

**Senator Lyle W. Hillyard** proposes the following substitute bill:

**TAX RESTRUCTURING REVISIONS**

2019 SECOND SPECIAL SESSION

STATE OF UTAH

**Chief Sponsor: Lyle W. Hillyard**

House Sponsor: Francis D. Gibson

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**LONG TITLE**

**General Description:**

This bill amends and enacts provisions related to state and local taxes and revenue.

**Highlighted Provisions:**

This bill:

- ▶ decreases the corporate franchise and income tax rate and the individual income tax rate;
- ▶ amends the calculation of certain tax credits to match the applicable income tax rate;
- ▶ repeals certain transfers from the General Fund into the Education Fund;
- ▶ modifies the calculation of the Utah personal exemption for purposes of the taxpayer tax credit;
- ▶ enacts a nonrefundable tax credit for social security benefits that are included in the claimant's federal adjusted gross income;
- ▶ provides that an individual who claims the tax credit for social security benefits may not also claim the retirement tax credit on the same return;
- ▶ enacts a refundable grocery tax credit;
- ▶ provides for apportionment of the grocery tax credit;
- ▶ provides a taxpayer tax credit rebate;



- 26 ▶ creates an additional grocery tax credit;
- 27 ▶ increases the state sales and use tax rate on food and food ingredients;
- 28 ▶ imposes state and local sales and use tax on amounts paid or charged for certain
- 29 services;
- 30 ▶ modifies the sales and use tax dedications for the Transportation Investment Fund
- 31 of 2005;
- 32 ▶ directs a portion of growth in the amount of revenue collected from the sales and
- 33 use tax on the sale of food and food ingredients be deposited into the Transit
- 34 Transportation Investment Fund;
- 35 ▶ repeals certain sales and use tax exemptions;
- 36 ▶ provides a sales and use tax exemption for certain transactions paid for through a
- 37 machine that only accepts cash;
- 38 ▶ enacts a sales and use tax exemption for tangible personal property consumed in the
- 39 performance of certain taxable services;
- 40 ▶ establishes a repeal date for the sales and use tax exemption for construction
- 41 materials used in the construction of a new or expanding life science research and
- 42 development facility;
- 43 ▶ creates a sales and use tax exemption for menstrual products;
- 44 ▶ enacts a sales tax on motor fuel and special fuel other than diesel and an additional
- 45 excise tax on diesel fuel;
- 46 ▶ increases the state motor vehicle rental tax;
- 47 ▶ provides a repeal date for the program that allows certain clean fuel vehicles to
- 48 travel in a high occupancy vehicle lane regardless of the number of occupants;
- 49 ▶ directs the Utah Department of Transportation to implement one or more strategies
- 50 to manage congestion on state highways and to generate highway user fees;
- 51 ▶ modifies the requirements of a certificate of emissions inspection;
- 52 ▶ requires the Division of Motor Vehicles to share certain information from a
- 53 certificate of emissions inspection with the Utah Department of Transportation;
- 54 ▶ requires certain legislative committees to consider annually a report from the Utah
- 55 Department of Transportation regarding the road usage charge program;
- 56 ▶ requires the Utah Department of Transportation to notify certain legislative

57 committees when revenue from the road usage charge program equals or exceeds specified  
58 amounts of revenue generated from the sales tax on motor fuel and special fuel other than  
59 diesel;

- 60 ▶ addresses the requirements for using a high occupancy toll lane;
- 61 ▶ modifies the permissible uses for funds in the Tollway Special Revenue Fund;
- 62 ▶ provides funding from the Transportation Investment Fund of 2005 for  
63 improvement of class B roads located in certain counties of the fourth, fifth, and  
64 sixth class; and
- 65 ▶ makes technical and conforming changes.

66 **Money Appropriated in this Bill:**

67 This bill appropriates in fiscal year 2020:

- 68 ▶ To Department of Workforce Services -- Administration, as a one-time  
69 appropriation:
  - 70 • From General Fund, \$500,000.
- 71 ▶ To the General Fund, as a one-time appropriation:
  - 72 • From the Education Fund Restricted -- Underage Drinking Prevention Program  
73 Restricted Account, One-time, \$1,750,000.

74 This bill appropriates in fiscal year 2021:

- 75 ▶ To State Board of Education -- Child Nutrition, as an ongoing appropriation:
  - 76 • From Education Fund, \$55,500,000.
  - 77 • From Dedicated Credits -- Liquor Tax, (\$39,275,700).
- 78 ▶ To State Board of Education -- State Administrative Office, as an ongoing  
79 appropriation:
  - 80 • From Education Fund, \$2,850,000.
  - 81 • From Education Fund Restricted -- Underage Drinking Prevention Program  
82 Restricted Account, (\$1,751,000).
- 83 ▶ To University of Utah -- Education and General, as an ongoing appropriation:
  - 84 • From General Fund, \$101,608,900.
  - 85 • From Education Fund, (\$101,608,900).
- 86 ▶ To University of Utah -- School of Medicine, as an ongoing appropriation:
  - 87 • From General Fund, \$35,899,500.

- 88           • From Education Fund, (\$35,899,500).
- 89           ▶ To University of Utah -- University Hospital, as an ongoing appropriation:
- 90           • From General Fund, \$1,533,000.
- 91           • From Education Fund, (\$1,533,000).
- 92           ▶ To University of Utah -- School of Dentistry, as an ongoing appropriation:
- 93           • From General Fund, \$2,324,700.
- 94           • From Education Fund, (\$2,324,700).
- 95           ▶ To Utah State University -- Education and General, as an ongoing appropriation:
- 96           • From General Fund, \$73,521,400.
- 97           • From Education Fund, (\$73,521,400).
- 98           ▶ To Utah State University -- USU-Eastern Education and General, as an ongoing
- 99 appropriation:
- 100           • From General Fund, \$12,503,400.
- 101           • From Education Fund, (\$12,503,400).
- 102           ▶ To Weber State University -- Education and General, as an ongoing appropriation:
- 103           • From General Fund, \$94,098,000.
- 104           • From Education Fund, (\$94,098,000).
- 105           ▶ To Southern Utah University -- Education and General, as an ongoing
- 106 appropriation:
- 107           • From General Fund, \$47,444,900.
- 108           • From Education Fund, (\$47,444,900).
- 109           ▶ To Utah Valley University -- Education and General, as an ongoing appropriation:
- 110           • From General Fund, \$22,092,900.
- 111           • From Education Fund, (\$22,092,900).

**112 Other Special Clauses:**

113           This bill provides a special effective date.

114           This bill provides contingent retrospective operation.

**115 Utah Code Sections Affected:**

**116 AMENDS:**

117           **15A-1-204**, as last amended by Laws of Utah 2017, Chapter 18

118           **26-36b-208**, as last amended by Laws of Utah 2019, Chapters 1 and 393

119 [32B-2-301](#), as last amended by Laws of Utah 2018, Chapter 329  
120 [32B-2-304](#), as last amended by Laws of Utah 2019, Chapter 403  
121 [32B-2-305](#), as last amended by Laws of Utah 2013, Chapter 400  
122 [35A-8-308](#), as last amended by Laws of Utah 2017, Chapters 181 and 421  
123 [35A-8-309](#), as last amended by Laws of Utah 2019, Chapter 493  
124 [41-6a-409](#), as last amended by Laws of Utah 2017, Chapter 142  
125 [41-6a-505](#), as last amended by Laws of Utah 2019, Chapter 136  
126 [41-6a-1406](#), as last amended by Laws of Utah 2019, Chapter 373  
127 [41-6a-1642](#), as last amended by Laws of Utah 2019, Chapter 140  
128 [41-12a-806](#), as last amended by Laws of Utah 2019, Chapter 55  
129 [53B-8a-106](#), as last amended by Laws of Utah 2015, Chapter 94  
130 [53G-10-406](#), as last amended by Laws of Utah 2019, Chapter 293  
131 [59-1-1503](#), as last amended by Laws of Utah 2012, Chapter 399  
132 [59-7-104](#), as last amended by Laws of Utah 2019, Chapter 418  
133 [59-7-201](#), as last amended by Laws of Utah 2018, Chapter 456  
134 [59-7-610](#), as last amended by Laws of Utah 2019, Chapter 247  
135 [59-7-614.1](#), as last amended by Laws of Utah 2016, Chapter 375  
136 [59-7-618](#), as last amended by Laws of Utah 2017, Chapter 265  
137 [59-7-620](#), as last amended by Laws of Utah 2017, Chapter 222  
138 [59-10-104](#), as last amended by Laws of Utah 2018, Chapter 456  
139 [59-10-1005](#), as last amended by Laws of Utah 2017, Chapter 148  
140 [59-10-1007](#), as last amended by Laws of Utah 2019, Chapter 247  
141 [59-10-1017](#), as last amended by Laws of Utah 2017, Chapter 389  
142 [59-10-1017.1](#), as enacted by Laws of Utah 2017, Chapter 389  
143 [59-10-1018](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 3  
144 [59-10-1019](#), as renumbered and amended by Laws of Utah 2008, Chapter 389  
145 [59-10-1022](#), as enacted by Laws of Utah 2008, Chapter 389  
146 [59-10-1023](#), as enacted by Laws of Utah 2008, Chapter 389  
147 [59-10-1028](#), as last amended by Laws of Utah 2012, Chapter 399  
148 [59-10-1033](#), as last amended by Laws of Utah 2017, Chapter 265  
149 [59-10-1035](#), as last amended by Laws of Utah 2017, Chapter 222

- 150 [59-10-1036](#), as enacted by Laws of Utah 2016, Chapter 55
- 151 [59-10-1105](#), as last amended by Laws of Utah 2016, Chapter 375
- 152 [59-10-1403.3](#), as enacted by Laws of Utah 2017, Chapter 270
- 153 [59-12-102](#), as last amended by Laws of Utah 2019, Chapters 325, 481, and 486
- 154 [59-12-103](#), as last amended by Laws of Utah 2019, Chapters 1, 136, and 479
- 155 [59-12-104](#), as last amended by Laws of Utah 2019, Chapters 136 and 486
- 156 [59-12-104.5](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 157 [59-12-1201](#), as last amended by Laws of Utah 2016, Chapters 184 and 291
- 158 [59-13-202](#), as last amended by Laws of Utah 2016, Third Special Session, Chapter 1
- 159 [63I-2-253](#), as last amended by Laws of Utah 2019, Chapters 41, 129, 136, 223, 324,
- 160 325, and 444
- 161 [63I-2-259](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 162 [63I-2-272](#), as last amended by Laws of Utah 2019, Chapters 136 and 246
- 163 [63M-4-702](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 164 [72-1-201](#), as last amended by Laws of Utah 2019, Chapter 431
- 165 [72-1-213.1](#), as enacted by Laws of Utah 2019, Chapter 479
- 166 [72-2-120](#), as last amended by Laws of Utah 2018, Chapter 269
- 167 [72-2-124](#), as last amended by Laws of Utah 2019, Chapters 327 and 479
- 168 [72-6-118](#), as last amended by Laws of Utah 2018, Chapter 269
- 169 [72-9-603](#), as last amended by Laws of Utah 2019, Chapter 373

170 ENACTS:

- 171 [59-10-1018.1](#), Utah Code Annotated 1953
- 172 [59-10-1041](#), Utah Code Annotated 1953
- 173 [59-10-1102.1](#), Utah Code Annotated 1953
- 174 [59-10-1113](#), Utah Code Annotated 1953
- 175 [59-10-1113.1](#), Utah Code Annotated 1953
- 176 [59-13-323](#), Utah Code Annotated 1953
- 177 [59-13-601](#), Utah Code Annotated 1953
- 178 [63I-2-241](#), Utah Code Annotated 1953
- 179 [72-1-213.2](#), Utah Code Annotated 1953

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

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

183 **15A-1-204. Adoption of State Construction Code -- Amendments by commission**  
184 **-- Approved codes -- Exemptions.**

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

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

190 (i) new construction is involved; and

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

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

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

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

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

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

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

202 (i) to the entire state; or

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

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

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

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

212 (i) adopting a new State Construction Code in its entirety; or  
213 (ii) amending or repealing one or more provisions of the State Construction Code.

214 (3) (a) Except as provided in Subsection (3)(b), for each update of a nationally  
215 recognized construction code, the commission shall prepare a report described in Subsection  
216 (4).

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

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

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

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

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

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

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

234 (i) study the recommendations; and

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

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

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

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

247 (i) on its own initiative;

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

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

251 (A) a local regulator;

252 (B) a state regulator;

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

254 (D) the Construction Services Commission;

255 (E) the Electrician Licensing Board;

256 (F) the Plumbers Licensing Board; or

257 (G) a recognized construction-related association.

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

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

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

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

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

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

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

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

274 (i) publish the amendment to the State Construction Code in accordance with Section  
275 15A-1-205; and

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

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

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

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

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

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

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

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

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

296 (a) enforce a federal law or regulation;

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

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

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

303 (ii) for which the state executive branch entity or political subdivision can demonstrate,  
304 with substantial evidence, that the rule, ordinance, or requirement is necessary to protect an

305 individual from a condition likely to cause imminent injury or death.

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

308 (11) (a) Except as provided in Subsection (11)(b), a structure used solely in  
309 conjunction with agriculture use, and not for human occupancy, or a structure that is no more  
310 than 1,500 square feet and used solely for the type of sales described in Subsection  
311 ~~59-12-104(20)~~(17), is exempt from the permit requirements of the State Construction Code.

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

315 (ii) Unless located in whole or in part in an agricultural protection area created under  
316 Title 17, Chapter 41, Agriculture, Industrial, or Critical Infrastructure Materials Protection  
317 Areas, a structure described in Subsection (11)(a) is not exempt from a permit requirement if  
318 the structure is located on land that is:

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

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

322 Section 2. Section ~~26-36b-208~~ is amended to read:

323 **26-36b-208. Medicaid Expansion Fund.**

324 (1) There is created an expendable special revenue fund known as the Medicaid  
325 Expansion Fund.

326 (2) The fund consists of:

327 (a) assessments collected under this chapter;

328 (b) intergovernmental transfers under Section ~~26-36b-206~~;

329 (c) savings attributable to the health coverage improvement program as determined by  
330 the department;

331 (d) savings attributable to the enhancement waiver program as determined by the  
332 department;

333 (e) savings attributable to the Medicaid waiver expansion as determined by the  
334 department;

335 (f) savings attributable to the inclusion of psychotropic drugs on the preferred drug list

336 under Subsection 26-18-2.4(3) as determined by the department;

337 (g) [~~revenues~~] revenue collected from the sales tax described in Subsection  
338 59-12-103[~~(13)~~](12);

339 (h) gifts, grants, donations, or any other conveyance of money that may be made to the  
340 fund from private sources;

341 (i) interest earned on money in the fund; and

342 (j) additional amounts as appropriated by the Legislature.

343 (3) (a) The fund shall earn interest.

344 (b) All interest earned on fund money shall be deposited into the fund.

345 (4) (a) A state agency administering the provisions of this chapter may use money from  
346 the fund to pay the costs, not otherwise paid for with federal funds or other revenue sources, of:

347 (i) the health coverage improvement program;

348 (ii) the enhancement waiver program;

349 (iii) a Medicaid waiver expansion; and

350 (iv) the outpatient upper payment limit supplemental payments under Section  
351 26-36b-210.

352 (b) A state agency administering the provisions of this chapter may not use:

353 (i) funds described in Subsection (2)(b) to pay the cost of private outpatient upper  
354 payment limit supplemental payments; or

355 (ii) money in the fund for any purpose not described in Subsection (4)(a).

356 Section 3. Section 32B-2-301 is amended to read:

357 **32B-2-301. State property -- Liquor Control Fund -- Money to be retained by**  
358 **department -- Department building process.**

359 (1) The following are property of the state:

360 (a) the money received in the administration of this title, except as otherwise provided;  
361 and

362 (b) property acquired, administered, possessed, or received by the department.

363 (2) (a) There is created an enterprise fund known as the "Liquor Control Fund."

364 (b) [~~Except as provided in Section 32B-2-304, the~~] The department shall deposit the  
365 following into the Liquor Control Fund:

366 (i) money received in the administration of this title; and

367 (ii) money received from the markup described in Section 32B-2-304.

368 (c) The department may draw from the Liquor Control Fund only to the extent  
369 appropriated by the Legislature or provided by statute.

370 (d) The net position of the Liquor Control Fund may not fall below zero.

371 (3) (a) Notwithstanding Subsection (2)(c), the department may draw by warrant from  
372 the Liquor Control Fund without an appropriation for an expenditure that is directly incurred by  
373 the department:

374 (i) to purchase an alcoholic product;

375 (ii) to transport an alcoholic product from the supplier to a warehouse of the  
376 department; or

377 (iii) for variances related to an alcoholic product, including breakage or theft.

378 (b) If the balance of the Liquor Control Fund is not adequate to cover a warrant that the  
379 department draws against the Liquor Control Fund, to the extent necessary to cover the  
380 warrant, the cash resources of the General Fund may be used.

381 (4) (a) As used in this Subsection (4), "base budget" means the same as that term is  
382 defined in legislative rule.

383 (b) The department's base budget shall include as an appropriation from the Liquor  
384 Control Fund:

385 (i) credit card related fees paid by the department;

386 (ii) package agency compensation; and

387 (iii) the department's costs of shipping and warehousing alcoholic products.

388 (5) (a) The Division of Finance shall transfer annually from the Liquor Control Fund to  
389 the General Fund a sum equal to the amount of net profit earned from the sale of liquor since  
390 the preceding transfer of money under this Subsection (5).

391 (b) After each fiscal year, the Division of Finance shall calculate the amount for the  
392 transfer on or before September 1 and the Division of Finance shall make the transfer on or  
393 before September 30.

394 (c) The Division of Finance may make year-end closing entries in the Liquor Control  
395 Fund to comply with Subsection 51-5-6(2).

396 (6) (a) By the end of each day, the department shall:

397 (i) make a deposit to a qualified depository, as defined in Section 51-7-3; and

398 (ii) report the deposit to the state treasurer.

399 (b) A commissioner or department employee is not personally liable for a loss caused  
400 by the default or failure of a qualified depository.

401 (c) Money deposited in a qualified depository is entitled to the same priority of  
402 payment as other public funds of the state.

403 (7) Before the Division of Finance makes the transfer described in Subsection (5), the  
404 department may retain each fiscal year from the Liquor Control Fund \$1,000,000 that the  
405 department may use for:

406 (a) capital equipment purchases;

407 (b) salary increases for department employees;

408 (c) performance awards for department employees; or

409 (d) information technology enhancements because of changes or trends in technology.

410 Section 4. Section **32B-2-304** is amended to read:

411 **32B-2-304. Liquor price -- School lunch program -- Remittance of markup.**

412 (1) For purposes of this section:

413 (a) (i) "Landed case cost" means:

414 (A) the cost of the product; and

415 (B) inbound shipping costs incurred by the department.

416 (ii) "Landed case cost" does not include the outbound shipping cost from a warehouse  
417 of the department to a state store.

418 (b) "Proof gallon" means the same as that term is defined in 26 U.S.C. Sec. 5002.

419 (c) Notwithstanding Section [32B-1-102](#), "small brewer" means a brewer who  
420 manufactures in a calendar year less than 40,000 barrels of beer, heavy beer, and flavored malt  
421 beverage.

422 (2) Except as provided in Subsection (3):

423 (a) spirituous liquor sold by the department within the state shall be marked up in an  
424 amount not less than 88% above the landed case cost to the department;

425 (b) wine sold by the department within the state shall be marked up in an amount not  
426 less than 88% above the landed case cost to the department;

427 (c) heavy beer sold by the department within the state shall be marked up in an amount  
428 not less than 66.5% above the landed case cost to the department; and

429 (d) a flavored malt beverage sold by the department within the state shall be marked up  
430 in an amount not less than 88% above the landed case cost to the department.

431 (3) (a) Liquor sold by the department to a military installation in Utah shall be marked  
432 up in an amount not less than 17% above the landed case cost to the department.

433 (b) Except for spirituous liquor sold by the department to a military installation in  
434 Utah, spirituous liquor that is sold by the department within the state shall be marked up 49%  
435 above the landed case cost to the department if:

436 (i) the spirituous liquor is manufactured by a manufacturer producing less than 30,000  
437 proof gallons of spirituous liquor in a calendar year; and

438 (ii) the manufacturer applies to the department for a reduced markup.

439 (c) Except for wine sold by the department to a military installation in Utah, wine that  
440 is sold by the department within the state shall be marked up 49% above the landed case cost to  
441 the department if:

442 (i) (A) except as provided in Subsection (3)(c)(i)(B), the wine is manufactured by a  
443 manufacturer producing less than 20,000 gallons of wine in a calendar year; or

444 (B) for hard cider, the hard cider is manufactured by a manufacturer producing less  
445 than 620,000 gallons of hard cider in a calendar year; and

446 (ii) the manufacturer applies to the department for a reduced markup.

447 (d) Except for heavy beer sold by the department to a military installation in Utah,  
448 heavy beer that is sold by the department within the state shall be marked up 32% above the  
449 landed case cost to the department if:

450 (i) a small brewer manufactures the heavy beer; and

451 (ii) the small brewer applies to the department for a reduced markup.

452 (e) The department shall verify an amount described in Subsection (3)(b), (c), or (d)  
453 pursuant to a federal or other verifiable production report.

454 (f) For purposes of determining whether an alcoholic product qualifies for a markup  
455 under this Subsection (3), the department shall evaluate whether the manufacturer satisfies the  
456 applicable production requirement without considering the manufacturer's production of any  
457 other type of alcoholic product.

458 ~~[(4) The department shall deposit 10% of the total gross revenue from sales of liquor~~  
459 ~~with the state treasurer to be credited to the Uniform School Fund and used to support the~~

460 school lunch program administered by the State Board of Education under Section ~~53E-3-510~~;  
461 ~~(5)~~ (4) This section does not prohibit the department from selling discontinued items  
462 at a discount.

463 Section 5. Section **32B-2-305** is amended to read:

464 **32B-2-305. Alcoholic Beverage Control Act Enforcement Fund.**

465 (1) As used in this section:

466 (a) "Alcohol-related law enforcement officer" is as defined in Section [32B-1-201](#).

467 (b) "Enforcement ratio" is as defined in Section [32B-1-201](#).

468 (c) "Fund" means the Alcoholic Beverage Control Act Enforcement Fund created in  
469 this section.

470 (2) There is created an expendable special revenue fund known as the "Alcoholic  
471 Beverage Control Act Enforcement Fund."

472 (3) (a) The fund consists of:

473 (i) deposits made under Subsection (4); and

474 (ii) interest earned on the fund.

475 (b) The fund shall earn interest. Interest on the fund shall be deposited into the fund.

476 (4) ~~[After the deposit made under Section [32B-2-304](#) for the school lunch program,~~  
477 ~~the]~~ The department shall deposit 1% of the total gross revenue from the sale of liquor with the  
478 state treasurer to be credited to the fund to be used by the Department of Public Safety as  
479 provided in Subsection (5).

480 (5) (a) The Department of Public Safety shall expend money from the fund to  
481 supplement appropriations by the Legislature so that the Department of Public Safety maintains  
482 a sufficient number of alcohol-related law enforcement officers such that beginning on July 1,  
483 2012, each year the enforcement ratio as of July 1 is equal to or less than the number specified  
484 in Section [32B-1-201](#).

485 (b) Beginning July 1, 2012, four alcohol-related law enforcement officers shall have as  
486 a primary focus the enforcement of this title in relationship to restaurants.

487 Section 6. Section **35A-8-308** is amended to read:

488 **35A-8-308. Throughput Infrastructure Fund.**

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

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

- 491 (a) all amounts transferred to the fund [~~under Subsection 59-12-103(12)~~] by statute;
- 492 (b) any voluntary contributions received;
- 493 (c) appropriations made to the fund by the Legislature; and
- 494 (d) all amounts received from the repayment of loans made by the impact board under
- 495 Section 35A-8-309.
- 496 (3) The state treasurer shall:
- 497 (a) invest the money in the fund by following the procedures and requirements of Title
- 498 51, Chapter 7, State Money Management Act; and
- 499 (b) deposit all interest or other earnings derived from those investments into the fund.
- 500 Section 7. Section 35A-8-309 is amended to read:
- 501 **35A-8-309. Throughput Infrastructure Fund administered by impact board --**
- 502 **Uses -- Review by board -- Annual report -- First project.**
- 503 (1) The impact board shall:
- 504 (a) make grants and loans from the Throughput Infrastructure Fund created in Section
- 505 35A-8-308 for a throughput infrastructure project;
- 506 (b) use money transferred to the Throughput Infrastructure Fund [~~in accordance with~~
- 507 ~~Subsection 59-12-103(12)~~] by statute to provide a loan or grant to finance the cost of
- 508 acquisition or construction of a throughput infrastructure project to one or more local political
- 509 subdivisions, including a Utah interlocal agency created under Title 11, Chapter 13, Interlocal
- 510 Cooperation Act;
- 511 (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion
- 512 of the fund revolving;
- 513 (d) determine provisions for repayment of loans;
- 514 (e) establish criteria for awarding loans and grants; and
- 515 (f) establish criteria for determining eligibility for assistance under this section.
- 516 (2) The cost of acquisition or construction of a throughput infrastructure project
- 517 includes amounts for working capital, reserves, transaction costs, and other amounts
- 518 determined by the impact board to be allocable to a throughput infrastructure project.
- 519 (3) The impact board may restructure or forgive all or part of a local political
- 520 subdivision's or interlocal agency's obligation to repay loans for extenuating circumstances.
- 521 (4) To receive assistance under this section, a local political subdivision or an

522 interlocal agency shall submit a formal application containing the information that the impact  
523 board requires.

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

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

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

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

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

535 (i) non-recourse to the local political subdivision or interlocal agency; and

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

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

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

542 (7) The board shall include in the annual written report described in Section  
543 [35A-1-109](#):

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

545 (b) a list of local political subdivisions or interlocal agencies that received assistance  
546 under this section.

547 (8) (a) The first throughput infrastructure project considered by the impact board shall  
548 be a bulk commodities ocean terminal project.

549 (b) Upon receipt of an application from an interlocal agency created for the sole  
550 purpose of undertaking a throughput infrastructure project that is a bulk commodities ocean  
551 terminal project, the impact board shall:

552 (i) grant up to 2% of the money in the Throughput Infrastructure Fund to the interlocal

553 agency to pay or reimburse costs incurred by the interlocal agency preliminary to its acquisition  
554 of the throughput infrastructure project; and

555 (ii) fund the interlocal agency's application if the application meets all criteria  
556 established by the impact board.

557 Section 8. Section **41-6a-409** is amended to read:

558 **41-6a-409. Prohibition of flat response fee for motor vehicle accident.**

559 (1) As used in this section, "government entity" means the Department of  
560 Transportation, the Utah Highway Patrol Division, or a local government entity or agency.

561 (2) A government entity:

562 (a) may not impose a flat fee, or collect a flat fee, from an individual involved in a  
563 motor vehicle accident; and

564 (b) may only charge the individual for the actual cost or a reasonable estimate of the  
565 cost of services provided in responding to the motor vehicle accident, limited to:

566 (i) medical costs for transporting an individual from the scene of a motor vehicle  
567 accident or treating a person injured in a motor vehicle accident;

568 (ii) the cost for repair to damaged public property, if the individual is legally liable for  
569 the damage;

570 (iii) the cost of materials used in cleaning up the motor vehicle accident, if the  
571 individual is legally liable for the motor vehicle accident; [~~and~~]

572 (iv) towing costs[-]; and

573 (v) applicable sales and use taxes.

574 (3) If a government entity imposes a charge on more than one individual for the actual  
575 cost or a reasonable estimate of the cost of responding to a motor vehicle accident, the  
576 government entity shall apportion the charges so that the government entity does not receive  
577 more for responding to the motor vehicle accident than the actual response cost or a reasonable  
578 estimate of the cost.

579 (4) Nothing in this section prohibits a government entity from contracting with an  
580 independent contractor to recover costs related to damage to public property.

581 (5) If a government entity enters into a contract with an independent contractor to  
582 recover costs related to damage to public property, the government entity may only pay the  
583 independent contractor out of any recovery received from the person who caused the damage or

584 the responsible party.

585 Section 9. Section **41-6a-505** is amended to read:

586 **41-6a-505. Sentencing requirements for driving under the influence of alcohol,**  
587 **drugs, or a combination of both violations.**

588 (1) As part of any sentence for a first conviction of Section **41-6a-502**:

589 (a) the court shall:

590 (i) (A) impose a jail sentence of not less than 48 consecutive hours; or

591 (B) require the individual to work in a compensatory-service work program for not less  
592 than 48 hours;

593 (ii) order the individual to participate in a screening;

594 (iii) order the individual to participate in an assessment, if it is found appropriate by a  
595 screening under Subsection (1)(a)(ii);

596 (iv) order the individual to participate in an educational series if the court does not  
597 order substance abuse treatment as described under Subsection (1)(b);

598 (v) impose a fine of not less than \$700;

599 (vi) order probation for the individual in accordance with Section **41-6a-507**, if there is  
600 admissible evidence that the individual had a blood alcohol level of .16 or higher;

601 (vii) (A) order the individual to pay the administrative impound fee described in  
602 Section **41-6a-1406**; or

603 (B) if the administrative impound fee was paid by a party described in Subsection  
604 **41-6a-1406(5)(a)**, other than the individual sentenced, order the individual sentenced to  
605 reimburse the party; or

606 (viii) (A) order the individual to pay the towing and storage fees described in Section  
607 **72-9-603** and the applicable sales and use tax; or

608 (B) if the [~~towing and storage fees~~] amounts described in Subsection (1)(a)(viii)(A)  
609 were paid by a party described in Subsection **41-6a-1406(5)(a)**, other than the individual  
610 sentenced, order the individual sentenced to reimburse the party; and

611 (b) the court may:

612 (i) order the individual to obtain substance abuse treatment if the substance abuse  
613 treatment program determines that substance abuse treatment is appropriate;

614 (ii) order probation for the individual in accordance with Section **41-6a-507**;

615 (iii) order the individual to participate in a 24-7 sobriety program as defined in Section  
616 41-6a-515.5 if the individual is 21 years of age or older; or

617 (iv) order a combination of Subsections (1)(b)(i) through (iii).

618 (2) If an individual has a prior conviction as defined in Subsection 41-6a-501(2) that is  
619 within 10 years of the current conviction under Section 41-6a-502 or the commission of the  
620 offense upon which the current conviction is based:

621 (a) the court shall:

622 (i) (A) impose a jail sentence of not less than 240 hours; or

623 (B) impose a jail sentence of not less than 120 hours in addition to home confinement  
624 of not fewer than 720 consecutive hours through the use of electronic monitoring that includes  
625 a substance abuse testing instrument in accordance with Section 41-6a-506;

626 (ii) order the individual to participate in a screening;

627 (iii) order the individual to participate in an assessment, if it is found appropriate by a  
628 screening under Subsection (2)(a)(ii);

629 (iv) order the individual to participate in an educational series if the court does not  
630 order substance abuse treatment as described under Subsection (2)(b);

631 (v) impose a fine of not less than \$800;

632 (vi) order probation for the individual in accordance with Section 41-6a-507;

633 (vii) (A) order the individual to pay the administrative impound fee described in  
634 Section 41-6a-1406; or

635 (B) if the administrative impound fee was paid by a party described in Subsection  
636 41-6a-1406(5)(a), other than the individual sentenced, order the individual sentenced to  
637 reimburse the party; or

638 (viii) (A) order the individual to pay the towing and storage fees described in Section  
639 72-9-603; or

640 (B) if the [~~towing and storage fees~~] amounts described in Subsection (2)(a)(viii)(A)  
641 were paid by a party described in Subsection 41-6a-1406(5)(a), other than the individual  
642 sentenced, order the individual sentenced to reimburse the party; and

643 (b) the court may:

644 (i) order the individual to obtain substance abuse treatment if the substance abuse  
645 treatment program determines that substance abuse treatment is appropriate;

646 (ii) order the individual to participate in a 24-7 sobriety program as defined in Section  
647 41-6a-515.5 if the individual is 21 years of age or older; or

648 (iii) order a combination of Subsections (2)(b)(i) and (ii).

649 (3) Under Subsection 41-6a-503(2), if the court suspends the execution of a prison  
650 sentence and places the defendant on probation, the court shall impose:

651 (a) a fine of not less than \$1,500;

652 (b) a jail sentence of not less than 1,500 hours; and

653 (c) supervised probation.

654 (4) For Subsection (3) or Subsection 41-6a-503(2)(b), the court:

655 (a) shall impose an order requiring the individual to obtain a screening and assessment  
656 for alcohol and substance abuse, and treatment as appropriate; and

657 (b) may impose an order requiring the individual to participate in a 24-7 sobriety  
658 program as defined in Section 41-6a-515.5 if the individual is 21 years of age or older.

659 (5) The requirements of Subsections (1)(a), (2)(a), (3), and (4) may not be suspended.

660 (6) If an individual is convicted of a violation of Section 41-6a-502 and there is  
661 admissible evidence that the individual had a blood alcohol level of .16 or higher, the court  
662 shall order the following, or describe on record why the order or orders are not appropriate:

663 (a) treatment as described under Subsection (1)(b), (2)(b), or (4); and

664 (b) one or more of the following:

665 (i) the installation of an ignition interlock system as a condition of probation for the  
666 individual in accordance with Section 41-6a-518;

667 (ii) the imposition of an ankle attached continuous transdermal alcohol monitoring  
668 device as a condition of probation for the individual; or

669 (iii) the imposition of home confinement through the use of electronic monitoring in  
670 accordance with Section 41-6a-506.

671 Section 10. Section 41-6a-1406 is amended to read:

672 **41-6a-1406. Removal and impoundment of vehicles -- Reporting and notification**  
673 **requirements -- Administrative impound fee -- Refunds -- Possessory lien -- Rulemaking.**

674 (1) If a vehicle, vessel, or outboard motor is removed or impounded as provided under  
675 Section 41-1a-1101, 41-6a-527, 41-6a-1405, 41-6a-1408, or 73-18-20.1 by an order of a peace  
676 officer or by an order of a person acting on behalf of a law enforcement agency or highway

677 authority, the removal or impoundment of the vehicle, vessel, or outboard motor shall be at the  
678 expense of the owner.

679 (2) The vehicle, vessel, or outboard motor under Subsection (1) shall be removed or  
680 impounded to a state impound yard.

681 (3) The peace officer may move a vehicle, vessel, or outboard motor or cause it to be  
682 removed by a tow truck motor carrier that meets standards established:

683 (a) under Title 72, Chapter 9, Motor Carrier Safety Act; and

684 (b) by the department under Subsection (10).

685 (4) (a) Immediately after the removal of the vehicle, vessel, or outboard motor, a report  
686 of the removal shall be sent to the Motor Vehicle Division by:

687 (i) the peace officer or agency by whom the peace officer is employed; and

688 (ii) the tow truck operator or the tow truck motor carrier by whom the tow truck  
689 operator is employed.

690 (b) The report shall be in a form specified by the Motor Vehicle Division and shall  
691 include:

692 (i) the operator's name, if known;

693 (ii) a description of the vehicle, vessel, or outboard motor;

694 (iii) the vehicle identification number or vessel or outboard motor identification  
695 number;

696 (iv) the license number, temporary permit number, or other identification number  
697 issued by a state agency;

698 (v) the date, time, and place of impoundment;

699 (vi) the reason for removal or impoundment;

700 (vii) the name of the tow truck motor carrier who removed the vehicle, vessel, or  
701 outboard motor; and

702 (viii) the place where the vehicle, vessel, or outboard motor is stored.

703 (c) Until the tow truck operator or tow truck motor carrier reports the removal as  
704 required under this Subsection (4), a tow truck motor carrier or impound yard may not:

705 (i) collect any fee associated with the removal; and

706 (ii) begin charging storage fees.

707 (5) (a) Except as provided in Subsection (5)(e) and upon receipt of the report, the

708 Motor Vehicle Division shall give notice, in the manner described in Section 41-1a-114, to the  
709 following parties with an interest in the vehicle, vessel, or outboard motor, as applicable:

- 710 (i) the registered owner;
- 711 (ii) any lien holder; or
- 712 (iii) a dealer, as defined in Section 41-1a-102, if the vehicle, vessel, or outboard motor  
713 is currently operating under a temporary permit issued by the dealer, as described in Section  
714 41-3-302.

715 (b) The notice shall:

716 (i) state the date, time, and place of removal, the name, if applicable, of the person  
717 operating the vehicle, vessel, or outboard motor at the time of removal, the reason for removal,  
718 and the place where the vehicle, vessel, or outboard motor is stored;

719 (ii) state that the registered owner is responsible for payment of:

720 (A) towing, impound, and storage fees charged against the vehicle, vessel, or outboard  
721 motor; and

722 (B) the applicable sales and use tax;

723 (iii) state the conditions that must be satisfied before the vehicle, vessel, or outboard  
724 motor is released; and

725 (iv) inform the parties described in Subsection (5)(a) of the division's intent to sell the  
726 vehicle, vessel, or outboard motor, if, within 30 days after the day of the removal or  
727 impoundment under this section, one of the parties fails to make a claim for release of the  
728 vehicle, vessel, or outboard motor.

729 (c) Except as provided in Subsection (5)(e) and if the vehicle, vessel, or outboard  
730 motor is not registered in this state, the Motor Vehicle Division shall make a reasonable effort  
731 to notify the parties described in Subsection (5)(a) of the removal and the place where the  
732 vehicle, vessel, or outboard motor is stored.

733 (d) The Motor Vehicle Division shall forward a copy of the notice to the place where  
734 the vehicle, vessel, or outboard motor is stored.

735 (e) The Motor Vehicle Division is not required to give notice under this Subsection (5)  
736 if a report was received by a tow truck operator or tow truck motor carrier reporting a tow truck  
737 service in accordance with Subsection 72-9-603(1)(a)(i).

738 (6) (a) The vehicle, vessel, or outboard motor shall be released after a party described

739 in Subsection (5)(a):

740 (i) makes a claim for release of the vehicle, vessel, or outboard motor at any office of  
741 the State Tax Commission;

742 (ii) presents identification sufficient to prove ownership of the impounded vehicle,  
743 vessel, or outboard motor;

744 (iii) completes the registration, if needed, and pays the appropriate fees;

745 (iv) if the impoundment was made under Section [41-6a-527](#), pays an administrative  
746 impound fee of \$400; and

747 (v) pays all towing and storage fees and applicable sales and use tax to the place where  
748 the vehicle, vessel, or outboard motor is stored.

749 (b) (i) Twenty-nine dollars of the administrative impound fee assessed under  
750 Subsection (6)(a)(iv) shall be dedicated credits to the Motor Vehicle Division;

751 (ii) \$147 of the administrative impound fee assessed under Subsection (6)(a)(iv) shall  
752 be deposited in the Department of Public Safety Restricted Account created in Section  
753 [53-3-106](#);

754 (iii) \$20 of the administrative impound fee assessed under Subsection (6)(a)(iv) shall  
755 be deposited in the Spinal Cord and Brain Injury Rehabilitation Fund; and

756 (iv) the remainder of the administrative impound fee assessed under Subsection  
757 (6)(a)(iv) shall be deposited in the General Fund.

758 (c) The administrative impound fee assessed under Subsection (6)(a)(iv) shall be  
759 waived or refunded by the State Tax Commission if the registered owner, lien holder, or  
760 owner's agent presents written evidence to the State Tax Commission that:

761 (i) the Driver License Division determined that the arrested person's driver license  
762 should not be suspended or revoked under Section [53-3-223](#) or [41-6a-521](#) as shown by a letter  
763 or other report from the Driver License Division presented within 180 days after the day on  
764 which the Driver License Division mailed the final notification; or

765 (ii) the vehicle was stolen at the time of the impoundment as shown by a copy of the  
766 stolen vehicle report presented within 180 days after the day of the impoundment.

767 (d) A tow truck operator, a tow truck motor carrier, and an impound yard shall accept  
768 payment by cash and debit or credit card for a removal or impoundment under Subsection (1)  
769 or any service rendered, performed, or supplied in connection with a removal or impoundment

770 under Subsection (1).

771 (e) The owner of an impounded vehicle may not be charged a fee for the storage of the  
772 impounded vehicle, vessel, or outboard motor if:

773 (i) the vehicle, vessel, or outboard motor is being held as evidence; and

774 (ii) the vehicle, vessel, or outboard motor is not being released to a party described in  
775 Subsection [5] (5)(a), even if the party satisfies the requirements to release the vehicle, vessel,  
776 or outboard motor under this Subsection (6).

777 (7) (a) An impounded vehicle, vessel, or outboard motor not claimed by a party  
778 described in Subsection (5)(a) within the time prescribed by Section 41-1a-1103 shall be sold  
779 in accordance with that section and the proceeds, if any, shall be disposed of as provided under  
780 Section 41-1a-1104.

781 (b) The date of impoundment is considered the date of seizure for computing the time  
782 period provided under Section 41-1a-1103.

783 (8) A party described in Subsection (5)(a) that pays all fees [~~and~~], charges, and taxes  
784 incurred in the impoundment of the owner's vehicle, vessel, or outboard motor has a cause of  
785 action for all the fees and charges, together with damages, court costs, and attorney fees,  
786 against the operator of the vehicle, vessel, or outboard motor whose actions caused the removal  
787 or impoundment.

788 (9) Towing, impound fees, and storage fees are a possessory lien on the vehicle, vessel,  
789 or outboard motor.

790 (10) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
791 the department shall make rules setting the performance standards for towing companies to be  
792 used by the department.

793 (11) (a) The Motor Vehicle Division may specify that a report required under  
794 Subsection (4) be submitted in electronic form utilizing a database for submission, storage, and  
795 retrieval of the information.

796 (b) (i) Unless otherwise provided by statute, the Motor Vehicle Division or the  
797 administrator of the database may adopt a schedule of fees assessed for utilizing the database.

798 (ii) The fees under this Subsection (11)(b) shall:

799 (A) be reasonable and fair; and

800 (B) reflect the cost of administering the database.

801 Section 11. Section **41-6a-1642** is amended to read:

802 **41-6a-1642. Emissions inspection -- County program.**

803 (1) The legislative body of each county required under federal law to utilize a motor  
804 vehicle emissions inspection and maintenance program or in which an emissions inspection  
805 and maintenance program is necessary to attain or maintain any national ambient air quality  
806 standard shall require:

807 (a) a certificate of emissions inspection, a waiver, or other evidence the motor vehicle  
808 is exempt from emissions inspection and maintenance program requirements be presented:

809 (i) as a condition of registration or renewal of registration; and

810 (ii) at other times as the county legislative body may require to enforce inspection  
811 requirements for individual motor vehicles, except that the county legislative body may not  
812 routinely require a certificate of emissions inspection, or waiver of the certificate, more often  
813 than required under Subsection (9); and

814 (b) compliance with this section for a motor vehicle registered or principally operated  
815 in the county and owned by or being used by a department, division, instrumentality, agency, or  
816 employee of:

817 (i) the federal government;

818 (ii) the state and any of its agencies; or

819 (iii) a political subdivision of the state, including school districts.

820 (2) A vehicle owner subject to Subsection (1) shall obtain a motor vehicle emissions  
821 inspection and maintenance program certificate of emissions inspection as described in  
822 Subsection (1), but the program may not deny vehicle registration based solely on the presence  
823 of a defeat device covered in the Volkswagen partial consent decrees or a United States  
824 Environmental Protection Agency-approved vehicle modification in the following vehicles:

825 (a) a 2.0-liter diesel engine motor vehicle in which its lifetime nitrogen oxide  
826 emissions are mitigated in the state pursuant to a partial consent decree, including:

827 (i) Volkswagen Jetta, model years 2009, 2010, 2011, 2012, 2013, 2014, and 2015;

828 (ii) Volkswagen Jetta Sportwagen, model years 2009, 2010, 2011, 2012, 2013, and  
829 2014;

830 (iii) Volkswagen Golf, model years 2010, 2011, 2012, 2013, 2014, and 2015;

831 (iv) Volkswagen Golf Sportwagen, model year 2015;

- 832 (v) Volkswagen Passat, model years 2012, 2013, 2014, and 2015;
- 833 (vi) Volkswagen Beetle, model years 2013, 2014, and 2015;
- 834 (vii) Volkswagen Beetle Convertible, model years 2013, 2014, and 2015; and
- 835 (viii) Audi A3, model years 2010, 2011, 2012, 2013, and 2015; and
- 836 (b) a 3.0-liter diesel engine motor vehicle in which its lifetime nitrogen oxide
- 837 emissions are mitigated in the state to a settlement, including:
- 838 (i) Volkswagen Touareg, model years 2009, 2010, 2011, 2012, 2013, 2014, 2015, and
- 839 2016;
- 840 (ii) Audi Q7, model years 2009, 2010, 2011, 2012, 2013, 2014, 2015, and 2016;
- 841 (iii) Audi A6 Quattro, model years 2014, 2015, and 2016;
- 842 (iv) Audi A7 Quattro, model years 2014, 2015, and 2016;
- 843 (v) Audi A8, model years 2014, 2015, and 2016;
- 844 (vi) Audi A8L, model years 2014, 2015, and 2016;
- 845 (vii) Audi Q5, model years 2014, 2015, and 2016; and
- 846 (viii) Porsche Cayenne Diesel, model years 2013, 2014, 2015, and 2016.
- 847 (3) (a) The legislative body of a county identified in Subsection (1), in consultation
- 848 with the Air Quality Board created under Section 19-1-106, shall make regulations or
- 849 ordinances regarding:
- 850 (i) emissions standards;
- 851 (ii) test procedures;
- 852 (iii) inspections stations;
- 853 (iv) repair requirements and dollar limits for correction of deficiencies; and
- 854 (v) subject to Subsection (3)(e), certificates of emissions inspections.
- 855 (b) In accordance with Subsection (3)(a), a county legislative body:
- 856 (i) shall make regulations or ordinances to attain or maintain ambient air quality
- 857 standards in the county, consistent with the state implementation plan and federal
- 858 requirements;
- 859 (ii) may allow for a phase-in of the program by geographical area; and
- 860 (iii) shall comply with the analyzer design and certification requirements contained in
- 861 the state implementation plan prepared under Title 19, Chapter 2, Air Conservation Act.
- 862 (c) The county legislative body and the Air Quality Board shall give preference to an

863 inspection and maintenance program that:

864 (i) is decentralized, to the extent the decentralized program will attain and maintain  
865 ambient air quality standards and meet federal requirements;

866 (ii) is the most cost effective means to achieve and maintain the maximum benefit with  
867 regard to ambient air quality standards and to meet federal air quality requirements as related to  
868 vehicle emissions; and

869 (iii) provides a reasonable phase-out period for replacement of air pollution emission  
870 testing equipment made obsolete by the program.

871 (d) The provisions of Subsection (3)(c)(iii) apply only to the extent the phase-out:

872 (i) may be accomplished in accordance with applicable federal requirements; and

873 (ii) does not otherwise interfere with the attainment and maintenance of ambient air  
874 quality standards.

875 (e) A certificate of emissions inspection shall contain an odometer reading.

876 (4) The following vehicles are exempt from an emissions inspection program and the  
877 provisions of this section:

878 (a) an implement of husbandry as defined in Section 41-1a-102;

879 (b) a motor vehicle that:

880 (i) meets the definition of a farm truck under Section 41-1a-102; and

881 (ii) has a gross vehicle weight rating of 12,001 pounds or more;

882 (c) a vintage vehicle as defined in Section 41-21-1;

883 (d) a custom vehicle as defined in Section 41-6a-1507;

884 (e) to the extent allowed under the current federally approved state implementation  
885 plan, in accordance with the federal Clean Air Act, 42 U.S.C. Sec. 7401, et seq., a motor  
886 vehicle that is less than two years old on January 1 based on the age of the vehicle as  
887 determined by the model year identified by the manufacturer;

888 (f) a pickup truck, as defined in Section 41-1a-102, with a gross vehicle weight rating  
889 of 12,000 pounds or less, if the registered owner of the pickup truck provides a signed  
890 statement to the legislative body stating the truck is used:

891 (i) by the owner or operator of a farm located on property that qualifies as land in  
892 agricultural use under Sections 59-2-502 and 59-2-503; and

893 (ii) exclusively for the following purposes in operating the farm:

894 (A) for the transportation of farm products, including livestock and its products,  
895 poultry and its products, floricultural and horticultural products; and

896 (B) in the transportation of farm supplies, including tile, fence, and every other thing or  
897 commodity used in agricultural, floricultural, horticultural, livestock, and poultry production  
898 and maintenance;

899 (g) a motorcycle as defined in Section [41-1a-102](#);

900 (h) a motor vehicle powered solely by electric power; and

901 (i) a motor vehicle with a model year of 1967 or older.

