

Representative Jennifer Dailey-Provost 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

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 for income below a certain level;
- ▶ 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 state earned income tax credit for certain individuals who are experiencing intergenerational poverty;
- ▶ provides for apportionment of the state earned income tax credit;



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

- 57 certificate of emissions inspection with the Utah Department of Transportation;
- 58 ▶ requires certain legislative committees to consider annually a report from the Utah
59 Department of Transportation regarding the road usage charge program;
- 60 ▶ requires the Utah Department of Transportation to notify certain legislative
61 committees when revenue from the road usage charge program equals or exceeds
62 specified amounts of revenue generated from the sales tax on motor fuel and special
63 fuel other than diesel;
- 64 ▶ addresses the requirements for using a high occupancy toll lane;
- 65 ▶ modifies the permissible uses for funds in the Tollway Special Revenue Fund;
- 66 ▶ provides funding from the Transportation Investment Fund of 2005 for
67 improvement of class B roads located in certain counties of the fourth, fifth, and
68 sixth class; and
- 69 ▶ makes technical and conforming changes.

70 **Money Appropriated in this Bill:**

71 This bill appropriates in fiscal year 2020:

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

78 This bill appropriates in fiscal year 2021:

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

- 88 • From General Fund, \$101,608,900.
- 89 • From Education Fund, (\$101,608,900).
- 90 ▶ To University of Utah -- School of Medicine, as an ongoing appropriation:
- 91 • From General Fund, \$35,899,500.
- 92 • From Education Fund, (\$35,899,500).
- 93 ▶ To University of Utah -- University Hospital, as an ongoing appropriation:
- 94 • From General Fund, \$1,533,000.
- 95 • From Education Fund, (\$1,533,000).
- 96 ▶ To University of Utah -- School of Dentistry, as an ongoing appropriation:
- 97 • From General Fund, \$2,324,700.
- 98 • From Education Fund, (\$2,324,700).
- 99 ▶ To Utah State University -- Education and General, as an ongoing appropriation:
- 100 • From General Fund, \$73,521,400.
- 101 • From Education Fund, (\$73,521,400).
- 102 ▶ To Utah State University -- USU-Eastern Education and General, as an ongoing
- 103 appropriation:
- 104 • From General Fund, \$12,503,400.
- 105 • From Education Fund, (\$12,503,400).
- 106 ▶ To Weber State University -- Education and General, as an ongoing appropriation:
- 107 • From General Fund, \$94,098,000.
- 108 • From Education Fund, (\$94,098,000).
- 109 ▶ To Southern Utah University -- Education and General, as an ongoing
- 110 appropriation:
- 111 • From General Fund, \$47,444,900.
- 112 • From Education Fund, (\$47,444,900).
- 113 ▶ To Utah Valley University -- Education and General, as an ongoing appropriation:
- 114 • From General Fund, \$22,092,900.
- 115 • From Education Fund, (\$22,092,900).

Other Special Clauses:

- 117 This bill provides a special effective date.
- 118 This bill provides contingent retrospective operation.

119 **Utah Code Sections Affected:**

120 AMENDS:

- 121 [15A-1-204](#), as last amended by Laws of Utah 2017, Chapter 18
122 [26-36b-208](#), as last amended by Laws of Utah 2019, Chapters 1 and 393
123 [32B-2-301](#), as last amended by Laws of Utah 2018, Chapter 329
124 [32B-2-304](#), as last amended by Laws of Utah 2019, Chapter 403
125 [32B-2-305](#), as last amended by Laws of Utah 2013, Chapter 400
126 [35A-8-308](#), as last amended by Laws of Utah 2017, Chapters 181 and 421
127 [35A-8-309](#), as last amended by Laws of Utah 2019, Chapter 493
128 [41-6a-409](#), as last amended by Laws of Utah 2017, Chapter 142
129 [41-6a-505](#), as last amended by Laws of Utah 2019, Chapter 136
130 [41-6a-1406](#), as last amended by Laws of Utah 2019, Chapter 373
131 [41-6a-1642](#), as last amended by Laws of Utah 2019, Chapter 140
132 [41-12a-806](#), as last amended by Laws of Utah 2019, Chapter 55
133 [53B-8a-106](#), as last amended by Laws of Utah 2015, Chapter 94
134 [53G-10-406](#), as last amended by Laws of Utah 2019, Chapter 293
135 [59-1-1503](#), as last amended by Laws of Utah 2012, Chapter 399
136 [59-5-102](#), as last amended by Laws of Utah 2019, First Special Session, Chapter 3
137 [59-7-104](#), as last amended by Laws of Utah 2019, Chapter 418
138 [59-7-201](#), as last amended by Laws of Utah 2018, Chapter 456
139 [59-7-610](#), as last amended by Laws of Utah 2019, Chapter 247
140 [59-7-614.1](#), as last amended by Laws of Utah 2016, Chapter 375
141 [59-7-618](#), as last amended by Laws of Utah 2017, Chapter 265
142 [59-7-620](#), as last amended by Laws of Utah 2017, Chapter 222
143 [59-10-104](#), as last amended by Laws of Utah 2018, Chapter 456
144 [59-10-529.1](#), as enacted by Laws of Utah 2015, Chapter 369
145 [59-10-1005](#), as last amended by Laws of Utah 2017, Chapter 148
146 [59-10-1007](#), as last amended by Laws of Utah 2019, Chapter 247
147 [59-10-1017](#), as last amended by Laws of Utah 2017, Chapter 389
148 [59-10-1017.1](#), as enacted by Laws of Utah 2017, Chapter 389
149 [59-10-1018](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 3

