Subject to the other provisions of this part, a county, city, or town may impose a
6456 sales and use tax [~~of .25%~~] on the transactions described in Subsection 59-12-103(1) located
6457 within the county, city, or town at a rate equal to the product of:

- 6458 (a) .25%; and
- 6459 (b) the rate reduction factor.

6460 (2) Subject to Subsection (3), a county, city, or town that imposes a sales and use tax
6461 under this section shall expend the revenues collected from the sales and use tax:

- 6462 (a) to fund a system for public transit;
- 6463 (b) to fund a project or service related to an airport facility for the portion of the project
6464 or service that is performed within the county, city, or town within which the sales and use tax
6465 is imposed:

- 6466 (i) for a county that imposes the sales and use tax, if the airport facility is part of the
6467 regional transportation plan of the area metropolitan planning organization if a metropolitan
6468 planning organization exists for the area; or

- 6469 (ii) for a city or town that imposes the sales and use tax, if:
 - 6470 (A) that city or town is located within a county of the second class;
 - 6471 (B) that city or town owns or operates the airport facility; and
 - 6472 (C) an airline is headquartered in that city or town; or
- 6473 (c) for a combination of Subsections (2)(a) and (b).

6474 (3) A county of the first class that imposes a sales and use tax under this section shall
6475 expend the revenues collected from the sales and use tax as follows:

6476 (a) 80% of the revenues collected from the sales and use tax shall be expended to fund
6477 a system for public transit; and

6478 (b) 20% of the revenues collected from the sales and use tax shall be deposited into the
6479 County of the First Class Highway Projects Fund created by Section 72-2-121.

6480 (4) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not
6481 required to submit an opinion question to the county's, city's, or town's registered voters in
6482 accordance with Section 59-12-2208 to impose a sales and use tax under this section if:

6483 (a) the county, city, or town imposes the sales and use tax under this section on or after
6484 July 1, 2010, but on or before July 1, 2011;

6485 (b) on July 1, 2010, the county, city, or town imposes a sales and use tax under:

6486 (i) Section 59-12-2213; or

6487 (ii) Section 59-12-2215; and

6488 (c) the county, city, or town obtained voter approval to impose the sales and use tax
6489 under:

6490 (i) Section 59-12-2213; or

6491 (ii) Section 59-12-2215.

6492 Section 52. Section 59-12-2215 is amended to read:

6493 **59-12-2215. City or town option sales and use tax for highways or to fund a**
6494 **system for public transit -- Base -- Rate.**

6495 (1) Subject to the other provisions of this part, a city or town may impose a sales and
6496 use tax [~~of up to .30%~~] on the transactions described in Subsection 59-12-103(1) located within
6497 the city or town of up to a rate equal to the product of:

6498 (a) .3%; and

6499 (b) the rate reduction factor.

6500 (2) A city or town imposing a sales and use tax under this section shall expend the
6501 revenues collected from the sales and use tax:

6502 (a) for the construction and maintenance of highways under the jurisdiction of the city
6503 or town imposing the tax;

6504 (b) to fund a system for public transit; or

6505 (c) for a combination of Subsections (2)(a) and (b).

6506 Section 53. Section **59-12-2216** is amended to read:

6507 **59-12-2216. County option sales and use tax for a fixed guideway, to fund a**
6508 **system for public transit, or for highways -- Base -- Rate -- Allocation and expenditure of**
6509 **revenues.**

6510 (1) Subject to the other provisions of this part, a county legislative body may impose a
6511 sales and use tax [~~of up to .30%~~] on the transactions described in Subsection **59-12-103(1)**
6512 within the county, including the cities and towns within the county of up to a rate equal to the
6513 product of:

6514 (a) .3%; and

6515 (b) the rate reduction factor.

6516 (2) Subject to Subsection (3), before obtaining voter approval in accordance with
6517 Section **59-12-2208**, a county legislative body shall adopt a resolution specifying the
6518 percentage of revenues the county will receive from the sales and use tax under this section that
6519 will be allocated to fund one or more of the following:

6520 (a) a project or service relating to a fixed guideway for the portion of the project or
6521 service that is performed within the county;

6522 (b) a project or service relating to a system for public transit, except for a fixed
6523 guideway, for the portion of the project or service that is performed within the county;

6524 (c) the following relating to a state highway within the county:

6525 (i) a project within the county if the project:

6526 (A) begins on or after the day on which a county legislative body imposes a tax under
6527 this section; and

6528 (B) involves an environmental study, an improvement, new construction, or a
6529 renovation;

6530 (ii) debt service on a project described in Subsection (2)(c)(i); or

6531 (iii) bond issuance costs related to a project described in Subsection (2)(c)(i); or

6532 (d) a project, debt service, or bond issuance cost described in Subsection (2)(c) relating
6533 to a highway that is:

6534 (i) a principal arterial highway or minor arterial highway;

6535 (ii) included in a metropolitan planning organization's regional transportation plan; and

6536 (iii) not a state highway.

6537 (3) A county legislative body shall in the resolution described in Subsection (2)
6538 allocate 100% of the revenues the county will receive from the sales and use tax under this
6539 section for one or more of the purposes described in Subsection (2).

6540 (4) Notwithstanding Section 59-12-2208, the opinion question required by Section
6541 59-12-2208 shall state the allocations the county legislative body makes in accordance with this
6542 section.

6543 (5) The revenues collected from a sales and use tax under this section shall be:

6544 (a) allocated in accordance with the allocations specified in the resolution under
6545 Subsection (2); and

6546 (b) expended as provided in this section.

6547 (6) If a county legislative body allocates revenues collected from a sales and use tax
6548 under this section for a state highway project described in Subsection (2)(c)(i), before
6549 beginning the state highway project within the county, the county legislative body shall:

6550 (a) obtain approval from the Transportation Commission to complete the project; and

6551 (b) enter into an interlocal agreement established in accordance with Title 11, Chapter
6552 13, Interlocal Cooperation Act, with the Department of Transportation to complete the project.

6553 (7) If after a county legislative body imposes a sales and use tax under this section the
6554 county legislative body seeks to change an allocation specified in the resolution under
6555 Subsection (2), the county legislative body may change the allocation by:

6556 (a) adopting a resolution in accordance with Subsection (2) specifying the percentage
6557 of revenues the county will receive from the sales and use tax under this section that will be
6558 allocated to fund one or more of the items described in Subsection (2);

6559 (b) obtaining approval to change the allocation of the sales and use tax by a majority of
6560 all of the members of the county legislative body; and

6561 (c) subject to Subsection (8):

6562 (i) in accordance with Section 59-12-2208, submitting an opinion question to the
6563 county's registered voters voting on changing the allocation so that each registered voter has the
6564 opportunity to express the registered voter's opinion on whether the allocation should be
6565 changed; and

6566 (ii) in accordance with Section 59-12-2208, obtaining approval to change the allocation

6567 from a majority of the county's registered voters voting on changing the allocation.

6568 (8) Notwithstanding Section 59-12-2208, the opinion question required by Subsection
6569 (7)(c)(i) shall state the allocations specified in the resolution adopted in accordance with
6570 Subsection (7)(a) and approved by the county legislative body in accordance with Subsection
6571 (7)(b).

6572 (9) Revenues collected from a sales and use tax under this section that a county
6573 allocates for a purpose described in Subsection (2)(c) shall be:

6574 (a) deposited into the Highway Projects Within Counties Fund created by Section
6575 72-2-121.1; and

6576 (b) expended as provided in Section 72-2-121.1.

6577 (10) (a) Notwithstanding Section 59-12-2206 and subject to Subsection (10)(b),
6578 revenues collected from a sales and use tax under this section that a county allocates for a
6579 purpose described in Subsection (2)(d) shall be transferred to the Department of Transportation
6580 if the transfer of the revenues is required under an interlocal agreement:

6581 (i) entered into on or before January 1, 2010; and

6582 (ii) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

6583 (b) The Department of Transportation shall expend the revenues described in
6584 Subsection (10)(a) as provided in the interlocal agreement described in Subsection (10)(a).

6585 Section 54. Section 59-12-2217 is amended to read:

6586 **59-12-2217. County option sales and use tax for transportation -- Base -- Rate --**

6587 **Written prioritization process -- Approval by county legislative body.**

6588 (1) Subject to the other provisions of this part, and subject to Subsection (10), a county
6589 legislative body may impose a sales and use tax [~~of up to .25%~~] on the transactions described
6590 in Subsection 59-12-103(1) within the county, including the cities and towns within the county
6591 of up to a rate equal to the product of:

6592 (a) .25%; and

6593 (b) the rate reduction factor.

6594 (2) Subject to Subsections (3) through (8) and Section 59-12-2207, the revenues
6595 collected from a sales and use tax under this section may only be expended for:

6596 (a) a project or service:

6597 (i) relating to a regionally significant transportation facility for the portion of the

6598 project or service that is performed within the county;

6599 (ii) for new capacity or congestion mitigation if the project or service is performed
6600 within a county:

6601 (A) of the first or second class; or

6602 (B) if that county is part of an area metropolitan planning organization; and

6603 (iii) that is on a priority list:

6604 (A) created by the county's council of governments in accordance with Subsection (7);

6605 and

6606 (B) approved by the county legislative body in accordance with Subsection (7);

6607 (b) corridor preservation for a project or service described in Subsection (2)(a); or

6608 (c) debt service or bond issuance costs related to a project or service described in

6609 Subsection (2)(a)(i) or (ii).

6610 (3) If a project or service described in Subsection (2) is for:

6611 (a) a principal arterial highway or a minor arterial highway in a county of the first or
6612 second class or a collector road in a county of the second class, that project or service shall be
6613 part of the:

6614 (i) county and municipal master plan; and

6615 (ii) (A) statewide long-range plan; or

6616 (B) regional transportation plan of the area metropolitan planning organization if a
6617 metropolitan planning organization exists for the area; or

6618 (b) a fixed guideway or an airport, that project or service shall be part of the regional
6619 transportation plan of the area metropolitan planning organization if a metropolitan planning
6620 organization exists for the area.