902 (5) The county shall issue to the registered owner who signs and submits a signed  
903 statement under Subsection (4)(f) a certificate of exemption from emissions inspection  
904 requirements for purposes of registering the exempt vehicle.

905 (6) A legislative body of a county described in Subsection (1) may exempt from an  
906 emissions inspection program a diesel-powered motor vehicle with a:

907 (a) gross vehicle weight rating of more than 14,000 pounds; or

908 (b) model year of 1997 or older.

909 (7) (a) The legislative body of a county described in Subsection (1) that does not  
910 require an emissions inspection for diesel-powered motor vehicles as of December 31, 2017,  
911 shall implement a three-year pilot program as described in Subsection (7)(b).

912 (b) Beginning on January 1, 2019, and ending on December 31, 2021, the legislative  
913 body of a county described in Subsection (7)(a) shall require:

914 (i) a computerized emissions inspection for a diesel-powered motor vehicle that has:

915 (A) a model year of 2007 or newer;

916 (B) a gross vehicle weight rating of 14,000 pounds or less; and

917 (C) a model year that is five years old or older; and

918 (ii) a visual inspection of emissions equipment for a diesel-powered motor vehicle:

919 (A) with a gross vehicle weight rating of 14,000 pounds or less;

920 (B) that has a model year of 1998 or newer; and

921 (C) that has a model year that is five years old or older.

922 (c) (i) The legislative body of a county that participates in the pilot program described  
923 in this Subsection (7) shall prepare a report including:

924 (A) the total number of diesel-powered vehicles inspected as part of the pilot program

925 using computerized technology;

926 (B) the passage and failure rates of the diesel-powered motor vehicles inspected as part  
927 of the pilot program using computerized technology, shown by model year;

928 (C) the total number of diesel-powered vehicles visually inspected as part of the pilot  
929 program;

930 (D) the passage and failure rates of the diesel-powered motor vehicles visually  
931 inspected as part of the pilot program, shown by model year;

932 (E) the total number of diesel-powered vehicles visually inspected as part of the pilot  
933 program where tampering with emissions equipment was found, shown by model year; and

934 (F) any other information the executive body or individual considers relevant.

935 (ii) The legislative body of a county that participates in the pilot program described in  
936 this Subsection (7) shall present the report described in Subsection (7)(c)(i) to the Natural  
937 Resources, Agriculture, and Environment Interim Committee:

938 (A) one time after January 1, 2020, but before August 31, 2020; and

939 (B) one time after January 1, 2021, but before August 31, 2021.

940 (d) After each report described in Subsection (7)(c), the Division of Air Quality created  
941 in Section [19-1-105](#) shall provide to the Natural Resources, Agriculture, and Environment  
942 Interim Committee and the legislative body of a county participating in the pilot program an  
943 estimate of the tons of pollution emitted due to the failure rate of the diesel-powered motor  
944 vehicles in the pilot program.

945 (8) (a) Subject to Subsection (8)(c), the legislative body of each county required under  
946 federal law to utilize a motor vehicle emissions inspection and maintenance program or in  
947 which an emissions inspection and maintenance program is necessary to attain or maintain any  
948 national ambient air quality standard may require each college or university located in a county  
949 subject to this section to require its students and employees who park a motor vehicle not  
950 registered in a county subject to this section to provide proof of compliance with an emissions  
951 inspection accepted by the county legislative body if the motor vehicle is parked on the college  
952 or university campus or property.

953 (b) College or university parking areas that are metered or for which payment is  
954 required per use are not subject to the requirements of this Subsection (8).

955 (c) The legislative body of a county shall make the reasons for implementing the

956 provisions of this Subsection (8) part of the record at the time that the county legislative body  
957 takes its official action to implement the provisions of this Subsection (8).

958 (9) (a) An emissions inspection station shall issue a certificate of emissions inspection  
959 for each motor vehicle that meets the inspection and maintenance program requirements  
960 established in rules made under Subsection (3).

961 (b) The frequency of the emissions inspection shall be determined based on the age of  
962 the vehicle as determined by model year and shall be required annually subject to the  
963 provisions of Subsection (9)(c).

964 (c) (i) To the extent allowed under the current federally approved state implementation  
965 plan, in accordance with the federal Clean Air Act, 42 U.S.C. Sec. 7401 et seq., the legislative  
966 body of a county identified in Subsection (1) shall only require the emissions inspection every  
967 two years for each vehicle.

968 (ii) The provisions of Subsection (9)(c)(i) apply only to a vehicle that is less than six  
969 years old on January 1.

970 (iii) For a county required to implement a new vehicle emissions inspection and  
971 maintenance program on or after December 1, 2012, under Subsection (1), but for which no  
972 current federally approved state implementation plan exists, a vehicle shall be tested at a  
973 frequency determined by the county legislative body, in consultation with the Air Quality  
974 Board created under Section [19-1-106](#), that is necessary to comply with federal law or attain or  
975 maintain any national ambient air quality standard.

976 (iv) If a county legislative body establishes or changes the frequency of a vehicle  
977 emissions inspection and maintenance program under Subsection (9)(c)(iii), the establishment  
978 or change shall take effect on January 1 if the State Tax Commission receives notice meeting  
979 the requirements of Subsection (9)(c)(v) from the county before October 1.

980 (v) The notice described in Subsection (9)(c)(iv) shall:

981 (A) state that the county will establish or change the frequency of the vehicle emissions  
982 inspection and maintenance program under this section;

983 (B) include a copy of the ordinance establishing or changing the frequency; and

984 (C) if the county establishes or changes the frequency under this section, state how  
985 frequently the emissions testing will be required.

986 (d) If an emissions inspection is only required every two years for a vehicle under

987 Subsection(9)(c), the inspection shall be required for the vehicle in:

988 (i) odd-numbered years for vehicles with odd-numbered model years; or

989 (ii) in even-numbered years for vehicles with even-numbered model years.

990 (10) (a) Except as provided in Subsections (9)(b), (c), and (d), the emissions inspection  
991 required under this section may be made no more than two months before the renewal of  
992 registration.

993 (b) (i) If the title of a used motor vehicle is being transferred, the owner may use an  
994 emissions inspection certificate issued for the motor vehicle during the previous 11 months to  
995 satisfy the requirement under this section.

996 (ii) If the transferor is a licensed and bonded used motor vehicle dealer, the owner may  
997 use an emissions inspection certificate issued for the motor vehicle in a licensed and bonded  
998 motor vehicle dealer's name during the previous 11 months to satisfy the requirement under  
999 this section.

1000 (c) If the title of a leased vehicle is being transferred to the lessee of the vehicle, the  
1001 lessee may use an emissions inspection certificate issued during the previous 11 months to  
1002 satisfy the requirement under this section.

1003 (d) If the motor vehicle is part of a fleet of 101 or more vehicles, the owner may not  
1004 use an emissions inspection made more than 11 months before the renewal of registration to  
1005 satisfy the requirement under this section.

1006 (e) If the application for renewal of registration is for a six-month registration period  
1007 under Section [41-1a-215.5](#), the owner may use an emissions inspection certificate issued during  
1008 the previous eight months to satisfy the requirement under this section.

1009 (11) (a) A county identified in Subsection (1) shall collect information about and  
1010 monitor the program.

1011 (b) A county identified in Subsection (1) shall supply this information to an appropriate  
1012 legislative committee, as designated by the Legislative Management Committee, at times  
1013 determined by the designated committee to identify program needs, including funding needs.

1014 (12) If approved by the county legislative body, a county that had an established  
1015 emissions inspection fee as of January 1, 2002, may increase the established fee that an  
1016 emissions inspection station may charge by \$2.50 for each year that is exempted from  
1017 emissions inspections under Subsection (9)(c) up to a \$7.50 increase.

1018 (13) (a) A county identified in Subsection (1) may impose a local emissions  
1019 compliance fee on each motor vehicle registration within the county in accordance with the  
1020 procedures and requirements of Section 41-1a-1223.

1021 (b) A county that imposes a local emissions compliance fee may use revenues  
1022 generated from the fee for the establishment and enforcement of an emissions inspection and  
1023 maintenance program in accordance with the requirements of this section.

1024 (c) A county that imposes a local emissions compliance fee may use revenues  
1025 generated from the fee to promote programs to maintain a local, state, or national ambient air  
1026 quality standard.

1027 Section 12. Section 41-12a-806 is amended to read:

1028 **41-12a-806. Restricted account -- Creation -- Funding -- Interest -- Purposes.**

1029 (1) There is created within the Transportation Fund a restricted account known as the  
1030 "Uninsured Motorist Identification Restricted Account."

1031 (2) The account consists of money generated from the following revenue sources:

1032 (a) money received by the state under Section 41-1a-1218, the uninsured motorist  
1033 identification fee;

1034 (b) money received by the state under Section 41-1a-1220, the registration  
1035 reinstatement fee; and

1036 (c) appropriations made to the account by the Legislature.

1037 (3) (a) The account shall earn interest.

1038 (b) All interest earned on account money shall be deposited into the account.

1039 (4) The Legislature shall appropriate money from the account to:

1040 (a) the department to fund the contract with the designated agent;

1041 (b) the department to offset the costs to state and local law enforcement agencies of  
1042 using the information for the purposes authorized under this part;

1043 (c) the Tax Commission to offset the costs to the Motor Vehicle Division for revoking  
1044 and reinstating vehicle registrations under Subsection 41-1a-110(2)(a)(ii); and

1045 (d) the department to reimburse a person for the costs, including any applicable sales  
1046 and use tax, of towing and storing the person's vehicle if:

1047 (i) the person's vehicle was impounded in accordance with Subsection 41-1a-1101(2);

1048 (ii) the impounded vehicle had owner's or operator's security in effect for the vehicle at

1049 the time of the impoundment;

1050 (iii) the database indicated that owner's or operator's security was not in effect for the  
1051 impounded vehicle; and

1052 (iv) the department determines that the person's vehicle was wrongfully impounded.

1053 (5) The Legislature may appropriate not more than \$1,000,000 annually from the  
1054 account to the Peace Officer Standards and Training Division, created under Section 53-6-103,  
1055 for use in law enforcement training, including training on the use of the Uninsured Motorist  
1056 Identification Database Program created under Title 41, Chapter 12a, Part 8, Uninsured  
1057 Motorist Identification Database Program.

1058 (6) (a) By following the procedures in Title 63G, Chapter 4, Administrative Procedures  
1059 Act, the department shall hold a hearing to determine whether a person's vehicle was  
1060 wrongfully impounded under Subsection 41-1a-1101(2).

1061 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1062 division shall make rules establishing procedures for a person to apply for a reimbursement  
1063 under Subsection (4)(d).

1064 (c) A person is not eligible for a reimbursement under Subsection (4)(d) unless the  
1065 person applies for the reimbursement within six months from the date that the motor vehicle  
1066 was impounded.

1067 Section 13. Section **53B-8a-106** is amended to read:

1068 **53B-8a-106. Account agreements.**

1069 The plan may enter into account agreements with account owners on behalf of  
1070 beneficiaries under the following terms and agreements:

1071 (1) (a) An account agreement may require an account owner to agree to invest a  
1072 specific amount of money in the plan for a specific period of time for the benefit of a specific  
1073 beneficiary, not to exceed an amount determined by the executive director.

1074 (b) Account agreements may be amended to provide for adjusted levels of payments  
1075 based upon changed circumstances or changes in educational plans.

1076 (c) An account owner may make additional optional payments as long as the total  
1077 payments for a specific beneficiary do not exceed the total estimated higher education costs as  
1078 determined by the executive director.

1079 (d) Subject to Subsections (1)(f) and (g), the maximum amount of a qualified

1080 investment that a corporation that is an account owner may subtract from unadjusted income  
1081 for a taxable year in accordance with Title 59, Chapter 7, Corporate Franchise and Income  
1082 Taxes, is \$1,710 for each individual beneficiary for the taxable year beginning on or after  
1083 January 1, 2010, but beginning on or before December 31, 2010.

1084 (e) Subject to Subsections (1)(f) and (g), the maximum amount of a qualified  
1085 investment that may be used as the basis for claiming a tax credit in accordance with Section  
1086 [59-10-1017](#), is:

1087 (i) subject to Subsection (1)(e)(iv), for a resident or nonresident estate or trust that is an  
1088 account owner, \$1,710 for each individual beneficiary for the taxable year beginning on or after  
1089 January 1, 2010, but beginning on or before December 31, 2010;

1090 (ii) subject to Subsection (1)(e)(iv), for a resident or nonresident individual that is an  
1091 account owner, other than a husband and wife who are account owners and file a single return  
1092 jointly under Title 59, Chapter 10, Individual Income Tax Act, \$1,710 for each individual  
1093 beneficiary for the taxable year beginning on or after January 1, 2010, but beginning on or  
1094 before December 31, 2010;

1095 (iii) subject to Subsection (1)(e)(iv), for a husband and wife who are account owners  
1096 and file a single return jointly under Title 59, Chapter 10, Individual Income Tax Act, \$3,420  
1097 for each individual beneficiary:

1098 (A) for the taxable year beginning on or after January 1, 2010, but beginning on or  
1099 before December 31, 2010; and

1100 (B) regardless of whether the plan has entered into:

1101 (I) a separate account agreement with each spouse; or

1102 (II) a single account agreement with both spouses jointly; or

1103 (iv) for a grantor trust:

1104 (A) if the owner of the grantor trust has a single filing status or head of household  
1105 filing status as defined in Section [~~59-10-1018~~] [59-10-1017](#), the amount described in  
1106 Subsection (1)(e)(ii); or

1107 (B) if the owner of the grantor trust has a joint filing status as defined in Section  
1108 [~~59-10-1018~~] [59-10-1017](#), the amount described in Subsection (1)(e)(iii).

1109 (f) (i) For taxable years beginning on or after January 1, 2011, the executive director  
1110 shall annually increase the maximum amount of a qualified investment described in

1111 Subsections (1)(d) and (1)(e)(i) and (ii), by a percentage equal to the increase in the consumer  
1112 price index for the preceding calendar year.

1113 (ii) After making an increase required by Subsection (1)(f)(i), the executive director  
1114 shall:

1115 (A) round the maximum amount of the qualified investments described in Subsections  
1116 (1)(d) and (1)(e)(i) and (ii) increased under Subsection (1)(f)(i) to the nearest 10 dollar  
1117 increment; and

1118 (B) increase the maximum amount of the qualified investment described in Subsection  
1119 (1)(e)(iii) so that the maximum amount of the qualified investment described in Subsection  
1120 (1)(e)(iii) is equal to the product of:

1121 (I) the maximum amount of the qualified investment described in Subsection (1)(e)(ii)  
1122 as rounded under Subsection (1)(f)(ii)(A); and

1123 (II) two.

1124 (iii) For purposes of Subsections (1)(f)(i) and (ii), the executive director shall calculate  
1125 the consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

1126 (g) For taxable years beginning on or after January 1, 2011, the executive director shall  
1127 keep the previous year's maximum amount of a qualified investment described in Subsections  
1128 (1)(d) and (1)(e)(i) and (ii) if the consumer price index for the preceding calendar year  
1129 decreases.

1130 (2) (a) Beneficiaries designated in account agreements must be designated after birth  
1131 and before age 19 for an account owner to:

1132 (i) subtract a qualified investment from income under Title 59, Chapter 7, Corporate  
1133 Franchise and Income Taxes; or

1134 (ii) use a qualified investment as the basis for claiming a tax credit in accordance with  
1135 Section [59-10-1017](#).

1136 (b) Account owners may designate a beneficiary age 19 or older, but investments for  
1137 that beneficiary are not eligible to be:

1138 (i) subtracted from income under Title 59, Chapter 7, Corporate Franchise and Income  
1139 Taxes; or

1140 (ii) used as the basis for claiming a tax credit in accordance with Section [59-10-1017](#).

1141 (3) Each account agreement shall state clearly that there are no guarantees regarding

1142 money in the plan as to the return of principal and that losses could occur.

1143 (4) Each account agreement shall provide that:

1144 (a) a contributor to, or designated beneficiary under, an account agreement may not  
1145 direct the investment of any contributions or earnings on contributions;

1146 (b) any part of the money in any account may not be used as security for a loan; and

1147 (c) an account owner may not borrow from the plan.

1148 (5) The execution of an account agreement by the plan may not guarantee in any way  
1149 that higher education costs will be equal to projections and estimates provided by the plan or  
1150 that the beneficiary named in any account agreement will:

1151 (a) be admitted to an institution of higher education;

1152 (b) if admitted, be determined a resident for tuition purposes by the institution of  
1153 higher education;

1154 (c) be allowed to continue attendance at the institution of higher education following  
1155 admission; or

1156 (d) graduate from the institution of higher education.

1157 (6) A beneficiary may be changed as permitted by the rules and regulations of the  
1158 board upon written request of the account owner prior to the date of admission of any  
1159 beneficiary under an account agreement by an institution of higher education so long as the  
1160 substitute beneficiary is eligible for participation.

1161 (7) An account agreement may be freely amended throughout the term of the account  
1162 agreement in order to enable an account owner to increase or decrease the level of  
1163 participation, change the designation of beneficiaries, and carry out similar matters as  
1164 authorized by rule.

1165 (8) Each account agreement shall provide that:

1166 (a) the account agreement may be canceled upon the terms and conditions, and upon  
1167 payment of the fees and costs set forth and contained in the board's rules and regulations; and

1168 (b) the executive director may amend the agreement unilaterally and retroactively, if  
1169 necessary, to maintain the plan as a qualified tuition program under Section 529, Internal  
1170 Revenue Code.

1171 Section 14. Section **53G-10-406** is amended to read:

1172 **53G-10-406. Underage Drinking Prevention Program -- State board rules.**

- 1173 (1) As used in this section:
- 1174 (a) "Advisory council" means the Underage Drinking Prevention Program Advisory  
1175 Council created in this section.
- 1176 (b) "Program" means the Underage Drinking Prevention Program created in this  
1177 section.
- 1178 (c) "School-based prevention program" means an evidence-based program intended for  
1179 students aged 13 and older that:
- 1180 (i) is aimed at preventing underage consumption of alcohol;
- 1181 (ii) is delivered by methods that engage students in storytelling and visualization;
- 1182 (iii) addresses the behavioral risk factors associated with underage drinking; and
- 1183 (iv) provides practical tools to address the dangers of underage drinking.
- 1184 (2) There is created the Underage Drinking Prevention Program that consists of:
- 1185 (a) a school-based prevention program for students in grade 7 or 8; and
- 1186 (b) a school-based prevention program for students in grade 9 or 10 that increases  
1187 awareness of the dangers of driving under the influence of alcohol.
- 1188 (3) (a) Beginning with the 2018-19 school year, an LEA shall offer the program each  
1189 school year to each student in grade 7 or 8 and grade 9 or 10.
- 1190 (b) An LEA shall select from the providers qualified by the state board under  
1191 Subsection (6) to offer the program.
- 1192 (4) The state board shall administer the program with input from the advisory council.
- 1193 (5) There is created the Underage Drinking Prevention Program Advisory Council  
1194 comprised of the following members:
- 1195 (a) the executive director of the Department of Alcoholic Beverage Control or the  
1196 executive director's designee;
- 1197 (b) the executive director of the Department of Health or the executive director's  
1198 designee;
- 1199 (c) the director of the Division of Substance Abuse and Mental Health or the director's  
1200 designee;
- 1201 (d) the director of the Division of Child and Family Services or the director's designee;
- 1202 (e) the director of the Division of Juvenile Justice Services or the director's designee;
- 1203 (f) the state superintendent or the state superintendent's designee; and

1204 (g) two members of the state board, appointed by the chair of the state board.  
1205 (6) (a) In accordance with Title 63G, Chapter 6a, Utah Procurement Code, the state  
1206 board shall qualify one or more providers to provide the program to an LEA.  
1207 (b) In selecting a provider described in Subsection (6)(a), the state board shall consider:  
1208 (i) whether the provider's program complies with the requirements described in this  
1209 section;  
1210 (ii) the extent to which the provider's underage drinking prevention program aligns  
1211 with core standards for Utah public schools; and  
1212 (iii) the provider's experience in providing a program that is effective at reducing  
1213 underage drinking.  
1214 ~~[(7) (a) The state board shall use money from the Underage Drinking Prevention~~  
1215 ~~Program Restricted Account described in Section 53F-9-304 for the program.]~~  
1216 ~~[(b) The state board may use money from the Underage Drinking Prevention Program~~  
1217 ~~Restricted Account to fund up to .5 of a full-time equivalent position to administer the~~  
1218 ~~program.]~~  
1219 ~~[(8) (7) The state board shall make rules that:~~  
1220 (a) beginning with the 2018-19 school year, require an LEA to offer the Underage  
1221 Drinking Prevention Program each school year to each student in grade 7 or 8 and grade 9 or  
1222 10; and  
1223 (b) establish criteria for the state board to use in selecting a provider described in  
1224 Subsection (6).  
1225 Section 15. Section **59-1-1503** is amended to read:  
1226 **59-1-1503. Nonrefundable credit -- Sales and use tax exemption -- Sales and use**  
1227 **tax remittance.**  
1228 (1) A nonrefundable individual income tax credit is allowed as provided in Section  
1229 **59-10-1028** related to a capital gain on a transaction involving the exchange of one form of  
1230 legal tender for another form of legal tender.  
1231 (2) Sales of currency or coin are exempt from sales and use taxes as provided in  
1232 Subsection **59-12-104**~~[(50)]~~(43).  
1233 (3) The remittance of a sales and use tax on a transaction involving specie legal tender  
1234 is as provided in Section **59-12-107**.

1235 Section 16. Section **59-7-104** is amended to read:

1236 **59-7-104. Tax -- Minimum tax.**

1237 (1) Each domestic and foreign corporation, except a corporation that is exempt under  
1238 Section **59-7-102**, shall pay an annual tax to the state based on the corporation's Utah taxable  
1239 income for the taxable year for the privilege of exercising the corporation's corporate franchise,  
1240 as defined in Section **59-7-101**, or for the privilege of doing business, as defined in Section  
1241 **59-7-101**, in the state.

1242 (2) The tax shall be [~~4.95%~~] 4.66% of a corporation's Utah taxable income.

1243 (3) The minimum tax a corporation shall pay under this chapter is \$100.

1244 Section 17. Section **59-7-201** is amended to read:

1245 **59-7-201. Tax -- Minimum tax.**

1246 (1) There is imposed upon each corporation, except a corporation that is exempt under  
1247 Section **59-7-102**, a tax upon the corporation's Utah taxable income for the taxable year that is  
1248 derived from sources within this state other than income for any period that the corporation is  
1249 required to include in the corporation's tax base under Section **59-7-104**.

1250 (2) The tax imposed by Subsection (1) shall be [~~4.95%~~] 4.66% of a corporation's Utah  
1251 taxable income.

1252 (3) In no case shall the tax be less than \$100.

1253 Section 18. Section **59-7-610** is amended to read:

1254 **59-7-610. Recycling market development zones tax credits.**

1255 (1) Subject to other provisions of this section, a taxpayer that is a business operating in  
1256 a recycling market development zone as defined in Section **63N-2-402** may claim the following  
1257 nonrefundable tax credits:

1258 (a) a tax credit [~~of 5% of~~] equal to the product of the percentage listed in Subsection  
1259 **59-7-104(2)** and the purchase price paid for machinery and equipment used directly in:

1260 (i) commercial composting; or

1261 (ii) manufacturing facilities or plant units that:

1262 (A) manufacture, process, compound, or produce recycled items of tangible personal  
1263 property for sale; or

1264 (B) reduce or reuse postconsumer waste material; and

1265 (b) a tax credit equal to the lesser of:

- 1266 (i) 20% of net expenditures to third parties for rent, wages, supplies, tools, test  
1267 inventory, and utilities made by the taxpayer for establishing and operating recycling or  
1268 composting technology in Utah; and  
1269 (ii) \$2,000.
- 1270 (2) (a) To claim a tax credit described in Subsection (1), the taxpayer shall receive  
1271 from the Governor's Office of Economic Development a written certification, on a form  
1272 approved by the commission, that includes:
- 1273 (i) a statement that the taxpayer is operating a business within the boundaries of a  
1274 recycling market development zone;
- 1275 (ii) for claims of the tax credit described in Subsection (1)(a):
- 1276 (A) the type of the machinery and equipment that the taxpayer purchased;
- 1277 (B) the date that the taxpayer purchased the machinery and equipment;
- 1278 (C) the purchase price for the machinery and equipment;
- 1279 (D) the total purchase price for all machinery and equipment for which the taxpayer is  
1280 claiming a tax credit;
- 1281 (E) a statement that the machinery and equipment are integral to the composting or  
1282 recycling process; and
- 1283 (F) the amount of the taxpayer's tax credit; and
- 1284 (iii) for claims of the tax credit described in Subsection (1)(b):
- 1285 (A) the type of net expenditure that the taxpayer made to a third party;
- 1286 (B) the date that the taxpayer made the payment to a third party;
- 1287 (C) the amount that the taxpayer paid to each third party;
- 1288 (D) the total amount that the taxpayer paid to all third parties;
- 1289 (E) a statement that the net expenditures support the establishment and operation of  
1290 recycling or composting technology in Utah; and
- 1291 (F) the amount of the taxpayer's tax credit.
- 1292 (b) (i) The Governor's Office of Economic Development shall provide a taxpayer  
1293 seeking to claim a tax credit under Subsection (1) with a copy of the written certification.
- 1294 (ii) The taxpayer shall retain a copy of the written certification for the same period of  
1295 time that a person is required to keep books and records under Section [59-1-1406](#).
- 1296 (c) The Governor's Office of Economic Development shall submit to the commission

1297 an electronic list that includes:

1298 (i) the name and identifying information of each taxpayer to which the office issues a  
1299 written certification; and

1300 (ii) for each taxpayer, the amount of each tax credit listed on the written certification.

1301 (3) A taxpayer may not claim a tax credit under Subsection (1)(a), Subsection (1)(b), or  
1302 both that exceeds 40% of the taxpayer's state income tax liability as the tax liability is  
1303 calculated:

1304 (a) for the taxable year in which the taxpayer made the purchases or payments;

1305 (b) before any other tax credits the taxpayer may claim for the taxable year; and

1306 (c) before the taxpayer claiming a tax credit authorized by this section.

1307 (4) The commission shall make rules governing what information a taxpayer shall file  
1308 with the commission to verify the entitlement to and amount of a tax credit.

1309 (5) Except as provided in Subsections (6) through (8), a taxpayer may carry forward, to  
1310 the next three taxable years, the amount of the tax credit that exceeds the taxpayer's income tax  
1311 liability for the taxable year.

1312 (6) A taxpayer may not claim or carry forward a tax credit described in Subsection  
1313 (1)(a) in a taxable year during which the taxpayer claims or carries forward a tax credit under  
1314 Section [63N-2-213](#).

1315 (7) A taxpayer may not claim or carry forward a tax credit described in Subsection  
1316 (1)(b) in a taxable year during which the taxpayer claims or carries forward a tax credit under  
1317 Section [63N-2-213](#).

1318 (8) A taxpayer may not claim or carry forward a tax credit under this section for a  
1319 taxable year during which the taxpayer claims the targeted business income tax credit under  
1320 Section [59-7-624](#).

1321 Section 19. Section **59-7-614.1** is amended to read:

1322 **59-7-614.1. Refundable tax credit for hand tools used in farming operations --**  
1323 **Procedures for refund -- Transfers from General Fund to Education Fund -- Rulemaking**  
1324 **authority.**

1325 (1) [~~For a taxable year beginning on or after January 1, 2004, a~~] A taxpayer may claim  
1326 a refundable tax credit:

1327 (a) as provided in this section;

1328 (b) against taxes otherwise due under this chapter; and  
1329 (c) in an amount equal to the amount of tax the taxpayer pays:  
1330 (i) on a purchase of a hand tool:  
1331 (A) if the purchase is made on or after July 1, 2004;  
1332 (B) if the hand tool is used or consumed primarily and directly in a farming operation  
1333 in the state; and  
1334 (C) if the unit purchase price of the hand tool is more than \$250; and  
1335 (ii) under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection  
1336 (1)(c)(i).  
1337 (2) A taxpayer:  
1338 (a) shall retain the following to establish the amount of tax the resident or nonresident  
1339 individual paid under Chapter 12, Sales and Use Tax Act, on the purchase described in  
1340 Subsection (1)(c)(i):  
1341 (i) a receipt;  
1342 (ii) an invoice; or  
1343 (iii) a document similar to a document described in Subsection (2)(a)(i) or (ii); and  
1344 (b) may not carry forward or carry back a tax credit under this section.  
1345 (3) (a) In accordance with any rules prescribed by the commission under Subsection  
1346 (3)(b)~~[(i)]~~ the commission shall make a refund to a taxpayer that claims a tax credit under this  
1347 section if the amount of the tax credit exceeds the taxpayer's tax liability under this chapter~~;~~  
1348 ~~and~~].  
1349 ~~[(ii) the Division of Finance shall transfer at least annually from the General Fund into~~  
1350 ~~the Education Fund an amount equal to the amount of tax credit claimed under this section.]~~  
1351 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1352 commission may make rules providing procedures for making~~[(i)]~~ a refund to a taxpayer as  
1353 required by Subsection (3)(a)~~[(i); or]~~.  
1354 ~~[(ii) transfers from the General Fund into the Education Fund as required by~~  
1355 ~~Subsection (3)(a)(ii).]~~  
1356 Section 20. Section **59-7-618** is amended to read:  
1357 **59-7-618. Tax credit related to alternative fuel heavy duty vehicles.**  
1358 (1) As used in this section:

- 1359 (a) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air  
1360 Conservation Act.
- 1361 (b) "Director" means the director of the Division of Air Quality appointed under  
1362 Section [19-2-107](#).
- 1363 (c) "Heavy duty vehicle" means a commercial category 7 or 8 vehicle, according to  
1364 vehicle classifications established by the Federal Highway Administration.
- 1365 (d) "Natural gas" includes compressed natural gas and liquified natural gas.
- 1366 (e) "Qualified heavy duty vehicle" means a heavy duty vehicle that:
- 1367 (i) has never been titled or registered and has been driven less than 7,500 miles; and  
1368 (ii) is fueled by natural gas, has a 100% electric drivetrain, or has a hydrogen-electric  
1369 drivetrain.
- 1370 (f) "Qualified purchase" means the purchase of a qualified heavy duty vehicle.
- 1371 (g) "Qualified taxpayer" means a taxpayer that:
- 1372 (i) purchases a qualified heavy duty vehicle; and  
1373 (ii) receives a tax credit certificate from the director.
- 1374 (h) "Small fleet" means 40 or fewer heavy duty vehicles registered in the state and  
1375 owned by a single taxpayer.
- 1376 (i) "Tax credit certificate" means a certificate issued by the director certifying that a  
1377 taxpayer is entitled to a tax credit as provided in this section and stating the amount of the tax  
1378 credit.
- 1379 (2) A qualified taxpayer may claim a nonrefundable tax credit against tax otherwise  
1380 due under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required  
1381 to Pay Corporate Franchise or Income Tax Act:
- 1382 (a) in an amount equal to:
- 1383 (i) \$25,000, if the qualified purchase of a natural gas heavy duty vehicle occurs during  
1384 calendar year 2015 or calendar year 2016;
- 1385 (ii) \$25,000, if the qualified purchase occurs during calendar year 2017;
- 1386 (iii) \$20,000, if the qualified purchase occurs during calendar year 2018;
- 1387 (iv) \$18,000, if the qualified purchase occurs during calendar year 2019; and  
1388 (v) \$15,000, if the qualified purchase occurs during calendar year 2020; and  
1389 (b) if the qualified taxpayer certifies under oath that over 50% of the miles that the

1390 heavy duty vehicle that is the subject of the qualified purchase will travel annually will be  
1391 within the state.

1392 (3) (a) Except as provided in Subsection (3)(b), a taxpayer may not submit an  
1393 application for, and the director may not issue to the taxpayer, a tax credit certificate under this  
1394 section in any taxable year for a qualified purchase if the director has already issued tax credit  
1395 certificates to the taxpayer for 10 qualified purchases in the same taxable year.

1396 (b) If, by May 1 of any year, more than 30% of the aggregate annual total amount of  
1397 tax credits under Subsection (5) has not been claimed, a taxpayer may submit an application  
1398 for, and the director may issue to the taxpayer, one or more tax credit certificates for up to eight  
1399 additional qualified purchases, even if the director has already issued to that taxpayer tax credit  
1400 certificates for the maximum number of qualified purchases allowed under Subsection (3)(a).

1401 (4) (a) Subject to Subsection (4)(b), the director shall reserve 25% of all tax credits  
1402 available under this section for qualified taxpayers with a small fleet.

1403 (b) Subsection (4)(a) does not prevent a taxpayer from submitting an application for, or  
1404 the director from issuing, a tax credit certificate if, before October 1, qualified taxpayers with a  
1405 small fleet have not reserved under Subsection (5)(b) tax credits for the full amount reserved  
1406 under Subsection (4)(a).

1407 (5) (a) The aggregate annual total amount of tax credits represented by tax credit  
1408 certificates that the director issues under this section and Section 59-10-1033 may not exceed  
1409 \$500,000.

1410 (b) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative  
1411 Rulemaking Act, make rules to establish a process under which a taxpayer may reserve a  
1412 potential tax credit under this section for a limited time to allow the taxpayer to make a  
1413 qualified purchase with the assurance that the aggregate limit under Subsection (5)(a) will not  
1414 be met before the taxpayer is able to submit an application for a tax credit certificate.

1415 (6) (a) (i) A taxpayer wishing to claim a tax credit under this section shall, using forms  
1416 the board requires by rule:

1417 (A) submit to the director an application for a tax credit;

1418 (B) provide the director proof of a qualified purchase; and

1419 (C) submit to the director the certification under oath required under Subsection (2)(b).

1420 (ii) Upon receiving the application, proof, and certification required under Subsection

1421 (6)(a)(i), the director shall provide the taxpayer a written statement from the director  
1422 acknowledging receipt of the proof.

1423 (b) If the director determines that a taxpayer qualifies for a tax credit under this section,  
1424 the director shall:

1425 (i) determine the amount of tax credit the taxpayer is allowed under this section; and

1426 (ii) provide the taxpayer with a written tax credit certificate:

1427 (A) stating that the taxpayer has qualified for a tax credit; and

1428 (B) showing the amount of tax credit for which the taxpayer has qualified under this  
1429 section.

1430 (c) A qualified taxpayer shall retain the tax credit certificate.

1431 (d) The director shall at least annually submit to the commission a list of all qualified  
1432 taxpayers to which the director has issued a tax credit certificate and the amount of each tax  
1433 credit represented by the tax credit certificates.

1434 (7) The tax credit under this section is allowed only:

1435 (a) against a tax owed under this chapter or Chapter 8, Gross Receipts Tax on Certain  
1436 Corporations Not Required to Pay Corporate Franchise or Income Tax Act, in the taxable year  
1437 by the qualified taxpayer;

1438 (b) for the taxable year in which the qualified purchase occurs; and

1439 (c) once per vehicle.

1440 (8) A qualified taxpayer may not assign a tax credit or a tax credit certificate under this  
1441 section to another person.

1442 (9) If the qualified taxpayer receives a tax credit certificate under this section that  
1443 allows a tax credit in an amount that exceeds the qualified taxpayer's tax liability under this  
1444 chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay  
1445 Corporate Franchise or Income Tax Act, for a taxable year, the qualified taxpayer may carry  
1446 forward the amount of the tax credit that exceeds the tax liability for a period that does not  
1447 exceed the next five taxable years.

1448 ~~[(10)(a) In accordance with any rules prescribed by the commission under Subsection~~  
1449 ~~(10)(b), the Division of Finance shall transfer at least annually from the General Fund into the~~  
1450 ~~Education Fund the aggregate amount of all tax credits claimed under this section.]~~

1451 ~~[(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~

1452 ~~the commission may make rules for making a transfer from the General Fund into the~~  
1453 ~~Education Fund as required by Subsection (10)(a).]~~

1454 Section 21. Section **59-7-620** is amended to read:

1455 **59-7-620. Nonrefundable tax credit for contribution to state Achieving a Better**  
1456 **Life Experience Program account.**

1457 (1) As used in this section:

1458 (a) "Account" means an account in a qualified ABLE program where the designated  
1459 beneficiary of the account is a resident of this state.

1460 (b) "Contributor" means a corporation that:

1461 (i) makes a contribution to an account; and

1462 (ii) receives a statement from the qualified ABLE program itemizing the contribution.

1463 (c) "Designated beneficiary" means the same as that term is defined in 26 U.S.C. Sec.  
1464 529A.

1465 (d) "Qualified ABLE program" means the same as that term is defined in Section  
1466 [35A-12-102](#).

1467 (2) A contributor to an account may claim a nonrefundable tax credit as provided in  
1468 this section.

1469 (3) Subject to the other provisions of this section, the tax credit is equal to the product  
1470 of:

1471 (a) ~~[5%]~~ the percentage listed in Subsection [59-7-104\(2\)](#); and

1472 (b) the total amount of contributions:

1473 (i) the contributor makes for the taxable year; and

1474 (ii) for which the contributor receives a statement from the qualified ABLE program  
1475 itemizing the contributions.

1476 (4) A contributor may not claim a tax credit under this section:

1477 (a) for an amount of excess contribution to an account that is returned to the  
1478 contributor; or

1479 (b) with respect to an amount the contributor deducts on a federal income tax return.

1480 (5) A tax credit under this section may not be carried forward or carried back.

1481 Section 22. Section **59-10-104** is amended to read:

1482 **59-10-104. Tax basis -- Tax rate -- Exemption.**

1483 (1) A tax is imposed on the state taxable income of a resident individual as provided in  
1484 this section.

1485 (2) For purposes of Subsection (1), for a taxable year, the tax is an amount equal to the  
1486 product of:

1487 (a) the resident individual's state taxable income for that taxable year; and

1488 (b) ~~[4.95%]~~ 4.66%.

1489 (3) This section does not apply to a resident individual exempt from taxation under  
1490 Section [59-10-104.1](#).

1491 Section 23. Section **59-10-1005** is amended to read:

1492 **59-10-1005. Tax credit for at-home parent.**

1493 (1) As used in this section:

1494 (a) "At-home parent" means a parent:

1495 (i) who provides full-time care at the parent's residence for one or more of the parent's  
1496 own qualifying children;

1497 (ii) who claims ~~[the qualifying child as a dependent on the parent's individual income~~  
1498 ~~tax return for the taxable year for which the parent claims the credit]~~ a tax credit with respect to  
1499 the qualifying child under Section 24, Internal Revenue Code, on the parent's federal individual  
1500 income tax return for the taxable year; and

1501 (iii) if the sum of the following amounts are \$3,000 or less for the taxable year for  
1502 which the parent claims the credit:

1503 (A) the total wages, tips, and other compensation listed on all of the parent's federal  
1504 Forms W-2; and

1505 (B) the gross income listed on the parent's federal Form 1040 Schedule C, Profit or  
1506 Loss From Business.

1507 (b) "Parent" means an individual who:

1508 (i) is the biological mother or father of a qualifying child;

1509 (ii) is the stepfather or stepmother of a qualifying child;

1510 (iii) (A) legally adopts a qualifying child; or

1511 (B) has a qualifying child placed in the individual's home:

1512 (I) by a child-placing agency, as defined in Section [62A-2-101](#); and

1513 (II) for the purpose of legally adopting the child;

1514 (iv) is a foster parent of a qualifying child; or

1515 (v) is a legal guardian of a qualifying child.

1516 (c) "Qualifying child" means a child who is no more than 12 months of age on the last  
1517 day of the taxable year for which the tax credit is claimed.

1518 (2) ~~[For a taxable year beginning on or after January 1, 2000, a]~~ A claimant may claim  
1519 on the claimant's individual income tax return a nonrefundable tax credit of \$100 for each  
1520 qualifying child if:

1521 (a) the claimant or another claimant filing a joint individual income tax return with the  
1522 claimant is an at-home parent; and

1523 (b) the adjusted gross income of all of the claimants filing the individual income tax  
1524 return is less than or equal to \$50,000.

1525 (3) A claimant may not carry forward or carry back a tax credit authorized by this  
1526 section.

1527 ~~[(4)(a) In accordance with any rules prescribed by the commission under Subsection~~  
1528 ~~(4)(b), the Division of Finance shall transfer at least annually from the General Fund into the~~  
1529 ~~Education Fund the aggregate amount of all tax credits claimed under this section.]~~

1530 ~~[(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~  
1531 ~~the commission may make rules for making a transfer from the General Fund into the~~  
1532 ~~Education Fund as required by Subsection (4)(a).]~~

1533 Section 24. Section **59-10-1007** is amended to read:

1534 **59-10-1007. Recycling market development zones tax credits.**

1535 (1) Subject to other provisions of this section, a claimant, estate, or trust in a recycling  
1536 market development zone as defined in Section [63N-2-402](#) may claim the following  
1537 nonrefundable tax credits:

1538 (a) a tax credit ~~[of 5% of]~~ equal to the product of the percentage listed in Subsection  
1539 [59-10-104\(2\)](#) and the purchase price paid for machinery and equipment used directly in:

1540 (i) commercial composting; or

1541 (ii) manufacturing facilities or plant units that:

1542 (A) manufacture, process, compound, or produce recycled items of tangible personal  
1543 property for sale; or

1544 (B) reduce or reuse postconsumer waste material; and

1545 (b) a tax credit equal to the lesser of:  
1546 (i) 20% of net expenditures to third parties for rent, wages, supplies, tools, test  
1547 inventory, and utilities made by the claimant, estate, or trust for establishing and operating  
1548 recycling or composting technology in Utah; and  
1549 (ii) \$2,000.

1550 (2) (a) To claim a tax credit described in Subsection (1), the claimant, estate, or trust  
1551 shall receive from the Governor's Office of Economic Development a written certification, on a  
1552 form approved by the commission, that includes:

1553 (i) a statement that the claimant, estate, or trust is operating within the boundaries of a  
1554 recycling market development zone;

1555 (ii) for claims of the tax credit described in Subsection (1)(a):

1556 (A) the type of the machinery and equipment that the claimant, estate, or trust  
1557 purchased;

1558 (B) the date that the claimant, estate, or trust purchased the machinery and equipment;

1559 (C) the purchase price for the machinery and equipment;

1560 (D) the total purchase price for all machinery and equipment for which the claimant,  
1561 estate, or trust is claiming a tax credit;

1562 (E) the amount of the claimant's, estate's, or trust's tax credit; and

1563 (F) a statement that the machinery and equipment are integral to the composting or  
1564 recycling process; and

1565 (iii) for claims of the tax credit described in Subsection (1)(b):

1566 (A) the type of net expenditure that the claimant, estate, or trust made to a third party;

1567 (B) the date that the claimant, estate, or trust made the payment to a third party;

1568 (C) the amount that the claimant, estate, or trust paid to each third party;

1569 (D) the total amount that the claimant, estate, or trust paid to all third parties;

1570 (E) a statement that the net expenditures support the establishment and operation of  
1571 recycling or composting technology in Utah; and

1572 (F) the amount of the claimant's, estate's, or trust's tax credit.

1573 (b) (i) The Governor's Office of Economic Development shall provide a claimant,  
1574 estate, or trust seeking to claim a tax credit under Subsection (1) with a copy of the written  
1575 certification.

1576 (ii) The claimant, estate, or trust shall retain a copy of the written certification for the  
1577 same period of time that a person is required to keep books and records under Section  
1578 [59-1-1406](#).

1579 (c) The Governor's Office of Economic Development shall submit to the commission  
1580 an electronic list that includes:

1581 (i) the name and identifying information of each claimant, estate, or trust to which the  
1582 office issues a written certification; and

1583 (ii) for each claimant, estate, or trust, the amount of each tax credit listed on the written  
1584 certification.

1585 (3) A claimant, estate, or trust may not claim a tax credit under Subsection (1)(a),  
1586 Subsection (1)(b), or both that exceeds 40% of the claimant's, estate's, or trust's state income  
1587 tax liability as the tax liability is calculated:

1588 (a) for the taxable year in which the claimant, estate, or trust made the purchases or  
1589 payments;

1590 (b) before any other tax credits the claimant, estate, or trust may claim for the taxable  
1591 year; and

1592 (c) before the claimant, estate, or trust claiming a tax credit authorized by this section.

1593 (4) The commission shall make rules governing what information a claimant, estate, or  
1594 trust shall file with the commission to verify the entitlement to and amount of a tax credit.

1595 (5) Except as provided in Subsections (6) through (8), a claimant, estate, or trust may  
1596 carry forward, to the next three taxable years, the amount of the tax credit that exceeds the  
1597 taxpayer's income tax liability for the taxable year.

1598 (6) A claimant, estate, or trust may not claim or carry forward a tax credit described in  
1599 Subsection (1)(a) in a taxable year during which the claimant, estate, or trust claims or carries  
1600 forward a tax credit under Section [63N-2-213](#).

1601 (7) A claimant, estate, or trust may not claim a tax credit described in Subsection (1)(b)  
1602 in a taxable year during which the claimant, estate, or trust claims or carries forward a tax  
1603 credit under Section [63N-2-213](#).

1604 (8) A claimant, estate, or trust may not claim or carry forward a tax credit available  
1605 under this section for a taxable year during which the claimant, estate, or trust claims the  
1606 targeted business income tax credit under Section [59-10-1112](#).

1607 Section 25. Section **59-10-1017** is amended to read:

1608 **59-10-1017. Utah Educational Savings Plan tax credit.**

1609 (1) As used in this section:

1610 (a) "Account owner" means the same as that term is defined in Section [53B-8a-102](#).

1611 (b) "Grantor trust" means the same as that term is defined in Section [53B-8a-102.5](#).

1612 (c) "Higher education costs" means the same as that term is defined in Section

1613 [53B-8a-102.5](#).

1614 (d) "Joint filing status" means:

1615 (i) spouses who file one return jointly under this chapter for a taxable year; or

1616 (ii) a surviving spouse, as defined in Section (2)(a), Internal Revenue Code, who files a

1617 single federal individual income tax return for the taxable year.

1618 ~~(d)~~ (e) "Maximum amount of a qualified investment for the taxable year" means, for

1619 a taxable year, the product of ~~[5%~~ the percentage listed in Subsection [59-10-104\(2\)](#) and:

1620 (i) subject to Subsection (1)~~(d)~~(e)(iii), for a claimant, estate, or trust that is an account

1621 owner, if that claimant, estate, or trust is other than ~~[husband and wife]~~ spouse account owners

1622 who file ~~[a single]~~ one return jointly, the maximum amount of a qualified investment:

1623 (A) listed in Subsection [53B-8a-106\(1\)\(e\)\(ii\)](#); and

1624 (B) increased or kept for that taxable year in accordance with Subsections

1625 [53B-8a-106\(1\)\(f\)](#) and (g);

1626 (ii) subject to Subsection (1)~~(d)~~(e)(iii), for claimants who are ~~[husband and wife]~~

1627 spouse account owners who file ~~[a single]~~ one return jointly, the maximum amount of a

1628 qualified investment:

1629 (A) listed in Subsection [53B-8a-106\(1\)\(e\)\(iii\)](#); and

1630 (B) increased or kept for that taxable year in accordance with Subsections

1631 [53B-8a-106\(1\)\(f\)](#) and (g); or

1632 (iii) for a grantor trust:

1633 (A) if the owner of the grantor trust has a single filing status or head of household

1634 filing status as defined in Section [59-10-1018](#), the amount described in Subsection

1635 (1)~~(d)~~(e)(i); or

1636 (B) if the owner of the grantor trust has a joint filing status as defined in Section

1637 [59-10-1018](#), the amount described in Subsection (1)~~(d)~~(e)(ii).