- 150 [59-10-1019](#), as renumbered and amended by Laws of Utah 2008, Chapter 389
- 151 [59-10-1022](#), as enacted by Laws of Utah 2008, Chapter 389
- 152 [59-10-1023](#), as enacted by Laws of Utah 2008, Chapter 389
- 153 [59-10-1028](#), as last amended by Laws of Utah 2012, Chapter 399
- 154 [59-10-1033](#), as last amended by Laws of Utah 2017, Chapter 265
- 155 [59-10-1035](#), as last amended by Laws of Utah 2017, Chapter 222
- 156 [59-10-1036](#), as enacted by Laws of Utah 2016, Chapter 55
- 157 [59-10-1105](#), as last amended by Laws of Utah 2016, Chapter 375
- 158 [59-10-1403.3](#), as enacted by Laws of Utah 2017, Chapter 270
- 159 [59-12-102](#), as last amended by Laws of Utah 2019, Chapters 325, 481, and 486
- 160 [59-12-103](#), as last amended by Laws of Utah 2019, Chapters 1, 136, and 479
- 161 [59-12-104](#), as last amended by Laws of Utah 2019, Chapters 136 and 486
- 162 [59-12-104.5](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 163 [59-12-1201](#), as last amended by Laws of Utah 2016, Chapters 184 and 291
- 164 [59-13-202](#), as last amended by Laws of Utah 2016, Third Special Session, Chapter 1
- 165 [59-13-401](#), as last amended by Laws of Utah 2009, Chapters 222 and 358
- 166 [59-13-402](#), as last amended by Laws of Utah 2019, Chapter 136
- 167 [59-24-103.5](#), as last amended by Laws of Utah 2005, Chapter 10
- 168 [63I-2-253](#), as last amended by Laws of Utah 2019, Chapters 41, 129, 136, 223, 324,
- 169 325, and 444
- 170 [63I-2-259](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 171 [63I-2-272](#), as last amended by Laws of Utah 2019, Chapters 136 and 246
- 172 [63M-4-702](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 6
- 173 [72-1-201](#), as last amended by Laws of Utah 2019, Chapter 431
- 174 [72-1-213.1](#), as enacted by Laws of Utah 2019, Chapter 479
- 175 [72-2-120](#), as last amended by Laws of Utah 2018, Chapter 269
- 176 [72-2-124](#), as last amended by Laws of Utah 2019, Chapters 327 and 479
- 177 [72-6-118](#), as last amended by Laws of Utah 2018, Chapter 269
- 178 [72-9-603](#), as last amended by Laws of Utah 2019, Chapter 373
- 179 ENACTS:
- 180 [35A-9-214](#), Utah Code Annotated 1953

- 181 [59-10-1018.1](#), Utah Code Annotated 1953
 - 182 [59-10-1041](#), Utah Code Annotated 1953
 - 183 [59-10-1113](#), Utah Code Annotated 1953
 - 184 [59-13-323](#), Utah Code Annotated 1953
 - 185 [59-13-601](#), Utah Code Annotated 1953
 - 186 [63I-2-241](#), Utah Code Annotated 1953
 - 187 [72-1-213.2](#), Utah Code Annotated 1953
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188
189 *Be it enacted by the Legislature of the state of Utah:*

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

191 **15A-1-204. Adoption of State Construction Code -- Amendments by commission**
192 **-- Approved codes -- Exemptions.**

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

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

198 (i) new construction is involved; and

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

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

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

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

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

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

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

210 (i) to the entire state; or

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

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

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

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

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

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

222 (3) (a) Except as provided in Subsection (3)(b), for each update of a nationally
223 recognized construction code, the commission shall prepare a report described in Subsection
224 (4).

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

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

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

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

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

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

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

242 (i) study the recommendations; and

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

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

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

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

255 (i) on its own initiative;

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

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

259 (A) a local regulator;

260 (B) a state regulator;

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

262 (D) the Construction Services Commission;

263 (E) the Electrician Licensing Board;

264 (F) the Plumbers Licensing Board; or

265 (G) a recognized construction-related association.