6621 (4) In a county of the first or second class, a regionally significant transportation
6622 facility project or service described in Subsection (2)(a)(i) shall have a funded year priority
6623 designation on a Statewide Transportation Improvement Program and Transportation
6624 Improvement Program if the project or service described in Subsection (2)(a)(i) is:

6625 (a) a principal arterial highway;

6626 (b) a minor arterial highway;

6627 (c) a collector road in a county of the second class; or

6628 (d) a major collector highway in a rural area.

6629 (5) Of the revenues collected from a sales and use tax imposed under this section
6630 within a county of the first class, 25% or more shall be expended for the purpose described in
6631 Subsection (2)(b).

6632 (6) (a) As provided in this Subsection (6), a council of governments shall:

6633 (i) develop a written prioritization process for the prioritization of projects to be funded
6634 by revenues collected from a sales and use tax under this section;

6635 (ii) create a priority list of regionally significant transportation facility projects or
6636 services described in Subsection (2)(a)(i) in accordance with Subsection (7); and

6637 (iii) present the priority list to the county legislative body for approval in accordance
6638 with Subsection (7).

6639 (b) The written prioritization process described in Subsection (6)(a)(i) shall include:

6640 (i) a definition of the type of projects to which the written prioritization process
6641 applies;

6642 (ii) subject to Subsection (6)(c), the specification of a weighted criteria system that the
6643 council of governments will use to rank proposed projects and how that weighted criteria
6644 system will be used to determine which proposed projects will be prioritized;

6645 (iii) the specification of data that is necessary to apply the weighted criteria system;

6646 (iv) application procedures for a project to be considered for prioritization by the
6647 council of governments; and

6648 (v) any other provision the council of governments considers appropriate.

6649 (c) The weighted criteria system described in Subsection (6)(b)(ii) shall include the
6650 following:

6651 (i) the cost effectiveness of a project;

6652 (ii) the degree to which a project will mitigate regional congestion;

6653 (iii) the compliance requirements of applicable federal laws or regulations;

6654 (iv) the economic impact of a project;

6655 (v) the degree to which a project will require tax revenues to fund maintenance and
6656 operation expenses; and

6657 (vi) any other provision the council of governments considers appropriate.

6658 (d) A council of governments of a county of the first or second class shall submit the
6659 written prioritization process described in Subsection (6)(a)(i) to the Executive Appropriations

6660 Committee for approval prior to taking final action on:

6661 (i) the written prioritization process; or

6662 (ii) any proposed amendment to the written prioritization process.

6663 (7) (a) A council of governments shall use the weighted criteria system adopted in the
6664 written prioritization process developed in accordance with Subsection (6) to create a priority
6665 list of regionally significant transportation facility projects or services for which revenues
6666 collected from a sales and use tax under this section may be expended.

6667 (b) Before a council of governments may finalize a priority list or the funding level of a
6668 project, the council of governments shall conduct a public meeting on:

6669 (i) the written prioritization process; and

6670 (ii) the merits of the projects that are prioritized as part of the written prioritization
6671 process.

6672 (c) A council of governments shall make the weighted criteria system ranking for each
6673 project prioritized as part of the written prioritization process publicly available before the
6674 public meeting required by Subsection (7)(b) is held.

6675 (d) If a council of governments prioritizes a project over another project with a higher
6676 rank under the weighted criteria system, the council of governments shall:

6677 (i) identify the reasons for prioritizing the project over another project with a higher
6678 rank under the weighted criteria system at the public meeting required by Subsection (7)(b);
6679 and

6680 (ii) make the reasons described in Subsection (7)(d)(i) publicly available.

6681 (e) Subject to Subsections (7)(f) and (g), after a council of governments finalizes a
6682 priority list in accordance with this Subsection (7), the council of governments shall:

6683 (i) submit the priority list to the county legislative body for approval; and

6684 (ii) obtain approval of the priority list from a majority of the members of the county
6685 legislative body.

6686 (f) A council of governments may only submit one priority list per calendar year to the
6687 county legislative body.

6688 (g) A county legislative body may only consider and approve one priority list submitted
6689 under Subsection (7)(e) per calendar year.

6690 (8) In a county of the first class, revenues collected from a sales and use tax under this

6691 section that a county allocates for a purpose described in Subsection (2)(b) shall be:

6692 (a) deposited in or transferred to the County of the First Class Highway Projects Fund
6693 created by Section 72-2-121; and

6694 (b) expended as provided in Section 72-2-121.

6695 (9) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
6696 required to, submit an opinion question to the county's registered voters in accordance with
6697 Section 59-12-2208 to impose a sales and use tax under this section.

6698 (10) (a) (i) Notwithstanding any other provision in this section, if the entire boundary
6699 of a county is annexed into a large public transit district, if the county legislative body wishes
6700 to impose a sales and use tax under this section, the county legislative body shall pass the
6701 ordinance to impose a sales and use tax under this section on or before June 30, 2022.

6702 (ii) If the entire boundary of a county is annexed into a large public transit district, the
6703 county legislative body may not pass an ordinance to impose a sales and use tax under this
6704 section on or after July 1, 2022.

6705 (b) Notwithstanding the deadline described in Subsection (10)(a), any sales and use tax
6706 imposed under this section on or before June 30, 2022, may remain in effect.

6707 Section 55. Section 59-12-2218 is amended to read:

6708 **59-12-2218. County, city, or town option sales and use tax for airports, highways,**
6709 **and systems for public transit -- Base -- Rate -- Administration of sales and use tax --**
6710 **Voter approval exception.**

6711 (1) Subject to the other provisions of this part, and subject to Subsection (11), the
6712 following may impose a sales and use tax under this section:

6713 (a) if, on April 1, 2009, a county legislative body of a county of the second class
6714 imposes a sales and use tax under this section, the county legislative body of the county of the
6715 second class may impose the sales and use tax on the transactions:

6716 (i) described in Subsection 59-12-103(1); and

6717 (ii) within the county, including the cities and towns within the county; or

6718 (b) if, on April 1, 2009, a county legislative body of a county of the second class does
6719 not impose a sales and use tax under this section:

6720 (i) a city legislative body of a city within the county of the second class may impose a
6721 sales and use tax under this section on the transactions described in Subsection 59-12-103(1)

6722 within that city;

6723 (ii) a town legislative body of a town within the county of the second class may impose
6724 a sales and use tax under this section on the transactions described in Subsection 59-12-103(1)
6725 within that town; and

6726 (iii) the county legislative body of the county of the second class may impose a sales
6727 and use tax on the transactions described in Subsection 59-12-103(1):

6728 (A) within the county, including the cities and towns within the county, if on the date
6729 the county legislative body provides the notice described in Section 59-12-2209 to the
6730 commission stating that the county will enact a sales and use tax under this section, no city or
6731 town within that county imposes a sales and use tax under this section or has provided the
6732 notice described in Section 59-12-2209 to the commission stating that the city or town will
6733 enact a sales and use tax under this section; or

6734 (B) within the county, except for within a city or town within that county, if, on the
6735 date the county legislative body provides the notice described in Section 59-12-2209 to the
6736 commission stating that the county will enact a sales and use tax under this section, that city or
6737 town imposes a sales and use tax under this section or has provided the notice described in
6738 Section 59-12-2209 to the commission stating that the city or town will enact a sales and use
6739 tax under this section.

6740 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
6741 county, city, or town legislative body that imposes a sales and use tax under this section may
6742 impose the tax at a rate ~~[of]~~:

6743 (a) ~~[-10%; or]~~ equal to the product of:

6744 (i) .1%; and

6745 (ii) the rate reduction factor; or

6746 (b) ~~[-25%]~~ equal to the product of:

6747 (i) .25%; and

6748 (ii) the rate reduction factor.

6749 (3) A sales and use tax imposed at a rate described in Subsection (2)(a) shall be
6750 expended as determined by the county, city, or town legislative body as follows:

6751 (a) deposited as provided in Subsection (9)(b) into the County of the Second Class
6752 State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in

6753 Section 72-2-121.2;

6754 (b) expended for a project or service relating to an airport facility for the portion of the
6755 project or service that is performed within the county, city, or town within which the tax is
6756 imposed:

6757 (i) for a county legislative body that imposes the sales and use tax, if that airport
6758 facility is part of the regional transportation plan of the area metropolitan planning organization
6759 if a metropolitan planning organization exists for the area; or

6760 (ii) for a city or town legislative body that imposes the sales and use tax, if:

6761 (A) that city or town owns or operates the airport facility; and

6762 (B) an airline is headquartered in that city or town; or

6763 (c) deposited or expended for a combination of Subsections (3)(a) and (b).