1638           ~~[(e)]~~ (f) "Owner of the grantor trust" means the same as that term is defined in Section  
1639 53B-8a-102.5.

1640           ~~[(f)]~~ (g) "Qualified investment" means the same as that term is defined in Section  
1641 53B-8a-102.5.

1642           (2) Except as provided in Section 59-10-1002.2 and subject to the other provisions of  
1643 this section, a claimant, estate, or trust that is an account owner may claim a nonrefundable tax  
1644 credit equal to the product of:

1645           (a) the amount of a qualified investment made:

1646           (i) during the taxable year; and

1647           (ii) into an account owned by the claimant, estate, or trust; and

1648           (b) ~~[5%]~~ the percentage listed in Subsection 59-10-104(2).

1649           (3) A claimant, estate, or trust, or a person other than the claimant, estate, or trust, may  
1650 make a qualified investment described in Subsection (2).

1651           (4) A claimant, estate, or trust that is an account owner may not claim a tax credit  
1652 under this section with respect to any portion of a qualified investment described in Subsection  
1653 (2) that a claimant, estate, trust, or person described in Subsection (3) deducts on a federal  
1654 income tax return.

1655           (5) A tax credit under this section may not exceed the maximum amount of a qualified  
1656 investment for the taxable year.

1657           (6) A claimant, estate, or trust that is an account owner may not carry forward or carry  
1658 back the tax credit under this section.

1659           (7) A claimant, estate, or trust may claim a tax credit under this section in addition to  
1660 the tax credit described in Section 59-10-1017.1.

1661           Section 26. Section 59-10-1017.1 is amended to read:

1662           **59-10-1017.1. Student Prosperity Savings Program tax credit.**

1663           (1) As used in this section, "qualified donation" means an amount donated, in  
1664 accordance with Section 53B-8a-203, to the Student Prosperity Savings Program created in  
1665 Section 53B-8a-202.

1666           (2) A claimant, estate, or trust may claim a nonrefundable tax credit for a qualified  
1667 donation.

1668           (3) The tax credit equals the product of:

1669 (a) the qualified donation; and

1670 (b) [5%] the percentage listed in Subsection [59-10-104\(2\)](#).

1671 (4) A claimant, estate, or trust may not claim a tax credit under this section with  
1672 respect to any portion of a qualified donation that a claimant, estate, or trust deducts on a  
1673 federal income tax return.

1674 (5) A claimant, estate, or trust may not carry forward or carry back the portion of the  
1675 tax credit allowed by this section that exceeds the claimant's, estate's, or trust's tax liability for  
1676 the taxable year in which the claimant, estate, or trust claims the tax credit.

1677 (6) A claimant, estate, or trust may claim a tax credit under this section in addition to  
1678 the tax credit described in Section [59-10-1017](#).

1679 Section 27. Section **59-10-1018** is amended to read:

1680 **59-10-1018. Definitions -- Nonrefundable taxpayer tax credits.**

1681 (1) As used in this section:

1682 (a) "Head of household filing status" means a head of household, as defined in Section  
1683 2(b), Internal Revenue Code, who files [~~a single~~] one federal individual income tax return for  
1684 the taxable year.

1685 (b) "Joint filing status" means [~~(i)~~] spouses who file [~~a single~~] one return jointly under  
1686 this chapter for a taxable year [~~; or~~].

1687 [~~(ii) a surviving spouse, as defined in Section 2(a), Internal Revenue Code, who files a~~  
1688 ~~single federal individual income tax return for the taxable year.~~]

1689 (c) "Qualifying dependent" means an individual with respect to whom the claimant is  
1690 allowed to claim a tax credit under Section 24, Internal Revenue Code, on the claimant's  
1691 federal individual income tax return for the taxable year.

1692 (d) "Qualifying widower filing status" means a surviving spouse, as defined in Section  
1693 (2)(a), Internal Revenue Code, who files a single federal individual income tax return for the  
1694 taxable year.

1695 [~~(d)~~] (e) "Single filing status" means:

1696 (i) a single individual who files a single federal individual income tax return for the  
1697 taxable year; or

1698 (ii) a married individual who:

1699 (A) does not file a single federal individual income tax return jointly with that married

1700 individual's spouse for the taxable year; and

1701 (B) files a single federal individual income tax return for the taxable year.

1702 ~~[(e)]~~ (f) "State or local income tax" means the lesser of:

1703 (i) the amount of state or local income tax that the claimant:

1704 (A) pays for the taxable year; and

1705 (B) reports on the claimant's federal individual income tax return for the taxable year,  
1706 regardless of whether the claimant is allowed an itemized deduction on the claimant's federal  
1707 individual income tax return for the taxable year for the full amount of state or local income tax  
1708 paid; and

1709 (ii) \$10,000.

1710 ~~[(f)]~~ (g) (i) "Utah itemized deduction" means the amount the claimant deducts as  
1711 allowed as an itemized deduction on the claimant's federal individual income tax return for that  
1712 taxable year minus any amount of state or local income tax for the taxable year.

1713 (ii) "Utah itemized deduction" does not include any amount of qualified business  
1714 income that the claimant subtracts as allowed by Section 199A, Internal Revenue Code, on the  
1715 claimant's federal income tax return for that taxable year.

1716 ~~[(g)]~~ (h) "Utah personal exemption" means, subject to Subsection (6), ~~[\$565]~~ \$2,500  
1717 multiplied by ~~[the number of the claimant's qualifying dependents.]:~~

1718 (i) for a claimant who has a joint filing status and no qualifying dependents, one; or

1719 (ii) for a claimant who has qualifying dependents, the number of the claimant's  
1720 qualifying dependents.

1721 (2) Except as provided in Section 59-10-1002.2, and subject to Subsections (3) through  
1722 (5), a claimant may claim a nonrefundable tax credit against taxes otherwise due under this part  
1723 equal to the sum of:

1724 (a) (i) for a claimant that deducts the standard deduction on the claimant's federal  
1725 individual income tax return for the taxable year, 6% of the amount the claimant deducts as  
1726 allowed as the standard deduction on the claimant's federal individual income tax return for  
1727 that taxable year; or

1728 (ii) for a claimant that itemizes deductions on the claimant's federal individual income  
1729 tax return for the taxable year, 6% of the amount of the claimant's Utah itemized deduction;  
1730 and

- 1731 (b) 6% of the claimant's Utah personal exemption.
- 1732 (3) A claimant may not carry forward or carry back a tax credit under this section.
- 1733 (4) The tax credit allowed by Subsection (2) shall be reduced by \$.013 for each dollar
- 1734 by which a claimant's state taxable income exceeds:
- 1735 (a) for a claimant who has a single filing status, [~~\$12,000~~] \$14,879;
- 1736 (b) for a claimant who has a head of household filing status, [~~\$18,000~~] \$22,318; or
- 1737 (c) for a claimant who has a joint filing status[~~, \$24,000~~] or a qualifying widower filing
- 1738 status, \$29,758.
- 1739 (5) (a) For a taxable year beginning on or after January 1, [~~2009~~] 2021, the commission
- 1740 shall increase or decrease annually the following dollar amounts by a percentage equal to the
- 1741 percentage difference between the consumer price index for the preceding calendar year and
- 1742 the consumer price index for calendar year [~~2007~~] 2019:
- 1743 (i) the dollar amount listed in Subsection (4)(a); and
- 1744 (ii) the dollar amount listed in Subsection (4)(b).
- 1745 (b) After the commission increases or decreases the dollar amounts listed in Subsection
- 1746 (5)(a), the commission shall round those dollar amounts listed in Subsection (5)(a) to the
- 1747 nearest whole dollar.
- 1748 (c) After the commission rounds the dollar amounts as required by Subsection (5)(b),
- 1749 the commission shall increase or decrease the dollar amount listed in Subsection (4)(c) so that
- 1750 the dollar amount listed in Subsection (4)(c) is equal to the product of:
- 1751 (i) the dollar amount listed in Subsection (4)(a); and
- 1752 (ii) two.
- 1753 (d) For purposes of Subsection (5)(a), the commission shall calculate the consumer
- 1754 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.
- 1755 (6) (a) For a taxable year beginning on or after January 1, [~~2019~~] 2021, the commission
- 1756 shall increase annually the Utah personal exemption amount listed in Subsection (1)[~~(g)~~](h) by
- 1757 a percentage equal to the percentage by which the consumer price index for the preceding
- 1758 calendar year exceeds the consumer price index for calendar year [~~2017~~] 2019.
- 1759 (b) After the commission increases the Utah personal exemption amount as described
- 1760 in Subsection (6)(a), the commission shall round the Utah personal exemption amount to the
- 1761 nearest whole dollar.

1762 (c) For purposes of Subsection (6)(a), the commission shall calculate the consumer  
1763 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

1764 Section 28. Section **59-10-1018.1** is enacted to read:

1765 **59-10-1018.1. Taxpayer tax credit rebate.**

1766 (1) As used in this section:

1767 (a) "Head of household filing status" means the same as that term is defined in Section  
1768 [59-10-1018](#).

1769 (b) "Joint filing status" means the same as that term is defined in Section [59-10-1018](#).

1770 (c) "Qualifying dependent" means the same as that term is defined in Section  
1771 [59-10-1018](#).

1772 (d) "Qualifying filer" means a person who files a return under this chapter:

1773 (i) (A) for a taxable year beginning on or after January 1, 2018, and on or before  
1774 December 31, 2018; and

1775 (B) on or before the deadline described in Section [59-10-516](#); or

1776 (ii) (A) for a taxable year beginning on or after January 1, 2019, and on or before  
1777 December 31, 2019; and

1778 (B) on or before the deadline described in Section [59-10-514](#).

1779 (e) "Qualifying widower filing status" means the same as that term is defined in  
1780 Section [59-10-1018](#).

1781 (f) "Single filing status" means the same as that term is defined in Section [59-10-1018](#).

1782 (g) "Utah personal exemption rebate" means \$1,285 multiplied by the number of the  
1783 claimant's qualifying dependents.

1784 (2) Subject to the other provisions of this section, the commission shall provide a  
1785 rebate to each qualifying filer equal to the lesser of:

1786 (a) the qualifying filer's tax liability for:

1787 (i) the taxable year beginning on or after January 1, 2018, and on or before December  
1788 31, 2018; or

1789 (ii) if the claimant did not file a return under this chapter for the taxable year described  
1790 in Subsection (2)(a), the taxable year beginning on or after January 1, 2019, and on or before  
1791 December 31, 2019; and

1792 (b) 6% of the claimant's Utah personal exemption rebate.

1793 (3) The rebate described in Subsection (2) is reduced by \$.013 for each dollar by which  
1794 the claimant's state taxable income exceeds:

1795 (a) for a claimant who has a single filing status, \$14,879;

1796 (b) for a claimant who has a head of household filing status, \$22,318; or

1797 (c) for a claimant who has a joint filing status or a qualifying widower filing status,  
1798 \$29,758.

1799 (4) For each return filed under this chapter, no more than one qualifying filer may  
1800 receive a rebate under this section.

1801 (5) The commission shall provide a qualifying filer who is a nonresident individual or  
1802 a part-year resident individual an apportioned amount of the rebate described in this section  
1803 equal to:

1804 (a) for a nonresident individual, the product of:

1805 (i) the state income tax percentage for the nonresident individual; and

1806 (ii) the amount of the rebate that the commission would have provided the nonresident  
1807 individual but for the apportionment requirements described in this subsection; or

1808 (b) for a part-year resident individual, the product of:

1809 (i) the state income tax percentage for the part-year resident individual; and

1810 (ii) the amount of the rebate that the commission would have provided the part-year  
1811 resident individual but for the apportionment requirements described in this subsection.

1812 (6) If the value of a qualifying filer's rebate under this section is less than \$25, the  
1813 qualifying filer is not eligible to receive the rebate.

1814 (7) The commission shall comply with Subsection (2) on or before:

1815 (a) April 1, 2020; or

1816 (b) if the claimant did not file a return under this chapter for the taxable year beginning  
1817 on or after January 1, 2018, and on or before December 31, 2018, July 1, 2020.

1818 Section 29. Section **59-10-1019** is amended to read:

1819 **59-10-1019. Definitions -- Nonrefundable retirement tax credit.**

1820 (1) As used in this section:

1821 (a) "Eligible over age 65 [~~or older~~] retiree" means a claimant, regardless of whether  
1822 that claimant is retired, who [~~:(i) is 65 years of age or older; and (ii)] was born on or before~~  
1823 December 31, 1952.

1824 ~~[(b) (i) "Eligible retirement income" means income received by an eligible under age~~  
1825 ~~65 retiree as a pension or annuity if that pension or annuity is:]~~

1826 ~~[(A) paid to the eligible under age 65 retiree or the surviving spouse of an eligible~~  
1827 ~~under age 65 retiree; and]~~

1828 ~~[(B) (I) paid from an annuity contract purchased by an employer under a plan that~~  
1829 ~~meets the requirements of Section 404(a)(2), Internal Revenue Code;]~~

1830 ~~[(H) purchased by an employee under a plan that meets the requirements of Section~~  
1831 ~~408, Internal Revenue Code; or]~~

1832 ~~[(HH) paid by:]~~

1833 ~~[(Aa) the United States;]~~

1834 ~~[(Bb) a state or a political subdivision of a state; or]~~

1835 ~~[(Cc) the District of Columbia.]~~

1836 ~~[(ii) "Eligible retirement income" does not include amounts received by the spouse of a~~  
1837 ~~living eligible under age 65 retiree because of the eligible under age 65 retiree's having been~~  
1838 ~~employed in a community property state.]~~

1839 ~~[(c) "Eligible under age 65 retiree" means a claimant, regardless of whether that~~  
1840 ~~claimant is retired, who:]~~

1841 ~~[(i) is younger than 65 years of age;]~~

1842 ~~[(ii) was born on or before December 31, 1952; and]~~

1843 ~~[(iii) has eligible retirement income for the taxable year for which a tax credit is~~  
1844 ~~claimed under this section.]~~

1845 ~~[(d)] (b) "Head of household filing status" [is as] means the same as that term is~~  
1846 ~~defined in Section 59-10-1018.~~

1847 ~~[(e) "Joint filing status" is as defined in Section 59-10-1018.]~~

1848 (c) "Joint filing status" means:

1849 (i) spouses who file one return jointly under this chapter for a taxable year; or

1850 (ii) a surviving spouse, as defined in Section (2)(a), Internal Revenue Code, who files a  
1851 single federal individual income tax return for the taxable year.

1852 ~~[(f)] (d) "Married filing separately status" means a married individual who:~~

1853 ~~(i) does not file a single federal individual income tax return jointly with that married~~  
1854 ~~individual's spouse for the taxable year; and~~

1855 (ii) files a single federal individual income tax return for the taxable year.

1856 ~~[(g)]~~ (e) "Modified adjusted gross income" means the sum of an eligible over age 65

1857 ~~[or older retiree's or eligible under age 65 retiree's]~~ retiree's:

1858 (i) adjusted gross income for the taxable year for which a tax credit is claimed under  
1859 this section;

1860 (ii) any interest income that is not included in adjusted gross income for the taxable  
1861 year described in Subsection (1)~~[(g)]~~(e)(i); and

1862 (iii) any addition to adjusted gross income required by Section 59-10-114 for the  
1863 taxable year described in Subsection (1)~~[(g)]~~(e)(i).

1864 ~~[(h)]~~ (f) "Single filing status" means a single individual who files a single federal  
1865 individual income tax return for the taxable year.

1866 (2) Except as provided in Section 59-10-1002.2 ~~[and subject to Subsections (3) through~~  
1867 ~~(5): (a)]~~ and Subsections (3) and (4), each eligible over age 65 ~~[or older]~~ retiree may claim a  
1868 nonrefundable tax credit of \$450 against taxes otherwise due under this part~~[-or]~~.

1869 ~~[(b) each eligible under age 65 retiree may claim a nonrefundable tax credit against~~  
1870 ~~taxes otherwise due under this part in an amount equal to the lesser of:]~~

1871 ~~[(i) \$288; or]~~

1872 ~~[(ii) the product of:]~~

1873 ~~[(A) the eligible under age 65 retiree's eligible retirement income for the taxable year~~  
1874 ~~for which the eligible under age 65 retiree claims a tax credit under this section; and]~~

1875 ~~[(B) 6%.]~~

1876 ~~[(3) A tax credit under this section may not be carried forward or carried back.]~~

1877 (3) An eligible over age 65 retiree may not:

1878 (a) carry forward or carry back a tax credit under this section; or

1879 (b) claim a tax credit under this section if a tax credit is claimed under Section

1880 59-10-1041 on the same return.

1881 (4) The ~~[sum of the tax credits]~~ tax credit allowed by Subsection (2) claimed on ~~[one]~~ a  
1882 return filed under this part shall be reduced by \$.025 for each dollar by which modified  
1883 adjusted gross income for purposes of the return exceeds:

1884 (a) for a federal individual income tax return that is allowed a married filing separately  
1885 status, \$16,000;

1886 (b) for a federal individual income tax return that is allowed a single filing status,  
1887 \$25,000;

1888 (c) for a federal individual income tax return that is allowed a head of household filing  
1889 status, \$32,000; or

1890 (d) for a return under this chapter that is allowed a joint filing status, \$32,000.

1891 ~~[(5) For purposes of determining the ownership of items of retirement income under  
1892 this section, common law doctrine shall be applied in all cases even though some items of  
1893 retirement income may have originated from service or investments in a community property  
1894 state.]~~

1895 Section 30. Section **59-10-1022** is amended to read:

1896 **59-10-1022. Nonrefundable tax credit for capital gain transactions.**

1897 (1) As used in this section:

1898 (a) (i) "Capital gain transaction" means a transaction that results in a:

1899 (A) short-term capital gain; or

1900 (B) long-term capital gain.

1901 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1902 commission may by rule define the term "transaction."

1903 (b) "Commercial domicile" means the principal place from which the trade or business  
1904 of a Utah small business corporation is directed or managed.

1905 (c) "Long-term capital gain" is as defined in Section 1222, Internal Revenue Code.

1906 (d) "Qualifying stock" means stock that is:

1907 (i) (A) common; or

1908 (B) preferred;

1909 (ii) as defined by the commission by rule made in accordance with Title 63G, Chapter  
1910 3, Utah Administrative Rulemaking Act, originally issued to:

1911 (A) a claimant, estate, or trust; or

1912 (B) a partnership if the claimant, estate, or trust that claims a tax credit under this  
1913 section:

1914 (I) was a partner on the day on which the stock was issued; and

1915 (II) remains a partner until the last day of the taxable year for which the claimant,  
1916 estate, or trust claims a tax credit under this section; and

- 1917 (iii) issued:
- 1918 (A) by a Utah small business corporation;
- 1919 (B) on or after January 1, 2008; and
- 1920 (C) for:
- 1921 (I) money; or
- 1922 (II) other property, except for stock or securities.
- 1923 (e) "Short-term capital gain" is as defined in Section 1222, Internal Revenue Code.
- 1924 (f) (i) "Utah small business corporation" means a corporation that:
- 1925 (A) except as provided in Subsection (1)(f)(ii), is a small business corporation as
- 1926 defined in Section 1244(c)(3), Internal Revenue Code;
- 1927 (B) except as provided in Subsection (1)(f)(iii), meets the requirements of Section
- 1928 1244(c)(1)(C), Internal Revenue Code; and
- 1929 (C) has its commercial domicile in this state.
- 1930 (ii) The dollar amount listed in Section 1244(c)(3)(A) is considered to be \$2,500,000.
- 1931 (iii) The phrase "the date the loss on such stock was sustained" in Sections
- 1932 1244(c)(1)(C) and 1244(c)(2), Internal Revenue Code, is considered to be "the last day of the
- 1933 taxable year for which the claimant, estate, or trust claims a tax credit under this section."
- 1934 (2) For taxable years beginning on or after January 1, 2008, a claimant, estate, or trust
- 1935 that meets the requirements of Subsection (3) may claim a nonrefundable tax credit equal to the
- 1936 product of:
- 1937 (a) the total amount of the claimant's, estate's, or trust's short-term capital gain or
- 1938 long-term capital gain on a capital gain transaction that occurs on or after January 1, 2008; and
- 1939 (b) [5%] the percentage listed in Subsection 59-10-104(2).
- 1940 (3) For purposes of Subsection (2), a claimant, estate, or trust may claim the
- 1941 nonrefundable tax credit allowed by Subsection (2) if:
- 1942 (a) 70% or more of the gross proceeds of the capital gain transaction are expended:
- 1943 (i) to purchase qualifying stock in a Utah small business corporation; and
- 1944 (ii) within a 12-month period after the day on which the capital gain transaction occurs;
- 1945 and
- 1946 (b) prior to the purchase of the qualifying stock described in Subsection (3)(a)(i), the
- 1947 claimant, estate, or trust did not have an ownership interest in the Utah small business

1948 corporation that issued the qualifying stock.

1949 (4) A claimant, estate, or trust may not carry forward or carry back a tax credit under  
1950 this section.

1951 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1952 commission may make rules:

1953 (a) defining the term "gross proceeds"; and

1954 (b) prescribing the circumstances under which a claimant, estate, or trust has an  
1955 ownership interest in a Utah small business corporation.

1956 Section 31. Section **59-10-1023** is amended to read:

1957 **59-10-1023. Nonrefundable tax credit for amounts paid under a health benefit**  
1958 **plan.**

1959 (1) As used in this section:

1960 (a) "Claimant with dependents" means a claimant:

1961 (i) regardless of the claimant's filing status for purposes of filing a federal individual  
1962 income tax return for the taxable year; and

1963 (ii) who claims [~~one or more dependents under Section 151~~] a tax credit under Section  
1964 24, Internal Revenue Code, [~~as allowed~~] on the claimant's federal individual income tax return  
1965 for the taxable year.

1966 (b) "Eligible insured individual" means:

1967 (i) the claimant who is insured under a health benefit plan;

1968 (ii) the spouse of the claimant described in Subsection (1)(b)(i) if:

1969 (A) the claimant files [~~a single~~] one return jointly under this chapter with the claimant's  
1970 spouse for the taxable year; and

1971 (B) the spouse is insured under the health benefit plan described in Subsection  
1972 (1)(b)(i); or

1973 (iii) a dependent of the claimant described in Subsection (1)(b)(i) if:

1974 (A) the claimant claims the dependent under Section 151, Internal Revenue Code, as  
1975 allowed on the claimant's federal individual income tax return for the taxable year; and

1976 (B) the dependent is insured under the health benefit plan described in Subsection  
1977 (1)(b)(i).

1978 (c) "Excluded expenses" means an amount a claimant pays for insurance offered under

- 1979 a health benefit plan for a taxable year if:
- 1980 (i) the claimant claims a tax credit for that amount under Section 35, Internal Revenue
- 1981 Code:
- 1982 (A) on the claimant's federal individual income tax return for the taxable year; and
- 1983 (B) with respect to an eligible insured individual;
- 1984 (ii) the claimant deducts that amount under Section 162 or 213, Internal Revenue
- 1985 Code:
- 1986 (A) on the claimant's federal individual income tax return for the taxable year; and
- 1987 (B) with respect to an eligible insured individual; or
- 1988 (iii) the claimant excludes that amount from gross income under Section 106 or 125,
- 1989 Internal Revenue Code, with respect to an eligible insured individual.
- 1990 (d) (i) "Health benefit plan" is as defined in Section [31A-1-301](#).
- 1991 (ii) "Health benefit plan" does not include equivalent self-insurance as defined by the
- 1992 Insurance Department by rule made in accordance with Title 63G, Chapter 3, Utah
- 1993 Administrative Rulemaking Act.
- 1994 (e) "Joint claimant with no dependents" means [~~a husband and wife~~] spouses who:
- 1995 (i) file [~~a single~~] one return jointly under this chapter for the taxable year; and
- 1996 (ii) do not claim a dependent under Section 151, Internal Revenue Code, on the
- 1997 [~~husband's and wife's~~] spouses' federal individual income tax return for the taxable year.
- 1998 (f) "Single claimant with no dependents" means:
- 1999 (i) a single individual who:
- 2000 (A) files a single federal individual income tax return for the taxable year; and
- 2001 (B) does not claim a dependent under Section 151, Internal Revenue Code, on the
- 2002 single individual's federal individual income tax return for the taxable year;
- 2003 (ii) a head of household:
- 2004 (A) as defined in Section 2(b), Internal Revenue Code, who files a single federal
- 2005 individual income tax return for the taxable year; and
- 2006 (B) who does not claim a dependent under Section 151, Internal Revenue Code, on the
- 2007 head of household's federal individual income tax return for the taxable year; or
- 2008 (iii) a married individual who:
- 2009 (A) does not file a single federal individual income tax return jointly with that married

2010 individual's spouse for the taxable year; and

2011 (B) does not claim a dependent under Section 151, Internal Revenue Code, on that  
2012 married individual's federal individual income tax return for the taxable year.

2013 (2) Subject to Subsection (3), and except as provided in Subsection (4), [~~for taxable~~  
2014 ~~years beginning on or after January 1, 2009,~~] a claimant may claim a nonrefundable tax credit  
2015 equal to the product of:

2016 (a) the difference between:

2017 (i) the total amount the claimant pays during the taxable year for:

2018 (A) insurance offered under a health benefit plan; and

2019 (B) an eligible insured individual; and

2020 (ii) excluded expenses; and

2021 (b) [~~5%~~] the percentage listed in Subsection 59-10-104(2).

2022 (3) The maximum amount of a tax credit described in Subsection (2) a claimant may  
2023 claim on a return for a taxable year is:

2024 (a) for a single claimant with no dependents, \$300;

2025 (b) for a joint claimant with no dependents, \$600; or

2026 (c) for a claimant with dependents, \$900.

2027 (4) A claimant may not claim a tax credit under this section if the claimant is eligible to  
2028 participate in insurance offered under a health benefit plan maintained and funded in whole or  
2029 in part by:

2030 (a) the claimant's employer; or

2031 (b) another person's employer.

2032 (5) A claimant may not carry forward or carry back a tax credit under this section.

2033 Section 32. Section **59-10-1028** is amended to read:

2034 **59-10-1028. Nonrefundable tax credit for capital gain transactions on the**  
2035 **exchange of one form of legal tender for another form of legal tender.**

2036 (1) As used in this section:

2037 (a) "Capital gain transaction" means a transaction that results in a:

2038 (i) short-term capital gain; or

2039 (ii) long-term capital gain.

2040 (b) "Long-term capital gain" [~~is as defined~~] means the same as that term is defined in

2041 Section 1222, Internal Revenue Code.

2042 (c) "Long-term capital loss" [~~is as defined~~] means the same as that term is defined in  
2043 Section 1222, Internal Revenue Code.

2044 (d) "Net capital gain" means the amount by which the sum of long-term capital gains  
2045 and short-term capital gains on a claimant's, estate's, or trust's transactions from exchanges  
2046 made for a taxable year of one form of legal tender for another form of legal tender exceeds the  
2047 sum of long-term capital losses and short-term capital losses on those transactions for that  
2048 taxable year.

2049 (e) "Short-term capital loss" [~~is as defined~~] means the same as that term is defined in  
2050 Section 1222, Internal Revenue Code.

2051 (f) "Short-term capital gain" [~~is as defined~~] means the same as that term is defined in  
2052 Section 1222, Internal Revenue Code.

2053 (2) Except as provided in Section [59-10-1002.2](#), [~~for taxable years beginning on or~~  
2054 ~~after January 1, 2012,~~] a claimant, estate, or trust may claim a nonrefundable tax credit equal to  
2055 the product of:

2056 (a) to the extent a net capital gain is included in taxable income, the amount of the  
2057 claimant's, estate's, or trust's net capital gain on capital gain transactions from exchanges made  
2058 on or after January 1, 2012, for a taxable year, of one form of legal tender for another form of  
2059 legal tender; and

2060 (b) [~~5%~~] the percentage listed in Subsection [59-10-104\(2\)](#).

2061 (3) A claimant, estate, or trust may not carry forward or carry back a tax credit under  
2062 this section.

2063 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2064 commission may make rules to implement this section.

2065 Section 33. Section **59-10-1033** is amended to read:

2066 **59-10-1033. Tax credit related to alternative fuel heavy duty vehicles.**

2067 (1) As used in this section:

2068 (a) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air  
2069 Conservation Act.

2070 (b) "Director" means the director of the Division of Air Quality appointed under  
2071 Section [19-2-107](#).

- 2072 (c) "Heavy duty vehicle" means a commercial category 7 or 8 vehicle, according to  
2073 vehicle classifications established by the Federal Highway Administration.
- 2074 (d) "Natural gas" includes compressed natural gas and liquified natural gas.
- 2075 (e) "Qualified heavy duty vehicle" means a heavy duty vehicle that:
- 2076 (i) has never been titled or registered and has been driven less than 7,500 miles; and  
2077 (ii) is fueled by natural gas, has a 100% electric drivetrain, or has a hydrogen-electric  
2078 drivetrain.
- 2079 (f) "Qualified purchase" means the purchase of a qualified heavy duty vehicle.
- 2080 (g) "Qualified taxpayer" means a claimant, estate, or trust that:
- 2081 (i) purchases a qualified heavy duty vehicle; and  
2082 (ii) receives a tax credit certificate from the director.
- 2083 (h) "Small fleet" means 40 or fewer heavy duty vehicles registered in the state and  
2084 owned by a single claimant, estate, or trust.
- 2085 (i) "Tax credit certificate" means a certificate issued by the director certifying that a  
2086 claimant, estate, or trust is entitled to a tax credit as provided in this section and stating the  
2087 amount of the tax credit.
- 2088 (2) A qualified taxpayer may claim a nonrefundable tax credit against tax otherwise  
2089 due under this chapter:
- 2090 (a) in an amount equal to:
- 2091 (i) \$25,000, if the qualified purchase of a natural gas heavy duty vehicle occurs during  
2092 calendar year 2015 or calendar year 2016;
- 2093 (ii) \$25,000, if the qualified purchase occurs during calendar year 2017;
- 2094 (iii) \$20,000, if the qualified purchase occurs during calendar year 2018;
- 2095 (iv) \$18,000, if the qualified purchase occurs during calendar year 2019; and  
2096 (v) \$15,000, if the qualified purchase occurs during calendar year 2020; and
- 2097 (b) if the qualified taxpayer certifies under oath that over 50% of the miles that the  
2098 heavy duty vehicle that is the subject of the qualified purchase will travel annually will be  
2099 within the state.
- 2100 (3) (a) Except as provided in Subsection (3)(b), a claimant, estate, or trust may not  
2101 submit an application for, and the director may not issue to the claimant, estate, or trust, a tax  
2102 credit certificate under this section in any taxable year for a qualified purchase if the director

2103 has already issued tax credit certificates to the claimant, estate, or trust for 10 qualified  
2104 purchases in the same taxable year.

2105 (b) If, by May 1 of any year, more than 30% of the aggregate annual total amount of  
2106 tax credits under Subsection (5) has not been claimed, a claimant, estate, or trust may submit  
2107 an application for, and the director may issue to the claimant, estate, or trust, one or more tax  
2108 credit certificates for up to eight additional qualified purchases, even if the director has already  
2109 issued to that claimant, estate, or trust tax credit certificates for the maximum number of  
2110 qualified purchases allowed under Subsection (3)(a).

2111 (4) (a) Subject to Subsection (4)(b), the director shall reserve 25% of all tax credits  
2112 available under this section for qualified taxpayers with a small fleet.

2113 (b) Subsection (4)(a) does not prevent a claimant, estate, or trust from submitting an  
2114 application for, or the director from issuing, a tax credit certificate if, before October 1,  
2115 qualified taxpayers with a small fleet have not reserved under Subsection (5)(b) tax credits for  
2116 the full amount reserved under Subsection (4)(a).

2117 (5) (a) The aggregate annual total amount of tax credits represented by tax credit  
2118 certificates that the director issues under this section and Section 59-7-618 may not exceed  
2119 \$500,000.

2120 (b) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative  
2121 Rulemaking Act, make rules to establish a process under which a claimant, estate, or trust may  
2122 reserve a potential tax credit under this section for a limited time to allow the claimant, estate,  
2123 or trust to make a qualified purchase with the assurance that the aggregate limit under  
2124 Subsection (5)(a) will not be met before the claimant, estate, or trust is able to submit an  
2125 application for a tax credit certificate.

2126 (6) (a) (i) A claimant, estate, or trust wishing to claim a tax credit under this section  
2127 shall, using forms the board requires by rule:

2128 (A) submit to the director an application for a tax credit;

2129 (B) provide the director proof of a qualified purchase; and

2130 (C) submit to the director the certification under oath required under Subsection (2)(b).

2131 (ii) Upon receiving the application, proof, and certification required under Subsection  
2132 (6)(a)(i), the director shall provide the claimant, estate, or trust a written statement from the  
2133 director acknowledging receipt of the proof.

2134 (b) If the director determines that a claimant, estate, or trust qualifies for a tax credit  
2135 under this section, the director shall:

2136 (i) determine the amount of tax credit the claimant, estate, or trust is allowed under this  
2137 section; and

2138 (ii) provide the claimant, estate, or trust with a written tax credit certificate:

2139 (A) stating that the claimant, estate, or trust has qualified for a tax credit; and

2140 (B) showing the amount of tax credit for which the claimant, estate, or trust has  
2141 qualified under this section.

2142 (c) A qualified taxpayer shall retain the tax credit certificate.

2143 (d) The director shall at least annually submit to the commission a list of all qualified  
2144 taxpayers to which the director has issued a tax credit certificate and the amount of each tax  
2145 credit represented by the tax credit certificates.

2146 (7) The tax credit under this section is allowed only:

2147 (a) against a tax owed under this chapter in the taxable year by the qualified taxpayer;

2148 (b) for the taxable year in which the qualified purchase occurs; and

2149 (c) once per vehicle.

2150 (8) A qualified taxpayer may not assign a tax credit or a tax credit certificate under this  
2151 section to another person.

2152 (9) If the qualified taxpayer receives a tax credit certificate under this section that  
2153 allows a tax credit in an amount that exceeds the qualified taxpayer's tax liability under this  
2154 chapter for a taxable year, the qualified taxpayer may carry forward the amount of the tax credit  
2155 that exceeds the tax liability for a period that does not exceed the next five taxable years.

2156 ~~[(10)(a) In accordance with any rules prescribed by the commission under Subsection~~  
2157 ~~(10)(b), the Division of Finance shall transfer at least annually from the General Fund into the~~  
2158 ~~Education Fund the aggregate amount of all tax credits claimed under this section.]~~

2159 ~~[(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~  
2160 ~~the commission may make rules for making a transfer from the General Fund into the~~  
2161 ~~Education Fund as required by Subsection (10)(a).]~~

2162 Section 34. Section **59-10-1035** is amended to read:

2163 **59-10-1035. Nonrefundable tax credit for contribution to state Achieving a Better**  
2164 **Life Experience Program account.**

- 2165 (1) As used in this section:
- 2166 (a) "Account" means an account in a qualified ABLE program where the designated  
2167 beneficiary of the account is a resident of this state.
- 2168 (b) "Contributor" means a claimant, estate, or trust that:
- 2169 (i) makes a contribution to an account; and
- 2170 (ii) receives a statement from the qualified ABLE program itemizing the contribution.
- 2171 (c) "Designated beneficiary" means the same as that term is defined in 26 U.S.C. Sec.  
2172 529A.
- 2173 (d) "Qualified ABLE program" means the same as that term is defined in Section  
2174 [35A-12-102](#).
- 2175 (2) A contributor to an account may claim a nonrefundable tax credit as provided in  
2176 this section.
- 2177 (3) Subject to the other provisions of this section, the tax credit is equal to the product  
2178 of:
- 2179 (a) ~~5%~~ the percentage listed in Subsection [59-10-104\(2\)](#); and
- 2180 (b) the total amount of contributions:
- 2181 (i) the contributor makes for the taxable year; and
- 2182 (ii) for which the contributor receives a statement from the qualified ABLE program  
2183 itemizing the contributions.
- 2184 (4) A contributor may not claim a tax credit under this section:
- 2185 (a) for an amount of excess contribution to an account that is returned to the  
2186 contributor; or
- 2187 (b) with respect to an amount the contributor deducts on a federal income tax return.
- 2188 (5) A tax credit under this section may not be carried forward or carried back.
- 2189 Section 35. Section **59-10-1036** is amended to read:
- 2190 **59-10-1036. Nonrefundable tax credit for military survivor benefits.**
- 2191 (1) As used in this section:
- 2192 (a) "Dependent child" means the same as that term is defined in 10 U.S.C. Sec. 1447.
- 2193 (b) "Reserve components" means the same as that term is described in 10 U.S.C. Sec.  
2194 10101.
- 2195 (c) "Surviving spouse" means the same as that term is defined in 10 U.S.C. Sec. 1447.

2196 (d) "Survivor benefits" means the amount paid by the federal government in  
2197 accordance with 10 U.S.C. Secs. 1447 through 1455.

2198 (2) A surviving spouse or dependent child may claim a nonrefundable tax credit for  
2199 survivor benefits if the benefits are paid due to:

2200 (a) the death of a member of the armed forces or reserve components while on active  
2201 duty; or

2202 (b) the death of a member of the reserve components that results from a  
2203 service-connected cause while performing inactive duty training.

2204 (3) The tax credit described in Subsection (2) is equal to the product of:

2205 (a) the amount of survivor benefits that the surviving spouse or dependent child  
2206 received during the taxable year; and

2207 (b) ~~5%~~ the percentage listed in Subsection [59-10-104\(2\)](#).

2208 (4) The tax credit described in Subsection (2):

2209 (a) may not be carried forward or carried back; and

2210 (b) applies to a taxable year beginning on or after January 1, 2017.

2211 Section 36. Section **59-10-1041** is enacted to read:

2212 **59-10-1041. Nonrefundable tax credit for social security benefits.**

2213 (1) As used in this section:

2214 (a) "Head of household filing status" means the same as that term is defined in Section  
2215 [59-10-1018](#).

2216 (b) "Joint filing status" means:

2217 (i) spouses who file one return jointly under this chapter for a taxable year; or

2218 (ii) a surviving spouse, as defined in Section (2)(a), Internal Revenue Code, who files a  
2219 single federal individual income tax return for the taxable year.

2220 (c) "Married filing separately status" means a married individual who:

2221 (i) does not file a single federal individual income tax return jointly with that married  
2222 individual's spouse for the taxable year; and

2223 (ii) files a single federal individual income tax return for the taxable year.

2224 (d) "Modified adjusted gross income" means the sum of a claimant's:

2225 (i) adjusted gross income for the taxable year for which a tax credit is claimed under  
2226 this section;

2227 (ii) any interest income that is not included in adjusted gross income for the taxable  
2228 year described in Subsection (1)(d)(i); and

2229 (iii) any addition to adjusted gross income required by Section 59-10-114 for the  
2230 taxable year described in Subsection (1)(d)(i).

2231 (e) "Single filing status" means a single individual who files a single federal individual  
2232 income tax return for the taxable year.

2233 (f) "Social security benefit" means an amount received by a claimant as a monthly  
2234 benefit in accordance with the Social Security Act, 42 U.S.C. Sec. 401 et seq.

2235 (2) Except as provided in Section 59-10-1002.2 and Subsections (3) and (4), a claimant  
2236 may claim a nonrefundable tax credit against taxes otherwise due under this part equal to the  
2237 product of:

2238 (a) the percentage listed in Subsection 59-10-104(2); and

2239 (b) the claimant's social security benefit that is included in adjusted gross income on  
2240 the claimant's federal income tax return for the taxable year.

2241 (3) A claimant may not:

2242 (a) carry forward or carry back a tax credit under this section; or

2243 (b) claim a tax credit under this section if a tax credit is claimed under Section  
2244 59-10-1019 on the same return.

2245 (4) The tax credit allowed by Subsection (2) claimed on a return filed under this part  
2246 shall be reduced by \$.025 for each dollar by which modified adjusted gross income for  
2247 purposes of the return exceeds:

2248 (a) for a return that has a married filing separately status, \$24,000;

2249 (b) for a return that has a single filing status, \$30,000;

2250 (c) for a return that has a head of household filing status, \$48,000; or

2251 (d) for a return that has a joint filing status, \$48,000.

2252 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2253 commission may make rules governing the calculation and method for claiming a tax credit  
2254 described in this section.

2255 Section 37. Section **59-10-1102.1** is enacted to read:

2256 **59-10-1102.1. Apportionment of tax credit.**

2257 A part-year resident individual who claims the tax credit described in Section

2258 59-10-1113 may only claim an apportioned amount of the tax credit equal to the product of:

2259 (1) the state income tax percentage for the part-year resident individual; and

2260 (2) the amount of the tax credit that the part-year resident individual would have been  
2261 allowed to claim but for the apportionment requirement of this section.

2262 Section 38. Section **59-10-1105** is amended to read:

2263 **59-10-1105. Tax credit for hand tools used in farming operations -- Procedures**  
2264 **for refund -- Transfers from General Fund to Education Fund -- Rulemaking authority.**

2265 (1) [~~For a taxable year beginning on or after January 1, 2004, a~~] A claimant, estate, or  
2266 trust may claim a refundable tax credit:

2267 (a) as provided in this section;

2268 (b) against taxes otherwise due under this chapter; and

2269 (c) in an amount equal to the amount of tax the claimant, estate, or trust pays:

2270 (i) on a purchase of a hand tool:

2271 (A) if the purchase is made on or after July 1, 2004;

2272 (B) if the hand tool is used or consumed primarily and directly in a farming operation  
2273 in the state; and

2274 (C) if the unit purchase price of the hand tool is more than \$250; and

2275 (ii) under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection  
2276 (1)(c)(i).

2277 (2) A claimant, estate, or trust:

2278 (a) shall retain the following to establish the amount of tax the claimant, estate, or trust  
2279 paid under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection

2280 (1)(c)(i):

2281 (i) a receipt;

2282 (ii) an invoice; or

2283 (iii) a document similar to a document described in Subsection (2)(a)(i) or (ii); and

2284 (b) may not carry forward or carry back a tax credit under this section.

2285 (3) (a) In accordance with any rules prescribed by the commission under Subsection

2286 (3)(b)[~~-(i)~~], the commission shall make a refund to a claimant, estate, or trust that claims a tax  
2287 credit under this section if the amount of the tax credit exceeds the claimant's, estate's, or trust's

2288 tax liability under this chapter[~~;-and~~].

2289 ~~[(ii) the Division of Finance shall transfer at least annually from the General Fund into~~  
2290 ~~the Education Fund an amount equal to the aggregate amount of all tax credits claimed under~~  
2291 ~~this section.]~~

2292 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2293 commission may make rules providing procedures for making~~[-(†)]~~ a refund to a claimant,  
2294 estate, or trust as required by Subsection (3)(a)~~[(†); or]~~.

2295 ~~[(ii) transfers from the General Fund into the Education Fund as required by~~  
2296 ~~Subsection (3)(a)(ii).]~~

2297 Section 39. Section **59-10-1113** is enacted to read:

2298 **59-10-1113. Refundable grocery tax credit.**

2299 (1) As used in this section:

2300 (a) "Federal poverty level" means the poverty guidelines established by the Secretary of  
2301 the United States Department of Health and Human Services under 42 U.S.C. Sec. 9909(2).

2302 (b) "Modified adjusted gross income" means the sum of a claimant's:

2303 (i) adjusted gross income for the taxable year for which a tax credit is claimed under  
2304 this section;

2305 (ii) any interest income that is not included in adjusted gross income for the taxable  
2306 year described in Subsection (1)(b)(i); and

2307 (iii) any addition to adjusted gross income required by Section [59-10-114](#) for the  
2308 taxable year described in Subsection (1)(b)(i).

2309 (c) "Phaseout amount" means an amount equal to 0.0035% of the amount calculated  
2310 under Subsection (2).

2311 (d) "Qualifying dependent" means the same as that term is defined in Section  
2312 [59-10-1018](#).

2313 (e) "Qualifying household member" means:

2314 (i) the qualifying individual;

2315 (ii) the qualifying individual's spouse, if the qualifying individual:

2316 (A) files one return jointly under this chapter with the qualifying individual's spouse  
2317 for a taxable year; or

2318 (B) is a surviving spouse, as defined in Section 2(a), Internal Revenue Code, who files  
2319 a single federal individual income tax return for a taxable year; and

2320 (iii) a qualifying dependent.

2321 (f) "Qualifying individual" means a resident individual who is not a qualifying  
2322 dependent.

2323 (2) Subject to Section 59-10-1102.1 and the provisions of this section, a qualifying  
2324 individual may claim a refundable grocery tax credit equal to the sum of:

2325 (a) \$125 multiplied by the number of qualifying household members, up to four; and  
2326 (b) \$50 multiplied by the number of qualifying household members that exceeds four.

2327 (3) (a) If a qualifying household member was incarcerated for any part of the taxable  
2328 year for which the qualifying individual claims the grocery tax credit, the qualifying  
2329 individual's credit for the qualifying household member is reduced by an amount proportionate  
2330 to the time the qualifying household member was incarcerated during the taxable year.

2331 (b) For purposes of calculating the proportionate amount under Subsection (3)(a), the  
2332 qualifying household member who was incarcerated is considered:

2333 (i) one of the qualifying household members described in Subsection (2)(a); or  
2334 (ii) if four other qualifying household members were incarcerated for part of the  
2335 taxable year and each considered one of the four qualifying household members described in  
2336 Subsection (2)(a), one of the qualifying household members described in Subsection (2)(b).

2337 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2338 commission may make rules for calculating the proportionate amount described in this  
2339 subsection.

2340 (4) The tax credit described in this section is reduced by the phaseout amount for each  
2341 dollar by which the claimant's modified adjusted gross income exceeds the lesser of:

2342 (a) 175% of the federal poverty level for the claimant's household size; or  
2343 (b) 175% of the federal poverty level for a household with five individuals.

2344 (5) (a) Except as provided in Subsection (5)(b), to claim the tax credit described in this  
2345 section, a qualifying individual shall file a return under this chapter.

2346 (b) A qualifying individual who is not required to file a return under this chapter for the  
2347 taxable year in which the qualifying individual claims a credit under this section, may claim the  
2348 tax credit described in this section by filing a form prescribed by the commission.

2349 (6) For each return filed under this chapter, no more than one qualifying individual  
2350 may receive a credit under this section.

2351 Section 40. Section **59-10-1113.1** is enacted to read:

2352 **59-10-1113.1. Additional grocery tax credit.**

2353 (1) As used in this section:

2354 (a) "2019 credit amount" means the amount of a grocery tax credit an individual could  
2355 have claimed for a taxable year beginning on or after January 1, 2019, and on or before  
2356 December 31, 2019, if the grocery tax credit had been in effect, without applying the provisions  
2357 of Subsection [59-10-1113\(3\)](#).

2358 (b) "2019 qualifying individual" means a qualifying individual as defined in Section  
2359 [59-10-1113](#) who files a 2019 return on or before the deadline described in Section [59-10-514](#).

2360 (c) "2019 return" means a return filed under this chapter for a taxable year beginning  
2361 on or after January 1, 2019, and on or before December 31, 2019.

2362 (d) "Grocery tax credit" means the refundable grocery tax credit described in Section  
2363 [59-10-1113](#).

2364 (2) Subject to the other provisions of this section, the commission shall provide each  
2365 2019 qualifying individual an additional grocery tax credit equal to 25% of the 2019 qualifying  
2366 individual's 2019 credit amount.

2367 (3) For each return filed under this chapter, no more than one 2019 qualifying  
2368 individual may receive a credit under this section.

2369 (4) The commission shall provide a 2019 qualifying individual who is a part-year  
2370 resident individual an apportioned amount of the additional grocery tax credit equal to the  
2371 product of:

2372 (a) the state income tax percentage for the part-year resident individual; and

2373 (b) the amount of the additional grocery tax credit that commission would have  
2374 provided the part-year resident individual but for the apportionment requirements of this  
2375 subsection.

2376 (5) If the value of a 2019 qualifying individual's additional grocery tax credit under this  
2377 section is less than \$20, the 2019 qualifying individual is not eligible to receive the credit.

2378 (6) The commission shall comply with Subsection (2) on or before July 1, 2020.

2379 (7) The provisions of Sections [59-10-529](#) and [63A-3-302](#) do not apply to a credit  
2380 described in this section.

