

SJR003S02 compared with SJR003S01

~~text~~ shows text that was in SJR003S01 but was deleted in SJR003S02.

Inserted text shows text that was not in SJR003S01 but was inserted into SJR003S02.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Senator Daniel McCay proposes the following substitute bill:

PROPOSAL TO AMEND UTAH CONSTITUTION ~~FOR~~ ~~TANGIBLE PERSONAL PROPERTY~~-- INCOME TAX AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

House Sponsor: ~~_____~~ Karianne Lisonbee

LONG TITLE

General Description:

This joint resolution of the Legislature proposes to amend the Utah Constitution to modify ~~provisions~~ a provision relating to ~~the taxation of tangible personal~~ taxes on intangible property and income.

Highlighted Provisions:

This resolution proposes to amend the Utah Constitution to:

- ▶ ~~provide for tangible personal property to be taxed or exempt from taxation, as provided by statute and subject to existing constitutional provisions~~ expand the uses of revenue from taxes on intangible property and income to include providing services for the poor, disabled, and elderly.

SJR003S02 compared with SJR003S01

Special Clauses:

This resolution directs the lieutenant governor to submit this proposal to voters.

This resolution provides a contingent effective date of January 1, 2021 for this proposal.

Utah Constitution Sections Affected:

AMENDS:

ARTICLE XIII, SECTION ~~{2}~~5

Be it resolved by the Legislature of the state of Utah, two-thirds of all members elected to each of the two houses voting in favor thereof:

Section 1. It is proposed to amend Utah Constitution, Article XIII, Section ~~{2}~~5, to read:

Article XIII, Section ~~2~~. ~~[Property tax.]~~

~~———— (1) (a) So that each person and corporation pays a tax in proportion to the fair market value of his, her, or its tangible real property, all tangible real property in the State that is not exempt under the laws of~~5. [Use and amount of taxes and expenditures.]

(1) (a) The Legislature shall provide by statute for an annual tax sufficient, with other revenues, to defray the estimated ordinary expenses of the State for each fiscal year.

(b) If the ordinary expenses of the State will exceed revenues for a fiscal year, the Governor shall:

(i) reduce all State expenditures on a pro rata basis, except for expenditures for debt of the State; or

(ii) convene the Legislature into session under Article VII, Section 6 to address the deficiency.

(2) (a) For any fiscal year, the Legislature may not make an appropriation or authorize an expenditure if the State's expenditure exceeds the total tax provided for by statute and applicable to the particular appropriation or expenditure.

(b) Subsection (2)(a) does not apply to an appropriation or expenditure to suppress insurrection, defend the State, or assist in defending the United States ~~for under this Constitution shall be:~~

~~———— [(a)] (i) assessed at a uniform and equal rate in proportion to its fair market value, to be~~

SJR003S02 compared with SJR003S01

~~ascertained~~ in time of war.

(3) For any debt of the State, the Legislature shall provide by statute for an annual tax sufficient to pay:

(a) the annual interest; and

(b) the principal within 20 years after the final passage of the statute creating the debt.

(4) Except as provided in Article X, Section 5, Subsection (5)(a), the Legislature may not impose a tax for the purpose of a political subdivision of the State, but may by statute authorize political subdivisions of the State to assess and collect taxes for their own purposes.

(5) All revenue from taxes on intangible property or from a tax on income shall be used:

(a) to support the systems of public education and higher education as defined in Article X, Section 2; and

(b) to provide services for the poor, the disabled, and the elderly.

(6) Proceeds from fees, taxes, and other charges related to the operation of motor vehicles on public highways and proceeds from an excise tax on liquid motor fuel used to propel those motor vehicles shall be used for:

(a) statutory refunds and adjustments and costs of collection and administration;

(b) the construction, maintenance, and repair of State and local roads, including payment for property taken for or damaged by rights-of-way and for associated administrative costs;

(c) driver education;

(d) enforcement of state motor vehicle and traffic laws; and

(e) the payment of the principal of and interest on any obligation of the State or a city or county, issued for any of the purposes set forth in Subsection (6)(b) and to which any of the fees, taxes, or other charges described in this Subsection (6) have been pledged, including any paid to the State or a city or county, as provided by ~~law; and~~

~~_____ (b) (ii) taxed at a uniform and equal rate.~~

~~_____ (b) Except as otherwise provided in this section and in Article XIII, Section 3, statute.~~

(7) Fees and taxes on tangible personal property ~~{may be taxed or exempt from taxation,}~~ imposed under Section 2, Subsection (6) of this article are not subject to Subsection (6) of this Section 5 and shall be distributed to the taxing districts in which the property is

SJR003S02 compared with SJR003S01

located in the same proportion as that in which the revenue collected from real property tax is distributed.

(8) A political subdivision of the State may share its tax and other revenues with another political subdivision of the State as provided by statute.†

~~— (2) Each corporation and person in the State or doing business in the State is subject to taxation on the tangible property owned or used by the corporation or person within the boundaries of the State or local authority levying the tax.~~

~~— (3) The Legislature may provide by statute that land used for agricultural purposes be assessed based on its value for agricultural use.~~

~~— (4) The Legislature may by statute determine the manner and extent of taxing livestock.~~

~~— (5) The Legislature may by statute determine the manner and extent of taxing or exempting intangible property, except that any property tax on intangible property may not exceed .005 of its fair market value. If any intangible property is taxed under the property tax, the income from that property may not also be taxed.~~

~~— (6) Tangible personal property required by law to be registered with the State before it is used on a public highway or waterway, on public land, or in the air may be exempted from property tax by statute. If the Legislature exempts tangible personal property from property tax under this Subsection (6), it shall provide for the payment of uniform statewide fees or uniform statewide rates of assessment or taxation on that property in lieu of the property tax. The fair market value of any property exempted under this Subsection (6) shall be considered part of the State tax base for determining the debt limitation.†~~

(9) Beginning July 1, 2016, the aggregate annual revenue from all severance taxes, as those taxes are defined by statute, except revenue that by statute is used for purposes related to any federally recognized Indian tribe, shall be deposited annually into the permanent State trust fund under Article {XIV}XXII, Section 4, as follows:

(a) 25% of the first \$50,000,000 of aggregate annual revenue;

(b) 50% of the next \$50,000,000 of aggregate annual revenue; and

(c) 75% of the aggregate annual revenue that exceeds \$100,000,000.

Section 2. **Submittal to voters.**

The lieutenant governor is directed to submit this proposed amendment to the voters of the state at the next regular general election in the manner provided by law.

SJR003S02 compared with SJR003S01

Section 3. Contingent effective date.

If the amendment proposed by this joint resolution is approved by a majority of those voting on it at the next regular general election, the amendment shall take effect on January 1, 2021.