6764 (4) Subject to Subsections (5) through (7), a sales and use tax imposed at a rate
6765 described in Subsection (2)(b) shall be expended as determined by the county, city, or town
6766 legislative body as follows:

6767 (a) deposited as provided in Subsection (9)(b) into the County of the Second Class
6768 State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in
6769 Section 72-2-121.2;

6770 (b) expended for:

6771 (i) a state highway designated under Title 72, Chapter 4, Part 1, State Highways;

6772 (ii) a local highway that is a principal arterial highway, minor arterial highway, major
6773 collector highway, or minor collector road; or

6774 (iii) a combination of Subsections (4)(b)(i) and (ii);

6775 (c) expended for a project or service relating to a system for public transit for the
6776 portion of the project or service that is performed within the county, city, or town within which
6777 the sales and use tax is imposed;

6778 (d) expended for a project or service relating to an airport facility for the portion of the
6779 project or service that is performed within the county, city, or town within which the sales and
6780 use tax is imposed:

6781 (i) for a county legislative body that imposes the sales and use tax, if that airport
6782 facility is part of the regional transportation plan of the area metropolitan planning organization
6783 if a metropolitan planning organization exists for the area; or

6784 (ii) for a city or town legislative body that imposes the sales and use tax, if:
6785 (A) that city or town owns or operates the airport facility; and
6786 (B) an airline is headquartered in that city or town;
6787 (e) expended for:
6788 (i) a class B road, as defined in Section 72-3-103;
6789 (ii) a class C road, as defined in Section 72-3-104; or
6790 (iii) a combination of Subsections (4)(e)(i) and (ii);
6791 (f) expended for traffic and pedestrian safety, including:
6792 (i) for a class B road, as defined in Section 72-3-103, or class C road, as defined in
6793 Section 72-3-104, for:
6794 (A) a sidewalk;
6795 (B) curb and gutter;
6796 (C) a safety feature;
6797 (D) a traffic sign;
6798 (E) a traffic signal;
6799 (F) street lighting; or
6800 (G) a combination of Subsections (4)(f)(i)(A) through (F);
6801 (ii) the construction of an active transportation facility that:
6802 (A) is for nonmotorized vehicles and multimodal transportation; and
6803 (B) connects an origin with a destination; or
6804 (iii) a combination of Subsections (4)(f)(i) and (ii); or
6805 (g) deposited or expended for a combination of Subsections (4)(a) through (f).
6806 (5) A county, city, or town legislative body may not expend revenue collected within a
6807 county, city, or town from a tax under this section for a purpose described in Subsections (4)(b)
6808 through (f) unless the purpose is recommended by:
6809 (a) for a county that is part of a metropolitan planning organization, the metropolitan
6810 planning organization of which the county is a part; or
6811 (b) for a county that is not part of a metropolitan planning organization, the council of
6812 governments of which the county is a part.
6813 (6) (a) (i) Except as provided in Subsection (6)(b), a county, city, or town that imposes
6814 a tax described in Subsection (2)(b) shall deposit the revenue collected from a tax [rate of

6815 ~~.05%~~ at a rate equal to the product of .05% and the rate reduction factor as provided in
 6816 Subsection (9)(b)(i) into the Local Highway and Transportation Corridor Preservation Fund
 6817 created by Section [72-2-117.5](#).

6818 (ii) Revenue deposited in accordance with Subsection (6)(a)(i) shall be expended and
 6819 distributed in accordance with Section [72-2-117.5](#).

6820 (b) A county, city, or town is not required to make the deposit required by Subsection
 6821 (6)(a)(i) if the county, city, or town:

6822 (i) imposed a tax described in Subsection (2)(b) on July 1, 2010; or

6823 (ii) has continuously imposed a tax described in Subsection (2)(b):

6824 (A) beginning after July 1, 2010; and

6825 (B) for a five-year period.

6826 (7) (a) Subject to the other provisions of this Subsection (7), a city or town within
 6827 which a sales and use tax is imposed at the tax rate described in Subsection (2)(b) may:

6828 (i) expend the revenues in accordance with Subsection (4); or

6829 (ii) expend the revenues in accordance with Subsections (7)(b) through (d) if:

6830 (A) that city or town owns or operates an airport facility; and

6831 (B) an airline is headquartered in that city or town.

6832 (b) (i) A city or town legislative body of a city or town within which a sales and use tax
 6833 is imposed at the tax rate described in Subsection (2)(b) may expend the revenues collected
 6834 from a tax rate of greater than ~~[.10%]~~ a rate equal to the product of .1% and the rate reduction
 6835 factor but not to exceed the revenues collected from a tax rate ~~[of .25%]~~ equal to the product of
 6836 .25% and the rate reduction factor for a purpose described in Subsection (7)(b)(ii) if:

6837 (A) that city or town owns or operates an airport facility; and

6838 (B) an airline is headquartered in that city or town.

6839 (ii) A city or town described in Subsection (7)(b)(i) may expend the revenues collected
 6840 from a tax rate of greater than ~~[.10%]~~ a rate equal to the product of .1% and the rate reduction
 6841 factor but not to exceed the revenues collected from a tax rate ~~[of .25%]~~ equal to the product of
 6842 .25% and the rate reduction factor for:

6843 (A) a project or service relating to the airport facility; and

6844 (B) the portion of the project or service that is performed within the city or town
 6845 imposing the sales and use tax.

6846 (c) If a city or town legislative body described in Subsection (7)(b)(i) determines to
6847 expend the revenues collected from a tax rate of greater than [~~.10%~~] a rate equal to the product
6848 of .1% and the rate reduction factor but not to exceed the revenues collected from a tax rate [~~of~~
6849 ~~.25%~~] equal to the product of .25% and the rate reduction factor for a project or service relating
6850 to an airport facility as allowed by Subsection (7)(b), any remaining revenue that is collected
6851 from the sales and use tax imposed at the tax rate described in Subsection (2)(b) that is not
6852 expended for the project or service relating to an airport facility as allowed by Subsection
6853 (7)(b) shall be expended as follows:

6854 (i) 75% of the remaining revenues shall be deposited as provided in Subsection (9)(c)
6855 into the County of the Second Class State Highway Projects Fund created by Section
6856 [72-2-121.2](#) and expended as provided in Section [72-2-121.2](#); and

6857 (ii) 25% of the remaining revenues shall be deposited as provided in Subsection (9)(c)
6858 into the Local Highway and Transportation Corridor Preservation Fund created by Section
6859 [72-2-117.5](#) and expended and distributed in accordance with Section [72-2-117.5](#).

6860 (d) A city or town legislative body that expends the revenues collected from a sales and
6861 use tax imposed at the tax rate described in Subsection (2)(b) in accordance with Subsections
6862 (7)(b) and (c):

6863 (i) shall, on or before the date the city or town legislative body provides the notice
6864 described in Section [59-12-2209](#) to the commission stating that the city or town will enact a
6865 sales and use tax under this section:

6866 (A) determine the tax rate, the percentage of which is greater than [~~.10%~~] a rate equal
6867 to the product of .1% and the rate reduction factor but does not exceed [~~.25%~~] a rate equal to
6868 the product of .25% and the rate reduction factor, the collections from which the city or town
6869 legislative body will expend for a project or service relating to an airport facility as allowed by
6870 Subsection (7)(b); and

6871 (B) notify the commission in writing of the tax rate the city or town legislative body
6872 determines in accordance with Subsection (7)(d)(i)(A);

6873 (ii) shall, on or before the April 1 immediately following the date the city or town
6874 legislative body provides the notice described in Subsection (7)(d)(i) to the commission:

6875 (A) determine the tax rate, the percentage of which is greater than [~~.10%~~] a rate equal
6876 to the product of .1% and the rate reduction factor but does not exceed [~~.25%~~] a rate equal to

6877 the product of .25% and the rate reduction factor, the collections from which the city or town
6878 legislative body will expend for a project or service relating to an airport facility as allowed by
6879 Subsection (7)(b); and

6880 (B) notify the commission in writing of the tax rate the city or town legislative body
6881 determines in accordance with Subsection (7)(d)(ii)(A);

6882 (iii) shall, on or before April 1 of each year after the April 1 described in Subsection
6883 (7)(d)(ii):

6884 (A) determine the tax rate, the percentage of which is greater than [~~10%~~] a rate equal
6885 to the product of .1% and the rate reduction factor but does not exceed [~~25%~~] a rate equal to
6886 the product of .25% and the rate reduction factor, the collections from which the city or town
6887 legislative body will expend for a project or service relating to an airport facility as allowed by
6888 Subsection (7)(b); and

6889 (B) notify the commission in writing of the tax rate the city or town legislative body
6890 determines in accordance with Subsection (7)(d)(iii)(A); and

6891 (iv) may not change the tax rate the city or town legislative body determines in
6892 accordance with Subsections (7)(d)(i) through (iii) more frequently than as prescribed by
6893 Subsections (7)(d)(i) through (iii).

6894 (8) Before a city or town legislative body may impose a sales and use tax under this
6895 section, the city or town legislative body shall provide a copy of the notice described in Section
6896 [59-12-2209](#) that the city or town legislative body provides to the commission:

6897 (a) to the county legislative body within which the city or town is located; and

6898 (b) at the same time as the city or town legislative body provides the notice to the
6899 commission.

6900 (9) (a) Subject to Subsections (9)(b) through (e) and Section [59-12-2207](#), the
6901 commission shall transmit revenues collected within a county, city, or town from a tax under
6902 this part that will be expended for a purpose described in Subsection (3)(b) or Subsections
6903 (4)(b) through (f) to the county, city, or town legislative body in accordance with Section
6904 [59-12-2206](#).

6905 (b) Except as provided in Subsection (9)(c) and subject to Section [59-12-2207](#), the
6906 commission shall deposit revenues collected within a county, city, or town from a sales and use
6907 tax under this section that:

6908 (i) are required to be expended for a purpose described in Subsection (6)(a) into the
6909 Local Transportation Corridor Preservation Fund created by Section 72-2-117.5; or

6910 (ii) a county, city, or town legislative body determines to expend for a purpose
6911 described in Subsection (3)(a) or (4)(a) into the County of the Second Class State Highway
6912 Projects Fund created by Section 72-2-121.2 if the county, city, or town legislative body
6913 provides written notice to the commission requesting the deposit.