2381 Section 41. Section **59-10-1403.3** is amended to read:

2382 **59-10-1403.3. Refund of amounts paid or withheld for a pass-through entity.**

2383 (1) As used in this section:

2384 (a) "Committee" means the Revenue and Taxation Interim Committee.

2385 (b) "Qualifying excess withholding" means an amount that:

2386 (i) is paid or withheld:

2387 (A) by a pass-through entity that has a different taxable year than the pass-through  
2388 entity that requests a refund under this section; and

2389 (B) on behalf of the pass-through entity that requests the refund, if the pass-through  
2390 entity that requests the refund also is a pass-through entity taxpayer; and

2391 (ii) is equal to the difference between:

2392 (A) the amount paid or withheld for the taxable year on behalf of the pass-through  
2393 entity that requests the refund; and

2394 (B) the product of [5%] the percentage listed in Subsection 59-10-104(2) and the  
2395 income, described in Subsection 59-10-1403.2(1)(a)(i), of the pass-through entity that requests  
2396 the refund.

2397 (2) [~~For a taxable year ending on or after July 1, 2017, a~~] A pass-through entity may  
2398 claim a refund of qualifying excess withholding, if the amount of the qualifying excess  
2399 withholding is equal to or greater than \$250,000.

2400 (3) A pass-through entity that requests a refund of qualifying excess withholding under  
2401 this section shall:

2402 (a) apply to the commission for a refund on or, subject to Subsection (4), after the day  
2403 on which the pass-through entity files the pass-through entity's income tax return; and

2404 (b) provide any information that the commission may require to determine that the  
2405 pass-through entity is eligible to receive the refund.

2406 (4) A pass-through entity shall claim a refund of qualifying excess withholding under  
2407 this section within 30 days after the earlier of the day on which:

2408 (a) the pass-through entity files an income tax return; or

2409 (b) the pass-through entity's income tax return is due, including any extension of due  
2410 date authorized in statute.

2411 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2412 commission may make rules establishing the information that a pass-through entity shall

2413 provide to the commission to obtain a refund of qualifying excess withholding under this  
2414 section.

2415 ~~[(6)(a) On or before November 30, 2018, the committee shall review the \$250,000~~  
2416 ~~threshold described in Subsection (2) for the purpose of assessing whether the threshold~~  
2417 ~~amount should be maintained, increased, or decreased.]~~

2418 ~~[(b) To assist the committee in conducting the review described in Subsection (6)(a),~~  
2419 ~~the commission shall provide the committee with:]~~

2420 ~~[(i) the total number of refund requests made under this section;]~~

2421 ~~[(ii) the total costs of any refunds issued under this section;]~~

2422 ~~[(iii) the costs of any audits conducted on refund requests made under this section; and]~~

2423 ~~[(iv) an estimation of:]~~

2424 ~~[(A) the number of refund requests the commission expects to receive if the Legislature~~  
2425 ~~increases the threshold;]~~

2426 ~~[(B) the number of refund requests the commission expects to receive if the Legislature~~  
2427 ~~decreases the threshold; and]~~

2428 ~~[(C) the costs of any audits the commission would conduct if the Legislature increases~~  
2429 ~~or decreases the threshold.]~~

2430 Section 42. Section **59-12-102** is amended to read:

2431 **59-12-102. Definitions.**

2432 As used in this chapter:

2433 (1) "800 service" means a telecommunications service that:

2434 (a) allows a caller to dial a toll-free number without incurring a charge for the call; and

2435 (b) is typically marketed:

2436 (i) under the name 800 toll-free calling;

2437 (ii) under the name 855 toll-free calling;

2438 (iii) under the name 866 toll-free calling;

2439 (iv) under the name 877 toll-free calling;

2440 (v) under the name 888 toll-free calling; or

2441 (vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the

2442 Federal Communications Commission.

2443 (2) (a) "900 service" means an inbound toll telecommunications service that:

- 2444 (i) a subscriber purchases;
- 2445 (ii) allows a customer of the subscriber described in Subsection (2)(a)(i) to call in to
- 2446 the subscriber's:
- 2447 (A) prerecorded announcement; or
- 2448 (B) live service; and
- 2449 (iii) is typically marketed:
- 2450 (A) under the name 900 service; or
- 2451 (B) under a name similar to Subsection (2)(a)(iii)(A) as designated by the Federal
- 2452 Communications Commission.
- 2453 (b) "900 service" does not include a charge for:
- 2454 (i) a collection service a seller of a telecommunications service provides to a
- 2455 subscriber; or
- 2456 (ii) the following a subscriber sells to the subscriber's customer:
- 2457 (A) a product; or
- 2458 (B) a service.
- 2459 (3) (a) "Admission or user fees" includes season passes.
- 2460 (b) "Admission or user fees" does not include annual membership dues to private
- 2461 organizations.
- 2462 (4) "Affiliate" or "affiliated person" means a person that, with respect to another
- 2463 person:
- 2464 (a) has an ownership interest of more than 5%, whether direct or indirect, in that other
- 2465 person; or
- 2466 (b) is related to the other person because a third person, or a group of third persons who
- 2467 are affiliated persons with respect to each other, holds an ownership interest of more than 5%,
- 2468 whether direct or indirect, in the related persons.
- 2469 (5) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on
- 2470 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax
- 2471 Agreement after November 12, 2002.
- 2472 (6) "Agreement combined tax rate" means the sum of the tax rates:
- 2473 (a) listed under Subsection (7); and
- 2474 (b) that are imposed within a local taxing jurisdiction.

- 2475 (7) "Agreement sales and use tax" means a tax imposed under:
- 2476 (a) Subsection [59-12-103\(2\)\(a\)\(i\)\(A\)](#);
- 2477 (b) Subsection [59-12-103\(2\)\(b\)\(i\)](#);
- 2478 (c) Subsection [59-12-103\(2\)\(c\)\(i\)](#);
- 2479 (d) Subsection [59-12-103\(2\)\(d\)\(i\)\(A\)\(I\)](#);
- 2480 (e) Section [59-12-204](#);
- 2481 (f) Section [59-12-401](#);
- 2482 (g) Section [59-12-402](#);
- 2483 (h) Section [59-12-402.1](#);
- 2484 (i) Section [59-12-703](#);
- 2485 (j) Section [59-12-802](#);
- 2486 (k) Section [59-12-804](#);
- 2487 (l) Section [59-12-1102](#);
- 2488 (m) Section [59-12-1302](#);
- 2489 (n) Section [59-12-1402](#);
- 2490 (o) Section [59-12-1802](#);
- 2491 (p) Section [59-12-2003](#);
- 2492 (q) Section [59-12-2103](#);
- 2493 (r) Section [59-12-2213](#);
- 2494 (s) Section [59-12-2214](#);
- 2495 (t) Section [59-12-2215](#);
- 2496 (u) Section [59-12-2216](#);
- 2497 (v) Section [59-12-2217](#);
- 2498 (w) Section [59-12-2218](#);
- 2499 (x) Section [59-12-2219](#); or
- 2500 (y) Section [59-12-2220](#).
- 2501 (8) "Aircraft" means the same as that term is defined in Section [72-10-102](#).
- 2502 (9) "Aircraft maintenance, repair, and overhaul provider" means a business entity:
- 2503 (a) except for:
- 2504 (i) an airline as defined in Section [59-2-102](#); or
- 2505 (ii) an affiliated group, as defined in Section [59-7-101](#), except that "affiliated group"

2506 includes a corporation that is qualified to do business but is not otherwise doing business in the  
2507 state, of an airline; and

2508 (b) that has the workers, expertise, and facilities to perform the following, regardless of  
2509 whether the business entity performs the following in this state:

2510 (i) check, diagnose, overhaul, and repair:

2511 (A) an onboard system of a fixed wing turbine powered aircraft; and

2512 (B) the parts that comprise an onboard system of a fixed wing turbine powered aircraft;

2513 (ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered aircraft  
2514 engine;

2515 (iii) perform at least the following maintenance on a fixed wing turbine powered  
2516 aircraft:

2517 (A) an inspection;

2518 (B) a repair, including a structural repair or modification;

2519 (C) changing landing gear; and

2520 (D) addressing issues related to an aging fixed wing turbine powered aircraft;

2521 (iv) completely remove the existing paint of a fixed wing turbine powered aircraft and  
2522 completely apply new paint to the fixed wing turbine powered aircraft; and

2523 (v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that  
2524 results in a change in the fixed wing turbine powered aircraft's certification requirements by the  
2525 authority that certifies the fixed wing turbine powered aircraft.

2526 (10) "Alcoholic beverage" means a beverage that:

2527 (a) is suitable for human consumption; and

2528 (b) contains .5% or more alcohol by volume.

2529 (11) "Alternative energy" means:

2530 (a) biomass energy;

2531 (b) geothermal energy;

2532 (c) hydroelectric energy;

2533 (d) solar energy;

2534 (e) wind energy; or

2535 (f) energy that is derived from:

2536 (i) coal-to-liquids;

- 2537 (ii) nuclear fuel;
- 2538 (iii) oil-impregnated diatomaceous earth;
- 2539 (iv) oil sands;
- 2540 (v) oil shale;
- 2541 (vi) petroleum coke; or
- 2542 (vii) waste heat from:
  - 2543 (A) an industrial facility; or
  - 2544 (B) a power station in which an electric generator is driven through a process in which
  - 2545 water is heated, turns into steam, and spins a steam turbine.
- 2546 (12) (a) Subject to Subsection (12)(b), "alternative energy electricity production
- 2547 facility" means a facility that:
  - 2548 (i) uses alternative energy to produce electricity; and
  - 2549 (ii) has a production capacity of two megawatts or greater.
- 2550 (b) A facility is an alternative energy electricity production facility regardless of
- 2551 whether the facility is:
  - 2552 (i) connected to an electric grid; or
  - 2553 (ii) located on the premises of an electricity consumer.
- 2554 (13) (a) "Ancillary service" means a service associated with, or incidental to, the
- 2555 provision of telecommunications service.
  - 2556 (b) "Ancillary service" includes:
    - 2557 (i) a conference bridging service;
    - 2558 (ii) a detailed communications billing service;
    - 2559 (iii) directory assistance;
    - 2560 (iv) a vertical service; or
    - 2561 (v) a voice mail service.
- 2562 (14) "Area agency on aging" means the same as that term is defined in Section
- 2563 [62A-3-101](#).
- 2564 [~~(15) "Assisted amusement device" means an amusement device, skill device, or ride~~
- 2565 ~~device that is started and stopped by an individual:]~~
- 2566 [~~(a) who is not the purchaser or renter of the right to use or operate the amusement~~
- 2567 ~~device, skill device, or ride device; and]~~

2568 ~~[(b) at the direction of the seller of the right to use the amusement device, skill device,~~  
2569 ~~or ride device.]~~

2570 ~~[(16)]~~ (15) "Assisted cleaning or washing of tangible personal property" means  
2571 cleaning or washing of tangible personal property if the cleaning or washing labor is primarily  
2572 performed by an individual:

2573 (a) who is not the purchaser of the cleaning or washing of the tangible personal  
2574 property; and

2575 (b) at the direction of the seller of the cleaning or washing of the tangible personal  
2576 property.

2577 ~~[(17)]~~ (16) "Authorized carrier" means:

2578 (a) in the case of vehicles operated over public highways, the holder of credentials  
2579 indicating that the vehicle is or will be operated pursuant to both the International Registration  
2580 Plan and the International Fuel Tax Agreement;

2581 (b) in the case of aircraft, the holder of a Federal Aviation Administration operating  
2582 certificate or air carrier's operating certificate; or

2583 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling  
2584 stock, a person who uses locomotives, freight cars, railroad work equipment, or other rolling  
2585 stock in more than one state.

2586 ~~[(18)]~~ (17) (a) Except as provided in Subsection ~~[(18)]~~ (17)(b), "biomass energy"  
2587 means any of the following that is used as the primary source of energy to produce fuel or  
2588 electricity:

2589 (i) material from a plant or tree; or

2590 (ii) other organic matter that is available on a renewable basis, including:

2591 (A) slash and brush from forests and woodlands;

2592 (B) animal waste;

2593 (C) waste vegetable oil;

2594 (D) methane or synthetic gas produced at a landfill, as a byproduct of the treatment of  
2595 wastewater residuals, or through the conversion of a waste material through a nonincineration,  
2596 thermal conversion process;

2597 (E) aquatic plants; and

2598 (F) agricultural products.

- 2599 (b) "Biomass energy" does not include:
- 2600 (i) black liquor; or
- 2601 (ii) treated woods.
- 2602 ~~[(19)]~~ (18) (a) "Bundled transaction" means the sale of two or more items of tangible
- 2603 personal property, products, or services if the tangible personal property, products, or services
- 2604 are:
- 2605 (i) distinct and identifiable; and
- 2606 (ii) sold for one nonitemized price.
- 2607 (b) "Bundled transaction" does not include:
- 2608 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on
- 2609 the basis of the selection by the purchaser of the items of tangible personal property included in
- 2610 the transaction;
- 2611 (ii) the sale of real property;
- 2612 (iii) the sale of services to real property;
- 2613 (iv) the retail sale of tangible personal property and a service if:
- 2614 (A) the tangible personal property:
- 2615 (I) is essential to the use of the service; and
- 2616 (II) is provided exclusively in connection with the service; and
- 2617 (B) the service is the true object of the transaction;
- 2618 (v) the retail sale of two services if:
- 2619 (A) one service is provided that is essential to the use or receipt of a second service;
- 2620 (B) the first service is provided exclusively in connection with the second service; and
- 2621 (C) the second service is the true object of the transaction;
- 2622 (vi) a transaction that includes tangible personal property or a product subject to
- 2623 taxation under this chapter and tangible personal property or a product that is not subject to
- 2624 taxation under this chapter if the:
- 2625 (A) seller's purchase price of the tangible personal property or product subject to
- 2626 taxation under this chapter is de minimis; or
- 2627 (B) seller's sales price of the tangible personal property or product subject to taxation
- 2628 under this chapter is de minimis; and
- 2629 (vii) the retail sale of tangible personal property that is not subject to taxation under

2630 this chapter and tangible personal property that is subject to taxation under this chapter if:

2631 (A) that retail sale includes:

2632 (I) food and food ingredients;

2633 (II) a drug;

2634 (III) durable medical equipment;

2635 (IV) mobility enhancing equipment;

2636 (V) an over-the-counter drug;

2637 (VI) a prosthetic device; or

2638 (VII) a medical supply; and

2639 (B) subject to Subsection [~~(19)~~] (18)(f):

2640 (I) the seller's purchase price of the tangible personal property subject to taxation under  
2641 this chapter is 50% or less of the seller's total purchase price of that retail sale; or

2642 (II) the seller's sales price of the tangible personal property subject to taxation under  
2643 this chapter is 50% or less of the seller's total sales price of that retail sale.

2644 (c) (i) For purposes of Subsection [~~(19)~~] (18)(a)(i), tangible personal property, a  
2645 product, or a service that is distinct and identifiable does not include:

2646 (A) packaging that:

2647 (I) accompanies the sale of the tangible personal property, product, or service; and

2648 (II) is incidental or immaterial to the sale of the tangible personal property, product, or  
2649 service;

2650 (B) tangible personal property, a product, or a service provided free of charge with the  
2651 purchase of another item of tangible personal property, a product, or a service; or

2652 (C) an item of tangible personal property, a product, or a service included in the  
2653 definition of "purchase price."

2654 (ii) For purposes of Subsection [~~(19)~~] (18)(c)(i)(B), an item of tangible personal  
2655 property, a product, or a service is provided free of charge with the purchase of another item of  
2656 tangible personal property, a product, or a service if the sales price of the purchased item of  
2657 tangible personal property, product, or service does not vary depending on the inclusion of the  
2658 tangible personal property, product, or service provided free of charge.

2659 (d) (i) For purposes of Subsection [~~(19)~~] (18)(a)(ii), property sold for one nonitemized  
2660 price does not include a price that is separately identified by tangible personal property,

2661 product, or service on the following, regardless of whether the following is in paper format or  
2662 electronic format:

2663 (A) a binding sales document; or

2664 (B) another supporting sales-related document that is available to a purchaser.

2665 (ii) For purposes of Subsection [~~(19)~~] (18)(d)(i), a binding sales document or another  
2666 supporting sales-related document that is available to a purchaser includes:

2667 (A) a bill of sale;

2668 (B) a contract;

2669 (C) an invoice;

2670 (D) a lease agreement;

2671 (E) a periodic notice of rates and services;

2672 (F) a price list;

2673 (G) a rate card;

2674 (H) a receipt; or

2675 (I) a service agreement.

2676 (e) (i) For purposes of Subsection [~~(19)~~] (18)(b)(vi), the sales price of tangible personal  
2677 property or a product subject to taxation under this chapter is de minimis if:

2678 (A) the seller's purchase price of the tangible personal property or product is 10% or  
2679 less of the seller's total purchase price of the bundled transaction; or

2680 (B) the seller's sales price of the tangible personal property or product is 10% or less of  
2681 the seller's total sales price of the bundled transaction.

2682 (ii) For purposes of Subsection [~~(19)~~] (18)(b)(vi), a seller:

2683 (A) shall use the seller's purchase price or the seller's sales price to determine if the  
2684 purchase price or sales price of the tangible personal property or product subject to taxation  
2685 under this chapter is de minimis; and

2686 (B) may not use a combination of the seller's purchase price and the seller's sales price  
2687 to determine if the purchase price or sales price of the tangible personal property or product  
2688 subject to taxation under this chapter is de minimis.

2689 (iii) For purposes of Subsection [~~(19)~~] (18)(b)(vi), a seller shall use the full term of a  
2690 service contract to determine if the sales price of tangible personal property or a product is de  
2691 minimis.

2692 (f) For purposes of Subsection [~~(19)~~] (18)(b)(vii)(B), a seller may not use a  
2693 combination of the seller's purchase price and the seller's sales price to determine if tangible  
2694 personal property subject to taxation under this chapter is 50% or less of the seller's total  
2695 purchase price or sales price of that retail sale.

2696 [~~(20)~~] (19) "Certified automated system" means software certified by the governing  
2697 board of the agreement that:

2698 (a) calculates the agreement sales and use tax imposed within a local taxing  
2699 jurisdiction:

2700 (i) on a transaction; and

2701 (ii) in the states that are members of the agreement;

2702 (b) determines the amount of agreement sales and use tax to remit to a state that is a  
2703 member of the agreement; and

2704 (c) maintains a record of the transaction described in Subsection [~~(20)~~] (19)(a)(i).

2705 [~~(21)~~] (20) "Certified service provider" means an agent certified:

2706 (a) by the governing board of the agreement; and

2707 (b) to perform a seller's sales and use tax functions for an agreement sales and use tax,  
2708 as outlined in the contract between the governing board of the agreement and the certified  
2709 service provider, other than the seller's obligation under Section [59-12-124](#) to remit a tax on the  
2710 seller's own purchases.

2711 [~~(22)~~] (21) (a) Subject to Subsection [~~(22)~~] (21)(b), "clothing" means all human  
2712 wearing apparel suitable for general use.

2713 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2714 commission shall make rules:

2715 (i) listing the items that constitute "clothing"; and

2716 (ii) that are consistent with the list of items that constitute "clothing" under the  
2717 agreement.

2718 [~~(23)~~] (22) "Coal-to-liquid" means the process of converting coal into a liquid synthetic  
2719 fuel.

2720 [~~(24)~~] (23) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or  
2721 other fuels that does not constitute industrial use under Subsection (57) or residential use under  
2722 Subsection [~~(114)~~] (115).

2723            [~~(25)~~] (24) (a) "Common carrier" means a person engaged in or transacting the  
2724 business of transporting passengers, freight, merchandise, or other property for hire within this  
2725 state.

2726            (b) (i) "Common carrier" does not include a person that, at the time the person is  
2727 traveling to or from that person's place of employment, transports a passenger to or from the  
2728 passenger's place of employment.

2729            (ii) For purposes of Subsection [~~(25)~~] (24)(b)(i), in accordance with Title 63G, Chapter  
2730 3, Utah Administrative Rulemaking Act, the commission may make rules defining what  
2731 constitutes a person's place of employment.

2732            (c) "Common carrier" does not include a person that provides transportation network  
2733 services, as defined in Section 13-51-102.

2734            [~~(26)~~] (25) "Component part" includes:

2735            (a) poultry, dairy, and other livestock feed, and their components;

2736            (b) baling ties and twine used in the baling of hay and straw;

2737            (c) fuel used for providing temperature control of orchards and commercial  
2738 greenhouses doing a majority of their business in wholesale sales, and for providing power for  
2739 off-highway type farm machinery; and

2740            (d) feed, seeds, and seedlings.

2741            [~~(27)~~] (26) "Computer" means an electronic device that accepts information:

2742            (a) (i) in digital form; or

2743            (ii) in a form similar to digital form; and

2744            (b) manipulates that information for a result based on a sequence of instructions.

2745            [~~(28)~~] (27) "Computer software" means a set of coded instructions designed to cause:

2746            (a) a computer to perform a task; or

2747            (b) automatic data processing equipment to perform a task.

2748            [~~(29)~~] (28) "Computer software maintenance contract" means a contract that obligates a  
2749 seller of computer software to provide a customer with:

2750            (a) future updates or upgrades to computer software;

2751            (b) support services with respect to computer software; or

2752            (c) a combination of Subsections [~~(29)~~] (28)(a) and (b).

2753            [~~(30)~~] (29) (a) "Conference bridging service" means an ancillary service that links two

2754 or more participants of an audio conference call or video conference call.

2755 (b) "Conference bridging service" may include providing a telephone number as part of  
2756 the ancillary service described in Subsection [~~(30)~~] (29)(a).

2757 (c) "Conference bridging service" does not include a telecommunications service used  
2758 to reach the ancillary service described in Subsection [~~(30)~~] (29)(a).

2759 [~~(31)~~] (30) "Construction materials" means any tangible personal property that will be  
2760 converted into real property.

2761 [~~(32)~~] (31) "Delivered electronically" means delivered to a purchaser by means other  
2762 than tangible storage media.

2763 (32) "Dating referral services" means services that are primarily intended to introduce  
2764 or match adults for social or romantic activities, including computer dating or video dating  
2765 services.

2766 (33) (a) "Delivery charge" means a charge:

2767 (i) by a seller of:

2768 (A) tangible personal property;

2769 (B) a product transferred electronically; or

2770 (C) a service; and

2771 (ii) for preparation and delivery of the tangible personal property, product transferred  
2772 electronically, or services described in Subsection (33)(a)(i) to a location designated by the  
2773 purchaser.

2774 (b) "Delivery charge" includes a charge for the following:

2775 (i) transportation;

2776 (ii) shipping;

2777 (iii) postage;

2778 (iv) handling;

2779 (v) crating; or

2780 (vi) packing.

2781 (34) "Detailed telecommunications billing service" means an ancillary service of  
2782 separately stating information pertaining to individual calls on a customer's billing statement.

2783 (35) "Dietary supplement" means a product, other than tobacco, that:

2784 (a) is intended to supplement the diet;

- 2785 (b) contains one or more of the following dietary ingredients:
- 2786 (i) a vitamin;
- 2787 (ii) a mineral;
- 2788 (iii) an herb or other botanical;
- 2789 (iv) an amino acid;
- 2790 (v) a dietary substance for use by humans to supplement the diet by increasing the total
- 2791 dietary intake; or
- 2792 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient
- 2793 described in Subsections (35)(b)(i) through (v);
- 2794 (c) (i) except as provided in Subsection (35)(c)(ii), is intended for ingestion in:
- 2795 (A) tablet form;
- 2796 (B) capsule form;
- 2797 (C) powder form;
- 2798 (D) softgel form;
- 2799 (E) gelcap form; or
- 2800 (F) liquid form; or
- 2801 (ii) if the product is not intended for ingestion in a form described in Subsections
- 2802 (35)(c)(i)(A) through (F), is not represented:
- 2803 (A) as conventional food; and
- 2804 (B) for use as a sole item of:
- 2805 (I) a meal; or
- 2806 (II) the diet; and
- 2807 (d) is required to be labeled as a dietary supplement:
- 2808 (i) identifiable by the "Supplemental Facts" box found on the label; and
- 2809 (ii) as required by 21 C.F.R. Sec. 101.36.
- 2810 (36) (a) "Digital audio work" means a work that results from the fixation of a series of
- 2811 musical, spoken, or other sounds.
- 2812 (b) "Digital audio work" includes a ringtone.
- 2813 (37) "Digital audio-visual work" means a series of related images which, when shown
- 2814 in succession, imparts an impression of motion, together with accompanying sounds, if any.
- 2815 (38) "Digital book" means a work that is generally recognized in the ordinary and usual

2816 sense as a book.

2817 (39) (a) "Direct mail" means printed material delivered or distributed by United States  
2818 mail or other delivery service:

2819 (i) to:

2820 (A) a mass audience; or

2821 (B) addressees on a mailing list provided:

2822 (I) by a purchaser of the mailing list; or

2823 (II) at the discretion of the purchaser of the mailing list; and

2824 (ii) if the cost of the printed material is not billed directly to the recipients.

2825 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a  
2826 purchaser to a seller of direct mail for inclusion in a package containing the printed material.

2827 (c) "Direct mail" does not include multiple items of printed material delivered to a  
2828 single address.

2829 (40) "Directory assistance" means an ancillary service of providing:

2830 (a) address information; or

2831 (b) telephone number information.

2832 (41) (a) "Disposable home medical equipment or supplies" means medical equipment  
2833 or supplies that:

2834 (i) cannot withstand repeated use; and

2835 (ii) are purchased by, for, or on behalf of a person other than:

2836 (A) a health care facility as defined in Section [26-21-2](#);

2837 (B) a health care provider as defined in Section [78B-3-403](#);

2838 (C) an office of a health care provider described in Subsection (41)(a)(ii)(B); or

2839 (D) a person similar to a person described in Subsections (41)(a)(ii)(A) through (C).

2840 (b) "Disposable home medical equipment or supplies" does not include:

2841 (i) a drug;

2842 (ii) durable medical equipment;

2843 (iii) a hearing aid;

2844 (iv) a hearing aid accessory;

2845 (v) mobility enhancing equipment; or

2846 (vi) tangible personal property used to correct impaired vision, including:

- 2847 (A) eyeglasses; or  
2848 (B) contact lenses.  
2849 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2850 commission may by rule define what constitutes medical equipment or supplies.  
2851 (42) "Drilling equipment manufacturer" means a facility:  
2852 (a) located in the state;  
2853 (b) with respect to which 51% or more of the manufacturing activities of the facility  
2854 consist of manufacturing component parts of drilling equipment;  
2855 (c) that uses pressure of 800,000 or more pounds per square inch as part of the  
2856 manufacturing process; and  
2857 (d) that uses a temperature of 2,000 or more degrees Fahrenheit as part of the  
2858 manufacturing process.  
2859 (43) (a) "Drug" means a compound, substance, or preparation, or a component of a  
2860 compound, substance, or preparation that is:  
2861 (i) recognized in:  
2862 (A) the official United States Pharmacopoeia;  
2863 (B) the official Homeopathic Pharmacopoeia of the United States;  
2864 (C) the official National Formulary; or  
2865 (D) a supplement to a publication listed in Subsections (43)(a)(i)(A) through (C);  
2866 (ii) intended for use in the:  
2867 (A) diagnosis of disease;  
2868 (B) cure of disease;  
2869 (C) mitigation of disease;  
2870 (D) treatment of disease; or  
2871 (E) prevention of disease; or  
2872 (iii) intended to affect:  
2873 (A) the structure of the body; or  
2874 (B) any function of the body.  
2875 (b) "Drug" does not include:  
2876 (i) food and food ingredients;  
2877 (ii) a dietary supplement;

- 2878 (iii) an alcoholic beverage; or  
2879 (iv) a prosthetic device.
- 2880 (44) (a) Except as provided in Subsection (44)(c), "durable medical equipment" means  
2881 equipment that:
- 2882 (i) can withstand repeated use;
  - 2883 (ii) is primarily and customarily used to serve a medical purpose;
  - 2884 (iii) generally is not useful to a person in the absence of illness or injury; and
  - 2885 (iv) is not worn in or on the body.
- 2886 (b) "Durable medical equipment" includes parts used in the repair or replacement of the  
2887 equipment described in Subsection (44)(a).
- 2888 (c) "Durable medical equipment" does not include mobility enhancing equipment.
- 2889 (45) "Electronic" means:
- 2890 (a) relating to technology; and
  - 2891 (b) having:
    - 2892 (i) electrical capabilities;
    - 2893 (ii) digital capabilities;
    - 2894 (iii) magnetic capabilities;
    - 2895 (iv) wireless capabilities;
    - 2896 (v) optical capabilities;
    - 2897 (vi) electromagnetic capabilities; or
    - 2898 (vii) capabilities similar to Subsections (45)(b)(i) through (vi).
- 2899 (46) "Electronic financial payment service" means an establishment:
- 2900 (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and  
2901 Clearinghouse Activities, of the 2012 North American Industry Classification System of the  
2902 federal Executive Office of the President, Office of Management and Budget; and
  - 2903 (b) that performs electronic financial payment services.
- 2904 (47) "Employee" means the same as that term is defined in Section [59-10-401](#).
- 2905 (48) "Fixed guideway" means a public transit facility that uses and occupies:
- 2906 (a) rail for the use of public transit; or
  - 2907 (b) a separate right-of-way for the use of public transit.
- 2908 (49) "Fixed wing turbine powered aircraft" means an aircraft that:

- 2909 (a) is powered by turbine engines;
- 2910 (b) operates on jet fuel; and
- 2911 (c) has wings that are permanently attached to the fuselage of the aircraft.
- 2912 (50) "Fixed wireless service" means a telecommunications service that provides radio
- 2913 communication between fixed points.
- 2914 (51) (a) "Food and food ingredients" means substances:
- 2915 (i) regardless of whether the substances are in:
- 2916 (A) liquid form;
- 2917 (B) concentrated form;
- 2918 (C) solid form;
- 2919 (D) frozen form;
- 2920 (E) dried form; or
- 2921 (F) dehydrated form; and
- 2922 (ii) that are:
- 2923 (A) sold for:
- 2924 (I) ingestion by humans; or
- 2925 (II) chewing by humans; and
- 2926 (B) consumed for the substance's:
- 2927 (I) taste; or
- 2928 (II) nutritional value.
- 2929 (b) "Food and food ingredients" includes an item described in Subsection [~~(95)~~]
- 2930 (99)(b)(iii).
- 2931 (c) "Food and food ingredients" does not include:
- 2932 (i) an alcoholic beverage;
- 2933 (ii) tobacco; or
- 2934 (iii) prepared food.
- 2935 (52) (a) "Fundraising sales" means sales:
- 2936 (i) (A) made by a school; or
- 2937 (B) made by a school student;
- 2938 (ii) that are for the purpose of raising funds for the school to purchase equipment,
- 2939 materials, or provide transportation; and

2940 (iii) that are part of an officially sanctioned school activity.

2941 (b) For purposes of Subsection (52)(a)(iii), "officially sanctioned school activity"

2942 means a school activity:

2943 (i) that is conducted in accordance with a formal policy adopted by the school or school  
2944 district governing the authorization and supervision of fundraising activities;

2945 (ii) that does not directly or indirectly compensate an individual teacher or other  
2946 educational personnel by direct payment, commissions, or payment in kind; and

2947 (iii) the net or gross revenues from which are deposited in a dedicated account  
2948 controlled by the school or school district.

2949 (53) "Geothermal energy" means energy contained in heat that continuously flows  
2950 outward from the earth that is used as the sole source of energy to produce electricity.

2951 (54) "Governing board of the agreement" means the governing board of the agreement  
2952 that is:

2953 (a) authorized to administer the agreement; and

2954 (b) established in accordance with the agreement.

2955 (55) (a) [~~For purposes of Subsection 59-12-104(41), "governmental]~~ "Governmental  
2956 entity" means:

2957 (i) the executive branch of the state, including all departments, institutions, boards,  
2958 divisions, bureaus, offices, commissions, and committees;

2959 (ii) the judicial branch of the state, including the courts, the Judicial Council, the  
2960 Administrative Office of the Courts, and similar administrative units in the judicial branch;

2961 (iii) the legislative branch of the state, including the House of Representatives, the  
2962 Senate, the Legislative Printing Office, the Office of Legislative Research and General  
2963 Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal  
2964 Analyst;

2965 (iv) the National Guard;

2966 (v) an independent entity as defined in Section 63E-1-102; or

2967 (vi) a political subdivision as defined in Section 17B-1-102.

2968 (b) "Governmental entity" does not include the state systems of public and higher  
2969 education, including:

2970 (i) a school;

- 2971 (ii) the State Board of Education;
- 2972 (iii) the State Board of Regents; or
- 2973 (iv) an institution of higher education described in Section [53B-1-102](#).
- 2974 (56) "Hydroelectric energy" means water used as the sole source of energy to produce
- 2975 electricity.
- 2976 (57) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil, or
- 2977 other fuels:
- 2978 (a) in mining or extraction of minerals;
- 2979 (b) in agricultural operations to produce an agricultural product up to the time of
- 2980 harvest or placing the agricultural product into a storage facility, including:
- 2981 (i) commercial greenhouses;
- 2982 (ii) irrigation pumps;
- 2983 (iii) farm machinery;
- 2984 (iv) implements of husbandry as defined in Section [41-1a-102](#) that are not registered
- 2985 under Title 41, Chapter 1a, Part 2, Registration; and
- 2986 (v) other farming activities;
- 2987 (c) in manufacturing tangible personal property at an establishment described in:
- 2988 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
- 2989 the federal Executive Office of the President, Office of Management and Budget; or
- 2990 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
- 2991 American Industry Classification System of the federal Executive Office of the President,
- 2992 Office of Management and Budget;
- 2993 (d) by a scrap recycler if:
- 2994 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
- 2995 one or more of the following items into prepared grades of processed materials for use in new
- 2996 products:
- 2997 (A) iron;
- 2998 (B) steel;
- 2999 (C) nonferrous metal;
- 3000 (D) paper;
- 3001 (E) glass;

3002 (F) plastic;

3003 (G) textile; or

3004 (H) rubber; and

3005 (ii) the new products under Subsection (57)(d)(i) would otherwise be made with

3006 nonrecycled materials; or

3007 (e) in producing a form of energy or steam described in Subsection 54-2-1(3)(a) by a

3008 cogeneration facility as defined in Section 54-2-1.

3009 ~~[(58)(a) Except as provided in Subsection (58)(b), "installation charge" means a~~

3010 ~~charge for installing:]~~

3011 ~~[(i) tangible personal property; or]~~

3012 ~~[(ii) a product transferred electronically.]~~

3013 ~~[(b) "Installation charge" does not include a charge for:]~~

3014 ~~[(i) repairs or renovations of:]~~

3015 ~~[(A) tangible personal property; or]~~

3016 ~~[(B) a product transferred electronically; or]~~

3017 ~~[(ii) attaching tangible personal property or a product transferred electronically:]~~

3018 ~~[(A) to other tangible personal property; and]~~

3019 ~~[(B) as part of a manufacturing or fabrication process.]~~

3020 (58) (a) "Installation charge" means a charge:

3021 (i) by a seller of:

3022 (A) tangible personal property; or

3023 (B) a product transferred electronically; and

3024 (ii) for installing the tangible personal property or the product transferred electronically

3025 described in Subsection (58)(a)(i).

3026 (b) "Installation charge" does not include a charge for:

3027 (i) installing tangible personal property if the tangible personal property is permanently

3028 attached to real property;

3029 (ii) converting tangible personal property to real property.

3030 (59) "Institution of higher education" means an institution of higher education listed in

3031 Section 53B-2-101.

3032 (60) (a) "Lease" or "rental" means a transfer of possession or control of tangible

- 3033 personal property or a product transferred electronically for:
- 3034 (i) (A) a fixed term; or
- 3035 (B) an indeterminate term; and
- 3036 (ii) consideration.
- 3037 (b) "Lease" or "rental" includes an agreement covering a motor vehicle and trailer if the
- 3038 amount of consideration may be increased or decreased by reference to the amount realized
- 3039 upon sale or disposition of the property as defined in Section 7701(h)(1), Internal Revenue
- 3040 Code.
- 3041 (c) "Lease" or "rental" does not include:
- 3042 (i) a transfer of possession or control of property under a security agreement or
- 3043 deferred payment plan that requires the transfer of title upon completion of the required
- 3044 payments;
- 3045 (ii) a transfer of possession or control of property under an agreement that requires the
- 3046 transfer of title:
- 3047 (A) upon completion of required payments; and
- 3048 (B) if the payment of an option price does not exceed the greater of:
- 3049 (I) \$100; or
- 3050 (II) 1% of the total required payments; or
- 3051 (iii) providing tangible personal property along with an operator for a fixed period of
- 3052 time or an indeterminate period of time if the operator is necessary for equipment to perform as
- 3053 designed.
- 3054 (d) For purposes of Subsection (60)(c)(iii), an operator is necessary for equipment to
- 3055 perform as designed if the operator's duties exceed the:
- 3056 (i) set-up of tangible personal property;
- 3057 (ii) maintenance of tangible personal property; or
- 3058 (iii) inspection of tangible personal property.
- 3059 (61) "Life science establishment" means an establishment in this state that is classified
- 3060 under the following NAICS codes of the 2007 North American Industry Classification System
- 3061 of the federal Executive Office of the President, Office of Management and Budget:
- 3062 (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;
- 3063 (b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus

3064 Manufacturing; or

3065 (c) NAICS Code 334517, Irradiation Apparatus Manufacturing.

3066 (62) "Life science research and development facility" means a facility owned, leased,  
3067 or rented by a life science establishment if research and development is performed in 51% or  
3068 more of the total area of the facility.

3069 (63) "Load and leave" means delivery to a purchaser by use of a tangible storage media  
3070 if the tangible storage media is not physically transferred to the purchaser.

3071 (64) "Local taxing jurisdiction" means a:

3072 (a) county that is authorized to impose an agreement sales and use tax;

3073 (b) city that is authorized to impose an agreement sales and use tax; or

3074 (c) town that is authorized to impose an agreement sales and use tax.

3075 (65) "Manufactured home" means the same as that term is defined in Section  
3076 [15A-1-302](#).

3077 (66) "Manufacturing facility" means:

3078 (a) an establishment described in:

3079 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of  
3080 the federal Executive Office of the President, Office of Management and Budget; or

3081 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North  
3082 American Industry Classification System of the federal Executive Office of the President,  
3083 Office of Management and Budget;

3084 (b) a scrap recycler if:

3085 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process  
3086 one or more of the following items into prepared grades of processed materials for use in new  
3087 products:

3088 (A) iron;

3089 (B) steel;

3090 (C) nonferrous metal;

3091 (D) paper;

3092 (E) glass;

3093 (F) plastic;

3094 (G) textile; or

3095 (H) rubber; and

3096 (ii) the new products under Subsection (66)(b)(i) would otherwise be made with  
3097 nonrecycled materials; or

3098 (c) a cogeneration facility as defined in Section 54-2-1 if the cogeneration facility is  
3099 placed in service on or after May 1, 2006.

3100 (67) (a) "Marketplace" means a physical or electronic place, platform, or forum where  
3101 tangible personal property, a product transferred electronically, or a service is offered for sale.

3102 (b) "Marketplace" includes a store, a booth, an Internet website, a catalog, or a  
3103 dedicated sales software application.

3104 (68) (a) "Marketplace facilitator" means a person, including an affiliate of the person,  
3105 that enters into a contract, an agreement, or otherwise with sellers, for consideration, to  
3106 facilitate the sale of a seller's product through a marketplace that the person owns, operates, or  
3107 controls and that directly or indirectly:

3108 (i) does any of the following:

3109 (A) lists, makes available, or advertises tangible personal property, a product  
3110 transferred electronically, or a service for sale by a marketplace seller on a marketplace that the  
3111 person owns, operates, or controls;

3112 (B) facilitates the sale of a marketplace seller's tangible personal property, product  
3113 transferred electronically, or service by transmitting or otherwise communicating an offer or  
3114 acceptance of a retail sale between the marketplace seller and a purchaser using the  
3115 marketplace;

3116 (C) owns, rents, licenses, makes available, or operates any electronic or physical  
3117 infrastructure or any property, process, method, copyright, trademark, or patent that connects a  
3118 marketplace seller to a purchaser for the purpose of making a retail sale of tangible personal  
3119 property, a product transferred electronically, or a service;

3120 (D) provides a marketplace for making, or otherwise facilitates, a retail sale of tangible  
3121 personal property, a product transferred electronically, or a service, regardless of ownership or  
3122 control of the tangible personal property, the product transferred electronically, or the service  
3123 that is the subject of the retail sale;

3124 (E) provides software development or research and development activities related to  
3125 any activity described in this Subsection (68)(a)(i), if the software development or research and

3126 development activity is directly related to the person's marketplace;  
3127 (F) provides or offers fulfillment or storage services for a marketplace seller;  
3128 (G) sets prices for the sale of tangible personal property, a product transferred  
3129 electronically, or a service by a marketplace seller;  
3130 (H) provides or offers customer service to a marketplace seller or a marketplace seller's  
3131 purchaser or accepts or assists with taking orders, returns, or exchanges of tangible personal  
3132 property, a product transferred electronically, or a service sold by a marketplace seller on the  
3133 person's marketplace; or  
3134 (I) brands or otherwise identifies sales as those of the person; and  
3135 (ii) does any of the following:  
3136 (A) collects the sales price or purchase price of a retail sale of tangible personal  
3137 property, a product transferred electronically, or a service;  
3138 (B) provides payment processing services for a retail sale of tangible personal property,  
3139 a product transferred electronically, or a service;  
3140 (C) charges, collects, or otherwise receives a selling fee, listing fee, referral fee, closing  
3141 fee, a fee for inserting or making available tangible personal property, a product transferred  
3142 electronically, or a service on the person's marketplace, or other consideration for the  
3143 facilitation of a retail sale of tangible personal property, a product transferred electronically, or  
3144 a service, regardless of ownership or control of the tangible personal property, the product  
3145 transferred electronically, or the service that is the subject of the retail sale;  
3146 (D) through terms and conditions, an agreement, or another arrangement with a third  
3147 person, collects payment from a purchase for a retail sale of tangible personal property, a  
3148 product transferred electronically, or a service and transmits that payment to the marketplace  
3149 seller, regardless of whether the third person receives compensation or other consideration in  
3150 exchange for the service; or  
3151 (E) provides a virtual currency for a purchaser to use to purchase tangible personal  
3152 property, a product transferred electronically, or service offered for sale.  
3153 (b) "Marketplace facilitator" does not include a person that only provides payment  
3154 processing services.  
3155 (69) "Marketplace seller" means a seller that makes one or more retail sales through a  
3156 marketplace that a marketplace facilitator owns, operates, or controls, regardless of whether the

3157 seller is required to be registered to collect and remit the tax under this part.

3158 (70) "Member of the immediate family of the producer" means a person who is related  
3159 to a producer described in Subsection ~~59-12-104(20)~~(17)(a) as a:

3160 (a) child or stepchild, regardless of whether the child or stepchild is:

3161 (i) an adopted child or adopted stepchild; or

3162 (ii) a foster child or foster stepchild;

3163 (b) grandchild or stepgrandchild;

3164 (c) grandparent or stepgrandparent;

3165 (d) nephew or stepnephew;

3166 (e) niece or stepniece;

3167 (f) parent or stepparent;

3168 (g) sibling or stepsibling;

3169 (h) spouse;

3170 (i) person who is the spouse of a person described in Subsections (70)(a) through (g);

3171 or

3172 (j) person similar to a person described in Subsections (70)(a) through (i) as

3173 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah

3174 Administrative Rulemaking Act.

3175 (71) (a) "Menstrual products" means:

3176 (i) tampons;

3177 (ii) panty liners;

3178 (iii) menstrual cups;

3179 (iv) sanitary napkins; or

3180 (v) other similar tangible personal property designed for hygiene in connection with the

3181 human menstrual cycle.

3182 (b) "Menstrual products" does not include:

3183 (i) soaps or cleaning solutions;

3184 (ii) shampoo;

3185 (iii) toothpaste;

3186 (iv) mouthwash;

3187 (v) antiperspirants; or

3188 (vi) suntan lotions or screens.

3189 ~~[(71)]~~ (72) "Mobile home" means the same as that term is defined in Section  
3190 15A-1-302.

3191 ~~[(72)]~~ (73) "Mobile telecommunications service" means the same as that term is  
3192 defined in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

3193 ~~[(73)]~~ (74) (a) "Mobile wireless service" means a telecommunications service,  
3194 regardless of the technology used, if:

3195 (i) the origination point of the conveyance, routing, or transmission is not fixed;

3196 (ii) the termination point of the conveyance, routing, or transmission is not fixed; or

3197 (iii) the origination point described in Subsection ~~[(73)]~~ (74)(a)(i) and the termination  
3198 point described in Subsection ~~[(73)]~~ (74)(a)(ii) are not fixed.

3199 (b) "Mobile wireless service" includes a telecommunications service that is provided  
3200 by a commercial mobile radio service provider.

3201 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
3202 commission may by rule define "commercial mobile radio service provider."

3203 ~~[(74)]~~ (75) (a) ~~[Except as provided in Subsection (74)(c), "mobility]~~ "Mobility  
3204 enhancing equipment" means equipment that is:

3205 (i) primarily and customarily used to provide or increase the ability to move from one  
3206 place to another;

3207 (ii) appropriate for use in a:

3208 (A) home; or

3209 (B) motor vehicle; and

3210 (iii) not generally used by persons with normal mobility.

3211 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of  
3212 the equipment described in Subsection ~~[(74)]~~ (75)(a).

3213 (c) "Mobility enhancing equipment" does not include:

3214 (i) a motor vehicle;

3215 (ii) equipment on a motor vehicle if that equipment is normally provided by the motor  
3216 vehicle manufacturer;

3217 (iii) durable medical equipment; or

3218 (iv) a prosthetic device.

3219            [~~(75)~~] (76) "Model 1 seller" means a seller registered under the agreement that has  
3220 selected a certified service provider as the seller's agent to perform the seller's sales and use tax  
3221 functions for agreement sales and use taxes, as outlined in the contract between the governing  
3222 board of the agreement and the certified service provider, other than the seller's obligation  
3223 under Section 59-12-124 to remit a tax on the seller's own purchases.

3224            [~~(76)~~] (77) "Model 2 seller" means a seller registered under the agreement that:

3225            (a) except as provided in Subsection [~~(76)~~] (77)(b), has selected a certified automated  
3226 system to perform the seller's sales tax functions for agreement sales and use taxes; and

3227            (b) retains responsibility for remitting all of the sales tax:

3228            (i) collected by the seller; and

3229            (ii) to the appropriate local taxing jurisdiction.

3230            [~~(77)~~] (78) (a) Subject to Subsection [~~(77)~~] (78)(b), "model 3 seller" means a seller  
3231 registered under the agreement that has:

3232            (i) sales in at least five states that are members of the agreement;

3233            (ii) total annual sales [~~revenues~~] revenue of at least \$500,000,000;

3234            (iii) a proprietary system that calculates the amount of tax:

3235            (A) for an agreement sales and use tax; and

3236            (B) due to each local taxing jurisdiction; and

3237            (iv) entered into a performance agreement with the governing board of the agreement.

3238            (b) [~~For purposes of Subsection (77)(a), "model~~] "Model 3 seller" includes an affiliated  
3239 group of sellers using the same proprietary system.

3240            [~~(78)~~] (79) "Model 4 seller" means a seller that is registered under the agreement and is  
3241 not a model 1 seller, model 2 seller, or model 3 seller.

3242            [~~(79)~~] (80) "Modular home" means a modular unit as defined in Section 15A-1-302.

3243            [~~(80)~~] (81) "Motor vehicle" means the same as that term is defined in Section  
3244 41-1a-102.

3245            [~~(81)~~] (82) "Oil sands" means impregnated bituminous sands that:

3246            (a) contain a heavy, thick form of petroleum that is released when heated, mixed with  
3247 other hydrocarbons, or otherwise treated;

3248            (b) yield mixtures of liquid hydrocarbon; and

3249            (c) require further processing other than mechanical blending before becoming finished

3250 petroleum products.

3251 ~~[(82)]~~ (83) "Oil shale" means a group of fine black to dark brown shales containing  
3252 kerogen material that yields petroleum upon heating and distillation.

3253 ~~[(83)]~~ (84) "Optional computer software maintenance contract" means a computer  
3254 software maintenance contract that a customer is not obligated to purchase as a condition to the  
3255 retail sale of computer software.

3256 ~~[(84)]~~ (85) (a) "Other fuels" means products that burn independently to produce heat or  
3257 energy.

3258 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible  
3259 personal property.

3260 ~~[(85)]~~ (86) (a) "Paging service" means a telecommunications service that provides  
3261 transmission of a coded radio signal for the purpose of activating a specific pager.

3262 (b) For purposes of Subsection ~~[(85)]~~ (86)(a), the transmission of a coded radio signal  
3263 includes a transmission by message or sound.

3264 (87) "Pawn transaction" means the same as that term is defined in Section [13-32a-102](#).

3265 ~~[(86)]~~ (88) "Pawnbroker" means the same as that term is defined in Section  
3266 [13-32a-102](#).

3267 ~~[(87)] "Pawn transaction" means the same as that term is defined in Section~~  
3268 ~~[13-32a-102](#).~~

3269 ~~[(88)]~~ (89) (a) "Permanently attached to real property" means that for tangible personal  
3270 property attached to real property:

3271 (i) the attachment of the tangible personal property to the real property:

3272 (A) is essential to the use of the tangible personal property; and

3273 (B) suggests that the tangible personal property will remain attached to the real  
3274 property in the same place over the useful life of the tangible personal property; or

3275 (ii) if the tangible personal property is detached from the real property, the detachment  
3276 would:

3277 (A) cause substantial damage to the tangible personal property; or

3278 (B) require substantial alteration or repair of the real property to which the tangible  
3279 personal property is attached.

3280 (b) "Permanently attached to real property" includes:

- 3281 (i) the attachment of an accessory to the tangible personal property if the accessory is:  
3282 (A) essential to the operation of the tangible personal property; and  
3283 (B) attached only to facilitate the operation of the tangible personal property;
- 3284 (ii) a temporary detachment of tangible personal property from real property for a  
3285 repair or renovation if the repair or renovation is performed where the tangible personal  
3286 property and real property are located; or
- 3287 (iii) property attached to oil, gas, or water pipelines, except for the property listed in  
3288 Subsection [~~(88)~~] (89)(c)(iii) or (iv).
- 3289 (c) "Permanently attached to real property" does not include:
- 3290 (i) the attachment of portable or movable tangible personal property to real property if  
3291 that portable or movable tangible personal property is attached to real property only for:  
3292 (A) convenience;  
3293 (B) stability; or  
3294 (C) for an obvious temporary purpose;
- 3295 (ii) the detachment of tangible personal property from real property except for the  
3296 detachment described in Subsection [~~(88)~~] (89)(b)(ii);
- 3297 (iii) an attachment of the following tangible personal property to real property if the  
3298 attachment to real property is only through a line that supplies water, electricity, gas,  
3299 telecommunications, cable, or supplies a similar item as determined by the commission by rule  
3300 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:
- 3301 (A) a computer;  
3302 (B) a telephone;  
3303 (C) a television; or  
3304 (D) tangible personal property similar to Subsections [~~(88)~~] (89)(c)(iii)(A) through (C)  
3305 as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah  
3306 Administrative Rulemaking Act; or
- 3307 (iv) an item listed in Subsection [~~(129)~~] (135)(c).
- 3308 [~~(89)~~] (90) "Person" includes any individual, firm, partnership, joint venture,  
3309 association, corporation, estate, trust, business trust, receiver, syndicate, this state, any county,  
3310 city, municipality, district, or other local governmental entity of the state, or any group or  
3311 combination acting as a unit.

3312 (91) (a) "Personal transportation service" means the transportation of one or more  
3313 individuals by motor vehicle.

3314 (b) "Personal transportation" includes taxicab service, limousine service, driver service,  
3315 shuttle service, scenic or sightseeing transportation, and a prearranged ride as defined in  
3316 Section [13-51-102](#).

3317 (c) "Personal transportation service" does not include:

3318 (i) services provided by or through a governmental entity;

3319 (ii) transportation by ambulance as defined in Section [26-8a-102](#);

3320 (iii) transportation provided in connection with a funeral; or

3321 (iv) transportation by a low-speed vehicle, as defined in Section [41-6a-102](#), within a  
3322 county of the first class, as classified in Section [17-50-501](#).

3323 (92) (a) "Pet boarding or care" means the furnishing of:

3324 (i) boarding for a pet; or

3325 (ii) daytime care for a pet at a location other than the pet owner's residence where the  
3326 pet is dropped off and picked up.

3327 (b) "Pet boarding or care" does not include a service described in Subsection (92)(a):

3328 (i) by a veterinarian licensed under Title 58, Chapter 28, Veterinary Practice Act, in  
3329 conjunction with a veterinary medical service; or

3330 (ii) for a working animal, livestock, or a laboratory animal.

3331 (93) (a) "Pet grooming" means:

3332 (i) cleaning, maintaining, or enhancing the physical appearance of a pet; or

3333 (ii) furnishing other hygienic care for a pet.

3334 (b) "Pet grooming" does not include a service described in Subsection (93)(a):

3335 (i) by a veterinarian licensed under Title 58, Chapter 28, Veterinary Practice Act, in  
3336 conjunction with a veterinary medical service; or

3337 (ii) for a working animal, livestock, or a laboratory animal.

3338 ~~[(90)]~~ (94) "Place of primary use":

3339 (a) for telecommunications service other than mobile telecommunications service,  
3340 means the street address representative of where the customer's use of the telecommunications  
3341 service primarily occurs, which shall be:

3342 (i) the residential street address of the customer; or

3343 (ii) the primary business street address of the customer; or

3344 (b) for mobile telecommunications service, means the same as that term is defined in  
3345 the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

3346 ~~[(91)]~~ (95) (a) "Postpaid calling service" means a telecommunications service a person  
3347 obtains by making a payment on a call-by-call basis:

3348 (i) through the use of a:

3349 (A) bank card;

3350 (B) credit card;

3351 (C) debit card; or

3352 (D) travel card; or

3353 (ii) by a charge made to a telephone number that is not associated with the origination  
3354 or termination of the telecommunications service.

3355 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling  
3356 service, that would be a prepaid wireless calling service if the service were exclusively a  
3357 telecommunications service.

3358 ~~[(92)]~~ (96) "Postproduction" means an activity related to the finishing or duplication of  
3359 a medium described in Subsection 59-12-104~~[(54)]~~(47)(a).

3360 ~~[(93)]~~ (97) "Prepaid calling service" means a telecommunications service:

3361 (a) that allows a purchaser access to telecommunications service that is exclusively  
3362 telecommunications service;

3363 (b) that:

3364 (i) is paid for in advance; and

3365 (ii) enables the origination of a call using an:

3366 (A) access number; or

3367 (B) authorization code;

3368 (c) that is dialed:

3369 (i) manually; or

3370 (ii) electronically; and

3371 (d) sold in predetermined units or dollars that decline:

3372 (i) by a known amount; and

3373 (ii) with use.

- 3374 [~~(94)~~] (98) "Prepaid wireless calling service" means a telecommunications service:
- 3375 (a) that provides the right to utilize:
- 3376 (i) mobile wireless service; and
- 3377 (ii) other service that is not a telecommunications service, including:
- 3378 (A) the download of a product transferred electronically;
- 3379 (B) a content service; or
- 3380 (C) an ancillary service;
- 3381 (b) that:
- 3382 (i) is paid for in advance; and
- 3383 (ii) enables the origination of a call using an:
- 3384 (A) access number; or
- 3385 (B) authorization code;
- 3386 (c) that is dialed:
- 3387 (i) manually; or
- 3388 (ii) electronically; and
- 3389 (d) sold in predetermined units or dollars that decline:
- 3390 (i) by a known amount; and
- 3391 (ii) with use.
- 3392 [~~(95)~~] (99) (a) "Prepared food" means:
- 3393 (i) food:
- 3394 (A) sold in a heated state; or
- 3395 (B) heated by a seller;
- 3396 (ii) two or more food ingredients mixed or combined by the seller for sale as a single
- 3397 item; or
- 3398 (iii) except as provided in Subsection [~~(95)~~] (99)(c), food sold with an eating utensil
- 3399 provided by the seller, including a:
- 3400 (A) plate;
- 3401 (B) knife;
- 3402 (C) fork;
- 3403 (D) spoon;
- 3404 (E) glass;

- 3405 (F) cup;
- 3406 (G) napkin; or
- 3407 (H) straw.
- 3408 (b) "Prepared food" does not include:
- 3409 (i) food that a seller only:
- 3410 (A) cuts;
- 3411 (B) repackages; or
- 3412 (C) pasteurizes; or
- 3413 (ii) (A) the following:
- 3414 (I) raw egg;
- 3415 (II) raw fish;
- 3416 (III) raw meat;
- 3417 (IV) raw poultry; or
- 3418 (V) a food containing an item described in Subsections [~~95~~] (99)(b)(ii)(A)(I) through
- 3419 (IV); and
- 3420 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the
- 3421 Food and Drug Administration's Food Code that a consumer cook the items described in
- 3422 Subsection [~~95~~] (99)(b)(ii)(A) to prevent food borne illness; or
- 3423 (iii) the following if sold without eating utensils provided by the seller:
- 3424 (A) food and food ingredients sold by a seller if the seller's proper primary
- 3425 classification under the 2002 North American Industry Classification System of the federal
- 3426 Executive Office of the President, Office of Management and Budget, is manufacturing in
- 3427 Sector 311, Food Manufacturing, except for Subsector 3118, Bakeries and Tortilla
- 3428 Manufacturing;
- 3429 (B) food and food ingredients sold in an unheated state:
- 3430 (I) by weight or volume; and
- 3431 (II) as a single item; or
- 3432 (C) a bakery item, including:
- 3433 (I) a bagel;
- 3434 (II) a bar;
- 3435 (III) a biscuit;

- 3436 (IV) bread;
- 3437 (V) a bun;
- 3438 (VI) a cake;
- 3439 (VII) a cookie;
- 3440 (VIII) a croissant;
- 3441 (IX) a danish;
- 3442 (X) a donut;
- 3443 (XI) a muffin;
- 3444 (XII) a pastry;
- 3445 (XIII) a pie;
- 3446 (XIV) a roll;
- 3447 (XV) a tart;
- 3448 (XVI) a torte; or
- 3449 (XVII) a tortilla.
- 3450 (c) An eating utensil provided by the seller does not include the following used to
- 3451 transport the food:
  - 3452 (i) a container; or
  - 3453 (ii) packaging.
- 3454 ~~[(96)]~~ (100) "Prescription" means an order, formula, or recipe that is issued:
- 3455 (a) (i) orally;
- 3456 (ii) in writing;
- 3457 (iii) electronically; or
- 3458 (iv) by any other manner of transmission; and
- 3459 (b) by a licensed practitioner authorized by the laws of a state.
- 3460 ~~[(97)]~~ (101) (a) ~~[Except as provided in Subsection (97)(b)(ii) or (iii), "prewritten]~~
- 3461 "Prewritten computer software" means computer software that is not designed and developed:
  - 3462 (i) by the author or other creator of the computer software; and
  - 3463 (ii) to the specifications of a specific purchaser.
  - 3464 (b) "Prewritten computer software" includes:
    - 3465 (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer
    - 3466 software is not designed and developed:

- 3467 (A) by the author or other creator of the computer software; and  
3468 (B) to the specifications of a specific purchaser;
- 3469 (ii) computer software designed and developed by the author or other creator of the  
3470 computer software to the specifications of a specific purchaser if the computer software is sold  
3471 to a person other than the purchaser; or
- 3472 (iii) except as provided in Subsection [~~97~~] (101)(c), prewritten computer software or  
3473 a prewritten portion of prewritten computer software:
- 3474 (A) that is modified or enhanced to any degree; and  
3475 (B) if the modification or enhancement described in Subsection [~~97~~] (101)(b)(iii)(A)  
3476 is designed and developed to the specifications of a specific purchaser.
- 3477 (c) "Prewritten computer software" does not include a modification or enhancement  
3478 described in Subsection [~~97~~] (101)(b)(iii) if the charges for the modification or enhancement  
3479 are:
- 3480 (i) reasonable; and  
3481 (ii) subject to Subsections 59-12-103(2)(e)(ii) and (2)(f)(i), separately stated on the  
3482 invoice or other statement of price provided to the purchaser at the time of sale or later, as  
3483 demonstrated by:
- 3484 (A) the books and records the seller keeps at the time of the transaction in the regular  
3485 course of business, including books and records the seller keeps at the time of the transaction in  
3486 the regular course of business for nontax purposes;
- 3487 (B) a preponderance of the facts and circumstances at the time of the transaction; and  
3488 (C) the understanding of all of the parties to the transaction.
- 3489 [~~98~~] (102) (a) "Private communications service" means a telecommunications  
3490 service:
- 3491 (i) that entitles a customer to exclusive or priority use of one or more communications  
3492 channels between or among termination points; and
- 3493 (ii) regardless of the manner in which the one or more communications channels are  
3494 connected.
- 3495 (b) "Private communications service" includes the following provided in connection  
3496 with the use of one or more communications channels:
- 3497 (i) an extension line;

- 3498 (ii) a station;
- 3499 (iii) switching capacity; or
- 3500 (iv) another associated service that is provided in connection with the use of one or
- 3501 more communications channels as defined in Section [59-12-215](#).
- 3502 ~~[(99)]~~ (103) (a) ~~[Except as provided in Subsection (99)(b), "product]~~ "Product
- 3503 transferred electronically" means a product transferred electronically that would be subject to a
- 3504 tax under this chapter if that product was transferred in a manner other than electronically.
- 3505 (b) "Product transferred electronically" does not include:
- 3506 (i) an ancillary service;
- 3507 (ii) computer software; or
- 3508 (iii) a telecommunications service.
- 3509 ~~[(100)]~~ (104) (a) "Prosthetic device" means a device that is worn on or in the body to:
- 3510 (i) artificially replace a missing portion of the body;
- 3511 (ii) prevent or correct a physical deformity or physical malfunction; or
- 3512 (iii) support a weak or deformed portion of the body.
- 3513 (b) "Prosthetic device" includes:
- 3514 (i) parts used in the repairs or renovation of a prosthetic device;
- 3515 (ii) replacement parts for a prosthetic device;
- 3516 (iii) a dental prosthesis; or
- 3517 (iv) a hearing aid.
- 3518 (c) "Prosthetic device" does not include:
- 3519 (i) corrective eyeglasses; or
- 3520 (ii) contact lenses.
- 3521 ~~[(101)]~~ (105) (a) "Protective equipment" means an item:
- 3522 (i) for human wear; and
- 3523 (ii) that is:
- 3524 (A) designed as protection:
- 3525 (I) to the wearer against injury or disease; or
- 3526 (II) against damage or injury of other persons or property; and
- 3527 (B) not suitable for general use.
- 3528 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

3529 commission shall make rules:

3530 (i) listing the items that constitute "protective equipment"; and

3531 (ii) that are consistent with the list of items that constitute "protective equipment"

3532 under the agreement.

3533 [~~(102)~~] (106) (a) For purposes of Subsection 59-12-104[~~(41)~~](36), "publication" means  
3534 any written or printed matter, other than a photocopy:

3535 (i) regardless of:

3536 (A) characteristics;

3537 (B) copyright;

3538 (C) form;

3539 (D) format;

3540 (E) method of reproduction; or

3541 (F) source; and

3542 (ii) made available in printed or electronic format.

3543 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
3544 commission may by rule define the term "photocopy."

3545 [~~(103)~~] (107) (a) "Purchase price" and "sales price" mean the total amount of  
3546 consideration:

3547 (i) valued in money; and

3548 (ii) for which tangible personal property, a product transferred electronically, or

3549 services are:

3550 (A) sold;

3551 (B) leased; or

3552 (C) rented.

3553 (b) "Purchase price" and "sales price" include:

3554 (i) the seller's cost of the tangible personal property, a product transferred  
3555 electronically, or services sold;

3556 (ii) expenses of the seller, including:

3557 (A) the cost of materials used;

3558 (B) a labor cost;

3559 (C) a service cost;

- 3560 (D) interest;
- 3561 (E) a loss;
- 3562 (F) the cost of transportation to the seller; or
- 3563 (G) a tax imposed on the seller;
- 3564 (iii) a delivery charge; or
- 3565 (iv) an installation charge;
- 3566 [~~(iii)~~] (v) a charge by the seller for any service necessary to complete the sale; or
- 3567 [~~(iv)~~] (vi) consideration a seller receives from a person other than the purchaser if:
- 3568 (A) (I) the seller actually receives consideration from a person other than the purchaser;
- 3569 and
- 3570 (II) the consideration described in Subsection [~~(103)~~] (107)(b)[~~(iv)~~](vi)(A)(I) is directly
- 3571 related to a price reduction or discount on the sale;
- 3572 (B) the seller has an obligation to pass the price reduction or discount through to the
- 3573 purchaser;
- 3574 (C) the amount of the consideration attributable to the sale is fixed and determinable by
- 3575 the seller at the time of the sale to the purchaser; and
- 3576 (D) (I) (Aa) the purchaser presents a certificate, coupon, or other documentation to the
- 3577 seller to claim a price reduction or discount; and
- 3578 (Bb) a person other than the seller authorizes, distributes, or grants the certificate,
- 3579 coupon, or other documentation with the understanding that the person other than the seller
- 3580 will reimburse any seller to whom the certificate, coupon, or other documentation is presented;
- 3581 (II) the purchaser identifies that purchaser to the seller as a member of a group or
- 3582 organization allowed a price reduction or discount, except that a preferred customer card that is
- 3583 available to any patron of a seller does not constitute membership in a group or organization
- 3584 allowed a price reduction or discount; or
- 3585 (III) the price reduction or discount is identified as a third party price reduction or
- 3586 discount on the:
- 3587 (Aa) invoice the purchaser receives; or
- 3588 (Bb) certificate, coupon, or other documentation the purchaser presents.
- 3589 (c) "Purchase price" and "sales price" do not include:
- 3590 (i) a discount:

- 3591 (A) in a form including:
- 3592 (I) cash;
- 3593 (II) term; or
- 3594 (III) coupon;
- 3595 (B) that is allowed by a seller;
- 3596 (C) taken by a purchaser on a sale; and
- 3597 (D) that is not reimbursed by a third party; or
- 3598 (ii) subject to Subsections ~~59-12-103~~(2)(e)(ii) and (2)(f)(i), the following if separately
- 3599 stated on an invoice, bill of sale, or similar document provided to the purchaser at the time of
- 3600 sale or later, as demonstrated by the books and records the seller keeps at the time of the
- 3601 transaction in the regular course of business, including books and records the seller keeps at the
- 3602 time of the transaction in the regular course of business for nontax purposes, by a
- 3603 preponderance of the facts and circumstances at the time of the transaction, and by the
- 3604 understanding of all of the parties to the transaction:
- 3605 (A) the following from credit extended on the sale of tangible personal property or
- 3606 services:
- 3607 (I) a carrying charge;
- 3608 (II) a financing charge; or
- 3609 (III) an interest charge;
- 3610 [~~(B) a delivery charge;~~]
- 3611 [~~(C) an installation charge;~~]
- 3612 [~~(D)~~] (B) a manufacturer rebate on a motor vehicle; or
- 3613 [~~(E)~~] (C) a tax or fee legally imposed directly on the consumer.
- 3614 [~~(104)~~] (108) "Purchaser" means a person to whom:
- 3615 (a) a sale of tangible personal property is made;
- 3616 (b) a product is transferred electronically; or
- 3617 (c) a service is furnished.
- 3618 [~~(105)~~] (109) "Qualifying [~~enterprise~~] data center" means [~~an establishment that will:~~
- 3619 ~~(a) own and operate~~] a data center facility that [~~will house~~]:
- 3620 (a) houses a group of networked server computers in one physical location in order to
- 3621 [~~centralize the dissemination, management, and storage of~~] disseminate, manage, and store data

3622 and information;

3623 (b) ~~[be]~~ is located in the state;

3624 (c) ~~[be]~~ is a new operation constructed on or after July 1, 2016;

3625 (d) ~~[consist]~~ consists of one or more buildings that total 150,000 or more square feet;

3626 (e) ~~[be]~~ is owned or leased by:

3627 (i) the ~~[establishment]~~ operator of the data center facility; or

3628 (ii) a person under common ownership, as defined in Section 59-7-101, of the

3629 ~~[establishment]~~ operator of the data center facility; and

3630 (f) ~~[be]~~ is located on one or more parcels of land that are owned or leased by:

3631 (i) the ~~[establishment]~~ operator of the data center facility; or

3632 (ii) a person under common ownership, as defined in Section 59-7-101, of the

3633 ~~[establishment]~~ operator of the data center facility.

3634 ~~[(106)]~~ (110) "Regularly rented" means:

3635 (a) rented to a guest for value three or more times during a calendar year; or

3636 (b) advertised or held out to the public as a place that is regularly rented to guests for  
3637 value.

3638 ~~[(107)]~~ (111) "Rental" means the same as that term is defined in Subsection (60).

3639 ~~[(108)]~~ (112) (a) ~~[Except as provided in Subsection (108)(b), "repairs"]~~ "Repairs or  
3640 renovations of tangible personal property" means:

3641 (i) a repair or renovation of tangible personal property that is not permanently attached  
3642 to real property; or

3643 (ii) attaching tangible personal property or a product transferred electronically to other  
3644 tangible personal property or detaching tangible personal property or a product transferred  
3645 electronically from other tangible personal property if:

3646 (A) the other tangible personal property to which the tangible personal property or  
3647 product transferred electronically is attached or from which the tangible personal property or  
3648 product transferred electronically is detached is not permanently attached to real property; and

3649 (B) the attachment of tangible personal property or a product transferred electronically  
3650 to other tangible personal property or detachment of tangible personal property or a product  
3651 transferred electronically from other tangible personal property is made in conjunction with a  
3652 repair or replacement of tangible personal property or a product transferred electronically.

3653 (b) "Repairs or renovations of tangible personal property" does not include:

3654 (i) attaching prewritten computer software to other tangible personal property if the  
3655 other tangible personal property to which the prewritten computer software is attached is not  
3656 permanently attached to real property; or

3657 (ii) detaching prewritten computer software from other tangible personal property if the  
3658 other tangible personal property from which the prewritten computer software is detached is  
3659 not permanently attached to real property.

3660 [~~(109)~~] (113) "Research and development" means the process of inquiry or  
3661 experimentation aimed at the discovery of facts, devices, technologies, or applications and the  
3662 process of preparing those devices, technologies, or applications for marketing.

3663 [~~(110)~~] (114) (a) "Residential telecommunications services" means a  
3664 telecommunications service or an ancillary service that is provided to an individual for personal  
3665 use:

3666 (i) at a residential address; or

3667 (ii) at an institution, including a nursing home or a school, if the telecommunications  
3668 service or ancillary service is provided to and paid for by the individual residing at the  
3669 institution rather than the institution.

3670 (b) For purposes of Subsection [~~(110)~~] (114)(a)(i), a residential address includes an:

3671 (i) apartment; or

3672 (ii) other individual dwelling unit.

3673 [~~(111)~~] (115) "Residential use" means the use in or around a home, apartment building,  
3674 sleeping quarters, and similar facilities or accommodations.

3675 [~~(112)~~] (116) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose  
3676 other than:

3677 (a) resale;

3678 (b) sublease; or

3679 (c) subrent.

3680 [~~(113)~~] (117) (a) "Retailer" means any person, unless prohibited by the Constitution of  
3681 the United States or federal law, that is engaged in a regularly organized business in tangible  
3682 personal property or any other taxable transaction under Subsection 59-12-103(1), and who is  
3683 selling to the user or consumer and not for resale.

3684 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly  
3685 engaged in the business of selling to users or consumers within the state.

3686 [~~(H4)~~] (118) (a) "Sale" means any transfer of title, exchange, or barter, conditional or  
3687 otherwise, in any manner, of tangible personal property or any other taxable transaction under  
3688 Subsection 59-12-103(1), for consideration.

3689 (b) "Sale" includes:

3690 (i) installment and credit sales;

3691 (ii) any closed transaction constituting a sale;

3692 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this  
3693 chapter;

3694 (iv) any transaction if the possession of property is transferred but the seller retains the  
3695 title as security for the payment of the price; and

3696 (v) any transaction under which right to possession, operation, or use of any article of  
3697 tangible personal property is granted under a lease or contract and the transfer of possession  
3698 would be taxable if an outright sale were made.

3699 [~~(H5)~~] (119) "Sale at retail" means the same as that term is defined in Subsection  
3700 [~~(H2)~~] (116).

3701 [~~(H6)~~] (120) "Sale-leaseback transaction" means a transaction by which title to  
3702 tangible personal property or a product transferred electronically that is subject to a tax under  
3703 this chapter is transferred:

3704 (a) by a purchaser-lessee;

3705 (b) to a lessor;

3706 (c) for consideration; and

3707 (d) if:

3708 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase  
3709 of the tangible personal property or product transferred electronically;

3710 (ii) the sale of the tangible personal property or product transferred electronically to the  
3711 lessor is intended as a form of financing:

3712 (A) for the tangible personal property or product transferred electronically; and

3713 (B) to the purchaser-lessee; and

3714 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee

3715 is required to:

3716 (A) capitalize the tangible personal property or product transferred electronically for  
3717 financial reporting purposes; and

3718 (B) account for the lease payments as payments made under a financing arrangement.

3719 [~~(117)~~] (121) "Sales price" means the same as that term is defined in Subsection  
3720 [~~(103)~~] (107).

3721 [~~(118)~~] (122) (a) "Sales relating to schools" means the following sales by, amounts  
3722 paid to, or amounts charged by a school:

3723 (i) sales that are directly related to the school's educational functions or activities  
3724 including:

3725 (A) the sale of:

3726 (I) textbooks;

3727 (II) textbook fees;

3728 (III) laboratory fees;

3729 (IV) laboratory supplies; or

3730 (V) safety equipment;

3731 (B) the sale of a uniform, protective equipment, or sports or recreational equipment  
3732 that:

3733 (I) a student is specifically required to wear as a condition of participation in a  
3734 school-related event or school-related activity; and

3735 (II) is not readily adaptable to general or continued usage to the extent that it takes the  
3736 place of ordinary clothing;

3737 (C) sales of the following if the net or gross revenues generated by the sales are  
3738 deposited into a school district fund or school fund dedicated to school meals:

3739 (I) food and food ingredients; or

3740 (II) prepared food; or

3741 (D) transportation charges for official school activities; or

3742 (ii) amounts paid to or amounts charged by a school for admission to a school-related  
3743 event or school-related activity.

3744 (b) "Sales relating to schools" does not include:

3745 (i) bookstore sales of items that are not educational materials or supplies;

- 3746 (ii) except as provided in Subsection [~~(118)~~] (122)(a)(i)(B):
- 3747 (A) clothing;
- 3748 (B) clothing accessories or equipment;
- 3749 (C) protective equipment; or
- 3750 (D) sports or recreational equipment; or
- 3751 (iii) amounts paid to or amounts charged by a school for admission to a school-related
- 3752 event or school-related activity if the amounts paid or charged are passed through to a person:
- 3753 (A) other than a:
- 3754 (I) school;
- 3755 (II) nonprofit organization authorized by a school board or a governing body of a
- 3756 private school to organize and direct a competitive secondary school activity; or
- 3757 (III) nonprofit association authorized by a school board or a governing body of a
- 3758 private school to organize and direct a competitive secondary school activity; and
- 3759 (B) that is required to collect sales and use taxes under this chapter.
- 3760 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 3761 commission may make rules defining the term "passed through."
- 3762 [~~(119)~~] (123) For purposes of this section and Section [59-12-104](#), "school" means:
- 3763 (a) an elementary school or a secondary school that:
- 3764 (i) is a:
- 3765 (A) public school; or
- 3766 (B) private school; and
- 3767 (ii) provides instruction for one or more grades kindergarten through 12; or
- 3768 (b) a public school district.
- 3769 (124) "Security system monitoring" means the service of monitoring signals from an
- 3770 alarm system, as defined in Section [58-55-102](#), regardless of whether the monitoring is
- 3771 performed electronically or by an individual.
- 3772 [~~(120)~~] (125) (a) "Seller" means a person that makes a sale, lease, or rental of:
- 3773 (i) tangible personal property;
- 3774 (ii) a product transferred electronically; or
- 3775 (iii) a service.
- 3776 (b) "Seller" includes a marketplace facilitator.

- 3777 (126) "Seller-hosted prewritten computer software" means prewritten computer  
3778 software that is accessed through the Internet or a seller-hosted server, regardless of whether:  
3779 (a) the access is permanent; or  
3780 (b) any downloading occurs.
- 3781 [~~(121)~~] (127) (a) "Semiconductor fabricating, processing, research, or development  
3782 materials" means tangible personal property or a product transferred electronically if the  
3783 tangible personal property or product transferred electronically is:  
3784 (i) used primarily in the process of:  
3785 (A) (I) manufacturing a semiconductor;  
3786 (II) fabricating a semiconductor; or  
3787 (III) research or development of a:  
3788 (Aa) semiconductor; or  
3789 (Bb) semiconductor manufacturing process; or  
3790 (B) maintaining an environment suitable for a semiconductor; or  
3791 (ii) consumed primarily in the process of:  
3792 (A) (I) manufacturing a semiconductor;  
3793 (II) fabricating a semiconductor; or  
3794 (III) research or development of a:  
3795 (Aa) semiconductor; or  
3796 (Bb) semiconductor manufacturing process; or  
3797 (B) maintaining an environment suitable for a semiconductor.  
3798 (b) "Semiconductor fabricating, processing, research, or development materials"  
3799 includes:  
3800 (i) parts used in the repairs or renovations of tangible personal property or a product  
3801 transferred electronically described in Subsection [~~(121)~~] (127)(a); or  
3802 (ii) a chemical, catalyst, or other material used to:  
3803 (A) produce or induce in a semiconductor a:  
3804 (I) chemical change; or  
3805 (II) physical change;  
3806 (B) remove impurities from a semiconductor; or  
3807 (C) improve the marketable condition of a semiconductor.

3808            [~~(122)~~] (128) "Senior citizen center" means a facility having the primary purpose of  
3809 providing services to the aged as defined in Section 62A-3-101.

3810            [~~(123)~~] (129) (a) [~~Subject to Subsections (123)(b) and (c), "short-term"~~] "Short-term  
3811 lodging consumable" means tangible personal property that:

3812            (i) a business that provides accommodations and services described in Subsection  
3813 59-12-103(1)(i) purchases as part of a transaction to provide the accommodations and services  
3814 to a purchaser;

3815            (ii) is intended to be consumed by the purchaser; and

3816            (iii) is:

3817            (A) included in the purchase price of the accommodations and services; and

3818            (B) not separately stated on an invoice, bill of sale, or other similar document provided  
3819 to the purchaser.

3820            (b) "Short-term lodging consumable" includes:

3821            (i) a beverage;

3822            (ii) a brush or comb;

3823            (iii) a cosmetic;

3824            (iv) a hair care product;

3825            (v) lotion;

3826            (vi) a magazine;

3827            (vii) makeup;

3828            (viii) a meal;

3829            (ix) mouthwash;

3830            (x) nail polish remover;

3831            (xi) a newspaper;

3832            (xii) a notepad;

3833            (xiii) a pen;

3834            (xiv) a pencil;

3835            (xv) a razor;

3836            (xvi) saline solution;

3837            (xvii) a sewing kit;

3838            (xviii) shaving cream;

- 3839 (xix) a shoe shine kit;
- 3840 (xx) a shower cap;
- 3841 (xxi) a snack item;
- 3842 (xxii) soap;
- 3843 (xxiii) toilet paper;
- 3844 (xxiv) a toothbrush;
- 3845 (xxv) toothpaste; or
- 3846 (xxvi) an item similar to Subsections [~~(123)~~] (129)(b)(i) through (xxv) as the
- 3847 commission may provide by rule made in accordance with Title 63G, Chapter 3, Utah
- 3848 Administrative Rulemaking Act.
- 3849 (c) "Short-term lodging consumable" does not include:
- 3850 (i) tangible personal property that is cleaned or washed to allow the tangible personal
- 3851 property to be reused; or
- 3852 (ii) a product transferred electronically.
- 3853 [~~(124)~~] (130) "Simplified electronic return" means the electronic return:
- 3854 (a) described in Section 318(C) of the agreement; and
- 3855 (b) approved by the governing board of the agreement.
- 3856 [~~(125)~~] (131) "Solar energy" means the sun used as the sole source of energy for
- 3857 producing electricity.
- 3858 [~~(126)~~] (132) (a) "Sports or recreational equipment" means an item:
- 3859 (i) designed for human use; and
- 3860 (ii) that is:
- 3861 (A) worn in conjunction with:
- 3862 (I) an athletic activity; or
- 3863 (II) a recreational activity; and
- 3864 (B) not suitable for general use.
- 3865 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 3866 commission shall make rules:
- 3867 (i) listing the items that constitute "sports or recreational equipment"; and
- 3868 (ii) that are consistent with the list of items that constitute "sports or recreational
- 3869 equipment" under the agreement.

3870            [~~(127)~~] (133) "State" means the state of Utah, its departments, and agencies.

3871            [~~(128)~~] (134) "Storage" means any keeping or retention of tangible personal property or

3872 any other taxable transaction under Subsection 59-12-103(1), in this state for any purpose

3873 except sale in the regular course of business.

3874            [~~(129)~~] (135) (a) [~~Except as provided in Subsection (129)(d) or (e), "tangible]~~

3875 "Tangible personal property" means personal property that:

3876            (i) may be:

3877            (A) seen;

3878            (B) weighed;

3879            (C) measured;

3880            (D) felt; or

3881            (E) touched; or

3882            (ii) is in any manner perceptible to the senses.

3883            (b) "Tangible personal property" includes:

3884            (i) electricity;

3885            (ii) water;

3886            (iii) gas;

3887            (iv) steam; or

3888            (v) prewritten computer software, regardless of the manner in which the prewritten

3889 computer software is transferred.

3890            (c) "Tangible personal property" includes the following regardless of whether the item

3891 is attached to real property:

3892            (i) a dishwasher;

3893            (ii) a dryer;

3894            (iii) a freezer;

3895            (iv) a microwave;

3896            (v) a refrigerator;

3897            (vi) a stove;

3898            (vii) a washer; or

3899            (viii) an item similar to Subsections [~~(129)~~] (135)(c)(i) through (vii) as determined by

3900 the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative

3901 Rulemaking Act.

3902 (d) "Tangible personal property" does not include a product that is transferred  
3903 electronically.

3904 (e) "Tangible personal property" does not include the following if attached to real  
3905 property, regardless of whether the attachment to real property is only through a line that  
3906 supplies water, electricity, gas, telephone, cable, or supplies a similar item as determined by the  
3907 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative  
3908 Rulemaking Act:

3909 (i) a hot water heater;

3910 (ii) a water filtration system; or

3911 (iii) a water softener system.

3912 [~~130~~] (136) (a) "Telecommunications enabling or facilitating equipment, machinery,  
3913 or software" means an item listed in Subsection [~~130~~] (136)(b) if that item is purchased or  
3914 leased primarily to enable or facilitate one or more of the following to function:

3915 (i) telecommunications switching or routing equipment, machinery, or software; or

3916 (ii) telecommunications transmission equipment, machinery, or software.

3917 (b) The following apply to Subsection [~~130~~] (136)(a):

3918 (i) a pole;

3919 (ii) software;

3920 (iii) a supplementary power supply;

3921 (iv) temperature or environmental equipment or machinery;

3922 (v) test equipment;

3923 (vi) a tower; or

3924 (vii) equipment, machinery, or software that functions similarly to an item listed in  
3925 Subsections [~~130~~] (136)(b)(i) through (vi) as determined by the commission by rule made in  
3926 accordance with Subsection [~~130~~] (136)(c).

3927 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
3928 commission may by rule define what constitutes equipment, machinery, or software that  
3929 functions similarly to an item listed in Subsections [~~130~~] (136)(b)(i) through (vi).

3930 [~~131~~] (137) "Telecommunications equipment, machinery, or software required for  
3931 911 service" means equipment, machinery, or software that is required to comply with 47

3932 C.F.R. Sec. 20.18.

3933 [~~(132)~~] (138) "Telecommunications maintenance or repair equipment, machinery, or  
3934 software" means equipment, machinery, or software purchased or leased primarily to maintain  
3935 or repair one or more of the following, regardless of whether the equipment, machinery, or  
3936 software is purchased or leased as a spare part or as an upgrade or modification to one or more  
3937 of the following:

3938 (a) telecommunications enabling or facilitating equipment, machinery, or software;

3939 (b) telecommunications switching or routing equipment, machinery, or software; or

3940 (c) telecommunications transmission equipment, machinery, or software.

3941 [~~(133)~~] (139) (a) "Telecommunications service" means the electronic conveyance,  
3942 routing, or transmission of audio, data, video, voice, or any other information or signal to a  
3943 point, or among or between points.

3944 (b) "Telecommunications service" includes:

3945 (i) an electronic conveyance, routing, or transmission with respect to which a computer  
3946 processing application is used to act:

3947 (A) on the code, form, or protocol of the content;

3948 (B) for the purpose of electronic conveyance, routing, or transmission; and

3949 (C) regardless of whether the service:

3950 (I) is referred to as voice over Internet protocol service; or

3951 (II) is classified by the Federal Communications Commission as enhanced or value  
3952 added;

3953 (ii) an 800 service;

3954 (iii) a 900 service;

3955 (iv) a fixed wireless service;

3956 (v) a mobile wireless service;

3957 (vi) a postpaid calling service;

3958 (vii) a prepaid calling service;

3959 (viii) a prepaid wireless calling service; or

3960 (ix) a private communications service.

3961 (c) "Telecommunications service" does not include:

3962 (i) advertising, including directory advertising;

- 3963 (ii) an ancillary service;
- 3964 (iii) a billing and collection service provided to a third party;
- 3965 (iv) a data processing and information service if:
- 3966 (A) the data processing and information service allows data to be:
- 3967 (I) (Aa) acquired;
- 3968 (Bb) generated;
- 3969 (Cc) processed;
- 3970 (Dd) retrieved; or
- 3971 (Ee) stored; and
- 3972 (II) delivered by an electronic transmission to a purchaser; and
- 3973 (B) the purchaser's primary purpose for the underlying transaction is the processed data
- 3974 or information;
- 3975 (v) installation or maintenance of the following on a customer's premises:
- 3976 (A) equipment; or
- 3977 (B) wiring;
- 3978 (vi) Internet access service;
- 3979 (vii) a paging service;
- 3980 (viii) a product transferred electronically, including:
- 3981 (A) music;
- 3982 (B) reading material;
- 3983 (C) a ring tone;
- 3984 (D) software; or
- 3985 (E) video;
- 3986 (ix) a radio and television audio and video programming service:
- 3987 (A) regardless of the medium; and
- 3988 (B) including:
- 3989 (I) furnishing conveyance, routing, or transmission of a television audio and video
- 3990 programming service by a programming service provider;
- 3991 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or
- 3992 (III) audio and video programming services delivered by a commercial mobile radio
- 3993 service provider as defined in 47 C.F.R. Sec. 20.3;

3994 (x) a value-added nonvoice data service; or  
3995 (xi) tangible personal property.  
3996 [~~(134)~~] (140) (a) "Telecommunications service provider" means a person that:  
3997 (i) owns, controls, operates, or manages a telecommunications service; and  
3998 (ii) engages in an activity described in Subsection [~~(134)~~] (140)(a)(i) for the shared use  
3999 with or resale to any person of the telecommunications service.  
4000 (b) A person described in Subsection [~~(134)~~] (140)(a) is a telecommunications service  
4001 provider whether or not the Public Service Commission of Utah regulates:  
4002 (i) that person; or  
4003 (ii) the telecommunications service that the person owns, controls, operates, or  
4004 manages.  
4005 [~~(135)~~] (141) (a) "Telecommunications switching or routing equipment, machinery, or  
4006 software" means an item listed in Subsection [~~(135)~~] (141)(b) if that item is purchased or  
4007 leased primarily for switching or routing:  
4008 (i) an ancillary service;  
4009 (ii) data communications;  
4010 (iii) voice communications; or  
4011 (iv) telecommunications service.  
4012 (b) The following apply to Subsection [~~(135)~~] (141)(a):  
4013 (i) a bridge;  
4014 (ii) a computer;  
4015 (iii) a cross connect;  
4016 (iv) a modem;  
4017 (v) a multiplexer;  
4018 (vi) plug in circuitry;  
4019 (vii) a router;  
4020 (viii) software;  
4021 (ix) a switch; or  
4022 (x) equipment, machinery, or software that functions similarly to an item listed in  
4023 Subsections [~~(135)~~] (141)(b)(i) through (ix) as determined by the commission by rule made in  
4024 accordance with Subsection [~~(135)~~] (141)(c).

4025 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
4026 commission may by rule define what constitutes equipment, machinery, or software that  
4027 functions similarly to an item listed in Subsections [~~(135)~~] (141)(b)(i) through (ix).

4028 [~~(136)~~] (142) (a) "Telecommunications transmission equipment, machinery, or  
4029 software" means an item listed in Subsection [~~(136)~~] (142)(b) if that item is purchased or  
4030 leased primarily for sending, receiving, or transporting:

4031 (i) an ancillary service;

4032 (ii) data communications;

4033 (iii) voice communications; or

4034 (iv) telecommunications service.

4035 (b) The following apply to Subsection [~~(136)~~] (142)(a):

4036 (i) an amplifier;

4037 (ii) a cable;

4038 (iii) a closure;

4039 (iv) a conduit;

4040 (v) a controller;

4041 (vi) a duplexer;

4042 (vii) a filter;

4043 (viii) an input device;

4044 (ix) an input/output device;

4045 (x) an insulator;

4046 (xi) microwave machinery or equipment;

4047 (xii) an oscillator;

4048 (xiii) an output device;

4049 (xiv) a pedestal;

4050 (xv) a power converter;

4051 (xvi) a power supply;

4052 (xvii) a radio channel;

4053 (xviii) a radio receiver;

4054 (xix) a radio transmitter;

4055 (xx) a repeater;

4056 (xxi) software;  
4057 (xxii) a terminal;  
4058 (xxiii) a timing unit;  
4059 (xxiv) a transformer;  
4060 (xxv) a wire; or  
4061 (xxvi) equipment, machinery, or software that functions similarly to an item listed in  
4062 Subsections ~~[(136)]~~ (142)(b)(i) through (xxv) as determined by the commission by rule made in  
4063 accordance with Subsection ~~[(136)]~~ (142)(c).

4064 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
4065 commission may by rule define what constitutes equipment, machinery, or software that  
4066 functions similarly to an item listed in Subsections ~~[(136)]~~ (142)(b)(i) through (xxv).

4067 ~~[(137) (a) "Textbook for a higher education course" means a textbook or other printed  
4068 material that is required for a course:]~~

4069 ~~[(i) offered by an institution of higher education; and]~~

4070 ~~[(ii) that the purchaser of the textbook or other printed material attends or will attend.]~~

4071 ~~[(b) "Textbook for a higher education course" includes a textbook in electronic  
4072 format.]~~

4073 ~~[(138)]~~ (143) "Tobacco" means:

4074 (a) a cigarette;

4075 (b) a cigar;

4076 (c) chewing tobacco;

4077 (d) pipe tobacco; or

4078 (e) any other item that contains tobacco.

4079 ~~[(139)]~~ (144) "Unassisted amusement device" means an amusement device, skill  
4080 device, or ride device that is started ~~[and]~~ or stopped by the purchaser or renter of the right to  
4081 use or operate the amusement device, skill device, or ride device.

4082 ~~[(140)]~~ (145) (a) "Use" means the exercise of any right or power over tangible personal  
4083 property, a product transferred electronically, or a service under Subsection 59-12-103(1),  
4084 incident to the ownership or the leasing of that tangible personal property, product transferred  
4085 electronically, or service.

4086 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal

4087 property, a product transferred electronically, or a service in the regular course of business and  
4088 held for resale.

4089 ~~[(141)]~~ (146) "Value-added nonvoice data service" means a service:

4090 (a) that otherwise meets the definition of a telecommunications service except that a  
4091 computer processing application is used to act primarily for a purpose other than conveyance,  
4092 routing, or transmission; and

4093 (b) with respect to which a computer processing application is used to act on data or  
4094 information:

- 4095 (i) code;
- 4096 (ii) content;
- 4097 (iii) form; or
- 4098 (iv) protocol.

4099 ~~[(142)]~~ (147) (a) Subject to Subsection ~~[(142)]~~ (147)(b), "vehicle" means the following  
4100 that are required to be titled, registered, or titled and registered:

- 4101 (i) an aircraft as defined in Section 72-10-102;
- 4102 (ii) a vehicle as defined in Section 41-1a-102;
- 4103 (iii) an off-highway vehicle as defined in Section 41-22-2; or
- 4104 (iv) a vessel as defined in Section 41-1a-102.

4105 (b) For purposes of Subsection 59-12-104~~[(33)]~~(30) only, "vehicle" includes:

- 4106 (i) a vehicle described in Subsection ~~[(142)]~~ (147)(a); or
- 4107 (ii) (A) a locomotive;
- 4108 (B) a freight car;
- 4109 (C) railroad work equipment; or
- 4110 (D) other railroad rolling stock.

4111 ~~[(143)]~~ (148) "Vehicle dealer" means a person engaged in the business of buying,  
4112 selling, or exchanging a vehicle ~~[as defined in Subsection (142)]~~.

4113 ~~[(144)]~~ (149) (a) "Vertical service" means an ancillary service that:

- 4114 (i) is offered in connection with one or more telecommunications services; and
- 4115 (ii) offers an advanced calling feature that allows a customer to:
  - 4116 (A) identify a caller; and
  - 4117 (B) manage multiple calls and call connections.

4118 (b) "Vertical service" includes an ancillary service that allows a customer to manage a  
4119 conference bridging service.

4120 ~~[(145)]~~ (150) (a) "Voice mail service" means an ancillary service that enables a  
4121 customer to receive, send, or store a recorded message.

4122 (b) "Voice mail service" does not include a vertical service that a customer is required  
4123 to have in order to utilize a voice mail service.

4124 ~~[(146)]~~ (151) (a) ~~[Except as provided in Subsection (146)(b), "waste]~~ "Waste energy  
4125 facility" means a facility that generates electricity:

4126 (i) using as the primary source of energy waste materials that would be placed in a  
4127 landfill or refuse pit if it were not used to generate electricity, including:

4128 (A) tires;

4129 (B) waste coal;

4130 (C) oil shale; or

4131 (D) municipal solid waste; and

4132 (ii) in amounts greater than actually required for the operation of the facility.

4133 (b) "Waste energy facility" does not include a facility that incinerates:

4134 (i) hospital waste as defined in 40 C.F.R. 60.51c; or

4135 (ii) medical/infectious waste as defined in 40 C.F.R. 60.51c.

4136 ~~[(147)]~~ (152) "Watercraft" means a vessel as defined in Section [73-18-2](#).

4137 ~~[(148)]~~ (153) "Wind energy" means wind used as the sole source of energy to produce  
4138 electricity.

4139 ~~[(149)]~~ (154) "ZIP Code" means a Zoning Improvement Plan Code assigned to a  
4140 geographic location by the United States Postal Service.