6914 (c) Subject to Subsection (9)(d) or (e), if a city or town legislative body provides notice
6915 to the commission in accordance with Subsection (7)(d), the commission shall:

6916 (i) transmit the revenues collected from the tax rate stated on the notice to the city or
6917 town legislative body monthly by electronic funds transfer; and

6918 (ii) deposit any remaining revenues described in Subsection (7)(c) in accordance with
6919 Subsection (7)(c).

6920 (d) (i) If a city or town legislative body provides the notice described in Subsection
6921 (7)(d)(i) to the commission, the commission shall transmit or deposit the revenues collected
6922 from the sales and use tax:

6923 (A) in accordance with Subsection (9)(c);

6924 (B) beginning on the date the city or town legislative body enacts the sales and use tax;
6925 and

6926 (C) ending on the earlier of the June 30 immediately following the date the city or town
6927 legislative body provides the notice described in Subsection (7)(d)(ii) to the commission or the
6928 date the city or town legislative body repeals the sales and use tax.

6929 (ii) If a city or town legislative body provides the notice described in Subsection
6930 (7)(d)(ii) or (iii) to the commission, the commission shall transmit or deposit the revenues
6931 collected from the sales and use tax:

6932 (A) in accordance with Subsection (9)(c);

6933 (B) beginning on the July 1 immediately following the date the city or town legislative
6934 body provides the notice described in Subsection (7)(d)(ii) or (iii) to the commission; and

6935 (C) ending on the earlier of the June 30 of the year after the date the city or town
6936 legislative body provides the notice described in Subsection (7)(d)(ii) or (iii) to the commission
6937 or the date the city or town legislative body repeals the sales and use tax.

6938 (e) (i) If a city or town legislative body that is required to provide the notice described

6939 in Subsection (7)(d)(i) does not provide the notice described in Subsection (7)(d)(i) to the
6940 commission on or before the date required by Subsection (7)(d) for providing the notice, the
6941 commission shall transmit, transfer, or deposit the revenues collected from the sales and use
6942 tax within the city or town in accordance with Subsections (9)(a) and (b).

6943 (ii) If a city or town legislative body that is required to provide the notice described in
6944 Subsection (7)(d)(ii) or (iii) does not provide the notice described in Subsection (7)(d)(ii) or
6945 (iii) to the commission on or before the date required by Subsection (7)(d) for providing the
6946 notice, the commission shall transmit or deposit the revenues collected from the sales and use
6947 tax within the city or town in accordance with:

6948 (A) Subsection (9)(c); and

6949 (B) the most recent notice the commission received from the city or town legislative
6950 body under Subsection (7)(d).

6951 (10) Notwithstanding Section [59-12-2208](#), a county, city, or town legislative body may,
6952 but is not required to, submit an opinion question to the county's, city's, or town's registered
6953 voters in accordance with Section [59-12-2208](#) to impose a sales and use tax under this section.

6954 (11) (a) (i) Notwithstanding any other provision in this section, if the entire boundary
6955 of a county, city, or town is annexed into a large public transit district, if the county, city, or
6956 town legislative body wishes to impose a sales and use tax under this section, the county, city,
6957 or town legislative body shall pass the ordinance to impose a sales and use tax under this
6958 section on or before June 30, 2022.

6959 (ii) If the entire boundary of a county, city, or town is annexed into a large public
6960 transit district, the county, city, or town legislative body may not pass the ordinance to impose
6961 a sales and use tax under this section on or after July 1, 2022.

6962 (b) Notwithstanding the deadline described in Subsection (11)(a), any sales and use tax
6963 imposed under this section on or before June 30, 2022, may remain in effect.

6964 Section 56. Section [59-12-2219](#) is amended to read:

6965 **[59-12-2219. County, city, and town option sales and use tax for highways and](#)**
6966 **public transit -- Base -- Rate -- Distribution and expenditure of revenue -- Revenue may**
6967 **not supplant existing budgeted transportation revenue.**

6968 (1) As used in this section:

6969 (a) "Class B road" means the same as that term is defined in Section [72-3-103](#).

6970 (b) "Class C road" means the same as that term is defined in Section [72-3-104](#).

6971 (c) "Eligible political subdivision" means a political subdivision that:

6972 (i) (A) on May 12, 2015, provides public transit services; or

6973 (B) after May 12, 2015, provides written notice to the commission in accordance with

6974 Subsection (10)(b) that it intends to provide public transit service within a county;

6975 (ii) is not a public transit district; and

6976 (iii) is not annexed into a public transit district.

6977 (d) "Public transit district" means a public transit district organized under Title 17B,

6978 Chapter 2a, Part 8, Public Transit District Act.

6979 (2) Subject to the other provisions of this part, and subject to Subsection (17), a county

6980 legislative body may impose a sales and use tax [~~of .25%~~] on the transactions described in

6981 Subsection [59-12-103](#)(1) within the county, including the cities and towns within the county at

6982 a rate equal to the product of:

6983 (a) .25%; and

6984 (b) the rate reduction factor.

6985 (3) Subject to Subsections (11) and (12), the commission shall distribute sales and use

6986 tax revenue collected under this section as provided in Subsections (4) through (10).

6987 (4) If the entire boundary of a county that imposes a sales and use tax under this section

6988 is annexed into a single public transit district, the commission shall distribute the sales and use

6989 tax revenue collected within the county as follows:

6990 (a) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be

6991 transferred to the public transit district in accordance with Section [59-12-2206](#);

6992 (b) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be

6993 distributed as provided in Subsection (8); and

6994 (c) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be

6995 distributed to the county legislative body.

6996 (5) If the entire boundary of a county that imposes a sales and use tax under this section

6997 is not annexed into a single public transit district, but a city or town within the county is

6998 annexed into a single public transit district that also has a county of the first class annexed into

6999 the same public transit district, the commission shall distribute the sales and use tax revenue

7000 collected within the county as follows:

7001 (a) for a city or town within the county that is annexed into a single public transit
7002 district, the commission shall distribute the sales and use tax revenue collected within that city
7003 or town as follows:

7004 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7005 transferred to the public transit district in accordance with Section 59-12-2206;

7006 (ii) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7007 distributed as provided in Subsection (8); and

7008 (iii) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be
7009 distributed to the county legislative body;

7010 (b) for an eligible political subdivision within the county, the commission shall
7011 distribute the sales and use tax revenue collected within that eligible political subdivision as
7012 follows:

7013 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7014 transferred to the eligible political subdivision in accordance with Section 59-12-2206;

7015 (ii) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7016 distributed as provided in Subsection (8); and

7017 (iii) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be
7018 distributed to the county legislative body; and

7019 (c) the commission shall distribute the sales and use tax revenue, except for the sales
7020 and use tax revenue described in Subsections (5)(a) and (b), as follows:

7021 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7022 distributed as provided in Subsection (8); and

7023 (ii) [~~.15%~~] a rate equal to the product of .15% and the rate reduction factor shall be
7024 distributed to the county legislative body.

7025 (6) For a county not described in Subsection (4) or (5), if the entire boundary of a
7026 county of the first or second class that imposes a sales and use tax under this section is not
7027 annexed into a single public transit district, or if there is not a public transit district within the
7028 county, the commission shall distribute the sales and use tax revenue collected within the
7029 county as follows:

7030 (a) for a city or town within the county that is annexed into a single public transit
7031 district, the commission shall distribute the sales and use tax revenue collected within that city

7032 or town as follows:

7033 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7034 transferred to the public transit district in accordance with Section 59-12-2206;

7035 (ii) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7036 distributed as provided in Subsection (8); and

7037 (iii) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be
7038 distributed to the county legislative body;

7039 (b) for an eligible political subdivision within the county, the commission shall
7040 distribute the sales and use tax revenue collected within that eligible political subdivision as
7041 follows:

7042 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7043 transferred to the eligible political subdivision in accordance with Section 59-12-2206;

7044 (ii) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7045 distributed as provided in Subsection (8); and

7046 (iii) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be
7047 distributed to the county legislative body; and

7048 (c) the commission shall distribute the sales and use tax revenue, except for the sales
7049 and use tax revenue described in Subsections (6)(a) and (b), as follows:

7050 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7051 distributed as provided in Subsection (8); and

7052 (ii) [~~.15%~~] a rate equal to the product of .15% and the rate reduction factor shall be
7053 distributed to the county legislative body.

7054 (7) For a county not described in Subsection (4) or (5), if the entire boundary of a
7055 county of the third, fourth, fifth, or sixth class that imposes a sales and use tax under this
7056 section is not annexed into a single public transit district, or if there is not a public transit
7057 district within the county, the commission shall distribute the sales and use tax revenue
7058 collected within the county as follows:

7059 (a) for a city or town within the county that is annexed into a single public transit
7060 district, the commission shall distribute the sales and use tax revenue collected within that city
7061 or town as follows:

7062 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be

7063 distributed as provided in Subsection (8);

7064 (ii) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7065 distributed as provided in Subsection (9); and

7066 (iii) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be
7067 distributed to the county legislative body;

7068 (b) for an eligible political subdivision within the county, the commission shall
7069 distribute the sales and use tax revenue collected within that eligible political subdivision as
7070 follows:

7071 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7072 distributed as provided in Subsection (8);

7073 (ii) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7074 distributed as provided in Subsection (9); and

7075 (iii) [~~.05%~~] a rate equal to the product of .05% and the rate reduction factor shall be
7076 distributed to the county legislative body; and

7077 (c) the commission shall distribute the sales and use tax revenue, except for the sales
7078 and use tax revenue described in Subsections (7)(a) and (b), as follows:

7079 (i) [~~.10%~~] a rate equal to the product of .1% and the rate reduction factor shall be
7080 distributed as provided in Subsection (8); and

7081 (ii) [~~.15%~~] a rate equal to the product of .15% and the rate reduction factor shall be
7082 distributed to the county legislative body.