4141 Section 43. Section **59-12-103** is amended to read:

4142 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**  
4143 **tax revenue.**

4144 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or  
4145 sales price for amounts paid or charged for the following transactions:

4146 (a) retail sales of tangible personal property made within the state;

4147 (b) amounts paid for:

4148 (i) telecommunications service, other than mobile telecommunications service or a 900

4149 service, that originates and terminates within the boundaries of this state;

4150 (ii) mobile telecommunications service that originates and terminates within the

4151 boundaries of one state only to the extent permitted by the Mobile Telecommunications

4152 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; [or]

4153 (iii) a 900 service; or

4154 [~~(iii)~~] (iv) an ancillary service associated with a:

4155 (A) telecommunications service described in Subsection (1)(b)(i); [or]

4156 (B) mobile telecommunications service described in Subsection (1)(b)(ii); or

4157 (C) 900 service;

4158 (c) sales of the following for commercial use:

4159 (i) gas;

4160 (ii) electricity;

4161 (iii) heat;

4162 (iv) coal;

4163 (v) fuel oil; or

4164 (vi) other fuels;

4165 (d) sales of the following for residential use:

4166 (i) gas;

4167 (ii) electricity;

4168 (iii) heat;

4169 (iv) coal;

4170 (v) fuel oil; or

4171 (vi) other fuels;

4172 (e) sales of prepared food;

4173 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or

4174 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,

4175 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,

4176 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit

4177 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf

4178 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,

4179 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,

4180 horseback rides, sports activities, or any other amusement, entertainment, recreation,  
4181 exhibition, cultural, or athletic activity;

4182 (g) amounts paid or charged for services for repairs or renovations of tangible personal  
4183 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

4184 (i) the tangible personal property; and  
4185 (ii) parts used in the repairs or renovations of the tangible personal property described  
4186 in Subsection (1)(g)(i), regardless of whether:

4187 (A) any parts are actually used in the repairs or renovations of that tangible personal  
4188 property; or  
4189 (B) the particular parts used in the repairs or renovations of that tangible personal  
4190 property are exempt from a tax under this chapter;

4191 (h) [~~except as provided in Subsection 59-12-104(7);~~] amounts paid or charged for  
4192 [~~assisted~~] cleaning or washing of tangible personal property;

4193 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court  
4194 accommodations and services that are regularly rented for less than 30 consecutive days;

4195 (j) amounts paid or charged for laundry or dry cleaning services;

4196 (k) amounts paid or charged for leases or rentals of tangible personal property if within  
4197 this state the tangible personal property is:

4198 (i) stored;  
4199 (ii) used; or  
4200 (iii) otherwise consumed;

4201 (l) amounts paid or charged for tangible personal property if within this state the  
4202 tangible personal property is:

4203 (i) stored;  
4204 (ii) used; or  
4205 (iii) consumed; [~~and~~]

4206 (m) amounts paid or charged for a sale:

4207 (i) (A) of a product transferred electronically; or  
4208 (B) of a repair or renovation of a product transferred electronically; and  
4209 (ii) regardless of whether the sale provides:  
4210 (A) a right of permanent use of the product; or

- 4211 (B) a right to use the product that is less than a permanent use, including a right:  
4212 (I) for a definite or specified length of time; and  
4213 (II) that terminates upon the occurrence of a condition[-];  
4214 (n) amounts paid or charged for access to digital audio-visual works, digital audio  
4215 works, digital books, or gaming services, including the streaming of or subscription for access  
4216 to digital audio-visual works, digital audio works, digital books, or gaming services regardless  
4217 of:  
4218 (i) the delivery method; or  
4219 (ii) whether the amount paid or charged for access provides a right to:  
4220 (A) single-use access to the digital audio-visual works, digital audio works, digital  
4221 books, or gaming services; or  
4222 (B) access the digital audio-visual works, digital audio works, digital books, or gaming  
4223 services through a subscription, including a right that terminates upon the occurrence of a  
4224 condition;  
4225 (o) amounts paid or charged for the storage, use, or other consumption of:  
4226 (i) prewritten computer software delivered electronically or by load and leave; or  
4227 (ii) seller-hosted prewritten computer software; and  
4228 (p) amounts paid or charged for the following services:  
4229 (i) security system monitoring;  
4230 (ii) personal transportation that originates in the state and terminates in the state;  
4231 (iii) parking or garaging a motor vehicle at a location that:  
4232 (A) is designed and used for parking or garaging one or more motor vehicles,  
4233 regardless of whether the location is sometimes used for other purposes; and  
4234 (B) is not residential property;  
4235 (iv) tow truck service as defined in Section [72-9-102](#), including any related fees;  
4236 (v) pet boarding or care;  
4237 (vi) pet grooming;  
4238 (vii) dating referral services; and  
4239 (viii) identity theft protection.  
4240 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax  
4241 are imposed on a transaction described in Subsection (1) equal to the sum of:

- 4242 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:  
4243 [~~(A) (I) through March 31, 2019, 4.70%; and~~  
4244 [~~(H)~~ (A) [~~beginning on April 1, 2019,~~] 4.70% plus the rate specified in Subsection  
4245 [~~(13)~~] (12)(a); and
- 4246 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
4247 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
4248 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional  
4249 State Sales and Use Tax Act; and
- 4250 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales  
4251 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
4252 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state  
4253 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 4254 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
4255 transaction under this chapter other than this part.
- 4256 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax are  
4257 imposed on a transaction described in Subsection (1)(d) equal to the sum of:
- 4258 (i) a state tax imposed on the transaction at a tax rate of 2%; and  
4259 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
4260 transaction under this chapter other than this part.
- 4261 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax are  
4262 imposed on amounts paid or charged for food and food ingredients equal to the sum of:
- 4263 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at  
4264 a tax rate of [~~1.75%~~] 4.85%; and
- 4265 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
4266 amounts paid or charged for food and food ingredients under this chapter other than this part.
- 4267 (d) (i) For a bundled transaction that is attributable to food and food ingredients and  
4268 tangible personal property other than food and food ingredients, a state tax and a local tax is  
4269 imposed on the entire bundled transaction equal to the sum of:
- 4270 (A) a state tax imposed on the entire bundled transaction equal to the sum of:  
4271 (I) the tax rate described in Subsection (2)(a)(i)(A); and  
4272 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State

4273 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
4274 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
4275 Additional State Sales and Use Tax Act; and

4276 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
4277 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
4278 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
4279 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

4280 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates  
4281 described in Subsection (2)(a)(ii).

4282 (ii) If an optional computer software maintenance contract is a bundled transaction that  
4283 consists of taxable and nontaxable products that are not separately itemized on an invoice or  
4284 similar billing document, the purchase of the optional computer software maintenance contract  
4285 is 40% taxable under this chapter and 60% nontaxable under this chapter.

4286 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled  
4287 transaction described in Subsection (2)(d)(i) or (ii):

4288 (A) if the sales price of the bundled transaction is attributable to tangible personal  
4289 property, a product, or a service that is subject to taxation under this chapter and tangible  
4290 personal property, a product, or service that is not subject to taxation under this chapter, the  
4291 entire bundled transaction is subject to taxation under this chapter unless:

4292 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
4293 personal property, product, or service that is not subject to taxation under this chapter from the  
4294 books and records the seller keeps in the seller's regular course of business; or

4295 (II) state or federal law provides otherwise; or

4296 (B) if the sales price of a bundled transaction is attributable to two or more items of  
4297 tangible personal property, products, or services that are subject to taxation under this chapter  
4298 at different rates, the entire bundled transaction is subject to taxation under this chapter at the  
4299 higher tax rate unless:

4300 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
4301 personal property, product, or service that is subject to taxation under this chapter at the lower  
4302 tax rate from the books and records the seller keeps in the seller's regular course of business; or  
4303 (II) state or federal law provides otherwise.

4304 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the  
4305 seller's regular course of business includes books and records the seller keeps in the regular  
4306 course of business for nontax purposes.

4307 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)  
4308 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
4309 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
4310 of tangible personal property, other property, a product, or a service that is not subject to  
4311 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
4312 the seller, at the time of the transaction:

4313 (A) separately states the portion of the transaction that is not subject to taxation under  
4314 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

4315 (B) is able to identify by reasonable and verifiable standards, from the books and  
4316 records the seller keeps in the seller's regular course of business, the portion of the transaction  
4317 that is not subject to taxation under this chapter.

4318 (ii) A purchaser and a seller may correct the taxability of a transaction if:

4319 (A) after the transaction occurs, the purchaser and the seller discover that the portion of  
4320 the transaction that is not subject to taxation under this chapter was not separately stated on an  
4321 invoice, bill of sale, or similar document provided to the purchaser because of an error or  
4322 ignorance of the law; and

4323 (B) the seller is able to identify by reasonable and verifiable standards, from the books  
4324 and records the seller keeps in the seller's regular course of business, the portion of the  
4325 transaction that is not subject to taxation under this chapter.

4326 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps  
4327 in the seller's regular course of business includes books and records the seller keeps in the  
4328 regular course of business for nontax purposes.

4329 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible  
4330 personal property, products, or services that are subject to taxation under this chapter at  
4331 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate  
4332 unless the seller, at the time of the transaction:

4333 (A) separately states the items subject to taxation under this chapter at each of the  
4334 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

4335 (B) is able to identify by reasonable and verifiable standards the tangible personal  
4336 property, product, or service that is subject to taxation under this chapter at the lower tax rate  
4337 from the books and records the seller keeps in the seller's regular course of business.

4338 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the  
4339 seller's regular course of business includes books and records the seller keeps in the regular  
4340 course of business for nontax purposes.

4341 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax  
4342 rate imposed under the following shall take effect on the first day of a calendar quarter:

4343 (i) Subsection (2)(a)(i)(A);

4344 (ii) Subsection (2)(b)(i);

4345 (iii) Subsection (2)(c)(i); or

4346 (iv) Subsection (2)(d)(i)(A)(I).

4347 (h) (i) A tax rate increase takes effect on the first day of the first billing period that  
4348 begins on or after the effective date of the tax rate increase if the billing period for the  
4349 transaction begins before the effective date of a tax rate increase imposed under:

4350 (A) Subsection (2)(a)(i)(A);

4351 (B) Subsection (2)(b)(i);

4352 (C) Subsection (2)(c)(i); or

4353 (D) Subsection (2)(d)(i)(A)(I).

4354 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
4355 statement for the billing period is rendered on or after the effective date of the repeal of the tax  
4356 or the tax rate decrease imposed under:

4357 (A) Subsection (2)(a)(i)(A);

4358 (B) Subsection (2)(b)(i);

4359 (C) Subsection (2)(c)(i); or

4360 (D) Subsection (2)(d)(i)(A)(I).

4361 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is  
4362 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or  
4363 change in a tax rate takes effect:

4364 (A) on the first day of a calendar quarter; and

4365 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

- 4366 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:
- 4367 (A) Subsection (2)(a)(i)(A);
- 4368 (B) Subsection (2)(b)(i);
- 4369 (C) Subsection (2)(c)(i); or
- 4370 (D) Subsection (2)(d)(i)(A)(I).
- 4371 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 4372 the commission may by rule define the term "catalogue sale."
- 4373 (3) (a) The following state taxes shall be deposited into the General Fund:
- 4374 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 4375 (ii) the tax imposed by Subsection (2)(b)(i);
- 4376 (iii) the tax imposed by Subsection (2)(c)(i); or
- 4377 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
- 4378 (b) The following local taxes shall be distributed to a county, city, or town as provided
- 4379 in this chapter:
- 4380 (i) the tax imposed by Subsection (2)(a)(ii);
- 4381 (ii) the tax imposed by Subsection (2)(b)(ii);
- 4382 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 4383 (iv) the tax imposed by Subsection (2)(d)(i)(B).
- 4384 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
- 4385 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
- 4386 through (g):
- 4387 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 4388 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 4389 (B) for the fiscal year; or
- 4390 (ii) \$17,500,000.
- 4391 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
- 4392 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
- 4393 Department of Natural Resources to:
- 4394 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
- 4395 protect sensitive plant and animal species; or
- 4396 (B) award grants, up to the amount authorized by the Legislature in an appropriations

4397 act, to political subdivisions of the state to implement the measures described in Subsections  
4398 [79-2-303\(3\)\(a\)](#) through (d) to protect sensitive plant and animal species.

4399 (ii) Money transferred to the Department of Natural Resources under Subsection  
4400 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other  
4401 person to list or attempt to have listed a species as threatened or endangered under the  
4402 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

4403 (iii) At the end of each fiscal year:

4404 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
4405 Conservation and Development Fund created in Section [73-10-24](#);

4406 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
4407 Program Subaccount created in Section [73-10c-5](#); and

4408 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
4409 Program Subaccount created in Section [73-10c-5](#).

4410 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
4411 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
4412 created in Section [4-18-106](#).

4413 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
4414 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water  
4415 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of  
4416 water rights.

4417 (ii) At the end of each fiscal year:

4418 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
4419 Conservation and Development Fund created in Section [73-10-24](#);

4420 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
4421 Program Subaccount created in Section [73-10c-5](#); and

4422 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
4423 Program Subaccount created in Section [73-10c-5](#).

4424 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described  
4425 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and  
4426 Development Fund created in Section [73-10-24](#) for use by the Division of Water Resources.

4427 (ii) In addition to the uses allowed of the Water Resources Conservation and

4428 Development Fund under Section 73-10-24, the Water Resources Conservation and  
4429 Development Fund may also be used to:

4430 (A) conduct hydrologic and geotechnical investigations by the Division of Water  
4431 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of  
4432 quantifying surface and ground water resources and describing the hydrologic systems of an  
4433 area in sufficient detail so as to enable local and state resource managers to plan for and  
4434 accommodate growth in water use without jeopardizing the resource;

4435 (B) fund state required dam safety improvements; and

4436 (C) protect the state's interest in interstate water compact allocations, including the  
4437 hiring of technical and legal staff.

4438 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
4439 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount  
4440 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

4441 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
4442 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount  
4443 created in Section 73-10c-5 for use by the Division of Drinking Water to:

4444 (i) provide for the installation and repair of collection, treatment, storage, and  
4445 distribution facilities for any public water system, as defined in Section 19-4-102;

4446 (ii) develop underground sources of water, including springs and wells; and

4447 (iii) develop surface water sources.

4448 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
4449 2006, the difference between the following amounts shall be expended as provided in this  
4450 Subsection (5), if that difference is greater than \$1:

4451 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the  
4452 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

4453 (ii) \$17,500,000.

4454 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

4455 (A) transferred each fiscal year to the Department of Natural Resources as dedicated  
4456 credits; and

4457 (B) expended by the Department of Natural Resources for watershed rehabilitation or  
4458 restoration.

4459 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
4460 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund  
4461 created in Section 73-10-24.

4462 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the  
4463 remaining difference described in Subsection (5)(a) shall be:

4464 (A) transferred each fiscal year to the Division of Water Resources as dedicated  
4465 credits; and

4466 (B) expended by the Division of Water Resources for cloud-seeding projects  
4467 authorized by Title 73, Chapter 15, Modification of Weather.

4468 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
4469 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund  
4470 created in Section 73-10-24.

4471 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the  
4472 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
4473 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
4474 Division of Water Resources for:

4475 (i) preconstruction costs:

4476 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
4477 26, Bear River Development Act; and

4478 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project  
4479 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

4480 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,  
4481 Chapter 26, Bear River Development Act;

4482 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project  
4483 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

4484 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and  
4485 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

4486 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to  
4487 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be  
4488 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
4489 incurred for employing additional technical staff for the administration of water rights.

4490 (f) At the end of each fiscal year, any unexpended dedicated credits described in  
4491 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development  
4492 Fund created in Section [73-10-24](#).

4493 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the  
4494 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection  
4495 (1) for the fiscal year shall be deposited as follows:

4496 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)  
4497 shall be deposited into the Transportation Investment Fund of 2005 created by Section  
4498 [72-2-124](#);

4499 (b) for fiscal year 2017-18 only:

4500 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the  
4501 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and

4502 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the  
4503 Water Infrastructure Restricted Account created by Section [73-10g-103](#);

4504 (c) for fiscal year 2018-19 only:

4505 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the  
4506 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and

4507 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the  
4508 Water Infrastructure Restricted Account created by Section [73-10g-103](#);

4509 (d) for fiscal year 2019-20 only:

4510 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the  
4511 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and

4512 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the  
4513 Water Infrastructure Restricted Account created by Section [73-10g-103](#);

4514 (e) for fiscal year 2020-21 only:

4515 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the  
4516 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and

4517 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the  
4518 Water Infrastructure Restricted Account created by Section [73-10g-103](#); and

4519 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described  
4520 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account

4521 created by Section [73-10g-103](#).

4522 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in  
4523 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,  
4524 [~~2012~~] 2020, the Division of Finance shall deposit into the Transportation Investment Fund of  
4525 2005 created by Section [72-2-124](#):

4526 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of  
4527 the [~~revenues~~] revenue collected from the following taxes, which represents a portion of the  
4528 approximately 17% of sales and use tax [~~revenues~~] revenue generated annually by the sales and  
4529 use tax on vehicles and vehicle-related products:

4530 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

4531 (B) the tax imposed by Subsection (2)(b)(i);

4532 (C) the tax imposed by Subsection (2)(c)(i); and

4533 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

4534 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the  
4535 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through  
4536 (D) that exceeds the amount collected from the sales and use taxes described in Subsections  
4537 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

4538 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of  
4539 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total  
4540 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)  
4541 generated in the current fiscal year than the total percentage of sales and use taxes deposited in  
4542 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection  
4543 (7)(a) equal to the product of:

4544 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the  
4545 previous fiscal year; and

4546 (B) the total sales and use tax revenue generated by the taxes described in Subsections  
4547 (7)(a)(i)(A) through (D) in the current fiscal year.

4548 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under  
4549 Subsection (7)(a) would exceed [~~17%~~] 14.31% of the [~~revenues~~] revenue collected from the  
4550 sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year,  
4551 the Division of Finance shall deposit [~~17%~~] 14.31% of the [~~revenues~~] revenue collected from

4552 the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) for the current fiscal  
4553 year under Subsection (7)(a).

4554 (iii) In all subsequent fiscal years after a year in which [~~17%~~] 14.31% of the [~~revenues~~]  
4555 revenue collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through  
4556 (D) was deposited under Subsection (7)(a), the Division of Finance shall annually deposit  
4557 [~~17%~~] 14.31% of the [~~revenues~~] revenue collected from the sales and use taxes described in  
4558 Subsections (7)(a)(i)(A) through (D) in the current fiscal year under Subsection (7)(a).

4559 [~~(8)(a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited~~  
4560 ~~under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall~~  
4561 ~~deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into~~  
4562 ~~the Transportation Investment Fund of 2005 created by Section 72-2-124.]~~

4563 [~~(b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under~~  
4564 ~~Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit~~  
4565 ~~\$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the~~  
4566 ~~Transportation Investment Fund of 2005 created by Section 72-2-124.]~~

4567 [~~(c)(i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under~~  
4568 ~~Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or~~  
4569 ~~after July 1, 2018, the commission shall annually deposit into the Transportation Investment~~  
4570 ~~Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)~~  
4571 ~~in an amount equal to 3.68% of the revenues collected from the following taxes:]~~

4572 [~~(A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;]~~

4573 [~~(B) the tax imposed by Subsection (2)(b)(i);]~~

4574 [~~(C) the tax imposed by Subsection (2)(c)(i); and]~~

4575 [~~(D) the tax imposed by Subsection (2)(d)(i)(A)(I).]~~

4576 [~~(ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually~~  
4577 ~~reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i)~~  
4578 ~~by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year~~  
4579 ~~by the portion of the tax imposed on motor and special fuel that is sold, used, or received for~~  
4580 ~~sale or use in this state that exceeds 29.4 cents per gallon.]~~

4581 [~~(iii) (8) The commission shall deposit annually [~~deposit the amount described in~~~~  
4582 ~~Subsection (8)(c)(i)] an amount equal to 50% of the growth in the amount of revenue collected~~

4583 in the current fiscal year from the tax imposed under Subsection (2)(c)(i) that exceeds the  
4584 amount collected from the tax imposed under Subsection (2)(c)(i) in the 2020-2021 fiscal year  
4585 into the Transit [~~and~~] Transportation Investment Fund created in Section 72-2-124.

4586 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
4587 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
4588 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

4589 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),  
4590 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17  
4591 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund  
4592 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on  
4593 the transactions described in Subsection (1).

4594 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in  
4595 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance  
4596 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the  
4597 amount of revenue described as follows:

4598 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%  
4599 tax rate on the transactions described in Subsection (1);

4600 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%  
4601 tax rate on the transactions described in Subsection (1);

4602 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%  
4603 tax rate on the transactions described in Subsection (1);

4604 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a  
4605 .05% tax rate on the transactions described in Subsection (1); and

4606 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%  
4607 tax rate on the transactions described in Subsection (1).

4608 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not  
4609 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts  
4610 paid or charged for food and food ingredients, except for tax revenue generated by a bundled  
4611 transaction attributable to food and food ingredients and tangible personal property other than  
4612 food and food ingredients described in Subsection (2)(d).

4613 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the

4614 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that  
4615 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of  
4616 Finance shall, for two consecutive fiscal years, [annually] deposit annually \$1,900,000 of the  
4617 revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation  
4618 Fund, created in Section 63N-2-512.

4619 ~~[(12)(a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the~~  
4620 ~~Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed~~  
4621 ~~under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section~~  
4622 ~~35A-8-308.]~~

4623 ~~[(b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division~~  
4624 ~~of Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under~~  
4625 ~~Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.]~~

4626 ~~[(13)]~~ (12) (a) The rate specified in this subsection is 0.15%.

4627 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall~~[(i) on or before~~  
4628 ~~September 30, 2019, transfer the amount of revenue collected from the rate described in~~  
4629 ~~Subsection (13)(a) beginning on April 1, 2019, and ending on June 30, 2019, on the~~  
4630 ~~transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into the~~  
4631 ~~Medicaid Expansion Fund created in Section 26-36b-208; and (ii)]~~ for a fiscal year beginning  
4632 on or after July 1, 2019, [annually] transfer annually the amount of revenue collected from the  
4633 rate described in Subsection ~~[(13)]~~ (12)(a) on the transactions that are subject to the sales and  
4634 use tax under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section  
4635 26-36b-208.

4636 Section 44. Section 59-12-104 is amended to read:

4637 **59-12-104. Exemptions.**

4638 ~~[Exemptions from the taxes imposed by this chapter are as follows]~~ Except as provided  
4639 in Subsection 59-12-103(2)(d), the purchase price of the following are exempt from the taxes  
4640 imposed by this chapter:

4641 (1) (a) sales of aviation fuel~~[- motor fuel, and special]~~ or diesel fuel subject to a ~~[Utah]~~  
4642 state excise tax under Chapter 13, Motor and Special Fuel Tax Act; or

4643 (b) sales of motor fuel or nondiesel special fuel, as defined in Section 59-13-601, that  
4644 are subject to a sales tax under Chapter 13, Part 6, Sales Tax on Motor Fuel and Special Fuel,

4645 Other than Diesel Fuel;

4646 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political  
4647 subdivisions; however, this exemption does not apply to sales of:

4648 (a) construction materials except:

4649 (i) construction materials purchased by or on behalf of institutions of the public  
4650 education system as defined in Utah Constitution, Article X, Section 2, provided the  
4651 construction materials are clearly identified and segregated and installed or converted to real  
4652 property which is owned by institutions of the public education system; and

4653 (ii) construction materials purchased by the state, its institutions, or its political  
4654 subdivisions which are installed or converted to real property by employees of the state, its  
4655 institutions, or its political subdivisions; or

4656 (b) tangible personal property in connection with the construction, operation,  
4657 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities  
4658 providing additional project capacity, as defined in Section 11-13-103;

4659 [~~(3)(a) sales of an item described in Subsection (3)(b) from a vending machine if:~~]

4660 [~~(i) the proceeds of each sale do not exceed \$1; and]~~

4661 [~~(ii) the seller or operator of the vending machine reports an amount equal to 150% of~~  
4662 ~~the cost of the item described in Subsection (3)(b) as goods consumed; and]~~

4663 [~~(b) Subsection (3)(a) applies to:~~]

4664 [~~(i) food and food ingredients; or]~~

4665 [~~(ii) prepared food;]~~

4666 [~~(4)~~] (3) (a) sales of the following to a commercial airline carrier for in-flight  
4667 consumption:

4668 (i) alcoholic beverages;

4669 (ii) food and food ingredients; or

4670 (iii) prepared food;

4671 (b) sales of tangible personal property or a product transferred electronically:

4672 (i) to a passenger;

4673 (ii) by a commercial airline carrier; and

4674 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or

4675 (c) services related to Subsection [~~(4)~~] (3)(a) or (b);

4676 ~~[(5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts~~  
4677 ~~and equipment:]~~

4678 ~~[(A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002~~  
4679 ~~North American Industry Classification System of the federal Executive Office of the~~  
4680 ~~President, Office of Management and Budget; and]~~

4681 ~~[(H) for:]~~

4682 ~~[(Aa) installation in an aircraft, including services relating to the installation of parts or~~  
4683 ~~equipment in the aircraft;]~~

4684 ~~[(Bb) renovation of an aircraft; or]~~

4685 ~~[(Cc) repair of an aircraft; or]~~

4686 ~~[(B) for installation in an aircraft operated by a common carrier in interstate or foreign~~  
4687 ~~commerce; or]~~

4688 ~~[(ii) beginning on October 1, 2008, sales of parts and equipment for installation in an~~  
4689 ~~aircraft operated by a common carrier in interstate or foreign commerce; and]~~

4690 ~~[(b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,~~  
4691 ~~a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a~~  
4692 ~~refund:]~~

4693 ~~[(i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;]~~

4694 ~~[(ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;]~~

4695 ~~[(iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for~~  
4696 ~~the sale prior to filing for the refund;]~~

4697 ~~[(iv) for sales and use taxes paid under this chapter on the sale;]~~

4698 ~~[(v) in accordance with Section 59-1-1410; and]~~

4699 ~~[(vi) subject to any extension allowed for filing for a refund under Section 59-1-1410,~~  
4700 ~~if the person files for the refund on or before September 30, 2011;]~~

4701 (4) sales of parts and equipment for installation in an aircraft operated by a common  
4702 carrier in interstate or foreign commerce;

4703 ~~[(6)]~~ (5) sales of commercials, motion picture films, prerecorded audio program tapes  
4704 or records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture  
4705 exhibitor, distributor, or commercial television or radio broadcaster;

4706 ~~[(7) (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of~~

4707 ~~cleaning or washing of tangible personal property if the cleaning or washing of the tangible~~  
4708 ~~personal property is not assisted cleaning or washing of tangible personal property;]~~

4709 ~~[(b) if a seller that sells at the same business location assisted cleaning or washing of~~  
4710 ~~tangible personal property and cleaning or washing of tangible personal property that is not~~  
4711 ~~assisted cleaning or washing of tangible personal property, the exemption described in~~  
4712 ~~Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning~~  
4713 ~~or washing of the tangible personal property; and]~~

4714 ~~[(c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,~~  
4715 ~~Utah Administrative Rulemaking Act, the commission may make rules:]~~

4716 ~~[(i) governing the circumstances under which sales are at the same business location;~~  
4717 ~~and]~~

4718 ~~[(ii) establishing the procedures and requirements for a seller to separately account for~~  
4719 ~~sales of assisted cleaning or washing of tangible personal property;]~~

4720 ~~[(8)]~~ (6) sales made to or by religious or charitable institutions in the conduct of their  
4721 regular religious or charitable functions and activities, if the requirements of Section  
4722 [59-12-104.1](#) are fulfilled;

4723 ~~[(9)]~~ (7) sales of a vehicle of a type required to be registered under the motor vehicle  
4724 laws of this state if the vehicle is:

4725 (a) not registered in this state; and

4726 (b) (i) not used in this state; or

4727 (ii) used in this state:

4728 (A) if the vehicle is not used to conduct business, for a time period that does not  
4729 exceed the longer of:

4730 (I) 30 days in any calendar year; or

4731 (II) the time period necessary to transport the vehicle to the borders of this state; or

4732 (B) if the vehicle is used to conduct business, for the time period necessary to transport  
4733 the vehicle to the borders of this state;

4734 ~~[(10)(a)]~~ (8) amounts paid for ~~[an item described in Subsection (10)(b) if]:~~

4735 (a) menstrual products; or

4736 (b) a drug, syringe, or stoma supply if:

4737 (i) the item is intended for human use; and

4738 (ii) (A) a prescription was issued for the item; or  
4739 (B) the item was purchased by a hospital or other medical facility; ~~and~~  
4740 ~~[(b) (i) Subsection (10)(a) applies to:]~~  
4741 ~~[(A) a drug;~~  
4742 ~~[(B) a syringe; or]~~  
4743 ~~[(C) a stoma supply; and]~~  
4744 ~~[(ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~  
4745 ~~the commission may by rule define the terms:]~~  
4746 ~~[(A) "syringe"; or]~~  
4747 ~~[(B) "stoma supply";]~~  
4748 ~~[(H)] (9) purchases or leases exempt under Section 19-12-201;~~  
4749 ~~[(H)] (10) (a) sales of an item described in Subsection [(H)] (10)(c) served by:~~  
4750 (i) the following if the item described in Subsection [(H)] (10)(c) is not available to  
4751 the general public:  
4752 (A) a church; or  
4753 (B) a charitable institution; or  
4754 (ii) an institution of higher education if:  
4755 (A) the item described in Subsection [(H)] (10)(c) is not available to the general  
4756 public; or  
4757 (B) the item described in Subsection [(H)] (10)(c) is prepaid as part of a student meal  
4758 plan offered by the institution of higher education; or  
4759 (b) sales of an item described in Subsection [(H)] (10)(c) provided for a patient by:  
4760 (i) a medical facility; or  
4761 (ii) a nursing facility; and  
4762 (c) Subsections [(H)] (10)(a) and (b) apply to:  
4763 (i) food and food ingredients;  
4764 (ii) prepared food; or  
4765 (iii) alcoholic beverages;  
4766 [(H)] (11) (a) except as provided in Subsection [(H)] (11)(b), the sale of tangible  
4767 personal property or a product transferred electronically by a person:  
4768 (i) regardless of the number of transactions involving the sale of that tangible personal

4769 property or product transferred electronically by that person; and

4770 (ii) not regularly engaged in the business of selling that type of tangible personal  
4771 property or product transferred electronically;

4772 (b) this Subsection [~~(13)~~] (11) does not apply if:

4773 (i) the sale is one of a series of sales of a character to indicate that the person is  
4774 regularly engaged in the business of selling that type of tangible personal property or product  
4775 transferred electronically;

4776 (ii) the person holds that person out as regularly engaged in the business of selling that  
4777 type of tangible personal property or product transferred electronically;

4778 (iii) the person sells an item of tangible personal property or product transferred  
4779 electronically that the person purchased as a sale that is exempt under Subsection [~~(25)~~] (22);  
4780 or

4781 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of  
4782 this state in which case the tax is based upon:

4783 (A) the bill of sale or other written evidence of value of the vehicle or vessel being  
4784 sold; or

4785 (B) in the absence of a bill of sale or other written evidence of value, the fair market  
4786 value of the vehicle or vessel being sold at the time of the sale as determined by the  
4787 commission; and

4788 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
4789 commission shall make rules establishing the circumstances under which:

4790 (i) a person is regularly engaged in the business of selling a type of tangible personal  
4791 property or product transferred electronically;

4792 (ii) a sale of tangible personal property or a product transferred electronically is one of  
4793 a series of sales of a character to indicate that a person is regularly engaged in the business of  
4794 selling that type of tangible personal property or product transferred electronically; or

4795 (iii) a person holds that person out as regularly engaged in the business of selling a type  
4796 of tangible personal property or product transferred electronically;

4797 [~~(14)~~] (12) amounts paid or charged for a purchase or lease of machinery, equipment,  
4798 normal operating repair or replacement parts, or materials, except for office equipment or  
4799 office supplies, by:

- 4800 (a) a manufacturing facility that:
- 4801 (i) is located in the state; and
- 4802 (ii) uses or consumes the machinery, equipment, normal operating repair or
- 4803 replacement parts, or materials:
- 4804 (A) in the manufacturing process to manufacture an item sold as tangible personal
- 4805 property, as the commission may define that phrase in accordance with Title 63G, Chapter 3,
- 4806 Utah Administrative Rulemaking Act; or
- 4807 (B) for a scrap recycler, to process an item sold as tangible personal property, as the
- 4808 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
- 4809 Administrative Rulemaking Act;
- 4810 (b) an establishment, as the commission defines that term in accordance with Title
- 4811 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 4812 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
- 4813 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal
- 4814 Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the
- 4815 2002 North American Industry Classification System of the federal Executive Office of the
- 4816 President, Office of Management and Budget;
- 4817 (ii) is located in the state; and
- 4818 (iii) uses or consumes the machinery, equipment, normal operating repair or
- 4819 replacement parts, or materials in:
- 4820 (A) the production process to produce an item sold as tangible personal property, as the
- 4821 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
- 4822 Administrative Rulemaking Act;
- 4823 (B) research and development, as the commission may define that phrase in accordance
- 4824 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 4825 (C) transporting, storing, or managing tailings, overburden, or similar waste materials
- 4826 produced from mining;
- 4827 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in
- 4828 mining; or
- 4829 (E) preventing, controlling, or reducing dust or other pollutants from mining; or
- 4830 (c) an establishment, as the commission defines that term in accordance with Title 63G,

4831 Chapter 3, Utah Administrative Rulemaking Act, that:

4832 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North  
4833 American Industry Classification System of the federal Executive Office of the President,  
4834 Office of Management and Budget;

4835 (ii) is located in the state; and

4836 (iii) uses or consumes the machinery, equipment, normal operating repair or  
4837 replacement parts, or materials in the operation of the web search portal;

4838 ~~[(15)]~~ (13) (a) sales of the following if the requirements of Subsection ~~[(15)]~~ (13)(b)  
4839 are met:

4840 (i) tooling;

4841 (ii) special tooling;

4842 (iii) support equipment;

4843 (iv) special test equipment; or

4844 (v) parts used in the repairs or renovations of tooling or equipment described in  
4845 Subsections ~~[(15)]~~ (13)(a)(i) through (iv); and

4846 (b) sales of tooling, equipment, or parts described in Subsection ~~[(15)]~~ (13)(a) are  
4847 exempt if:

4848 (i) the tooling, equipment, or parts are used or consumed exclusively in the  
4849 performance of any aerospace or electronics industry contract with the United States  
4850 government or any subcontract under that contract; and

4851 (ii) under the terms of the contract or subcontract described in Subsection ~~[(15)]~~  
4852 (13)(b)(i), title to the tooling, equipment, or parts is vested in the United States government as  
4853 evidenced by:

4854 (A) a government identification tag placed on the tooling, equipment, or parts; or

4855 (B) listing on a government-approved property record if placing a government  
4856 identification tag on the tooling, equipment, or parts is impractical;

4857 ~~[(16) sales of newspapers or newspaper subscriptions;]~~

4858 ~~[(17)]~~ (14) (a) except as provided in Subsection ~~[(17)]~~ (14)(b), tangible personal  
4859 property or a product transferred electronically traded in as full or part payment of the purchase  
4860 price, except that for purposes of calculating sales or use tax upon vehicles not sold by a  
4861 vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:

4862 (i) the bill of sale or other written evidence of value of the vehicle being sold and the  
4863 vehicle being traded in; or

4864 (ii) in the absence of a bill of sale or other written evidence of value, the then existing  
4865 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the  
4866 commission; and

4867 (b) Subsection ~~[(17)]~~ (14)(a) does not apply to the following items of tangible personal  
4868 property or products transferred electronically traded in as full or part payment of the purchase  
4869 price:

4870 (i) money;

4871 (ii) electricity;

4872 (iii) water;

4873 (iv) gas; or

4874 (v) steam;

4875 ~~[(18)]~~ (15) (a) (i) except as provided in Subsection ~~[(18)]~~ (15)(b), sales of tangible  
4876 personal property or a product transferred electronically used or consumed primarily and  
4877 directly in farming operations, regardless of whether the tangible personal property or product  
4878 transferred electronically:

4879 (A) becomes part of real estate; or

4880 (B) is installed by a~~[-]~~ farmer, contractor, or subcontractor; or

4881 ~~[(F) farmer;]~~

4882 ~~[(H) contractor; or]~~

4883 ~~[(H) subcontractor; or]~~

4884 (ii) sales of parts used in the repairs or renovations of tangible personal property or a  
4885 product transferred electronically if the tangible personal property or product transferred  
4886 electronically is exempt under Subsection ~~[(18)]~~ (15)(a)(i); and

4887 (b) amounts paid or charged for the following are subject to the taxes imposed by this  
4888 chapter:

4889 (i) (A) subject to Subsection ~~[(18)]~~ (15)(b)(i)(B), machinery, equipment, materials, or  
4890 supplies if used in a manner that is incidental to farming; and

4891 (B) tangible personal property that is considered to be used in a manner that is  
4892 incidental to farming includes:

- 4893 (I) hand tools; or
- 4894 (II) maintenance and janitorial equipment and supplies;
- 4895 (ii) (A) subject to Subsection [~~(18)~~] (15)(b)(ii)(B), tangible personal property or a
- 4896 product transferred electronically if the tangible personal property or product transferred
- 4897 electronically is used in an activity other than farming; and
- 4898 (B) tangible personal property or a product transferred electronically that is considered
- 4899 to be used in an activity other than farming includes:
- 4900 (I) office equipment and supplies; or
- 4901 (II) equipment and supplies used in:
- 4902 (Aa) the sale or distribution of farm products;
- 4903 (Bb) research; or
- 4904 (Cc) transportation; or
- 4905 (iii) a vehicle required to be registered by the laws of this state during the period
- 4906 ending two years after the date of the vehicle's purchase;
- 4907 [~~(19)~~] (16) sales of hay;
- 4908 [~~(20)~~] (17) exclusive sale during the harvest season of seasonal crops, seedling plants,
- 4909 or garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
- 4910 garden, farm, or other agricultural produce is sold by:
- 4911 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
- 4912 agricultural produce;
- 4913 (b) an employee of the producer described in Subsection [~~(20)~~] (17)(a); or
- 4914 (c) a member of the immediate family of the producer described in Subsection [~~(20)~~]
- 4915 (17)(a);
- 4916 [~~(21)~~] (18) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is
- 4917 issued under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
- 4918 [~~(22)~~] (19) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
- 4919 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
- 4920 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
- 4921 manufacturer, processor, wholesaler, or retailer;
- 4922 [~~(23)~~] (20) a product stored in the state for resale;
- 4923 [~~(24)~~] (21) (a) purchases of a product if:

- 4924 (i) the product is:
- 4925 (A) purchased outside of this state;
- 4926 (B) brought into this state:
- 4927 (I) at any time after the purchase described in Subsection [~~(24)~~] (21)(a)(i)(A); and
- 4928 (II) by a nonresident person who is not living or working in this state at the time of the
- 4929 purchase;
- 4930 (C) used for the personal use or enjoyment of the nonresident person described in
- 4931 Subsection [~~(24)~~] (21)(a)(i)(B)(II) while that nonresident person is within the state; and
- 4932 (D) not used in conducting business in this state; and
- 4933 (ii) for:
- 4934 (A) a product other than a boat described in Subsection [~~(24)~~] (21)(a)(ii)(B), the first
- 4935 use of the product for a purpose for which the product is designed occurs outside of this state;
- 4936 (B) a boat, the boat is registered outside of this state; or
- 4937 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered
- 4938 outside of this state;
- 4939 (b) the exemption provided for in Subsection [~~(24)~~] (21)(a) does not apply to:
- 4940 (i) a lease or rental of a product; or
- 4941 (ii) a sale of a vehicle exempt under Subsection [~~(33)~~] (30); and
- 4942 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
- 4943 purposes of Subsection [~~(24)~~] (21)(a), the commission may by rule define what constitutes the
- 4944 following:
- 4945 (i) conducting business in this state if that phrase has the same meaning in this
- 4946 Subsection [~~(24)~~] (21) as in Subsection [~~(63)~~] (55);
- 4947 (ii) the first use of a product if that phrase has the same meaning in this Subsection
- 4948 [~~(24)~~] (21) as in Subsection [~~(63)~~] (55); or
- 4949 (iii) a purpose for which a product is designed if that phrase has the same meaning in
- 4950 this Subsection [~~(24)~~] (21) as in Subsection [~~(63)~~] (55);
- 4951 [~~(25)~~] (22) a product purchased for resale in the regular course of business, either in its
- 4952 original form or as an ingredient or component part of a manufactured or compounded product;
- 4953 [~~(26)~~] (23) a product upon which a sales or use tax was paid to some other state, or one
- 4954 of its subdivisions, except that the state shall be paid any difference between the tax paid and

4955 the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is  
4956 allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and  
4957 Use Tax Act;

4958 ~~[(27)]~~ (24) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d)  
4959 to a person for use in compounding a service taxable under the subsections;

4960 ~~[(28)]~~ (25) purchases made in accordance with the special supplemental nutrition  
4961 program for women, infants, and children established in 42 U.S.C. Sec. 1786;

4962 ~~[(29)]~~ (26) sales or leases of rolls, rollers, refractory brick, electric motors, or other  
4963 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code  
4964 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of  
4965 the President, Office of Management and Budget;

4966 ~~[(30)]~~ (27) sales of a boat of a type required to be registered under Title 73, Chapter 18,  
4967 State Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard  
4968 motor is:

4969 (a) not registered in this state; and

4970 (b) (i) not used in this state; or

4971 (ii) used in this state:

4972 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a  
4973 time period that does not exceed the longer of:

4974 (I) 30 days in any calendar year; or

4975 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to  
4976 the borders of this state; or

4977 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time  
4978 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this  
4979 state;

4980 ~~[(31)]~~ (28) sales of aircraft manufactured in Utah;

4981 ~~[(32)]~~ (29) amounts paid for the purchase of telecommunications service for purposes  
4982 of providing telecommunications service;

4983 ~~[(33)]~~ (30) sales, leases, or uses of the following:

4984 (a) a vehicle by an authorized carrier; or

4985 (b) tangible personal property that is installed on a vehicle:

- 4986 (i) sold or leased to or used by an authorized carrier; and
- 4987 (ii) before the vehicle is placed in service for the first time;
- 4988 ~~[(34)]~~ (31) (a) 45% of the sales price of any new manufactured home; and
- 4989 (b) 100% of the sales price of any used manufactured home;
- 4990 ~~[(35)]~~ (32) sales relating to schools and fundraising sales;
- 4991 ~~[(36)]~~ (33) sales or rentals of durable medical equipment if:
- 4992 (a) a person presents a prescription for the durable medical equipment; and
- 4993 (b) the durable medical equipment is used for home use only;
- 4994 ~~[(37)(a) sales to a ski resort of electricity to operate a passenger ropeway as defined in~~
- 4995 ~~Section 72-11-102; and]~~
- 4996 ~~[(b) the commission shall by rule determine the method for calculating sales exempt~~
- 4997 ~~under Subsection (37)(a) that are not separately metered and accounted for in utility billings;]~~
- 4998 ~~[(38)]~~ (34) sales to a ski resort of:
- 4999 (a) snowmaking equipment;
- 5000 (b) ski slope grooming equipment;
- 5001 (c) passenger ropeways as defined in Section 72-11-102; or
- 5002 (d) parts used in the repairs or renovations of equipment or passenger ropeways
- 5003 described in Subsections ~~[(38)]~~ (34)(a) through (c);
- 5004 ~~[(39)]~~ (35) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for
- 5005 industrial use;
- 5006 ~~[(40)(a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for~~
- 5007 ~~amusement, entertainment, or recreation an unassisted amusement device as defined in Section~~
- 5008 ~~59-12-102;]~~
- 5009 ~~[(b) if a seller that sells or rents at the same business location the right to use or operate~~
- 5010 ~~for amusement, entertainment, or recreation one or more unassisted amusement devices and~~
- 5011 ~~one or more assisted amusement devices, the exemption described in Subsection (40)(a)~~
- 5012 ~~applies if the seller separately accounts for the sales or rentals of the right to use or operate for~~
- 5013 ~~amusement, entertainment, or recreation for the assisted amusement devices; and]~~
- 5014 ~~[(c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,~~
- 5015 ~~Utah Administrative Rulemaking Act, the commission may make rules:]~~
- 5016 ~~[(i) governing the circumstances under which sales are at the same business location;~~

5017 and]

5018 ~~[(ii) establishing the procedures and requirements for a seller to separately account for~~  
5019 ~~the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for~~  
5020 ~~assisted amusement devices;]~~

5021 ~~[(41)]~~ (36) (a) sales of photocopies by:

5022 (i) a governmental entity; or

5023 (ii) an entity within the state system of public education, including:

5024 (A) a school; or

5025 (B) the State Board of Education; or

5026 (b) sales of publications by a governmental entity;

5027 ~~[(42) amounts paid for admission to an athletic event at an institution of higher~~  
5028 ~~education that is subject to the provisions of Title IX of the Education Amendments of 1972,~~  
5029 ~~20 U.S.C. Sec. 1681 et seq.;]~~

5030 ~~[(43)]~~ (37) (a) sales made to or by:

5031 (i) an area agency on aging; or

5032 (ii) a senior citizen center owned by a county, city, or town; or

5033 (b) sales made by a senior citizen center that contracts with an area agency on aging;

5034 ~~[(44)]~~ (38) sales or leases of semiconductor fabricating, processing, research, or  
5035 development materials regardless of whether the semiconductor fabricating, processing,  
5036 research, or development materials:

5037 (a) actually come into contact with a semiconductor; or

5038 (b) ultimately become incorporated into real property;

5039 ~~[(45)]~~ (39) an amount paid by or charged to a purchaser for accommodations and  
5040 services described in Subsection [59-12-103\(1\)\(i\)](#) to the extent the amount is exempt under  
5041 Section [59-12-104.2](#);

5042 ~~[(46) beginning on September 1, 2001, the lease or use of a vehicle issued a temporary~~  
5043 ~~sports event registration certificate in accordance with Section [41-3-306](#) for the event period~~  
5044 ~~specified on the temporary sports event registration certificate;]~~

5045 ~~[(47)]~~ (40) (a) sales or uses of electricity, if the sales or uses are made under a retail  
5046 tariff adopted by the Public Service Commission only for purchase of electricity produced from  
5047 a new alternative energy source built after January 1, 2016, as designated in the tariff by the

5048 Public Service Commission; and

5049 (b) for a residential use customer only, the exemption under Subsection [~~(47)~~] (40)(a)  
5050 applies only to the portion of the tariff rate a customer pays under the tariff described in  
5051 Subsection [~~(47)~~] (40)(a) that exceeds the tariff rate under the tariff described in Subsection  
5052 [~~(47)~~] (40)(a) that the customer would have paid absent the tariff;

5053 [~~(48)~~] (41) sales or rentals of mobility enhancing equipment if a person presents a  
5054 prescription for the mobility enhancing equipment;

5055 [~~(49)~~] (42) sales of water in a:

5056 (a) pipe;

5057 (b) conduit;

5058 (c) ditch; or

5059 (d) reservoir;

5060 [~~(50)~~] (43) sales of currency or coins that constitute legal tender of a state, the United  
5061 States, or a foreign nation;

5062 [~~(51)~~] (44) (a) sales of an item described in Subsection [~~(51)~~] (44)(b) if the item:

5063 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and

5064 (ii) has a gold, silver, or platinum content of 50% or more; and

5065 (b) Subsection [~~(51)~~] (44)(a) applies to a gold, silver, or platinum:

5066 (i) ingot;

5067 (ii) bar;

5068 (iii) medallion; or

5069 (iv) decorative coin;

5070 [~~(52)~~] (45) amounts paid on a sale-leaseback transaction;

5071 [~~(53)~~] (46) sales of a prosthetic device:

5072 (a) for use on or in a human; and

5073 (b) (i) for which a prescription is required; or

5074 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

5075 [~~(54)~~] (47) (a) except as provided in Subsection [~~(54)~~] (47)(b), purchases, leases, or  
5076 rentals of machinery or equipment by an establishment described in Subsection [~~(54)~~] (47)(c) if  
5077 the machinery or equipment is primarily used in the production or postproduction of the  
5078 following media for commercial distribution:

- 5079 (i) a motion picture;
- 5080 (ii) a television program;
- 5081 (iii) a movie made for television;
- 5082 (iv) a music video;
- 5083 (v) a commercial;
- 5084 (vi) a documentary; or
- 5085 (vii) a medium similar to Subsections [~~54~~] (47)(a)(i) through (vi) as determined by
- 5086 the commission by administrative rule made in accordance with Subsection [~~54~~] (47)(d); or
- 5087 (b) purchases, leases, or rentals of machinery or equipment by an establishment
- 5088 described in Subsection [~~54~~] (47)(c) that is used for the production or postproduction of the
- 5089 following are subject to the taxes imposed by this chapter:
- 5090 (i) a live musical performance;
- 5091 (ii) a live news program; or
- 5092 (iii) a live sporting event;
- 5093 (c) the following establishments listed in the 1997 North American Industry
- 5094 Classification System of the federal Executive Office of the President, Office of Management
- 5095 and Budget, apply to Subsections [~~54~~] (47)(a) and (b):
- 5096 (i) NAICS Code 512110; or
- 5097 (ii) NAICS Code 51219; and
- 5098 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 5099 commission may by rule:
- 5100 (i) prescribe what constitutes a medium similar to Subsections [~~54~~] (47)(a)(i) through
- 5101 (vi); or
- 5102 (ii) define:
- 5103 (A) "commercial distribution";
- 5104 (B) "live musical performance";
- 5105 (C) "live news program"; or
- 5106 (D) "live sporting event";
- 5107 [~~55~~] (48) (a) leases of seven or more years or purchases made on or after July 1,
- 5108 2004, but on or before June 30, 2027, of tangible personal property that:
- 5109 (i) is leased or purchased for or by a facility that:

- 5110 (A) is an alternative energy electricity production facility;
- 5111 (B) is located in the state; and
- 5112 (C) (I) becomes operational on or after July 1, 2004; or
- 5113 (II) has its generation capacity increased by one or more megawatts on or after July 1,
- 5114 2004, as a result of the use of the tangible personal property;
- 5115 (ii) has an economic life of five or more years; and
- 5116 (iii) is used to make the facility or the increase in capacity of the facility described in
- 5117 Subsection [~~(55)~~] (48)(a)(i) operational up to the point of interconnection with an existing
- 5118 transmission grid including:
  - 5119 (A) a wind turbine;
  - 5120 (B) generating equipment;
  - 5121 (C) a control and monitoring system;
  - 5122 (D) a power line;
  - 5123 (E) substation equipment;
  - 5124 (F) lighting;
  - 5125 (G) fencing;
  - 5126 (H) pipes; or
  - 5127 (I) other equipment used for locating a power line or pole; and
- 5128 (b) this Subsection [~~(55)~~] (48) does not apply to:
  - 5129 (i) tangible personal property used in construction of:
    - 5130 (A) a new alternative energy electricity production facility; or
    - 5131 (B) the increase in the capacity of an alternative energy electricity production facility;
  - 5132 (ii) contracted services required for construction and routine maintenance activities;
- 5133 and
- 5134 (iii) unless the tangible personal property is used or acquired for an increase in capacity
- 5135 of the facility described in Subsection [~~(55)~~] (48)(a)(i)(C)(II), tangible personal property used
- 5136 or acquired after:
  - 5137 (A) the alternative energy electricity production facility described in Subsection [~~(55)~~]
  - 5138 (48)(a)(i) is operational as described in Subsection [~~(55)~~] (48)(a)(iii); or
  - 5139 (B) the increased capacity described in Subsection [~~(55)~~] (48)(a)(i) is operational as
  - 5140 described in Subsection [~~(55)~~] (48)(a)(iii);

5141            [~~(56)~~] (49) (a) leases of seven or more years or purchases made on or after July 1,  
5142 2004, but on or before June 30, 2027, of tangible personal property that:  
5143            (i) is leased or purchased for or by a facility that:  
5144            (A) is a waste energy production facility;  
5145            (B) is located in the state; and  
5146            (C) (I) becomes operational on or after July 1, 2004; or  
5147            (II) has its generation capacity increased by one or more megawatts on or after July 1,  
5148 2004, as a result of the use of the tangible personal property;  
5149            (ii) has an economic life of five or more years; and  
5150            (iii) is used to make the facility or the increase in capacity of the facility described in  
5151 Subsection [~~(56)~~] (49)(a)(i) operational up to the point of interconnection with an existing  
5152 transmission grid including:  
5153            (A) generating equipment;  
5154            (B) a control and monitoring system;  
5155            (C) a power line;  
5156            (D) substation equipment;  
5157            (E) lighting;  
5158            (F) fencing;  
5159            (G) pipes; or  
5160            (H) other equipment used for locating a power line or pole; and  
5161            (b) this Subsection [~~(56)~~] (49) does not apply to:  
5162            (i) tangible personal property used in construction of:  
5163            (A) a new waste energy facility; or  
5164            (B) the increase in the capacity of a waste energy facility;  
5165            (ii) contracted services required for construction and routine maintenance activities;  
5166 and  
5167            (iii) unless the tangible personal property is used or acquired for an increase in capacity  
5168 described in Subsection [~~(56)~~] (49)(a)(i)(C)(II), tangible personal property used or acquired  
5169 after:  
5170            (A) the waste energy facility described in Subsection [~~(56)~~] (49)(a)(i) is operational as  
5171 described in Subsection [~~(56)~~] (49)(a)(iii); or

5172 (B) the increased capacity described in Subsection [~~(56)~~] (49)(a)(i) is operational as  
5173 described in Subsection [~~(56)~~] (49)(a)(iii);  
5174 [~~(57)~~] (50) (a) leases of five or more years or purchases made on or after July 1, 2004,  
5175 but on or before June 30, 2027, of tangible personal property that:  
5176 (i) is leased or purchased for or by a facility that:  
5177 (A) is located in the state;  
5178 (B) produces fuel from alternative energy, including:  
5179 (I) methanol; or  
5180 (II) ethanol; and  
5181 (C) (I) becomes operational on or after July 1, 2004; or  
5182 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as  
5183 a result of the installation of the tangible personal property;  
5184 (ii) has an economic life of five or more years; and  
5185 (iii) is installed on the facility described in Subsection [~~(57)~~] (50)(a)(i);  
5186 (b) this Subsection [~~(57)~~] (50) does not apply to:  
5187 (i) tangible personal property used in construction of:  
5188 (A) a new facility described in Subsection [~~(57)~~] (50)(a)(i); or  
5189 (B) the increase in capacity of the facility described in Subsection [~~(57)~~] (50)(a)(i); or  
5190 (ii) contracted services required for construction and routine maintenance activities;  
5191 and  
5192 (iii) unless the tangible personal property is used or acquired for an increase in capacity  
5193 described in Subsection [~~(57)~~] (50)(a)(i)(C)(II), tangible personal property used or acquired  
5194 after:  
5195 (A) the facility described in Subsection [~~(57)~~] (50)(a)(i) is operational; or  
5196 (B) the increased capacity described in Subsection [~~(57)~~] (50)(a)(i) is operational;  
5197 [~~(58)~~] (51) (a) subject to Subsection [~~(58)(b) or (c)~~] (51)(b), sales of tangible personal  
5198 property or a product transferred electronically to a person within this state if that tangible  
5199 personal property or product transferred electronically is subsequently shipped outside the state  
5200 and incorporated pursuant to contract into and becomes a part of real property located outside  
5201 of this state; and  
5202 (b) the exemption under Subsection [~~(58)~~] (51)(a) is not allowed to the extent that the

5203 other state or political entity to which the tangible personal property is shipped imposes a sales,  
5204 use, gross receipts, or other similar transaction excise tax on the transaction against which the  
5205 other state or political entity allows a credit for sales and use taxes imposed by this chapter;  
5206 [~~and~~]

5207 [~~(c) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,~~  
5208 ~~a person may claim the exemption allowed by this Subsection (58) for a sale by filing for a~~  
5209 ~~refund;]~~

5210 [~~(i) if the sale is made on or after July 1, 2004, but on or before June 30, 2008;]~~

5211 [~~(ii) as if this Subsection (58) as in effect on July 1, 2008, were in effect on the day on~~  
5212 ~~which the sale is made;]~~

5213 [~~(iii) if the person did not claim the exemption allowed by this Subsection (58) for the~~  
5214 ~~sale prior to filing for the refund;]~~

5215 [~~(iv) for sales and use taxes paid under this chapter on the sale;]~~

5216 [~~(v) in accordance with Section 59-1-1410; and]~~

5217 [~~(vi) subject to any extension allowed for filing for a refund under Section 59-1-1410,~~  
5218 ~~if the person files for the refund on or before June 30, 2011;]~~

5219 [~~(59) purchases;]~~

5220 [~~(a) of one or more of the following items in printed or electronic format:]~~

5221 [~~(i) a list containing information that includes one or more:]~~

5222 [~~(A) names; or]~~

5223 [~~(B) addresses; or]~~

5224 [~~(ii) a database containing information that includes one or more:]~~

5225 [~~(A) names; or]~~

5226 [~~(B) addresses; and]~~

5227 [~~(b) used to send direct mail;]~~

5228 [~~(60)] (52) redemptions or repurchases of a product by a person if that product was:~~

5229 (a) delivered to a pawnbroker as part of a pawn transaction; and

5230 (b) redeemed or repurchased within the time period established in a written agreement  
5231 between the person and the pawnbroker for redeeming or repurchasing the product;

5232 [~~(61)] (53) (a) purchases or leases of an item described in Subsection [(61)] (53)(b) if~~  
5233 the item:

5234 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;  
5235 and

5236 (ii) has a useful economic life of one or more years; and

5237 (b) the following apply to Subsection [~~(61)~~] (53)(a):

5238 (i) telecommunications enabling or facilitating equipment, machinery, or software;

5239 (ii) telecommunications equipment, machinery, or software required for 911 service;

5240 (iii) telecommunications maintenance or repair equipment, machinery, or software;

5241 (iv) telecommunications switching or routing equipment, machinery, or software; or

5242 (v) telecommunications transmission equipment, machinery, or software;

5243 [~~(62)~~] (54) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of  
5244 tangible personal property or a product transferred electronically that are used in the research  
5245 and development of alternative energy technology; and

5246 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
5247 commission may, for purposes of Subsection [~~(62)~~] (54)(a), make rules defining what  
5248 constitutes purchases of tangible personal property or a product transferred electronically that  
5249 are used in the research and development of alternative energy technology;

5250 [~~(63)~~] (55) (a) purchases of tangible personal property or a product transferred  
5251 electronically if:

5252 (i) the tangible personal property or product transferred electronically is:

5253 (A) purchased outside of this state;

5254 (B) brought into this state at any time after the purchase described in Subsection [~~(63)~~]  
5255 (55)(a)(i)(A); and

5256 (C) used in conducting business in this state; and

5257 (ii) for:

5258 (A) tangible personal property or a product transferred electronically other than the  
5259 tangible personal property described in Subsection [~~(63)~~] (55)(a)(ii)(B), the first use of the  
5260 property for a purpose for which the property is designed occurs outside of this state; or

5261 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered  
5262 outside of this state;

5263 (b) the exemption provided for in Subsection [~~(63)~~] (55)(a) does not apply to:

5264 (i) a lease or rental of tangible personal property or a product transferred electronically;

5265 or

5266 (ii) a sale of a vehicle exempt under Subsection ~~[(33)]~~ (30); and

5267 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
5268 purposes of Subsection ~~[(63)]~~ (55)(a), the commission may by rule define what constitutes the  
5269 following:

5270 (i) conducting business in this state if that phrase has the same meaning in this  
5271 Subsection ~~[(63)]~~ (55) as in Subsection ~~[(24)]~~ (21);

5272 (ii) the first use of tangible personal property or a product transferred electronically if  
5273 that phrase has the same meaning in this Subsection ~~[(63)]~~ (55) as in Subsection ~~[(24)]~~ (21); or

5274 (iii) a purpose for which tangible personal property or a product transferred  
5275 electronically is designed if that phrase has the same meaning in this Subsection ~~[(63)]~~ (55) as  
5276 in Subsection ~~[(24)]~~ (21);

5277 ~~[(64)]~~ (56) sales of disposable home medical equipment or supplies if:

5278 (a) a person presents a prescription for the disposable home medical equipment or  
5279 supplies;

5280 (b) the disposable home medical equipment or supplies are used exclusively by the  
5281 person to whom the prescription described in Subsection ~~[(64)]~~ (56)(a) is issued; and

5282 (c) the disposable home medical equipment and supplies are listed as eligible for  
5283 payment under:

5284 (i) Title XVIII, federal Social Security Act; or

5285 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;  
5286 ~~[(65) sales:]~~

5287 ~~[(a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit  
5288 District Act; or]~~

5289 ~~[(b) of tangible personal property to a subcontractor of a public transit district, if the  
5290 tangible personal property is:]~~

5291 ~~[(i) clearly identified; and]~~

5292 ~~[(ii) installed or converted to real property owned by the public transit district;]~~

5293 ~~[(66)]~~ (57) sales of construction materials:

5294 (a) purchased on or after July 1, 2010;

5295 (b) purchased by, on behalf of, or for the benefit of an international airport:

- 5296 (i) located within a county of the first class; and
- 5297 (ii) that has a United States customs office on its premises; and
- 5298 (c) if the construction materials are:
  - 5299 (i) clearly identified;
  - 5300 (ii) segregated; and
  - 5301 (iii) installed or converted to real property:
    - 5302 (A) owned or operated by the international airport described in Subsection [(66)]
    - 5303 (57)(b); and
    - 5304 (B) located at the international airport described in Subsection [(66)] (57)(b);
    - 5305 [(67)] (58) sales of construction materials:
      - 5306 (a) purchased on or after July 1, 2008;
      - 5307 (b) purchased by, on behalf of, or for the benefit of a new airport:
        - 5308 (i) located within a county of the second class; and
        - 5309 (ii) that is owned or operated by a city in which an airline as defined in Section
        - 5310 59-2-102 is headquartered; and
      - 5311 (c) if the construction materials are:
        - 5312 (i) clearly identified;
        - 5313 (ii) segregated; and
        - 5314 (iii) installed or converted to real property:
          - 5315 (A) owned or operated by the new airport described in Subsection [(67)] (58)(b);
          - 5316 (B) located at the new airport described in Subsection [(67)] (58)(b); and
          - 5317 (C) as part of the construction of the new airport described in Subsection [(67)]
          - 5318 (58)(b);
          - 5319 ~~[(68) sales of fuel to a common carrier that is a railroad for use in a locomotive~~
          - 5320 ~~engine;]~~
          - 5321 [(69)] (59) purchases and sales described in Section 63H-4-111;
          - 5322 [(70)] (60) (a) sales of tangible personal property to an aircraft maintenance, repair, and
          - 5323 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of
          - 5324 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
          - 5325 lists a state or country other than this state as the location of registry of the fixed wing turbine
          - 5326 powered aircraft; or

5327 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul  
5328 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of  
5329 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration  
5330 lists a state or country other than this state as the location of registry of the fixed wing turbine  
5331 powered aircraft;

5332 [~~(71)~~ subject to Section ~~59-12-104.4~~, sales of a textbook for a higher education  
5333 course:]

5334 [~~(a) to a person admitted to an institution of higher education; and]~~

5335 [~~(b) by a seller, other than a bookstore owned by an institution of higher education, if  
5336 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a  
5337 textbook for a higher education course;]~~

5338 [~~(72)~~ (61) a license fee or tax a municipality imposes in accordance with Subsection  
5339 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced  
5340 level of municipal services;

5341 [~~(73)~~ (62) amounts paid or charged for construction materials used in the construction  
5342 of a new or expanding life science research and development facility in the state, if the  
5343 construction materials are:

5344 (a) clearly identified;

5345 (b) segregated; and

5346 (c) installed or converted to real property;

5347 [~~(74)~~ (63) amounts paid or charged for:

5348 (a) a purchase or lease of machinery and equipment that:

5349 (i) are used in performing qualified research:

5350 (A) as defined in Section 41(d), Internal Revenue Code; and

5351 (B) in the state; and

5352 (ii) have an economic life of three or more years; and

5353 (b) normal operating repair or replacement parts:

5354 (i) for the machinery and equipment described in Subsection [~~(74)~~ (63)](a); and

5355 (ii) that have an economic life of three or more years;

5356 [~~(75)~~ (64) a sale or lease of tangible personal property used in the preparation of  
5357 prepared food if:

5358 (a) for a sale:  
5359 (i) the ownership of the seller and the ownership of the purchaser are identical; and  
5360 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that  
5361 tangible personal property prior to making the sale; or  
5362 (b) for a lease:  
5363 (i) the ownership of the lessor and the ownership of the lessee are identical; and  
5364 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible  
5365 personal property prior to making the lease;  
5366 [~~76~~] (65) (a) purchases of machinery or equipment if:  
5367 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,  
5368 Gambling, and Recreation Industries, of the 2012 North American Industry Classification  
5369 System of the federal Executive Office of the President, Office of Management and Budget;  
5370 (ii) the machinery or equipment:  
5371 (A) has an economic life of three or more years; and  
5372 (B) is used by one or more persons who pay admission or user fees described in  
5373 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and  
5374 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:  
5375 (A) amounts paid or charged as admission or user fees described in Subsection  
5376 59-12-103(1)(f); and  
5377 (B) subject to taxation under this chapter; and  
5378 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
5379 commission may make rules for verifying that 51% of a purchaser's sales revenue for the  
5380 previous calendar quarter is:  
5381 (i) amounts paid or charged as admission or user fees described in Subsection  
5382 59-12-103(1)(f); and  
5383 (ii) subject to taxation under this chapter;  
5384 [~~77~~] (66) purchases of a short-term lodging consumable by a business that provides  
5385 accommodations and services described in Subsection 59-12-103(1)(i);  
5386 [~~78~~ amounts paid or charged to access a database:]  
5387 [~~a~~ if the primary purpose for accessing the database is to view or retrieve information  
5388 from the database; and]

- 5389 ~~[(b) not including amounts paid or charged for a:]~~  
5390 ~~[(i) digital audiowork;]~~  
5391 ~~[(ii) digital audio-visual work; or]~~  
5392 ~~[(iii) digital book;]~~  
5393 ~~[(79)]~~ (67) amounts paid or charged for a purchase or lease made by an electronic  
5394 financial payment service, of:  
5395 (a) machinery and equipment that:  
5396 (i) are used in the operation of the electronic financial payment service; and  
5397 (ii) have an economic life of three or more years; and  
5398 (b) normal operating repair or replacement parts that:  
5399 (i) are used in the operation of the electronic financial payment service; and  
5400 (ii) have an economic life of three or more years;  
5401 ~~[(80)]~~ (68) ~~[beginning on April 1, 2013;]~~ sales of a fuel cell as defined in Section  
5402 [54-15-102](#);  
5403 ~~[(81)]~~ (69) amounts paid or charged for a purchase or lease of tangible personal  
5404 property or a product transferred electronically if the tangible personal property or product  
5405 transferred electronically:  
5406 (a) is stored, used, or consumed in the state; and  
5407 (b) is temporarily brought into the state from another state:  
5408 (i) during a disaster period as defined in Section [53-2a-1202](#);  
5409 (ii) by an out-of-state business as defined in Section [53-2a-1202](#);  
5410 (iii) for a declared state disaster or emergency as defined in Section [53-2a-1202](#); and  
5411 (iv) for disaster- or emergency-related work as defined in Section [53-2a-1202](#);  
5412 ~~[(82)]~~ (70) sales of goods and services at a morale, welfare, and recreation facility, as  
5413 defined in Section [39-9-102](#), made pursuant to Title 39, Chapter 9, State Morale, Welfare, and  
5414 Recreation Program;  
5415 ~~[(83)]~~ (71) amounts paid or charged for a purchase or lease of molten magnesium;  
5416 ~~[(84)]~~ (72) amounts paid or charged for a purchase or lease made by a qualifying  
5417 ~~[enterprise]~~ data center or an occupant of a qualifying data center of machinery, equipment, or  
5418 normal operating repair or replacement parts, if the machinery, equipment, or normal operating  
5419 repair or replacement parts:

5420 (a) are used in [~~the operation of the establishment; and~~];

5421 (i) the operation of the qualifying data center; or

5422 (ii) the occupant's operations in the qualifying data center; and

5423 (b) have an economic life of one or more years;

5424 [~~(85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a~~

5425 ~~vehicle that includes cleaning or washing of the interior of the vehicle;]~~

5426 [(86)] (73) amounts paid or charged for a purchase or lease of machinery, equipment,

5427 normal operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or

5428 supplies used or consumed:

5429 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined

5430 in Section [63M-4-701](#) located in the state;

5431 (b) if the machinery, equipment, normal operating repair or replacement parts,

5432 catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:

5433 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is

5434 added to gasoline or diesel fuel;

5435 (ii) research and development;

5436 (iii) transporting, storing, or managing raw materials, work in process, finished

5437 products, and waste materials produced from refining gasoline or diesel fuel, or adding

5438 blendstock to gasoline or diesel fuel;

5439 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in

5440 refining; or

5441 (v) preventing, controlling, or reducing pollutants from refining; and

5442 (c) beginning on July 1, 2021, if the person has obtained a form certified by the Office

5443 of Energy Development under Subsection [63M-4-702\(2\)](#);

5444 [(87)] (74) amounts paid to or charged by a proprietor for accommodations and

5445 services, as defined in Section [63H-1-205](#), if the proprietor is subject to the MIDA

5446 accommodations tax imposed under Section [63H-1-205](#);

5447 [(88)] (75) amounts paid or charged for a purchase or lease of machinery, equipment,

5448 normal operating repair or replacement parts, or materials, except for office equipment or

5449 office supplies, by an establishment, as the commission defines that term in accordance with

5450 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

5451 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North  
 5452 American Industry Classification System of the federal Executive Office of the President,  
 5453 Office of Management and Budget;

5454 (b) is located in this state; and

5455 (c) uses the machinery, equipment, normal operating repair or replacement parts, or  
 5456 materials in the operation of the establishment; ~~[and]~~

5457 ~~[(89)]~~ (76) amounts paid or charged for an item exempt under Section 59-12-104.10~~[-]~~;

5458 and

5459 (77) if paid for through a machine that accepts only cash for payment and if the  
 5460 machine is the only method by which to pay:

5461 (a) sales of cleaning or washing of tangible personal property if the cleaning or  
 5462 washing of the tangible personal property is not assisted cleaning or washing of tangible  
 5463 personal property;

5464 (b) sales of food and food ingredients or prepared food from a vending machine if:

5465 (i) the proceeds of each sale do not exceed \$1; and

5466 (ii) the seller or operator of the vending machine reports an amount equal to 150% of  
 5467 the cost of the food and food ingredients or prepared food as goods consumed;

5468 (c) sales or rentals of the right to use or operate an unassisted amusement device for  
 5469 amusement, entertainment, or recreation; and

5470 (78) amounts paid or charged for tangible personal property that:

5471 (a) is not electricity, gas, machinery, equipment, vehicles, parts, office equipment, or  
 5472 office supplies; and

5473 (b) is consumed as part of a service described in Subsection 59-12-103(1)(g), (h), or  
 5474 (i).

5475 Section 45. Section **59-12-104.5** is amended to read:

5476 **59-12-104.5. Revenue and Taxation Interim Committee review of sales and use**  
 5477 **taxes.**

5478 The Revenue and Taxation Interim Committee shall:

5479 (1) review Subsection 59-12-104~~[(28)]~~(25) before October 1 of the year after the year  
 5480 in which Congress permits a state to participate in the special supplemental nutrition program  
 5481 under 42 U.S.C. Sec. 1786 even if state or local sales taxes are collected within the state on

5482 purchases of food under that program; and

5483 (2) review Subsection ~~59-12-104~~(~~21~~)(18) before October 1 of the year after the year  
5484 in which Congress permits a state to participate in the SNAP as defined in Section ~~35A-1-102~~,  
5485 even if state or local sales taxes are collected within the state on purchases of food under that  
5486 program.

5487 Section 46. Section ~~59-12-1201~~ is amended to read:

5488 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**  
5489 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

5490 (1) (a) Except as provided in Subsection (3), there is imposed a tax of [~~2.5%~~] 4% on all  
5491 short-term leases and rentals of motor vehicles not exceeding 30 days.

5492 (b) The tax imposed in this section is in addition to all other state, county, or municipal  
5493 fees and taxes imposed on rentals of motor vehicles.

5494 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax  
5495 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

5496 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall  
5497 take effect on the first day of the first billing period:

5498 (A) that begins after the effective date of the tax rate increase; and

5499 (B) if the billing period for the transaction begins before the effective date of a tax rate  
5500 increase imposed under Subsection (1).

5501 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax  
5502 rate decrease shall take effect on the first day of the last billing period:

5503 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;  
5504 and

5505 (B) if the billing period for the transaction begins before the effective date of the repeal  
5506 of the tax or the tax rate decrease imposed under Subsection (1).

5507 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

5508 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

5509 (b) the motor vehicle is rented as a personal household goods moving van; or

5510 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily  
5511 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an  
5512 insurance agreement.

5513 (4) (a) (i) The tax authorized under this section shall be administered, collected, and  
5514 enforced in accordance with:

5515 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,  
5516 Tax Collection; and

5517 (B) Chapter 1, General Taxation Policies.

5518 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to  
5519 Subsections 59-12-103(4) through (10) or Section 59-12-107.1 or 59-12-123.

5520 (b) The commission shall retain and deposit an administrative charge in accordance  
5521 with Section 59-1-306 from the [~~revenues~~] revenue the commission collects from a tax under  
5522 this part.

5523 (c) Except as provided under Subsection (4)(b), all revenue received by the  
5524 commission under this section shall be deposited daily with the state treasurer and credited  
5525 monthly to the Marda Dillree Corridor Preservation Fund under Section 72-2-117.

5526 Section 47. Section 59-13-202 is amended to read:

5527 **59-13-202. Refund of tax for agricultural uses on individual income and**  
5528 **corporate franchise and income tax returns -- Application for permit for refund --**  
5529 **Division of Finance to pay claims -- Rules permitted to enforce part -- Penalties --**  
5530 **Revenue and Taxation Interim Committee study.**

5531 (1) As used in this section:

5532 (a) (i) Except as provided in Subsection (1)(a)(ii), "claimant" means a resident or  
5533 nonresident person.

5534 (ii) "Claimant" does not include an estate or trust.

5535 (b) "Estate" means a nonresident estate or a resident estate.

5536 (c) "Refundable tax credit" or "tax credit" means a tax credit that a claimant, estate, or  
5537 trust may claim:

5538 (i) as provided by statute; and

5539 (ii) regardless of whether, for the taxable year for which the claimant, estate, or trust  
5540 claims the tax credit, the claimant, estate, or trust has a tax liability under:

5541 (A) Chapter 7, Corporate Franchise and Income Taxes; or

5542 (B) Chapter 10, Individual Income Tax Act.

5543 (d) "Trust" means a nonresident trust or a resident trust.

5544 (2) Any claimant, estate, or trust that purchases and uses any motor fuel within the state  
5545 for the purpose of operating or propelling stationary farm engines and self-propelled farm  
5546 machinery used for nonhighway agricultural uses, and that has paid the tax on the motor fuel as  
5547 provided by this part, is entitled to a refund of the tax subject to the conditions and limitations  
5548 provided under this part.

5549 (3) (a) A claimant, estate, or trust desiring a nonhighway agricultural use refund under  
5550 this part shall claim the refund as a refundable tax credit on the tax return the claimant, estate,  
5551 or trust files under:

5552 (i) Chapter 7, Corporate Franchise and Income Taxes; or

5553 (ii) Chapter 10, Individual Income Tax Act.

5554 (b) A claimant, estate, or trust not subject to filing a tax return described in Subsection  
5555 (3)(a) shall obtain a permit and file claims on a calendar year basis.

5556 (c) Any claimant, estate, or trust claiming a refundable tax credit under this section is  
5557 required to furnish any or all of the information outlined in this section upon request of the  
5558 commission.

5559 (d) A refundable tax credit under this section is allowed only on purchases on which  
5560 tax is paid during the taxable year covered by the tax return.

5561 (4) In order to obtain a permit for a refund of motor fuel tax paid, an application shall  
5562 be filed containing:

5563 (a) the name of the claimant, estate, or trust;

5564 (b) the claimant's, estate's, or trust's address;

5565 (c) location and number of acres owned and operated, location and number of acres  
5566 rented and operated, the latter of which shall be verified by a signed statement from the legal  
5567 owner;

5568 (d) number of acres planted to each crop, type of soil, and whether irrigated or dry; and

5569 (e) make, size, and type of fuel used and power rating of each piece of equipment using  
5570 fuel. If the claimant, estate, or trust is an operator of self-propelled or tractor-pulled farm  
5571 machinery with which the claimant, estate, or trust works for hire doing custom jobs for other  
5572 farmers, the application shall include information the commission requires and shall all be  
5573 contained in, and be considered part of, the original application. The claimant, estate, or trust  
5574 shall also file with the application a certificate from the county assessor showing each piece of

5575 equipment using fuel. This original application and all information contained in it constitutes a  
5576 permanent file with the commission in the name of the claimant, estate, or trust.

5577 (5) A claimant, estate, or trust claiming the right to a refund of motor fuel tax paid shall  
5578 file a claim with the commission by April 15 of each year for the refund for the previous  
5579 calendar year. The claim shall state the name and address of the claimant, estate, or trust, the  
5580 number of gallons of motor fuel purchased for nonhighway agricultural uses, and the amount  
5581 paid for the motor fuel. The claimant, estate, or trust shall retain the original invoice to support  
5582 the claim. No more than one claim for a tax refund may be filed annually by each user of  
5583 motor fuel purchased for nonhighway agricultural uses.

5584 (6) Upon commission approval of the claim for a refund, the Division of Finance shall  
5585 pay the amount found due to the claimant, estate, or trust. The total amount of claims for  
5586 refunds shall be paid from motor fuel taxes.

5587 (7) The commission may refuse to accept as evidence of purchase or payment any  
5588 instruments that show alteration or that fail to indicate the quantity of the purchase, the price of  
5589 the motor fuel, a statement that the motor fuel is purchased for purposes other than  
5590 transportation, and the date of purchase and delivery. If the commission is not satisfied with  
5591 the evidence submitted in connection with the claim, the commission may reject the claim or  
5592 require additional evidence.

5593 (8) A claimant, estate, or trust aggrieved by the decision of the commission with  
5594 respect to a refundable tax credit or refund may file a request for agency action, requesting a  
5595 hearing before the commission.

5596 (9) A claimant, estate, or trust that makes any false claim, report, or statement, as  
5597 claimant, estate, trust, agent, or creditor, with intent to defraud or secure a refund to which the  
5598 claimant, estate, or trust is not entitled, is subject to the criminal penalties provided under  
5599 Section 59-1-401, and the commission shall initiate the filing of a complaint for alleged  
5600 violations of this part. In addition to these penalties, the claimant, estate, or trust may not  
5601 receive any refund as a claimant, estate, or trust or as a creditor of a claimant, estate, or trust for  
5602 refund for a period of five years.

5603 ~~[(10)(a) In accordance with any rules prescribed by the commission under Subsection~~  
5604 ~~(10)(b), the Division of Finance shall transfer at least annually from the Transportation Fund~~  
5605 ~~into the Education Fund an amount equal to the amount of the refund claimed under this~~

5606 section.]

5607 ~~[(b)]~~ (10) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
5608 Act, the commission may make rules providing procedures for:

5609 (i) making a refund to a claimant, estate, or trust as required by Subsection (3)(a)(i); or

5610 ~~[(ii) making a transfer from the Transportation Fund into the Education Fund as~~  
5611 ~~required by Subsection (10)(a); or]~~

5612 ~~[(iii)]~~ (ii) enforcing this part.

5613 (11) (a) On or before November 30, 2017, and every three years after 2017, the  
5614 Revenue and Taxation Interim Committee shall review the tax credit provided by this section  
5615 and make recommendations concerning whether the tax credit should be continued, modified,  
5616 or repealed.

5617 (b) In conducting the review required by Subsection (11)(a), the Revenue and Taxation  
5618 Interim Committee shall:

5619 (i) schedule time on at least one committee agenda to conduct the review;

5620 (ii) invite state agencies, individuals, and organizations concerned with the credit under  
5621 review to provide testimony;

5622 (iii) ensure that the recommendations described in this section include an evaluation of:

5623 (A) the cost of the tax credit to the state;

5624 (B) the purpose and effectiveness of the tax credit; and

5625 (C) the extent to which the state benefits from the tax credit; and

5626 (iv) undertake other review efforts as determined by the chairs of the Revenue and  
5627 Taxation Interim Committee.

5628 Section 48. Section **59-13-323** is enacted to read:

5629 **59-13-323. Additional special fuel tax on diesel fuel.**

5630 (1) A supplier shall pay an additional special fuel tax on diesel fuel that is subject to  
5631 the special fuel tax imposed under Section 59-13-301 in an amount equal to:

5632 (a) beginning on April 1, 2020, and ending on December 31, 2021, six cents per gallon;

5633 and

5634 (b) beginning on January 1, 2022, 10 cents per gallon.

5635 (2) (a) The commission shall deposit daily the revenue that the commission collects  
5636 under this section with the state treasurer.

5637 (b) Notwithstanding Section 59-13-301, the state treasurer shall credit the revenue  
5638 deposited in accordance with Subsection (2)(a) to the Transportation Investment Fund of 2005  
5639 created in Section 72-2-124.

5640 (3) (a) A person entitled to a refund of a special fuel tax under this part may receive a  
5641 refund of the additional special fuel tax due under this section for the same gallons that the  
5642 person is entitled to a refund of a special fuel tax.

5643 (b) Notwithstanding Section 59-13-318, the total amount of claims for refunds under  
5644 Subsection (3)(a) shall be paid from the Transportation Investment Fund of 2005.

5645 (4) Beginning in 2021, the commission shall submit annually on or before October 1,  
5646 an electronic report to a legislative committee designated by the Legislative Management  
5647 Committee that:

5648 (a) states the amount of revenue collected from the tax imposed under Section  
5649 59-13-323 during the preceding fiscal year; and

5650 (b) provides an estimate of the revenue that will be collected from the tax imposed  
5651 under Section 59-13-323 during the current fiscal year.

5652 Section 49. Section **59-13-601** is enacted to read:

5653 **Part 6. Sales Tax on Motor Fuel and Special Fuel, Other than Diesel Fuel**  
5654 **59-13-601. Sales tax on motor fuel and special fuel, other than diesel fuel.**

5655 (1) (a) As used in this part, "nondiesel special fuel" means special fuel, other than  
5656 diesel fuel.

5657 (b) For purposes of this part, the definitions in Section 59-13-102 that contain the  
5658 words special fuel in the definition shall be read as though the words special fuel were replaced  
5659 with nondiesel special fuel.

5660 (2) (a) Beginning on April 1, 2020, and subject to the other provisions of this  
5661 Subsection (2), a sales tax is imposed on motor fuel and nondiesel special fuel at an  
5662 amount equal to the product of:

5663 (i) the rate described in Subsection 59-12-103(2)(a)(i)(A);

5664 (ii) the average daily rack price, calculated in accordance with Subsection (3) or (4);

5665 and

5666 (iii) (A) the number of gallons of motor fuel;

5667 (B) the number of diesel gallon equivalent for liquified natural gas;

5668 (C) the number of gasoline gallon equivalent for compressed natural gas or hydrogen;

5669 or

5670 (D) the number of units sold of nondiesel special fuel that is not liquified natural gas,  
5671 compressed natural gas, or hydrogen.

5672 (b) (i) The distributor shall pay the tax on motor fuel.

5673 (ii) The supplier shall pay the tax on nondiesel special fuel.

5674 (c) (i) Except as provided in Subsection (2)(c)(iii), the provisions of Part 2, Motor  
5675 Fuel, apply to the sales tax imposed by this section on motor fuel.

5676 (ii) Except as provided in Subsection (2)(c)(iii), the provisions of Part 3, Special Fuel,  
5677 apply to the sales tax imposed by this section on nondiesel special fuel.

5678 (iii) (A) The sales tax rate on motor fuel and nondiesel special fuel is as provided in  
5679 this

5680 Subsection (2).

5681 (B) The treasurer shall deposit the revenue collected from the sales tax imposed under  
5682 this section into the Transportation Investment Fund of 2005 created in Section  
5683 [72-2-124](#).

5684 (C) The commission shall pay any refunds from the Transportation Investment Fund of  
5685 2005 created in Section 72-2-124.

5686 (3) (a) The commission shall determine annually the average daily rack price for motor  
5687 fuel.

5688 (b) For the 2020 calendar year, the commission shall make the determination required  
5689 by Subsection (3)(a) by:

5690 (i) calculating the previous fiscal year statewide average rack price of a gallon of  
5691 regular unleaded motor fuel, excluding federal and state excise taxes, for the 12 months ending  
5692 on the previous June 30 as published by an oil pricing service; and

5693 (ii) rounding to the nearest one-hundredth of a cent.

5694 (c) For the 2021 calendar year, the commission shall make the determination required  
5695 by Subsection (3)(a) by:

5696 (i) calculating the previous two fiscal years statewide average rack price of a gallon of  
5697 regular unleaded motor fuel, excluding federal and state excise taxes, for the 24 months ending  
5698 on the previous June 30 as published by an oil pricing service.

5699 (d) Beginning on January 1, 2022, the commission shall make the determination  
5700 required by Subsection (3)(a) by:

5701 (i) calculating the previous three fiscal years statewide average rack price of a gallon of  
5702 regular unleaded motor fuel, excluding federal and state excise taxes, for the 36 months ending  
5703 on the previous June 30 as published by an oil pricing service; and

5704 (ii) rounding to the nearest one-hundredth of a cent.

5705 (e) If the average daily rack price of a gallon of motor fuel determined under  
5706 Subsection (3)(c) or (d) is less than the average daily rack price of a gallon of motor fuel  
5707 calculated in accordance with Subsection (3)(b), the average daily rack price shall be the  
5708 average daily rack price calculated in accordance with Subsection (3)(b).

5709 (4) The average daily rack price for nondiesel special fuel is the product of:

5710 (a) the average daily rack price calculated in accordance with Subsection (3); and

5711 (b) the percentage calculated by dividing the rate calculated in accordance with  
5712 Subsection 59-13-301(12) by the rate calculated in accordance with Subsection 59-13-201(1).

5713 (5) (a) The commission shall annually:

5714 (i) publish the average daily rack prices calculated in accordance with Subsections (3)  
5715 and (4); and

5716 (B) post or otherwise make public the average daily rack prices no later than 60 days  
5717 prior to the annual effective date under Subsection (5)(b).

5718 (b) The average daily rack price described in Subsection (2) and calculated in  
5719 accordance with Subsections (3) and (4) shall take effect:

5720 (A) for the 2020 calendar year, on April 1; and

5721 (B) beginning with the 2021 calendar year, on January 1 of each year.

5722 Section 50. Section **63I-2-241** is enacted to read:

5723 **63I-2-241. Repeal dates -- Title 41.**

5724 Subsection 41-6a-702(5), which allows a vehicle with a clean fuel vehicle decal to  
5725 travel in a lane designated for the use of high occupancy vehicles regardless of the number of  
5726 occupants, is repealed September 30, 2025.

5727 Section 51. Section **63I-2-253** is amended to read:

5728 **63I-2-253. Repeal dates -- Titles 53 through 53G.**

5729 (1) (a) Subsections **53B-2a-103**(2) and (4), regarding the composition of the UTech

5730 Board of Trustees and the transition to that composition, are repealed July 1, 2019.

5731 (b) When repealing Subsections [53B-2a-103](#)(2) and (4), the Office of Legislative  
5732 Research and General Counsel shall, in addition to its authority under Subsection [36-12-12](#)(3),  
5733 make necessary changes to subsection numbering and cross references.

5734 (2) (a) Subsection [53B-2a-108](#)(5), regarding exceptions to the composition of a  
5735 technical college board of directors, is repealed July 1, 2022.

5736 (b) When repealing Subsection [53B-2a-108](#)(5), the Office of Legislative Research and  
5737 General Counsel shall, in addition to its authority under Subsection [36-12-12](#)(3), make  
5738 necessary changes to subsection numbering and cross references.

5739 (3) Section [53B-6-105.7](#) is repealed July 1, 2024.

5740 (4) (a) Subsection [53B-7-705](#)(6)(b)(ii)(A), the language that states "Except as provided  
5741 in Subsection (6)(b)(ii)(B)," is repealed July 1, 2021.

5742 (b) Subsection [53B-7-705](#)(6)(b)(ii)(B), regarding comparing a technical college's  
5743 change in performance with the technical college's average performance, is repealed July 1,  
5744 2021.

5745 (5) (a) Subsection [53B-7-707](#)(3)(a)(ii), the language that states "Except as provided in  
5746 Subsection (3)(b)," is repealed July 1, 2021.

5747 (b) Subsection [53B-7-707](#)(3)(b), regarding performance data of a technical college  
5748 during a fiscal year before fiscal year 2020, is repealed July 1, 2021.

5749 (6) Section [53B-8-112](#) is repealed July 1, 2024.

5750 (7) Section [53B-8-114](#) is repealed July 1, 2024.

5751 (8) (a) The following sections, regarding the Regents' scholarship program, are  
5752 repealed on July 1, 2023:

5753 (i) Section [53B-8-202](#);

5754 (ii) Section [53B-8-203](#);

5755 (iii) Section [53B-8-204](#); and

5756 (iv) Section [53B-8-205](#).

5757 (b) (i) Subsection [53B-8-201](#)(2), regarding the Regents' scholarship program for  
5758 students who graduate from high school before fiscal year 2019, is repealed on July 1, 2023.

5759 (ii) When repealing Subsection [53B-8-201](#)(2), the Office of Legislative Research and  
5760 General Counsel shall, in addition to its authority under Subsection [36-12-12](#)(3), make

- 5761 necessary changes to subsection numbering and cross references.
- 5762 (9) Section [53B-10-101](#) is repealed on July 1, 2027.
- 5763 (10) Title 53B, Chapter 18, Part 14, Uintah Basin Air Quality Research Project, is  
5764 repealed July 1, 2023.
- 5765 (11) Section [53E-3-519](#) regarding school counselor services is repealed July 1, 2020.
- 5766 (12) Section [53E-3-520](#) is repealed July 1, 2021.
- 5767 (13) Subsection [53E-5-306\(3\)\(b\)\(ii\)\(B\)](#), related to improving school performance and  
5768 continued funding relating to the School Recognition and Reward Program, is repealed July 1,  
5769 2020.
- 5770 (14) Section [53E-5-307](#) is repealed July 1, 2020.
- 5771 (15) In Subsections [53F-2-205\(4\)](#) and (5), regarding the State Board of Education's  
5772 duties if contributions from the minimum basic tax rate are overestimated or underestimated,  
5773 the language that states "or [53F-2-301.5](#), as applicable" is repealed July 1, 2023.
- 5774 (16) Subsection [53F-2-301\(1\)](#), relating to the years the section is not in effect, is  
5775 repealed July 1, 2023.
- 5776 (17) In Subsection [53F-2-515\(1\)](#), the language that states "or [53F-2-301.5](#), as  
5777 applicable" is repealed July 1, 2023.
- 5778 (18) Section [53F-4-204](#) is repealed July 1, 2019.
- 5779 (19) In Subsection [53F-9-302\(3\)](#), the language that states "or [53F-2-301.5](#), as  
5780 applicable" is repealed July 1, 2023.
- 5781 (20) Section [53F-9-304](#) is repealed July 1, 2020.
- 5782 [~~(20)~~] (21) In Subsection [53F-9-305\(3\)\(a\)](#), the language that states "or [53F-2-301.5](#), as  
5783 applicable" is repealed July 1, 2023.
- 5784 [~~(21)~~] (22) In Subsection [53F-9-306\(3\)\(a\)](#), the language that states "or [53F-2-301.5](#), as  
5785 applicable" is repealed July 1, 2023.
- 5786 [~~(22)~~] (23) In Subsection [53G-3-304\(1\)\(c\)\(i\)](#), the language that states "or [53F-2-301.5](#),  
5787 as applicable" is repealed July 1, 2023.
- 5788 [~~(23)~~] (24) On July 1, 2023, when making changes in this section, the Office of  
5789 Legislative Research and General Counsel shall, in addition to the office's authority under  
5790 Subsection [36-12-12\(3\)](#), make corrections necessary to ensure that sections and subsections  
5791 identified in this section are complete sentences and accurately reflect the office's perception of

5792 the Legislature's intent.

5793 Section 52. Section **63I-2-259** is amended to read:

5794 **63I-2-259. Repeal dates -- Title 59.**

5795 [~~(1) Section 59-1-102 is repealed on May 14, 2019.~~]

5796 [~~(2)~~] (1) In Section 59-2-926, the language that states "applicable" and "or  
5797 53F-2-301.5" is repealed July 1, 2023.

5798 [~~(3) Subsection 59-2-1007(15) is repealed on December 31, 2018.~~]

5799 (2) Section 59-10-1018.1 is repealed January 1, 2021.

5800 (3) Section 59-10-1113.1 is repealed January 1, 2021.

5801 (4) Subsections 59-12-102(61) and (62), which define "life science establishment" and  
5802 "life science research and development facility," are repealed January 1, 2027.

5803 (5) Subsection 59-12-104(62), which provides a sales and use tax exemption related to  
5804 amounts paid or charged for construction materials used in the construction of a life science  
5805 research and development facility, is repealed January 1, 2027.

5806 (6) Section 59-12-104.4 is repealed April 1, 2020.

5807 Section 53. Section **63I-2-272** is amended to read:

5808 **63I-2-272. Repeal dates -- Title 72.**

5809 (1) Subsections 72-1-213(2) and (3)(a)(i), related to the Road Usage Charge Advisory  
5810 Committee, are repealed January 1, 2022.

5811 [~~(2) On July 1, 2018:~~]

5812 [~~(a) in Subsection 72-2-108(2), the language that states "and except as provided in  
5813 Subsection (10)" is repealed; and]~~

5814 [~~(b) in Subsection 72-2-108(4)(c)(ii)(A), the language that states " , excluding any  
5815 amounts appropriated as additional support for class B and class C roads under Subsection  
5816 (10)," is repealed.~~]

5817 [~~(3)~~] (2) Section 72-3-113 is repealed January 1, 2020.

5818 (3) Section 72-6-121 is repealed September 30, 2025.

5819 Section 54. Section **63M-4-702** is amended to read:

5820 **63M-4-702. Refiner gasoline standard reporting -- Office of Energy Development  
5821 certification of sales and use tax exemption eligibility.**

5822 (1) (a) Beginning on July 1, 2021, a refiner that seeks to be eligible for a sales and use

5823 tax exemption under Subsection 59-12-104~~(86)~~(73) shall annually report to the office  
5824 whether the refiner's facility that is located within the state will have an average gasoline sulfur  
5825 level of 10 parts per million (ppm) or less using the formulas prescribed in 40 C.F.R. Sec.  
5826 80.1603, excluding the offset for credit use and transfer as prescribed in 40 C.F.R. Sec.  
5827 80.1616.

5828 (b) Fuels for which a final destination outside Utah can be demonstrated or that are not  
5829 subject to the standards and requirements of 40 C.F.R. Sec. 80.1603 as specified in 40 C.F.R.  
5830 Sec. 80.1601 are not subject to the reporting provisions under Subsection (1)(a).

5831 (2) (a) Beginning on July 1, 2021, the office shall annually certify that the refiner is  
5832 eligible for the sales and use tax exemption under Subsection 59-12-104~~(86)~~(73):

5833 (i) on a form provided by the State Tax Commission that shall be retained by the  
5834 refiner claiming the sales and use tax exemption under Subsection 59-12-104~~(86)~~(73);

5835 (ii) if the refiner's refinery that is located within the state had an average sulfur level of  
5836 10 parts per million (ppm) or less as reported under Subsection (1) in the previous calendar  
5837 year; and

5838 (iii) before a taxpayer is allowed the sales and use tax exemption under Subsection  
5839 59-12-104~~(86)~~(73).

5840 (b) The certification provided by the office under Subsection (2)(a) shall be renewed  
5841 annually.

5842 (c) The office:

5843 (i) shall accept a copy of a report submitted by a refiner to the Environmental  
5844 Protection Agency under 40 C.F.R. Sec. 80.1652 as sufficient evidence of the refiner's average  
5845 gasoline sulfur level; or

5846 (ii) may establish another reporting mechanism through rules made under Subsection  
5847 (3).

5848 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
5849 office may make rules to implement this section.