7083 (8) (a) Subject to Subsection (8)(b), the commission shall make the distributions
7084 required by Subsections (4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), (6)(a)(ii), (6)(b)(ii), (6)(c)(i),
7085 (7)(a)(i), (7)(b)(i), (7)(c)(i), (9)(d)(ii)(A), and (12)(c)(i) as follows:

7086 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(a)(ii), (5)(b)(ii),
7087 (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)
7088 within the counties and cities that impose a tax under this section shall be distributed to the
7089 unincorporated areas, cities, and towns within those counties and cities on the basis of the
7090 percentage that the population of each unincorporated area, city, or town bears to the total
7091 population of all of the counties and cities that impose a tax under this section; and

7092 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(a)(ii), (5)(b)(ii),
7093 (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)

7094 within the counties and cities that impose a tax under this section shall be distributed to the
7095 unincorporated areas, cities, and towns within those counties and cities on the basis of the
7096 location of the transaction as determined under Sections 59-12-211 through 59-12-215.

7097 (b) (i) Population for purposes of this Subsection (8) shall be determined on the basis
7098 of the most recent official census or census estimate of the United States Bureau of the Census.

7099 (ii) If a needed population estimate is not available from the United States Bureau of
7100 the Census, population figures shall be derived from an estimate from the Utah Population
7101 Committee.

7102 (9) (a) (i) Subject to the requirements in Subsections (9)(b) and (c), a county legislative
7103 body:

7104 (A) for a county that obtained approval from a majority of the county's registered
7105 voters voting on the imposition of a sales and use tax under this section prior to May 10, 2016,
7106 may, in consultation with any cities, towns, or eligible political subdivisions within the county,
7107 and in compliance with the requirements for changing an allocation under Subsection (9)(e),
7108 allocate the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) by adopting a resolution specifying
7109 the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a
7110 public transit district or an eligible political subdivision; or

7111 (B) for a county that obtains approval from a majority of the county's registered voters
7112 voting on the imposition of a sales and use tax under this section on or after May 10, 2016,
7113 shall, in consultation with any cities, towns, or eligible political subdivisions within the county,
7114 allocate the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) by adopting a resolution specifying
7115 the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a
7116 public transit district or an eligible political subdivision.

7117 (ii) If a county described in Subsection (9)(a)(i)(A) does not allocate the revenue under
7118 Subsection (7)(a)(ii) or (7)(b)(ii) in accordance with Subsection (9)(a)(i)(A), the commission
7119 shall distribute 100% of the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) to:

7120 (A) a public transit district for a city or town within the county that is annexed into a
7121 single public transit district; or

7122 (B) an eligible political subdivision within the county.

7123 (b) If a county legislative body allocates the revenue as described in Subsection
7124 (9)(a)(i), the county legislative body shall allocate not less than 25% of the revenue under

7125 Subsection (7)(a)(ii) or (7)(b)(ii) to:

7126 (i) a public transit district for a city or town within the county that is annexed into a
7127 single public transit district; or

7128 (ii) an eligible political subdivision within the county.

7129 (c) Notwithstanding Section 59-12-2208, the opinion question required by Section
7130 59-12-2208 shall state the allocations the county legislative body makes in accordance with this
7131 Subsection (9).

7132 (d) The commission shall make the distributions required by Subsection (7)(a)(ii) or
7133 (7)(b)(ii) as follows:

7134 (i) the percentage specified by a county legislative body shall be distributed in
7135 accordance with a resolution adopted by a county legislative body under Subsection (9)(a) to an
7136 eligible political subdivision or a public transit district within the county; and

7137 (ii) except as provided in Subsection (9)(a)(ii), if a county legislative body allocates
7138 less than 100% of the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) to a public transit district
7139 or an eligible political subdivision, the remainder of the revenue under Subsection (7)(a)(ii) or
7140 (7)(b)(ii) not allocated by a county legislative body through a resolution under Subsection
7141 (9)(a) shall be distributed as follows:

7142 (A) 50% of the revenue as provided in Subsection (8); and

7143 (B) 50% of the revenue to the county legislative body.

7144 (e) If a county legislative body seeks to change an allocation specified in a resolution
7145 under Subsection (9)(a), the county legislative body may change the allocation by:

7146 (i) adopting a resolution in accordance with Subsection (9)(a) specifying the percentage
7147 of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a public transit
7148 district or an eligible political subdivision;

7149 (ii) obtaining approval to change the allocation of the sales and use tax by a majority of
7150 all the members of the county legislative body; and

7151 (iii) subject to Subsection (9)(f):

7152 (A) in accordance with Section 59-12-2208, submitting an opinion question to the
7153 county's registered voters voting on changing the allocation so that each registered voter has the
7154 opportunity to express the registered voter's opinion on whether the allocation should be
7155 changed; and

7156 (B) in accordance with Section 59-12-2208, obtaining approval to change the
7157 allocation from a majority of the county's registered voters voting on changing the allocation.

7158 (f) Notwithstanding Section 59-12-2208, the opinion question required by Subsection
7159 (9)(e)(iii)(A) shall state the allocations specified in the resolution adopted in accordance with
7160 Subsection (9)(e) and approved by the county legislative body in accordance with Subsection
7161 (9)(e)(ii).

7162 (g) (i) If a county makes an allocation by adopting a resolution under Subsection (9)(a)
7163 or changes an allocation by adopting a resolution under Subsection (9)(e), the allocation shall
7164 take effect on the first distribution the commission makes under this section after a 90-day
7165 period that begins on the date the commission receives written notice meeting the requirements
7166 of Subsection (9)(g)(ii) from the county.

7167 (ii) The notice described in Subsection (9)(g)(i) shall state:

7168 (A) that the county will make or change the percentage of an allocation under
7169 Subsection (9)(a) or (e); and

7170 (B) the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be
7171 allocated to a public transit district or an eligible political subdivision.

7172 (10) (a) If a public transit district is organized after the date a county legislative body
7173 first imposes a tax under this section, a change in a distribution required by this section may
7174 not take effect until the first distribution the commission makes under this section after a
7175 90-day period that begins on the date the commission receives written notice from the public
7176 transit district of the organization of the public transit district.

7177 (b) If an eligible political subdivision intends to provide public transit service within a
7178 county after the date a county legislative body first imposes a tax under this section, a change
7179 in a distribution required by this section may not take effect until the first distribution the
7180 commission makes under this section after a 90-day period that begins on the date the
7181 commission receives written notice from the eligible political subdivision stating that the
7182 eligible political subdivision intends to provide public transit service within the county.

7183 (11) (a) (i) Notwithstanding Subsections (4) through (10), for a county that has not
7184 imposed a sales and use tax under this section before May 8, 2018, and if the county imposes a
7185 sales and use tax under this section before June 30, 2019, the commission shall distribute all of
7186 the sales and use tax revenue collected by the county before June 30, 2019, to the county for

7187 the purposes described in Subsection (11)(a)(ii).

7188 (ii) For any revenue collected by a county pursuant to Subsection (11)(a)(i) before June
7189 30, 2019, the county may expend that revenue for:

7190 (A) reducing transportation related debt;

7191 (B) a regionally significant transportation facility; or

7192 (C) a public transit project of regional significance.

7193 (b) For a county that has not imposed a sales and use tax under this section before May
7194 8, 2018, and if the county imposes a sales and use tax under this section before June 30, 2019,
7195 the commission shall distribute the sales and use tax revenue collected by the county on or after
7196 July 1, 2019, as described in Subsections (4) through (10).

7197 (c) Subject to Subsection (12), for a county that has not imposed a sales and use tax
7198 under this section before June 30, 2019, if the entire boundary of that county is annexed into a
7199 large public transit district, and if the county imposes a sales and use tax under this section on
7200 or after July 1, 2019, the commission shall distribute the sales and use tax revenue collected by
7201 the county as described in Subsections (4) through (10).

7202 (12) (a) Beginning on July 1, 2020, if a county has not imposed a sales and use tax
7203 under this section, subject to the provisions of this part, the legislative body of a city or town
7204 described in Subsection (12)(b) may impose a [~~.25%~~] sales and use tax on the transactions
7205 described in Subsection 59-12-103(1) within the city or town at a rate equal to the product of:

7206 (i) .25%; and

7207 (ii) the rate reduction factor.

7208 (b) The following cities or towns may impose the sales and use tax as described in
7209 Subsection (12)(a):

7210 (i) in a county of the first, second, or third class, a city or town that:

7211 (A) has been annexed into a public transit district; or

7212 (B) is an eligible political subdivision; or

7213 (ii) a city or town that:

7214 (A) is in a county of the third or smaller class; and

7215 (B) has been annexed into a large public transit district.

7216 (c) If a city or town imposes a sales and use tax as provided in this section, the
7217 commission shall distribute the sales and use tax revenue collected by the city or town as

7218 follows:

7219 (i) [~~+125%~~] a rate equal to the product of .125% and the rate reduction factor to the city
7220 or town that imposed the sales and use tax, to be distributed as provided in Subsection (8); and

7221 (ii) [~~+125%~~] a rate equal to the product of .125% and the rate reduction factor, as
7222 applicable, to:

7223 (A) the large public transit district in which the city or town is annexed; or

7224 (B) the eligible political subdivision for public transit services.

7225 (d) If a city or town imposes a sales and use tax under this section and the county
7226 subsequently imposes a sales and use tax under this section, the commission shall distribute the
7227 sales and use tax revenue collected within the city or town as described in Subsection (12)(c).

7228 (13) A county, city, or town may expend revenue collected from a tax under this
7229 section, except for revenue the commission distributes in accordance with Subsection (4)(a),

7230 (5)(a)(i), (5)(b)(i), or (9)(d)(i) for:

7231 (a) a class B road;

7232 (b) a class C road;

7233 (c) traffic and pedestrian safety, including for a class B road or class C road, for:

7234 (i) a sidewalk;

7235 (ii) curb and gutter;

7236 (iii) a safety feature;

7237 (iv) a traffic sign;

7238 (v) a traffic signal;

7239 (vi) street lighting; or

7240 (vii) a combination of Subsections (13)(c)(i) through (vi);

7241 (d) the construction, maintenance, or operation of an active transportation facility that
7242 is for nonmotorized vehicles and multimodal transportation and connects an origin with a
7243 destination;

7244 (e) public transit system services; or

7245 (f) a combination of Subsections (13)(a) through (e).

7246 (14) A public transit district or an eligible political subdivision may expend revenue
7247 the commission distributes in accordance with Subsection (4)(a), (5)(a)(i), (5)(b)(i), or (9)(d)(i)
7248 for capital expenses and service delivery expenses of the public transit district or eligible

7249 political subdivision.

7250 (15) (a) Revenue collected from a sales and use tax under this section may not be used
7251 to supplant existing general fund appropriations that a county, city, or town has budgeted for
7252 transportation as of the date the tax becomes effective for a county, city, or town.

7253 (b) The limitation under Subsection (15)(a) does not apply to a designated
7254 transportation capital or reserve account a county, city, or town may have established prior to
7255 the date the tax becomes effective.

7256 (16) Notwithstanding Section 59-12-2208, a county, city, or town legislative body may,
7257 but is not required to, submit an opinion question to the county's, city's, or town's registered
7258 voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

7259 (17) (a) (i) (A) Notwithstanding any other provision in this section, if the county, city,
7260 or town legislative body wishes to impose a sales and use tax under this section, the city or
7261 town legislative body shall pass the ordinance to impose a sales and use tax under this section
7262 on or before June 30, 2022.

7263 (B) A city legislative body may not pass an ordinance to impose a sales and use tax
7264 under this section on or after July 1, 2022.

7265 (ii) (A) Notwithstanding any other provision in this section, if the entire boundary of a
7266 county is annexed into a large public transit district, if the county legislative body wishes to
7267 impose a sales and use tax under this section, the county legislative body shall pass the
7268 ordinance to impose a sales and use tax under this section on or before June 30, 2022.

7269 (B) If the entire boundary of a county is annexed into a large public transit district, the
7270 county legislative body may not pass an ordinance to impose a sales and use tax under this
7271 section on or after July 1, 2022.

7272 (b) Notwithstanding the deadline described in Subsection (17)(a), any sales and use tax
7273 imposed under this section on or before June 30, 2022, may remain in effect.

7274 Section 57. Section 59-12-2220 is amended to read:

7275 **59-12-2220. County option sales and use tax to fund a system for public transit --**
7276 **Base -- Rate.**

7277 (1) Subject to the other provisions of this part and subject to the requirements of this
7278 section, beginning on July 1, 2019, the following counties may impose a sales and use tax
7279 under this section:

7280 (a) a county legislative body may impose the sales and use tax on the transactions
7281 described in Subsection 59-12-103(1) located within the county, including the cities and towns
7282 within the county if:

7283 (i) the county is annexed into a large public transit district; and

7284 (ii) the county has imposed the maximum amount of sales and use tax authorizations
7285 allowed pursuant to Section 59-12-2203 and authorized under the following sections:

7286 (A) Section 59-12-2213;

7287 (B) Section 59-12-2214;

7288 (C) Section 59-12-2215;

7289 (D) Section 59-12-2216;

7290 (E) Section 59-12-2217;

7291 (F) Section 59-12-2218; and

7292 (G) Section 59-12-2219;

7293 (b) if the county is not annexed into a large public transit district, the county legislative
7294 body may impose the sales and use tax on the transactions described in Subsection

7295 59-12-103(1) located within the county, including the cities and towns within the county if:

7296 (i) the county is an eligible political subdivision as defined in Section 59-12-2219; or

7297 (ii) a city or town within the boundary of the county is an eligible political subdivision
7298 as defined in Section 59-12-2219; or

7299 (c) a county legislative body may impose the sales and use tax on the transactions
7300 described in Subsection 59-12-103(1) located within the county, including the cities and towns
7301 within the county, if there is a small public transit district within the boundary of the county.

7302 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
7303 county legislative body that imposes a sales and use tax under this section may impose the tax
7304 at a rate [~~of up to .2%~~] equal to the product of:

7305 (a) .2%; and

7306 (b) the rate reduction factor.

7307 (3) A county imposing a sales and use tax under this section shall expend the revenues
7308 collected from the sales and use tax for capital expenses and service delivery expenses of:

7309 (a) a public transit district;

7310 (b) an eligible political subdivision; or

7311 (c) another entity providing a service for public transit or a transit facility within the
7312 county as those terms are defined in Section 17B-2a-802.

7313 (4) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
7314 required to, submit an opinion question to the county's registered voters in accordance with
7315 Section 59-12-2208 to impose a sales and use tax under this section.

7316 (5) (a) Notwithstanding any other provision in this section, if a county wishes to
7317 impose a sales and use tax under this section, the county legislative body shall pass the
7318 ordinance to impose a sales and use tax under this section on or before June 30, 2023.

7319 (b) The county legislative body may not pass an ordinance to impose a sales and use
7320 tax under this section on or after July 1, 2023.

7321 (c) Notwithstanding the deadline described in Subsection (5)(a), any sales and use tax
7322 imposed under this section on or before June 30, 2023, may remain in effect.

7323 (6) (a) Revenue collected from a sales and use tax under this section may not be used
7324 to supplant existing General Fund appropriations that a county has budgeted for transportation
7325 or public transit as of the date the tax becomes effective for a county.

7326 (b) The limitation under Subsection (6)(a) does not apply to a designated transportation
7327 or public transit capital or reserve account a county may have established prior to the date the
7328 tax becomes effective.

7329 Section 58. Section 59-28-103 is amended to read:

7330 **59-28-103. Imposition -- Rate -- Revenue distribution.**

7331 (1) Subject to the other provisions of this chapter, the state shall impose a tax on the
7332 transactions described in Subsection 59-12-103(1)(~~f~~)(h) at a rate of .32%.

7333 (2) The tax imposed under this chapter is in addition to any other taxes imposed on the
7334 transactions described in Subsection 59-12-103(1)(~~f~~)(h).

7335 (3) (a) (i) Subject to Subsection (3)(a)(ii), the commission shall deposit 6% of the
7336 revenue the state collects from the tax under this chapter into the Hospitality and Tourism
7337 Management Education Account created in Section 53F-9-501 to fund the Hospitality and
7338 Tourism Management Career and Technical Education Pilot Program created in Section
7339 53E-3-515.

7340 (ii) The commission may not deposit more than \$300,000 into the Hospitality and
7341 Tourism Management Education Account under Subsection (3)(a)(i) in a fiscal year.

7342 (b) Except for the amount deposited into the Hospitality and Tourism Management
7343 Education Account under Subsection (3)(a) and the administrative charge retained under
7344 Subsection [59-28-104](#)(4), the commission shall deposit any revenue the state collects from the
7345 tax under this chapter into the Outdoor Recreation Infrastructure Account created in Section
7346 [63N-9-205](#) to fund the Outdoor Recreational Infrastructure Grant Program created in Section
7347 [63N-9-202](#).

7348 Section 59. Section **59-28-105** is amended to read:

7349 **59-28-105. Seller or certified service provider reliance on commission**
7350 **information.**

7351 A seller or certified service provider is not liable for failing to collect a tax at a tax rate
7352 imposed under this chapter if the seller's or certified service provider's failure to collect the tax
7353 is as a result of the seller's or certified service provider's reliance on incorrect data provided by
7354 the commission in a database created by the commission:

- 7355 (1) containing tax rates or boundaries regarding a tax under this chapter; or
- 7356 (2) indicating the taxability of transactions described in Subsection
7357 [59-12-103](#)(1)[(†)](h).

7358 Section 60. Section **59-30-101** is enacted to read:

7359 **CHAPTER 30. REAL ESTATE TRANSFER TAX ACT**

7360 **59-30-101. Title.**

7361 This chapter is known as the "Real Estate Transfer Tax Act."

7362 Section 61. Section **59-30-102** is enacted to read:

7363 **59-30-102. Definitions.**

7364 As used in this chapter:

7365 (1) "Centrally assessed property" means property that is assessed by the commission in
7366 accordance with Section [59-2-201](#).

7367 (2) "Locally assessed property" has the same meaning as that term is defined in Section
7368 [59-1-404](#).

7369 (3) "Pass-through entity" means the same as that term is defined in Section
7370 [59-10-1402](#).

7371 (4) "Pass-through entity taxpayer" means the same as that term is defined in Section
7372 [59-10-1402](#).