5850 Section 55. Section 72-1-201 is amended to read:

5851 **72-1-201. Creation of Department of Transportation -- Functions, powers, duties,**  
5852 **rights, and responsibilities.**

5853 (1) There is created the Department of Transportation which shall:

- 5854 (a) have the general responsibility for planning, research, design, construction,  
5855 maintenance, security, and safety of state transportation systems;
- 5856 (b) provide administration for state transportation systems and programs;
- 5857 (c) implement the transportation policies of the state;
- 5858 (d) plan, develop, construct, and maintain state transportation systems that are safe,  
5859 reliable, environmentally sensitive, and serve the needs of the traveling public, commerce, and  
5860 industry;
- 5861 (e) establish standards and procedures regarding the technical details of administration  
5862 of the state transportation systems as established by statute and administrative rule;
- 5863 (f) advise the governor and the Legislature about state transportation systems needs;
- 5864 (g) coordinate with utility companies for the reasonable, efficient, and cost-effective  
5865 installation, maintenance, operation, relocation, and upgrade of utilities within state highway  
5866 rights-of-way;
- 5867 (h) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
5868 make rules for the administration of the department, state transportation systems, and  
5869 programs;
- 5870 (i) jointly with the commission annually report to the Transportation Interim  
5871 Committee, by November 30 of each year, as to the operation, maintenance, condition,  
5872 mobility, and safety needs for state transportation systems;
- 5873 (j) ensure that any training or certification required of a public official or public  
5874 employee, as those terms are defined in Section [63G-22-102](#), complies with Title 63G, Chapter  
5875 22, State Training and Certification Requirements, if the training or certification is required:
- 5876 (i) under this title;
- 5877 (ii) by the department; or
- 5878 (iii) by an agency or division within the department; [~~and~~]
- 5879 (k) study and make recommendations to the Legislature on potential managed lane use  
5880 and implementation on selected transportation systems within the state[-]; and
- 5881 (l) implement one or more strategies to manage congestion on state highways and  
5882 generate highway user fees, including the use of one or more high occupancy toll lanes as  
5883 defined in Section [72-6-118](#) and implementation of the technology described in Subsection  
5884 [72-6-118\(2\)\(e\)](#).

5885 (2) (a) The department shall exercise reasonable care in designing, constructing, and  
5886 maintaining a state highway in a reasonably safe condition for travel.

5887 (b) Nothing in this section shall be construed as:

5888 (i) creating a private right of action; or

5889 (ii) expanding or changing the department's common law duty as described in  
5890 Subsection (2)(a) for liability purposes.

5891 Section 56. Section **72-1-213.1** is amended to read:

5892 **72-1-213.1. Road usage charge program.**

5893 (1) As used in this section:

5894 (a) "Account manager" means an entity under contract with the department to  
5895 administer and manage the road usage charge program.

5896 (b) "Alternative fuel vehicle" means the same as that term is defined in Section  
5897 [41-1a-102](#).

5898 (c) "Payment period" means the interval during which an owner is required to report  
5899 mileage and pay the appropriate road usage charge according to the terms of the program.

5900 (d) "Program" means the road usage charge program established and described in this  
5901 section.

5902 (2) There is established a road usage charge program as described in this section.

5903 (3) (a) The department shall implement and oversee the administration of the program,  
5904 which shall begin on January 1, 2020.

5905 (b) To implement and administer the program, the department may contract with an  
5906 account manager.

5907 (4) (a) The owner or lessee of an alternative fuel vehicle may apply for enrollment of  
5908 the alternative fuel vehicle in the program.

5909 (b) If an application for enrollment into the program is approved by the department, the  
5910 owner or lessee of an alternative fuel vehicle may participate in the program in lieu of paying  
5911 the fee described in Subsection [41-1a-1206](#)(1)(h) or (2)(b).

5912 (5) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
5913 and consistent with this section, the department:

5914 (i) shall make rules to establish:

5915 (A) processes and terms for enrollment into and withdrawal or removal from the

- 5916 program;
- 5917 (B) payment periods and other payment methods and procedures for the program;
- 5918 (C) standards for mileage reporting mechanisms for an owner or lessee of an  
5919 alternative fuel vehicle to report mileage as part of participation in the program;
- 5920 (D) standards for program functions for mileage recording, payment processing,  
5921 account management, and other similar aspects of the program;
- 5922 (E) contractual terms between an owner or lessee of an alternative fuel vehicle owner  
5923 and an account manager for participation in the program;
- 5924 (F) contractual terms between the department and an account manager, including  
5925 authority for an account manager to enforce the terms of the program;
- 5926 (G) procedures to provide security and protection of personal information and data  
5927 connected to the program, and penalties for account managers for violating privacy protection  
5928 rules;
- 5929 (H) penalty procedures for a program participant's failure to pay a road usage charge or  
5930 tampering with a device necessary for the program; and
- 5931 (I) department oversight of an account manager, including privacy protection of  
5932 personal information and access and auditing capability of financial and other records related to  
5933 administration of the program; and
- 5934 (ii) may make rules to establish:
- 5935 (A) an enrollment cap for certain alternative fuel vehicle types to participate in the  
5936 program;
- 5937 (B) a process for collection of an unpaid road usage charge or penalty; or
- 5938 (C) integration of the program with other similar programs, such as tolling.
- 5939 (b) The department shall make recommendations to and consult with the commission  
5940 regarding road usage mileage rates for each type of alternative fuel vehicle.
- 5941 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and  
5942 consistent with this section, the commission shall, after consultation with the department, make  
5943 rules to establish the road usage charge mileage rate for each type of alternative fuel vehicle.
- 5944 (7) (a) Revenue generated by the road usage charge program and relevant penalties  
5945 shall be deposited into the Transportation Fund.
- 5946 (b) The department may use revenue generated by the program to cover the costs of

5947 administering the program.

5948 (8) (a) The department may:

5949 (i) (A) impose a penalty for failure to timely pay a road usage charge according to the  
5950 terms of the program or tampering with a device necessary for the program; and

5951 (B) request that the Division of Motor Vehicles place a hold on the registration of the  
5952 owner's or lessee's alternative fuel vehicle for failure to pay a road usage charge according to  
5953 the terms of the program;

5954 (ii) send correspondence to the owner of an alternative fuel vehicle to inform the owner  
5955 or lessee of:

5956 (A) the road usage charge program, implementation, and procedures;

5957 (B) an unpaid road usage charge and the amount of the road usage charge to be paid to  
5958 the department;

5959 (C) the penalty for failure to pay a road usage charge within the time period described  
5960 in Subsection (8)(a)(iii); and

5961 (D) a hold being placed on the owner's or lessee's registration for the alternative fuel  
5962 vehicle, if the road usage charge and penalty are not paid within the time period described in  
5963 Subsection (8)(a)(iii), which would prevent the renewal of the alternative fuel vehicle's  
5964 registration; and

5965 (iii) require that the owner or lessee of the alternative fuel vehicle pay the road usage  
5966 charge to the department within 30 days of the date when the department sends written notice  
5967 of the road usage charge to the owner or lessee.

5968 (b) The department shall send the correspondence and notice described in Subsection  
5969 (8)(a) to the owner of the alternative fuel vehicle according to the terms of the program.

5970 (9) (a) The Division of Motor Vehicles and the department shall share and provide  
5971 access to:

5972 (i) information pertaining to an alternative fuel vehicle and participation in the program  
5973 including:

5974 [(i)] (A) registration and ownership information pertaining to an alternative fuel  
5975 vehicle;

5976 [(ii)] (B) information regarding the failure of an alternative fuel vehicle owner or lessee  
5977 to pay a road usage charge or penalty imposed under this section within the time period

5978 described in Subsection (8)(a)(iii); and  
5979 [(iii)] (C) the status of a request for a hold on the registration of an alternative fuel  
5980 vehicle[-]; and  
5981 (ii) the following information, in a format that does not allow the department to  
5982 identify the vehicle owner, from each certificate of emissions inspection provided in  
5983 accordance with Section [41-6a-1642](#):  
5984 (A) the odometer reading; and  
5985 (B) the date of the odometer reading.  
5986 (b) If the department requests a hold on the registration in accordance with this section,  
5987 the Division of Motor Vehicles may not renew the registration of a motor vehicle under Title  
5988 41, Chapter 1a, Part 2, Registration, until the department withdraws the hold request.  
5989 (10) The owner of an alternative fuel vehicle may apply for enrollment in the program  
5990 or withdraw from the program according to the terms established by the department pursuant to  
5991 rules made under Subsection (5).  
5992 (11) If enrolled in the program, the owner or lessee of an alternative fuel vehicle shall:  
5993 (a) report mileage driven as required by the department pursuant to Subsection (5);  
5994 (b) pay the road usage fee for each payment period as set by the department and the  
5995 commission pursuant to Subsections (5) and (6); and  
5996 (c) comply with all other provisions of this section and other requirements of the  
5997 program.  
5998 (12) On or before October 1 of each year, the department shall submit an electronic  
5999 report to a legislative committee designated by the Legislative Management Committee that:  
6000 (a) describes the amount of revenue generated by the program during the preceding  
6001 fiscal year; and  
6002 (b) recommends strategies for expanding enrollment in the program.  
6003 Section 57. Section **72-1-213.2** is enacted to read:  
6004 **72-1-213.2. Reports on revenue from road usage charge program.**  
6005 (1) As used in this section:  
6006 (a) "Committees" means the Transportation Interim Committee and the Infrastructure  
6007 and General Government Appropriations Subcommittee.  
6008 (b) "Program" means the same as that term is defined in Section [72-1-213.1](#).

6009           (2) On or before October 1, 2020, the department shall submit to the committees a plan  
6010 to enroll all vehicles registered in the state in the program by December 31, 2020.

6011           (3) Beginning in 2021, the committees shall receive and consider annually, on or  
6012 before October 1, an electronic report from the department that:

6013           (a) provides the participation rate in the program;

6014           (b) states for the preceding fiscal year:

6015           (i) the amount of revenue collected from the program; and

6016           (ii) the department's cost to administer the program;

6017           (c) provides for the current fiscal year, an estimate of:

6018           (i) the revenue that will be collected from the program; and

6019           (iii) the department's cost to administer the program; and

6020           (d) recommends strategies to expand enrollment in the program to meet the deadline  
6021 provided in Subsection (2).

6022           (4) In a year in which the revenue generated under the program, minus cost to  
6023 administer the program, equals or exceeds 25%, 50%, 75%, or 100% of the revenue collected  
6024 under Section 59-13-601, the department shall include that information in the report required  
6025 under Subsection (3).

6026           Section 58. Section **72-2-120** is amended to read:

6027           **72-2-120. Tollway Special Revenue Fund -- Revenue.**

6028           (1) There is created a special revenue fund within the Transportation Fund known as  
6029 the "Tollway Special Revenue Fund."

6030           (2) The fund shall be funded from the following sources:

6031           (a) tolls collected by the department under Section [72-6-118](#);

6032           (b) funds received by the department through a tollway development agreement under  
6033 Section [72-6-203](#);

6034           (c) appropriations made to the fund by the Legislature;

6035           (d) contributions from other public and private sources for deposit into the fund;

6036           (e) interest earnings on cash balances; and

6037           (f) money collected for repayments and interest on fund money.

6038           (3) The Division of Finance may create a subaccount for each tollway as defined in  
6039 Section [72-6-118](#).

6040 (4) The commission may authorize the money deposited into the fund to be spent by  
6041 the department [~~to establish and operate tollways and related facilities and state transportation~~  
6042 ~~systems, including design, construction, reconstruction, operation, maintenance, enforcement,~~  
6043 ~~impacts from tollways, and the acquisition of right-of-way] for any state transportation  
6044 purpose.~~

6045 Section 59. Section **72-2-124** is amended to read:

6046 **72-2-124. Transportation Investment Fund of 2005.**

6047 (1) There is created a capital projects fund entitled the Transportation Investment Fund  
6048 of 2005.

6049 (2) The fund consists of money generated from the following sources:

6050 (a) any voluntary contributions received for the maintenance, construction,  
6051 reconstruction, or renovation of state and federal highways;

6052 (b) appropriations made to the fund by the Legislature;

6053 (c) registration fees designated under Section [41-1a-1201](#);

6054 (d) the sales and use tax revenues deposited into the fund in accordance with [~~Section~~  
6055 ~~59-12-103; and~~] Sections [59-12-103](#) and [59-13-601](#);

6056 (e) the additional special fuel tax revenues deposited into the fund in accordance with  
6057 Section [59-13-323](#); and

6058 [~~(e)~~] (f) revenues transferred to the fund in accordance with Section [72-2-106](#).

6059 (3) (a) The fund shall earn interest.

6060 (b) All interest earned on fund money shall be deposited into the fund.

6061 (4) (a) Except as provided in Subsection (4)(b), the executive director may only use  
6062 fund money to pay:

6063 (i) the costs of maintenance, construction, reconstruction, or renovation to state and  
6064 federal highways prioritized by the Transportation Commission through the prioritization  
6065 process for new transportation capacity projects adopted under Section [72-1-304](#);

6066 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway  
6067 projects described in Subsections [63B-18-401](#)(2), (3), and (4);

6068 (iii) principal, interest, and issuance costs of bonds authorized by Section [63B-18-401](#)  
6069 minus the costs paid from the County of the First Class Highway Projects Fund in accordance  
6070 with Subsection [72-2-121](#)(4)(f);

6071 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt  
6072 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified  
6073 by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the  
6074 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

6075 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101  
6076 for projects prioritized in accordance with Section 72-2-125;

6077 (vi) all highway general obligation bonds that are intended to be paid from revenues in  
6078 the Centennial Highway Fund created by Section 72-2-118;

6079 ~~[(vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First~~  
6080 ~~Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described~~  
6081 ~~in Section 72-2-121; and]~~

6082 ~~[(viii)]~~ (vii) if a political subdivision provides a contribution equal to or greater than  
6083 40% of the costs needed for construction, reconstruction, or renovation of paved pedestrian or  
6084 paved nonmotorized transportation for projects that:

6085 (A) mitigate traffic congestion on the state highway system;

6086 (B) are part of an active transportation plan approved by the department; and

6087 (C) are prioritized by the commission through the prioritization process for new  
6088 transportation capacity projects adopted under Section 72-1-304[-]; and

6089 (b) The executive director may use fund money to exchange for an equal or greater  
6090 amount of federal transportation funds to be used as provided in Subsection (4)(a).

6091 (5) (a) Except as provided in Subsection (5)(b), the executive director may not use fund  
6092 money, including fund money from the Transit Transportation Investment Fund, within the  
6093 boundaries of a municipality that is required to adopt a moderate income housing plan element  
6094 as part of the municipality's general plan as described in Subsection 10-9a-401(3), if the  
6095 municipality has failed to adopt a moderate income housing plan element as part of the  
6096 municipality's general plan or has failed to implement the requirements of the moderate income  
6097 housing plan as determined by the results of the Department of Workforce Service's review of  
6098 the annual moderate income housing report described in Subsection 35A-8-803(1)(a)(vii).

6099 (b) Within the boundaries of a municipality that is required under Subsection  
6100 10-9a-401(3) to plan for moderate income housing growth but has failed to adopt a moderate  
6101 income housing plan element as part of the municipality's general plan or has failed to

6102 implement the requirements of the moderate income housing plan as determined by the results  
6103 of the Department of Workforce Service's review of the annual moderate income housing  
6104 report described in Subsection 35A-8-803(1)(a)(vii), the executive director:

6105 (i) may use fund money in accordance with Subsection (4)(a) for a limited-access  
6106 facility;

6107 (ii) may not use fund money for the construction, reconstruction, or renovation of an  
6108 interchange on a limited-access facility;

6109 (iii) may use Transit Transportation Investment Fund money for a multi-community  
6110 fixed guideway public transportation project; and

6111 (iv) may not use Transit Transportation Investment Fund money for the construction,  
6112 reconstruction, or renovation of a station that is part of a fixed guideway public transportation  
6113 project.

6114 (6) (a) Except as provided in Subsection (6)(b), the executive director may not use fund  
6115 money, including fund money from the Transit Transportation Investment Fund, within the  
6116 boundaries of the unincorporated area of a county, if the county is required to adopt a moderate  
6117 income housing plan element as part of the county's general plan as described in Subsection  
6118 17-27a-401(3) and if the county has failed to adopt a moderate income housing plan element as  
6119 part of the county's general plan or has failed to implement the requirements of the moderate  
6120 income housing plan as determined by the results of the Department of Workforce Service's  
6121 review of the annual moderate income housing report described in Subsection  
6122 35A-8-803(1)(a)(vii).

6123 (b) Within the boundaries of the unincorporated area of a county where the county is  
6124 required under Subsection 17-27a-401(3) to plan for moderate income housing growth but has  
6125 failed to adopt a moderate income housing plan element as part of the county's general plan or  
6126 has failed to implement the requirements of the moderate income housing plan as determined  
6127 by the results of the Department of Workforce Service's review of the annual moderate income  
6128 housing report described in Subsection 35A-8-803(1)(a)(vii), the executive director:

6129 (i) may use fund money in accordance with Subsection (4)(a) for a limited-access  
6130 facility;

6131 (ii) may not use fund money for the construction, reconstruction, or renovation of an  
6132 interchange on a limited-access facility;

6133 (iii) may use Transit Transportation Investment Fund money for a multi-community  
6134 fixed guideway public transportation project; and

6135 (iv) may not use Transit Transportation Investment Fund money for the construction,  
6136 reconstruction, or renovation of a station that is part of a fixed guideway public transportation  
6137 project.

6138 (7) (a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued  
6139 in any fiscal year, the department and the commission shall appear before the Executive  
6140 Appropriations Committee of the Legislature and present the amount of bond proceeds that the  
6141 department needs to provide funding for the projects identified in Subsections 63B-18-401(2),  
6142 (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.

6143 (b) The Executive Appropriations Committee of the Legislature shall review and  
6144 comment on the amount of bond proceeds needed to fund the projects.

6145 (8) The Division of Finance shall, from money deposited into the fund, transfer the  
6146 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by  
6147 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt service or  
6148 sinking fund.

6149 (9) (a) There is created in the Transportation Investment Fund of 2005 the Transit  
6150 Transportation Investment Fund.

6151 (b) The fund shall be funded by:

6152 (i) contributions deposited into the fund in accordance with Section 59-12-103;

6153 (ii) appropriations into the account by the Legislature;

6154 (iii) private contributions; and

6155 (iv) donations or grants from public or private entities.

6156 (c) (i) The fund shall earn interest.

6157 (ii) All interest earned on fund money shall be deposited into the fund.

6158 (d) Subject to Subsection (9)(e), the Legislature may appropriate money from the fund  
6159 for public transit capital development of new capacity projects to be used as prioritized by the  
6160 commission.

6161 (e) (i) The Legislature may only appropriate money from the fund for a public transit  
6162 capital development project or pedestrian or nonmotorized transportation project that provides  
6163 connection to the public transit system if the public transit district or political subdivision

6164 provides funds of equal to or greater than 40% of the costs needed for the project.

6165 (ii) A public transit district or political subdivision may use money derived from a loan  
6166 granted pursuant to Title 72, Chapter 2, Part 2, State Infrastructure Bank Fund, to provide all or  
6167 part of the 40% requirement described in Subsection (9)(e)(i) if:

6168 (A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2,  
6169 State Infrastructure Bank Fund; and

6170 (B) the proposed capital project has been prioritized by the commission pursuant to  
6171 Section 72-1-303.

6172 Section 60. Section 72-6-118 is amended to read:

6173 **72-6-118. Definitions -- Establishment and operation of tollways -- Imposition**  
6174 **and collection of tolls -- Amount of tolls -- Rulemaking.**

6175 (1) As used in this section:

6176 (a) (i) [~~High~~] Before January 1, 2025, "high occupancy toll lane" means a high  
6177 occupancy vehicle lane designated under Section 41-6a-702 that may be used by an operator of  
6178 a vehicle carrying less than the number of persons specified for the high occupancy vehicle  
6179 lane if the operator of the vehicle pays a toll or fee.

6180 (ii) On or after January 1, 2025, "high occupancy toll lane" means a high occupancy  
6181 vehicle lane designated under Section 41-6a-702 that may be used by an operator of a vehicle  
6182 only if:

6183 (A) the vehicle is carrying three or more occupants; or

6184 (B) the operator pays a toll or fee.

6185 (b) "Toll" means any tax, fee, or charge assessed for the specific use of a tollway.

6186 (c) "Toll lane" means a designated new highway or additional lane capacity that is  
6187 constructed, operated, or maintained for which a toll is charged for its use.

6188 (d) (i) "Tollway" means a highway, highway lane, bridge, path, tunnel, or right-of-way  
6189 designed and used as a transportation route that is constructed, operated, or maintained through  
6190 the use of toll revenues.

6191 (ii) "Tollway" includes a high occupancy toll lane and a toll lane.

6192 (e) "Tollway development agreement" has the same meaning as defined in Section  
6193 72-6-202.

6194 (2) Subject to the provisions of Subsection (3), the department may:

6195 (a) establish, expand, and operate tollways and related facilities for the purpose of  
6196 funding in whole or in part the acquisition of right-of-way and the design, construction,  
6197 reconstruction, operation, enforcement, and maintenance of or impacts from a transportation  
6198 route for use by the public;

6199 (b) enter into contracts, agreements, licenses, franchises, tollway development  
6200 agreements, or other arrangements to implement this section;

6201 (c) impose and collect tolls on any tollway established under this section, including  
6202 collection of past due payment of a toll or penalty;

6203 (d) grant exclusive or nonexclusive rights to a private entity to impose and collect tolls  
6204 pursuant to the terms and conditions of a tollway development agreement;

6205 (e) use technology to automatically monitor a tollway and collect payment of a toll,  
6206 including:

6207 (i) license plate reading technology; and

6208 (ii) photographic or video recording technology; and

6209 (f) in accordance with Subsection (5), request that the Division of Motor Vehicles deny  
6210 a request for registration of a motor vehicle if the motor vehicle owner has failed to pay a toll  
6211 or penalty imposed for usage of a tollway involving the motor vehicle for which registration  
6212 renewal has been requested.

6213 (3) (a) The department may establish or operate a tollway on an existing highway if  
6214 approved by the commission in accordance with the terms of this section.

6215 (b) To establish a tollway on an existing highway, the department shall submit a  
6216 proposal to the commission including:

6217 (i) a description of the tollway project;

6218 (ii) projected traffic on the tollway;

6219 (iii) the anticipated amount of the toll to be charged; and

6220 (iv) projected toll revenue.

6221 (4) (a) For a tollway established under this section, the department may:

6222 (i) according to the terms of each tollway, impose the toll upon the owner of a motor  
6223 vehicle using the tollway according to the terms of the tollway;

6224 (ii) send correspondence to the owner of the motor vehicle to inform the owner of:

6225 (A) an unpaid toll and the amount of the toll to be paid to the department;

6226 (B) the penalty for failure to pay the toll timely; and  
6227 (C) a hold being placed on the owner's registration for the motor vehicle if the toll and  
6228 penalty are not paid timely, which would prevent the renewal of the motor vehicle's  
6229 registration;

6230 (iii) require that the owner of the motor vehicle pay the toll to the department within 30  
6231 days of the date when the department sends written notice of the toll to the owner; and  
6232 (iv) impose a penalty for failure to pay a toll timely.

6233 (b) The department shall mail the correspondence and notice described in Subsection  
6234 (4)(a) to the owner of the motor vehicle according to the terms of a tollway.

6235 (5) (a) The Division of Motor Vehicles and the department shall share and provide  
6236 access to information pertaining to a motor vehicle and tollway enforcement including:

6237 (i) registration and ownership information pertaining to a motor vehicle;  
6238 (ii) information regarding the failure of a motor vehicle owner to timely pay a toll or  
6239 penalty imposed under this section; and  
6240 (iii) the status of a request for a hold on the registration of a motor vehicle.

6241 (b) If the department requests a hold on the registration in accordance with this section,  
6242 the Division of Motor Vehicles may not renew the registration of a motor vehicle under Title  
6243 41, Chapter 1a, Part 2, Registration, if the owner of the motor vehicle has failed to pay a toll or  
6244 penalty imposed under this section for usage of a tollway involving the motor vehicle for which  
6245 registration renewal has been requested until the department withdraws the hold request.

6246 (6) (a) Except as provided in Subsection (6)(b), in accordance with Title 63G, Chapter  
6247 3, Utah Administrative Rulemaking Act, the commission shall:

6248 (i) set the amount of any toll imposed or collected on a tollway on a state highway; and  
6249 (ii) for tolls established under Subsection (6)(b), set:

6250 (A) an increase in a toll rate or user fee above an increase specified in a tollway  
6251 development agreement; or  
6252 (B) an increase in a toll rate or user fee above a maximum toll rate specified in a  
6253 tollway development agreement.

6254 (b) A toll or user fee and an increase to a toll or user fee imposed or collected on a  
6255 tollway on a state highway that is the subject of a tollway development agreement shall be set  
6256 in the tollway development agreement.

6257 (7) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
6258 the department shall make rules:

6259 (i) necessary to establish and operate tollways on state highways;

6260 (ii) that establish standards and specifications for automatic tolling systems and  
6261 automatic tollway monitoring technology; and

6262 (iii) to set the amount of a penalty for failure to pay a toll under this section.

6263 (b) The rules shall:

6264 (i) include minimum criteria for having a tollway; and

6265 (ii) conform to regional and national standards for automatic tolling.

6266 (8) (a) The commission may provide funds for public or private tollway pilot projects  
6267 or high occupancy toll lanes from General Fund money appropriated by the Legislature to the  
6268 commission for that purpose.

6269 (b) The commission may determine priorities and funding levels for tollways  
6270 designated under this section.

6271 (9) (a) Except as provided in Subsection (9)(b), all revenue generated from a tollway  
6272 on a state highway shall be deposited into the Tollway Special Revenue Fund created in  
6273 Section 72-2-120 and used for [~~acquisition of right-of-way and the design, construction,  
6274 reconstruction, operation, maintenance, enforcement of state transportation systems and  
6275 facilities, including operating improvements to the tollway, and other facilities used exclusively  
6276 for the operation of a tollway facility within the corridor served by the tollway~~] any state  
6277 transportation purpose.

6278 (b) Revenue generated from a tollway that is the subject of a tollway development  
6279 agreement shall be deposited into the Tollway Special Revenue Fund and used in accordance  
6280 with Subsection (9)(a) unless:

6281 (i) the revenue is to a private entity through the tollway development agreement; or

6282 (ii) the revenue is identified for a different purpose under the tollway development  
6283 agreement.

6284 (10) Data described in Subsection (2)(e) obtained for the purposes of this section:

6285 (a) in accordance with Section 63G-2-305, is a protected record under Title 63G,  
6286 Chapter 2, Government Records Access and Management Act, if the photographic or video  
6287 data is maintained by a governmental entity;

6288 (b) may not be used or shared for any purpose other than the purposes described in this  
6289 section;

6290 (c) may only be preserved:

6291 (i) so long as necessary to collect the payment of a toll or penalty imposed in  
6292 accordance with this section; or

6293 (ii) pursuant to a warrant issued under the Utah Rules of Criminal Procedure or an  
6294 equivalent federal warrant; and

6295 (d) may only be disclosed:

6296 (i) in accordance with the disclosure requirements for a protected record under Section  
6297 [63G-2-202](#); or

6298 (ii) pursuant to a warrant issued under the Utah Rules of Criminal Procedure or an  
6299 equivalent federal warrant.

6300 (11) (a) The department may not sell for any purpose photographic or video data  
6301 captured under Subsection (2)(e)(ii).

6302 (b) The department may not share captured photographic or video data for a purpose  
6303 not authorized under this section.

6304 ~~[(12) Before November 1, 2018, the Driver License Division, the Division of Motor  
6305 Vehicles, and the department shall jointly study and report findings and recommendations to  
6306 the Transportation Interim Committee regarding the use of Title 53, Chapter 3, Part 6, Drivers'  
6307 License Compact, and other methods to collect a toll or penalty under this section from:]~~

6308 ~~[(a) an owner of a motor vehicle registered outside this state; or]~~

6309 ~~[(b) a driver or lessee of a motor vehicle leased or rented for 30 days or less.]~~

6310 Section 61. Section **72-9-603** is amended to read:

6311 **72-9-603. Towing notice requirements -- Cost responsibilities -- Abandoned**  
6312 **vehicle title restrictions -- Rules for maximum rates and certification.**

6313 (1) Except for a tow truck service that was ordered by a peace officer, or a person  
6314 acting on behalf of a law enforcement agency, or a highway authority, after performing a tow  
6315 truck service that is being done without the vehicle, vessel, or outboard motor owner's  
6316 knowledge, the tow truck operator or the tow truck motor carrier shall:

6317 (a) immediately upon arriving at the place of storage or impound of the vehicle, vessel,  
6318 or outboard motor:

6319 (i) send a report of the removal to the Motor Vehicle Division that complies with the  
6320 requirements of Subsection 41-6a-1406(4)(b); and

6321 (ii) contact the law enforcement agency having jurisdiction over the area where the  
6322 vehicle, vessel, or outboard motor was picked up and notify the agency of the:

6323 (A) location of the vehicle, vessel, or outboard motor;

6324 (B) date, time, and location from which the vehicle, vessel, or outboard motor was  
6325 removed;

6326 (C) reasons for the removal of the vehicle, vessel, or outboard motor;

6327 (D) person who requested the removal of the vehicle, vessel, or outboard motor; and

6328 (E) description, including the identification number, license number, or other  
6329 identification number issued by a state agency, of the vehicle, vessel, or outboard motor;

6330 (b) within two business days of performing the tow truck service under Subsection  
6331 (1)(a), send a certified letter to the last-known address of each party described in Subsection  
6332 41-6a-1406(5)(a) with an interest in the vehicle, vessel, or outboard motor obtained from the  
6333 Motor Vehicle Division or, if the person has actual knowledge of the party's address, to the  
6334 current address, notifying the party of the:

6335 (i) location of the vehicle, vessel, or outboard motor;

6336 (ii) date, time, and location from which the vehicle, vessel, or outboard motor was  
6337 removed;

6338 (iii) reasons for the removal of the vehicle, vessel, or outboard motor;

6339 (iv) person who requested the removal of the vehicle, vessel, or outboard motor;

6340 (v) a description, including its identification number and license number or other  
6341 identification number issued by a state agency; and

6342 (vi) costs and procedures to retrieve the vehicle, vessel, or outboard motor; and

6343 (c) upon initial contact with the owner whose vehicle, vessel, or outboard motor was  
6344 removed, provide the owner with a copy of the Utah Consumer Bill of Rights Regarding  
6345 Towing established by the department in Subsection (7)(e).

6346 (2) (a) Until the tow truck operator or tow truck motor carrier reports the removal as  
6347 required under Subsection (1)(a), a tow truck operator, tow truck motor carrier, or impound  
6348 yard may not:

6349 (i) collect any fee associated with the removal; or

6350 (ii) begin charging storage fees.

6351 (b) (i) Except as provided in Subsection (2)(c), a tow truck operator or tow truck motor  
6352 carrier may not perform a tow truck service without the vehicle, vessel, or outboard motor  
6353 owner's or a lien holder's knowledge at either of the following locations without signage that  
6354 meets the requirements of Subsection (2)(b)(ii):

6355 (A) a mobile home park as defined in Section 57-16-3; or  
6356 (B) a multifamily dwelling of more than eight units.

6357 (ii) Signage under Subsection (2)(b)(i) shall display:

6358 (A) where parking is subject to towing; and  
6359 (B) (I) the Internet website address that provides access to towing database information  
6360 in accordance with Section 41-6a-1406; or  
6361 (II) one of the following:

6362 (Aa) the name and phone number of the tow truck operator or tow truck motor carrier  
6363 that performs a tow truck service for the locations listed under Subsection (2)(b)(i); or  
6364 (Bb) the name of the mobile home park or multifamily dwelling and the phone number  
6365 of the mobile home park or multifamily dwelling manager or management office that  
6366 authorized the vehicle, vessel, or outboard motor to be towed.

6367 (c) Signage is not required under Subsection (2)(b) for parking in a location:

6368 (i) that is prohibited by law; or  
6369 (ii) if it is reasonably apparent that the location is not open to parking.

6370 (d) Nothing in Subsection (2)(b) restricts the ability of a mobile home park as defined  
6371 in Section 57-16-3 or a multifamily dwelling from instituting and enforcing regulations on  
6372 parking.

6373 (3) The party described in Subsection 41-6a-1406(5)(a) with an interest in a vehicle,  
6374 vessel, or outboard motor lawfully removed is only responsible for paying:

6375 (a) the tow truck service and storage fees set in accordance with Subsection (7); [~~and~~]  
6376 (b) the administrative impound fee set in Section 41-6a-1406, if applicable[-]; and  
6377 (c) the applicable sales and use tax.

6378 (4) (a) The fees under Subsection (3) are a possessory lien on the vehicle, vessel, or  
6379 outboard motor and any nonlife essential items contained in the vehicle, vessel, or outboard  
6380 motor that are owned by the owner of the vehicle, vessel, or outboard motor until paid.

6381 (b) The tow truck operator or tow truck motor carrier shall securely store the vehicle,  
6382 vessel, or outboard motor and items described in Subsection (4)(a) in an approved state  
6383 impound yard until a party described in Subsection 41-6a-1406(5)(a) with an interest in the  
6384 vehicle, vessel, or outboard motor:

6385 (i) pays the [~~fees~~] amounts described in Subsection (3); and

6386 (ii) removes the vehicle, vessel, or outboard motor from the state impound yard.

6387 (5) (a) A vehicle, vessel, or outboard motor shall be considered abandoned if a party  
6388 described in Subsection 41-6a-1406(5)(a) with an interest in the vehicle, vessel, or outboard  
6389 motor does not, within 30 days after notice has been sent under Subsection (1)(b):

6390 (i) pay the [~~fees~~] amounts described in Subsection (3); and

6391 (ii) remove the vehicle, vessel, or outboard motor from the secure storage facility.

6392 (b) A person may not request a transfer of title to an abandoned vehicle, vessel, or  
6393 outboard motor until at least 30 days after notice has been sent under Subsection (1)(b).

6394 (6) (a) A tow truck motor carrier or impound yard shall clearly and conspicuously post  
6395 and disclose all its current fees, rates, and acceptable forms of payment for tow truck service  
6396 and storage of a vehicle in accordance with rules established under Subsection (7).

6397 (b) A tow truck operator, a tow truck motor carrier, and an impound yard shall accept  
6398 payment by cash and debit or credit card for a tow truck service under Subsection (1) or any  
6399 service rendered, performed, or supplied in connection with a tow truck service under  
6400 Subsection (1).

6401 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
6402 department shall:

6403 (a) subject to the restriction in Subsection (8), set maximum rates that:

6404 (i) a tow truck motor carrier may charge for the tow truck service of a vehicle, vessel,  
6405 or outboard motor that are transported in response to:

6406 (A) a peace officer dispatch call;

6407 (B) a motor vehicle division call; and

6408 (C) any other call or request where the owner of the vehicle, vessel, or outboard motor  
6409 has not consented to the removal; and

6410 (ii) an impound yard may charge for the storage of a vehicle, vessel, or outboard motor  
6411 stored as a result of one of the conditions listed under Subsection (7)(a)(i);

6412 (b) establish authorized towing certification requirements, not in conflict with federal  
6413 law, related to incident safety, clean-up, and hazardous material handling;

6414 (c) specify the form and content of the posting and disclosure of fees and rates charged  
6415 and acceptable forms of payment by a tow truck motor carrier or impound yard;

6416 (d) set a maximum rate for an administrative fee that a tow truck motor carrier may  
6417 charge for reporting the removal as required under Subsection (1)(a)(i) and providing notice of  
6418 the removal to each party described in Subsection 41-6a-1406(5)(a) with an interest in the  
6419 vehicle, vessel, or outboard motor as required in Subsection (1)(b); and

6420 (e) establish a Utah Consumer Bill of Rights Regarding Towing form that contains  
6421 specific information regarding:

6422 (i) a vehicle owner's rights and responsibilities if the owner's vehicle is towed;

6423 (ii) identifies the maximum rates that a tow truck motor carrier may charge for the tow  
6424 truck service of a vehicle, vessel, or outboard motor that is transported in response to a call or  
6425 request where the owner of the vehicle, vessel, or outboard motor has not consented to the  
6426 removal; and

6427 (iii) identifies the maximum rates that an impound yard may charge for the storage of  
6428 vehicle, vessel, or outboard motor that is transported in response to a call or request where the  
6429 owner of the vehicle, vessel, or outboard motor has not consented to the removal.

6430 (8) An impound yard may not charge a fee for the storage of an impounded vehicle,  
6431 vessel, or outboard motor if:

6432 (a) the vehicle, vessel, or outboard motor is being held as evidence; and

6433 (b) the vehicle, vessel, or outboard motor is not being released to a party described in  
6434 Subsection 41-6a-1406(5)(a), even if the party satisfies the requirements to release the vehicle,  
6435 vessel, or outboard motor under Section 41-6a-1406.

6436 (9) (a) (i) A tow truck motor carrier may charge a rate up to the maximum rate set by  
6437 the department in rules made under Subsection (7).

6438 (ii) In addition to the maximum rates established under Subsection (7) [~~and when~~  
6439 ~~receiving payment by credit card~~], a tow truck operator, a tow truck motor carrier, or an  
6440 impound yard;

6441 (A) shall collect the sales and use tax due; and

6442 (B) when receiving payment by credit card, may charge a credit card processing fee of

6443 3% of the transaction total.

6444 (b) A tow truck motor carrier may not be required to maintain insurance coverage at a  
6445 higher level than required in rules made pursuant to Subsection (7).

6446 (10) When a tow truck motor carrier or impound lot is in possession of a vehicle,  
6447 vessel, or outboard motor as a result of a tow service that was performed without the consent of  
6448 the owner, and that was not ordered by a peace officer or a person acting on behalf of a law  
6449 enforcement agency, the tow truck motor carrier or impound yard shall make personnel  
6450 available:

6451 (a) by phone 24 hours a day, seven days a week; and

6452 (b) to release the impounded vehicle, vessel, or outboard motor to the owner within  
6453 one hour of when the owner calls the tow truck motor carrier or impound yard.

6454 Section 62. **Appropriations -- Operating and Capital Budgets.**

6455 Subsection 62 (a)(i). **Fiscal Year 2020 Appropriation -- Operating and Capital  
6456 Budgets.**

6457 The following sums of money are appropriated for the fiscal beginning July 1, 2019,  
6458 and ending June 30, 2020. These are additions to amounts previously appropriated for fiscal  
6459 year 2020. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act,  
6460 the Legislature appropriates the following sums of money from the funds or accounts indicated  
6461 for the use and support of the government of the state of Utah.

6462 ITEM 1

6463 To Department of Workforce Services -- Administration

6464 From General Fund, One-time \$500,000

6465 Schedule of Programs:

6466 Communications \$500,000

6467 The Legislature intends that the Department of Workforce Services use this  
6468 appropriation for outreach to inform eligible individuals, particularly low income individuals,  
6469 of available income tax credits, exemptions, and rebates and how to claim them.

6470 Subsection 62 (a)(ii). **Fiscal Year 2020 Appropriation -- Transfers to Unrestricted  
6471 Funds.**

6472 The following sums of money are appropriated for the fiscal year beginning July 1,  
6473 2019, and ending June 30, 2020. These are additions to amounts previously appropriated for

6474 fiscal year 2020.

6475 The Legislature authorizes the State Division of Finance to transfer the following  
 6476 amounts to the unrestricted General Fund, Education Fund, or Uniform School Fund, as  
 6477 indicated, from the restricted funds or accounts indicated. Expenditures and outlays from the  
 6478 General Fund, Education Fund, or Uniform School Fund must be authorized by an  
 6479 appropriation.

6480 ITEM 2

6481 To General Fund, One-time

6482	<u>From Education Fund Restricted --</u>	
6483	<u>Underage Drinking Prevention Program Restricted Account</u>	<u>\$1,750,000</u>
6484	<u>Schedule of Programs:</u>	
6485	<u>General Fund, One-time</u>	<u>\$1,750,000</u>

6486 The Legislature intends that, after satisfying all prior appropriations from the Underage  
 6487 Drinking Prevention Program Restricted Account, the State Division of Finance transfer all  
 6488 remaining balances in the Underage Drinking Prevention Program Restricted Account to the  
 6489 General Fund at the close of fiscal year 2020 and close the account.

6490 **Subsection 60 (b). Fiscal Year 2021 Appropriations -- Operating and Capital**  
 6491 **Budgets.**

6492 The following sums of money are appropriated for the fiscal year beginning July 1,  
 6493 2020, and ending June 30, 2021. These are additions to amounts otherwise appropriated for  
 6494 fiscal year 2021. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures  
 6495 Act, the Legislature appropriates the following sums of money from the funds or accounts  
 6496 indicated for the use and support of the government of the state of Utah.

6497 ITEM 3

6498 To State Board of Education -- Child Nutrition

6499	<u>From Education Fund</u>	<u>\$55,500,000</u>
6500	<u>From Dedicated Credits -- Liquor Tax</u>	<u>(\$39,275,700)</u>
6501	<u>Schedule of Programs:</u>	
6502	<u>Child Nutrition</u>	<u>\$16,224,300</u>

6503 ITEM 4

6504 To State Board of Education -- State Administrative Office

6505	<u>From Education Fund</u>	<u>\$2,850,000</u>
6506	<u>From Education Fund Restricted --</u>	
6507	<u>Underage Drinking Prevention Program Restricted Account</u>	<u>(\$1,751,000)</u>
6508	<u>Schedule of Programs:</u>	
6509	<u>State Advocacy Services</u>	<u>\$1,099,000</u>
6510	<u>ITEM 5</u>	
6511	<u>To University of Utah -- Education and General</u>	
6512	<u>From General Fund</u>	<u>\$101,608,900</u>
6513	<u>From Education Fund</u>	<u>(\$101,608,900)</u>
6514	<u>ITEM 6</u>	
6515	<u>To University of Utah -- School of Medicine</u>	
6516	<u>From General Fund</u>	<u>\$35,899,500</u>
6517	<u>From Education Fund</u>	<u>(\$35,899,500)</u>
6518	<u>ITEM 7</u>	
6519	<u>To University of Utah -- University Hospital</u>	
6520	<u>From General Fund</u>	<u>\$1,533,000</u>
6521	<u>From Education Fund</u>	<u>(\$1,533,000)</u>
6522	<u>ITEM 8</u>	
6523	<u>To University of Utah -- School of Dentistry</u>	
6524	<u>From General Fund</u>	<u>\$2,324,700</u>
6525	<u>From Education Fund</u>	<u>(\$2,324,700)</u>
6526	<u>ITEM 9</u>	
6527	<u>To Utah State University -- Education and General</u>	
6528	<u>From General Fund</u>	<u>\$73,521,400</u>
6529	<u>From Education Fund</u>	<u>(\$73,521,400)</u>
6530	<u>ITEM 10</u>	
6531	<u>To Utah State University -- USU-Eastern Education and General</u>	
6532	<u>From General Fund</u>	<u>\$12,503,400</u>
6533	<u>From Education Fund</u>	<u>(\$12,503,400)</u>
6534	<u>ITEM 11</u>	
6535	<u>To Weber State University -- Education and General</u>	

6536	<u>From General Fund</u>	<u>\$94,098,000</u>
6537	<u>From Education Fund</u>	<u>(\$94,098,000)</u>
6538	<u>ITEM 12</u>	
6539	<u>To Southern Utah University -- Education and General</u>	
6540	<u>From General Fund</u>	<u>\$47,444,900</u>
6541	<u>From Education Fund</u>	<u>(\$47,444,900)</u>
6542	<u>ITEM 13</u>	
6543	<u>To Utah Valley University -- Education and General</u>	
6544	<u>From General Fund</u>	<u>\$22,092,900</u>
6545	<u>From Education Fund</u>	<u>(\$22,092,900)</u>
6546	<b>Section 63. Effective date.</b>	
6547	<u>(1) Except as provided in Subsections (2) through (5), if approved by two-thirds of all</u>	
6548	<u>the members elected to each house, this bill takes effect on January 1, 2020.</u>	
6549	<u>(2) If approved by two-thirds of all the members elected to each house, the following</u>	
6550	<u>sections take effect for a taxable year beginning on or after January 1, 2020:</u>	
6551	<u>(a) Section <a href="#">59-7-104</a>;</u>	
6552	<u>(b) Section <a href="#">59-7-201</a>;</u>	
6553	<u>(c) Section <a href="#">59-7-610</a>;</u>	
6554	<u>(d) Section <a href="#">59-7-614.1</a>;</u>	
6555	<u>(e) Section <a href="#">59-7-618</a>;</u>	
6556	<u>(f) Section <a href="#">59-7-620</a>;</u>	
6557	<u>(g) Section <a href="#">59-10-104</a>;</u>	
6558	<u>(h) Section <a href="#">59-10-1005</a>;</u>	
6559	<u>(i) Section <a href="#">59-10-1007</a>;</u>	
6560	<u>(j) Section <a href="#">59-10-1017</a>;</u>	
6561	<u>(k) Section <a href="#">59-10-1017.1</a>;</u>	
6562	<u>(l) Section <a href="#">59-10-1018</a>;</u>	
6563	<u>(m) Section <a href="#">59-10-1019</a>;</u>	
6564	<u>(n) Section <a href="#">59-10-1022</a>;</u>	
6565	<u>(o) Section <a href="#">59-10-1023</a>;</u>	
6566	<u>(p) Section <a href="#">59-10-1028</a>;</u>	

- 6567            (q) Section 59-10-1033;  
6568            (r) Section 59-10-1035;  
6569            (s) Section 59-10-1036;  
6570            (t) Section 59-10-1041;  
6571            (u) Section 59-10-1102.1;  
6572            (v) Section 59-10-1105;  
6573            (w) Section 59-10-1113;  
6574            (x) Section 59-10-1403.3; and  
6575            (y) Section 59-13-202.  
6576            (3) The following sections take effect on April 1, 2020:  
6577            (a) Section 15A-1-204;  
6578            (b) Section 26-36b-208;  
6579            (c) Section 59-1-1503;  
6580            (d) Section 59-12-102;  
6581            (e) Section 59-12-103;  
6582            (f) Section 59-12-104;  
6583            (g) Section 59-12-104.5;  
6584            (h) Section 59-12-1201;  
6585            (i) Section 59-13-323;  
6586            (j) Section 63I-2-259;  
6587            (k) Section 63M-4-702; and  
6588            (l) Section 72-2-124.  
6589            (4) If approved by two-thirds of all the members elected to each house, Subsection  
6590 62(a) of this bill takes effect upon approval by the governor, or the day following the  
6591 constitutional time limit of Utah Constitution, Article VII, Section 8, without the governor's  
6592 signature, or in the case of veto, the date of veto override.  
6593            (5) Subsection 62(b) of this bill takes effect on July 1, 2020.  
6594            (6) The following sections take effect on January 1, 2021:  
6595            (a) Section 46-6a-1642; and  
6596            (b) Section 72-1-213.2.  
6597            Section 64. **Contingent retrospective operation.**

6598 If this bill is approved by less than two-thirds of all the members elected to each house,  
6599 the following sections have retrospective operation for a taxable year beginning on or after  
6600 January 1, 2020:

- 6601 (1) Section 59-7-104;
- 6602 (2) Section 59-7-201;
- 6603 (3) Section 59-7-610;
- 6604 (4) Section 59-7-614.1;
- 6605 (5) Section 59-7-618;
- 6606 (6) Section 59-7-620;
- 6607 (7) Section 59-10-104;
- 6608 (8) Section 59-10-1005;
- 6609 (9) Section 59-10-1007;
- 6610 (10) Section 59-10-1017;
- 6611 (11) Section 59-10-1017.1;
- 6612 (12) Section 59-10-1018;
- 6613 (13) Section 59-10-1019;
- 6614 (14) Section 59-10-1022;
- 6615 (15) Section 59-10-1023;
- 6616 (16) Section 59-10-1028;
- 6617 (17) Section 59-10-1033;
- 6618 (18) Section 59-10-1035;
- 6619 (19) Section 59-10-1036;
- 6620 (20) Section 59-10-1041;
- 6621 (21) Section 59-10-1102.1;
- 6622 (22) Section 59-10-1105;
- 6623 (23) Section 59-10-1113;
- 6624 (24) Section 59-10-1403.3; and
- 6625 (25) Section 59-13-202.