7373 (5) "Property" includes land, tenements, real estate, and real property and all rights to
7374 and interests in land, tenements, real estate, or real property.

7375 (6) "Tax" means the state real estate transfer tax imposed under this act.

7376 (7) "Transfer" means the conveyance of title to or other transfer of a present interest or
7377 beneficial interest or any other interest in real property by any method, including the interest in
7378 real property acquired through the acquisition of a controlling interest in any entity with an
7379 interest in the property.

7380 (8) "Value" means fair market value as of the January 1 lien date immediately prior to
7381 the date of transfer unless the county board of equalization, the commission, or a court of
7382 competent jurisdiction has determined a different value, in which case, the value in that final
7383 decision shall be the value.

7384 Section 62. Section **59-30-103** is enacted to read:

7385 **59-30-103. Imposition of tax -- Rate.**

7386 (1) (a) Except as provided in Section 59-30-104, there is imposed, in addition to all
7387 other taxes, a tax upon the following written instruments executed within this state when the
7388 instrument is recorded:

7389 (i) contracts for the sale or exchange of property or any interest in the property or any
7390 combination of sales or exchanges or any assignment or transfer of property or any interest in
7391 the property, for consideration; and

7392 (ii) deeds or instruments of conveyance of property or any interest in property, for
7393 consideration.

7394 (b) Except as provided in Section 59-30-104, there is imposed, in addition to all other
7395 taxes, a tax upon the following written instruments executed outside of this state when the
7396 instrument is recorded if the contract or transfer evidenced by the written instrument concerns
7397 property wholly located within this state:

7398 (i) contracts for the sale or exchange of property or any interest in the property or any
7399 combination of sales or exchanges or any assignment or transfer of property or any interest in
7400 the property, for consideration; and

7401 (ii) deeds or instruments of conveyance of property or any interest in property, for
7402 consideration.

7403 (2) The tax imposed under Subsection (1) is levied at the rate of \$.075 for each \$100 or

7404 fraction of \$100 of the value of the property being transferred.

7405 (3) (a) A written instrument subject to the tax imposed by this chapter shall state on its
7406 face the value of the real property being transferred unless an affidavit is attached to the written
7407 instrument declaring the value of the real property being transferred.

7408 (b) The form of the affidavit shall be prescribed by the State Tax Commission.

7409 (c) If the sale or transfer is of a combination of real and personal property, the tax shall
7410 be imposed only upon the transfer of the real property if the values of the real and personal
7411 property are stated separately on the face of the written instrument or if an affidavit is attached
7412 to the written instrument setting forth the respective values of the real and personal property.

7413 (4) The person who is the purchaser of the property is liable for the tax imposed under
7414 this chapter.

7415 Section 63. Section **59-30-104** is enacted to read:

7416 **59-30-104. Exemptions.**

7417 The following written instruments and transfers of property are exempt from the tax
7418 imposed under this chapter:

7419 (1) a written instrument where the value of consideration is less than \$100;

7420 (2) a written instrument evidencing a contract or transfer that is not to be performed
7421 wholly within this state only to the extent the written instrument includes land lying outside of
7422 this state;

7423 (3) a written instrument that the state is prohibited from taxing under the United States
7424 Constitution or federal statutes;

7425 (4) a written instrument given as security or an assignment or discharge of the security
7426 interest;

7427 (5) a written instrument evidencing a lease, including an oil and gas lease, or a transfer
7428 of a leasehold interest;

7429 (6) a written instrument evidencing an interest that is assessable as personal property;

7430 (7) a written instrument evidencing the transfer of a right and interest for underground
7431 gas storage purposes;

7432 (8) any of the following written instruments:

7433 (a) a written instrument in which the grantor is:

7434 (i) the United States;

- 7435 (ii) the state;
- 7436 (iii) any political subdivision of the state; or
- 7437 (iv) an officer of the United States, the state, or a political subdivision of the state if the
- 7438 officer is acting in the officer's official capacity;
- 7439 (b) a written instrument given in foreclosure or in lieu of foreclosure of a loan made,
- 7440 guaranteed, or insured by:
- 7441 (i) the United States;
- 7442 (ii) the state;
- 7443 (iii) a political subdivision of the state; or
- 7444 (iv) an officer of the United States, the state, or a political subdivision of the state if the
- 7445 officer is acting in the officer's official capacity; or
- 7446 (c) a written instrument given to the United States, the state, or an officer of the United
- 7447 States or the state as grantee, pursuant to the terms or guarantee or insurance of a loan
- 7448 guaranteed or insured by the grantee;
- 7449 (9) a conveyance from a spouse or married couple creating or disjoining a tenancy by
- 7450 the entireties in the grantors or the grantor and the grantor's spouse;
- 7451 (10) a conveyance from an individual to that individual's child, stepchild, or adopted
- 7452 child;
- 7453 (11) a conveyance from an individual to that individual's grandchild, stepgrandchild, or
- 7454 adopted grandchild;
- 7455 (12) a judgment or order of a court of record making or ordering a transfer, unless a
- 7456 specific monetary consideration is specified or ordered by the court for the transfer;
- 7457 (13) a written instrument used to straighten boundary lines where no monetary
- 7458 consideration is given;
- 7459 (14) a written instrument to confirm title already vested in a grantee, including a
- 7460 quitclaim deed to correct a flaw in title;
- 7461 (15) a land contract in which the legal title does not pass to the grantee until the total
- 7462 consideration specified in the contract has been paid;
- 7463 (16) a conveyance that is a transfer between a pass-through entity and one or more
- 7464 pass-through entity taxpayers if the ownership interest in the pass-through entity is held by the
- 7465 same pass-through entity taxpayers and in the same proportion as in the pass-through entity

7466 prior to the transfer;

7467 (17) a conveyance that is a transfer in connection with the reorganization of an entity
7468 and the beneficial ownership is not changed;

7469 (18) a written instrument evidencing the transfer of mineral rights and interests;

7470 (19) a written instrument creating or disjoining a joint tenancy between two or more
7471 persons where at least one of the persons already owns the property; or

7472 (20) a written instrument that conveys or transfers property or an interest in the
7473 property to a receiver, administrator, or trustee, whether special or general, in a bankruptcy or
7474 insolvency proceeding.

7475 Section 64. Section **59-30-105** is enacted to read:

7476 **59-30-105. Collection and remittance of tax.**

7477 (1) A tax imposed under this part shall be collected from the purchaser at the time the
7478 instrument of conveyance is submitted for recording.

7479 (2) (a) The tax imposed under this chapter shall be paid to the county recorder where
7480 the real property is located not later than 15 days after the delivery of the instrument effecting
7481 the conveyance by the seller or grantor to the buyer or grantee.

7482 (b) For purposes of this Subsection (2), the date of the instrument effecting the transfer
7483 is presumed to be the date of delivery of the instrument.

7484 (c) The county treasurer shall remit a tax collected under this section to the
7485 commission monthly on or before the last day of the month immediately following the month
7486 for which the tax was collected.

7487 Section 65. Section **59-30-106** is enacted to read:

7488 **59-30-106. Application for refund.**

7489 (1) If a buyer or a seller who has paid the tax on behalf of the buyer believes that the
7490 property was eligible for an exemption under Section [59-30-104](#) and did not receive the
7491 exemption at the time of the transfer, the buyer or the seller who has paid the tax on behalf of
7492 the buyer may apply for a refund of the tax in accordance with the requirements of this section.

7493 (2) A buyer or a seller who has paid the tax on behalf of the buyer shall apply to the
7494 county board of equalization in the county where the real property is located for a refund.

7495 (3) (a) If an application for a refund under Subsection (2) is for a locally assessed
7496 property, the county board of equalization shall:

- 7497 (i) determine if the applicant is eligible for a refund under the provisions of this
7498 chapter; and
- 7499 (ii) if the county board of equalization determines that the applicant is eligible for a
7500 refund, provide the Division of Finance the following information to issue the refund:
- 7501 (A) the applicant's name;
7502 (B) the applicant's address;
7503 (C) the amount of the refund to be issued; and
7504 (D) the reason for the refund.
- 7505 (b) The decision of the county board of equalization described in Subsection (3)(a)
7506 shall:
- 7507 (i) be in writing; and
7508 (ii) include:
- 7509 (A) a statement of facts; and
7510 (B) the statutory basis for its decision.
- 7511 (c) A copy of the decision described in Subsection (3)(b) shall be sent to the person
7512 applying for the exemption.
- 7513 (d) The county board of equalization shall render the decision described in this
7514 Subsection (3) 30 days after the day on which the application for the exemption is filed.
- 7515 (4) (a) If an application for a refund under Subsection (2) is for centrally assessed
7516 property, the county board of equalization shall forward the applicant's name, address, and
7517 refund request, including the amount of the refund request and the reason for the refund
7518 request, to the Property Tax Division.
- 7519 (b) The Property Tax Division shall:
- 7520 (i) determine if the applicant is eligible for a refund under the provisions of this
7521 chapter; and
- 7522 (ii) if the Property Tax Division determines that the applicant is eligible for a refund,
7523 provide the Division of Finance the following information to issue the refund:
- 7524 (A) the applicant's name;
7525 (B) the applicant's address;
7526 (C) the amount of the refund to be issued; and
7527 (D) the reason for the refund.

- 7528 (c) The decision of the Property Tax Division described in Subsection (4)(b) shall:
7529 (i) be in writing; and
7530 (ii) include:
7531 (A) a statement of facts; and
7532 (B) the statutory basis for its decision.
7533 (d) A copy of the decision described in Subsection (4)(c) shall be sent to the person
7534 applying for the exemption.
7535 (e) The Property Tax Division shall render the decision described in this Subsection (4)
7536 30 days after the day on which the application for the exemption is filed.
7537 (5) An applicant dissatisfied with the finding of the county board of equalization or the
7538 Property Tax Division may appeal to the commission under Section [59-30-107](#).
7539 (6) The Division of Finance shall issue a refund to an applicant if the Division of
7540 Finance receives the information described in Subsection (3)(a)(ii) or (4)(b)(ii).
7541 Section 66. Section **59-30-107** is enacted to read:
7542 **59-30-107. Appeal to commission -- Duties of auditor -- Decision by commission.**
7543 (1) Any person dissatisfied with the decision of the county board of equalization or the
7544 Property Tax Division concerning the determination of an exemption from a tax imposed under
7545 this chapter, may appeal that decision to the commission by filing a notice of appeal specifying
7546 the grounds for the appeal with the county auditor within 30 days after the final action of the
7547 county board of equalization or the Property Tax Division.
7548 (2) The auditor shall:
7549 (a) file one notice with the commission; and
7550 (b) certify and transmit to the commission the written decision of the county board of
7551 equalization or Property Tax Division as required by Section [59-30-106](#).
7552 (3) In reviewing the county board of equalization's or Property Tax Division's decision,
7553 the commission may:
7554 (a) admit additional evidence;
7555 (b) issue orders that it considers to be just and proper; and
7556 (c) make any correction or change in the order of the county board of equalization or
7557 property tax division.
7558 (4) In reviewing evidence submitted to the commission by or on behalf of an owner, a

7559 county board of equalization, or the Property Tax Division, the commission shall consider and
7560 weigh the accuracy, reliability, and comparability of the evidence presented by the owner, the
7561 county board of equalization, or the Property Tax Division.

7562 (5) The commission shall decide all appeals taken pursuant to this section within 90
7563 days and shall report its decision, order, or assessment to the county auditor, who shall make all
7564 changes necessary to comply with the decision or order.

7565 Section 67. Section **59-30-108** is enacted to read:

7566 **59-30-108. Deposit of tax revenue.**

7567 The commission shall deposit revenues generated by the tax imposed by this chapter
7568 into the General Fund.

7569 Section 68. Section **59-30-109** is enacted to read:

7570 **59-30-109. Rulemaking authority.**

7571 The commission may make rules in accordance with Title 63G, Chapter 3, Utah
7572 Administrative Rulemaking Act, to implement and enforce this chapter.

7573 Section 69. Section **63H-1-205** is amended to read:

7574 **63H-1-205. MIDA accommodations tax.**

7575 (1) As used in this section:

7576 (a) "Accommodations and services" means an accommodation or service described in
7577 Subsection **59-12-103(1)(f)(h)**.

7578 (b) "Accommodations and services" does not include amounts paid or charged that are
7579 not part of a rental room rate.

7580 (2) By ordinance, the authority board may impose a MIDA accommodations tax on a
7581 provider for amounts paid or charged for accommodations and services, if the place of
7582 accommodation is located on authority-owned or other government-owned property within the
7583 project area.

7584 (3) The maximum rate of the MIDA accommodations tax is 15% of the amounts paid
7585 to or charged by the provider for accommodations and services.

7586 (4) A provider may recover an amount equal to the MIDA accommodations tax from
7587 customers, if the provider includes the amount as a separate billing line item.

7588 (5) If the authority imposes the tax described in this section, neither the authority nor a
7589 public entity may impose, on the amounts paid or charged for accommodations and services,

7590 any other tax described in:

7591 (a) Title 59, Chapter 12, Sales and Use Tax Act; or

7592 (b) Title 59, Chapter 28, State Transient Room Tax Act.

7593 (6) Except as provided in Subsection (7) or (8), the tax imposed under this section shall

7594 be administered, collected, and enforced in accordance with:

7595 (a) the same procedures used to administer, collect, and enforce the tax under:

7596 (i) Title 59, Chapter 12, Part 1, Tax Collection; or

7597 (ii) Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and

7598 (b) Title 59, Chapter 1, General Taxation Policies.

7599 (7) The location of a transaction shall be determined in accordance with Sections

7600 [59-12-211](#) through [59-12-215](#).

7601 (8) (a) A tax under this section is not subject to Section [59-12-107.1](#) or [59-12-123](#) or

7602 Subsections [59-12-205](#)(2) through (7).

7603 (b) The exemptions described in Sections [59-12-104](#), [59-12-104.1](#), and [59-12-104.6](#) do

7604 not apply to a tax imposed under this section.

7605 (9) The State Tax Commission shall:

7606 (a) except as provided in Subsection (9)(b), distribute the revenue collected from the
7607 tax to the authority; and

7608 (b) retain and deposit an administrative charge in accordance with Section [59-1-306](#)
7609 from revenue the commission collects from a tax under this section.

7610 (10) (a) If the authority imposes, repeals, or changes the rate of tax under this section,
7611 the implementation, repeal, or change shall take effect:

7612 (i) on the first day of a calendar quarter; and

7613 (ii) after a 90-day period beginning on the date the State Tax Commission receives the
7614 notice described in Subsection (10)(b) from the authority.

7615 (b) The notice required in Subsection (10)(a)(ii) shall state:

7616 (i) that the authority will impose, repeal, or change the rate of a tax under this section;

7617 (ii) the effective date of the implementation, repeal, or change of the tax; and

7618 (iii) the rate of the tax.

7619 (11) In addition to the uses permitted under Section [63H-1-502](#), the authority may

7620 allocate revenue from the MIDA accommodations tax to a county in which a place of

7621 accommodation that is subject to the MIDA accommodations tax is located, if:

7622 (a) the county had a transient room tax described in Section 59-12-301 in effect at the
7623 time the authority board imposed a MIDA accommodations tax by ordinance; and

7624 (b) the revenue replaces revenue that the county received from a county transient room
7625 tax described in Section 59-12-301 for the county's general operations and administrative
7626 expenses.

7627 Section 70. Section 63M-4-702 is amended to read:

7628 **63M-4-702. Refiner gasoline standard reporting -- Office of Energy Development**
7629 **certification of sales and use tax exemption eligibility.**

7630 (1) (a) Beginning on July 1, 2021, a refiner that seeks to be eligible for a sales and use
7631 tax exemption under Subsection 59-12-104~~(86)~~(71) shall annually report to the office
7632 whether the refiner's facility that is located within the state will have an average gasoline sulfur
7633 level of 10 parts per million (ppm) or less using the formulas prescribed in 40 C.F.R. Sec.
7634 80.1603, excluding the offset for credit use and transfer as prescribed in 40 C.F.R. Sec.
7635 80.1616.

7636 (b) Fuels for which a final destination outside Utah can be demonstrated or that are not
7637 subject to the standards and requirements of 40 C.F.R. Sec. 80.1603 as specified in 40 C.F.R.
7638 Sec. 80.1601 are not subject to the reporting provisions under Subsection (1)(a).

7639 (2) (a) Beginning on July 1, 2021, the office shall annually certify that the refiner is
7640 eligible for the sales and use tax exemption under Subsection 59-12-104~~(86)~~(71):

7641 (i) on a form provided by the State Tax Commission that shall be retained by the
7642 refiner claiming the sales and use tax exemption under Subsection 59-12-104~~(86)~~(71);

7643 (ii) if the refiner's refinery that is located within the state had an average sulfur level of
7644 10 parts per million (ppm) or less as reported under Subsection (1) in the previous calendar
7645 year; and

7646 (iii) before a taxpayer is allowed the sales and use tax exemption under Subsection
7647 59-12-104~~(86)~~(71).

7648 (b) The certification provided by the office under Subsection (2)(a) shall be renewed
7649 annually.

7650 (c) The office:

7651 (i) shall accept a copy of a report submitted by a refiner to the Environmental

7652 Protection Agency under 40 C.F.R. Sec. 80.1652 as sufficient evidence of the refiner's average
7653 gasoline sulfur level; or

7654 (ii) may establish another reporting mechanism through rules made under Subsection
7655 (3).

7656 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
7657 office may make rules to implement this section.

7658 Section 71. **Repealer.**

7659 This bill repeals:

7660 Section **59-12-104.4, Seller recordkeeping for purposes of higher education**
7661 **textbook exemption -- Rulemaking authority.**

7662 Section 72. **Effective date.**

7663 (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2020.

7664 (2) The actions affecting the following sections take effect for a taxable year beginning
7665 on or after January 1, 2020:

7666 (a) Section 35A-9-214;

7667 (b) Section 59-9-101;

7668 (c) Section 59-7-104;

7669 (d) Section 59-7-201;

7670 (e) Section 59-7-610;

7671 (f) Section 59-7-620;

7672 (g) Section 59-10-104;

7673 (h) Section 59-10-529.1;

7674 (i) Section 59-10-1002.2;

7675 (j) Section 59-10-1007;

7676 (k) Section 59-10-1017;

7677 (l) Section 59-10-1017.1;

7678 (m) Section 59-10-1018;

7679 (n) Section 59-10-1019;

7680 (o) Section 59-10-1022;

7681 (p) Section 59-10-1023;

7682 (q) Section 59-10-1028;

- 7683 (r) Section 59-10-1035;
- 7684 (s) Section 59-10-1036;
- 7685 (t) Section 59-10-1041;
- 7686 (u) Section 59-10-1102.1;
- 7687 (v) Section 59-10-1112;
- 7688 (w) Section 59-10-1113;
- 7689 (x) Section 59-10-1114; and
- 7690 (y) Section 59-10-1115.