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

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

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

- 274 (ii) place a person in violation of federal or other state law.
- 275 (b) If the commission amends the State Construction Code in accordance with this
- 276 Subsection (6), the commission shall file with the division:
- 277 (i) the text of the amendment to the State Construction Code; and
- 278 (ii) an analysis that includes the specific reasons and justifications for the commission's
- 279 findings.
- 280 (c) If the State Construction Code is amended under this Subsection (6), the division
- 281 shall:
- 282 (i) publish the amendment to the State Construction Code in accordance with Section
- 283 15A-1-205; and
- 284 (ii) prepare and submit, in accordance with Section 68-3-14, a written notice to the
- 285 Business and Labor Interim Committee containing the amendment to the State Construction
- 286 Code, including a copy of the commission's analysis described in Subsection (6)(b)(ii).
- 287 (d) If not formally adopted by the Legislature at the next annual general session, an
- 288 amendment to the State Construction Code under this Subsection (6) is repealed on the July 1
- 289 immediately following the next annual general session that follows the adoption of the
- 290 amendment.
- 291 (7) (a) The division, in consultation with the commission, may approve, without
- 292 adopting, one or more approved codes, including a specific edition of a construction code, for
- 293 use by a compliance agency.
- 294 (b) If the code adopted by a compliance agency is an approved code described in
- 295 Subsection (7)(a), the compliance agency may:
- 296 (i) adopt an ordinance requiring removal, demolition, or repair of a building;
- 297 (ii) adopt, by ordinance or rule, a dangerous building code; or
- 298 (iii) adopt, by ordinance or rule, a building rehabilitation code.
- 299 (8) Except as provided in Subsections (6), (7), (9), and (10), or as expressly provided in
- 300 state law, a state executive branch entity or political subdivision of the state may not, after
- 301 December 1, 2016, adopt or enforce a rule, ordinance, or requirement that applies to a subject
- 302 specifically addressed by, and that is more restrictive than, the State Construction Code.
- 303 (9) A state executive branch entity or political subdivision of the state may:
- 304 (a) enforce a federal law or regulation;

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

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

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

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

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

316 (11) (a) Except as provided in Subsection (11)(b), a structure used solely in
317 conjunction with agriculture use, and not for human occupancy, or a structure that is no more
318 than 1,500 square feet and used solely for the type of sales described in Subsection
319 ~~59-12-104(20)~~(17), is exempt from the permit requirements of the State Construction Code.

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

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

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

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

330 Section 2. Section **26-36b-208** is amended to read:

331 **26-36b-208. Medicaid Expansion Fund.**

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

334 (2) The fund consists of:

335 (a) assessments collected under this chapter;

- 336 (b) intergovernmental transfers under Section 26-36b-206;
- 337 (c) savings attributable to the health coverage improvement program as determined by
- 338 the department;
- 339 (d) savings attributable to the enhancement waiver program as determined by the
- 340 department;
- 341 (e) savings attributable to the Medicaid waiver expansion as determined by the
- 342 department;
- 343 (f) savings attributable to the inclusion of psychotropic drugs on the preferred drug list
- 344 under Subsection 26-18-2.4(3) as determined by the department;
- 345 (g) [~~revenues~~] revenue collected from the sales tax described in Subsection
- 346 59-12-103[(13)](12);
- 347 (h) gifts, grants, donations, or any other conveyance of money that may be made to the
- 348 fund from private sources;
- 349 (i) interest earned on money in the fund; and
- 350 (j) additional amounts as appropriated by the Legislature.
- 351 (3) (a) The fund shall earn interest.
- 352 (b) All interest earned on fund money shall be deposited into the fund.
- 353 (4) (a) A state agency administering the provisions of this chapter may use money from
- 354 the fund to pay the costs, not otherwise paid for with federal funds or other revenue sources, of:
- 355 (i) the health coverage improvement program;
- 356 (ii) the enhancement waiver program;
- 357 (iii) a Medicaid waiver expansion; and
- 358 (iv) the outpatient upper payment limit supplemental payments under Section
- 359 26-36b-210.
- 360 (b) A state agency administering the provisions of this chapter may not use:
- 361 (i) funds described in Subsection (2)(b) to pay the cost of private outpatient upper
- 362 payment limit supplemental payments; or
- 363 (ii) money in the fund for any purpose not described in Subsection (4)(a).
- 364 Section 3. Section 32B-2-301 is amended to read:
- 365 **32B-2-301. State property -- Liquor Control Fund -- Money to be retained by**
- 366 **department -- Department building process.**

- 367 (1) The following are property of the state:
- 368 (a) the money received in the administration of this title, except as otherwise provided;
- 369 and
- 370 (b) property acquired, administered, possessed, or received by the department.
- 371 (2) (a) There is created an enterprise fund known as the "Liquor Control Fund."
- 372 (b) [~~Except as provided in Section 32B-2-304, the~~] The department shall deposit the
- 373 following into the Liquor Control Fund:
- 374 (i) money received in the administration of this title; and
- 375 (ii) money received from the markup described in Section 32B-2-304.
- 376 (c) The department may draw from the Liquor Control Fund only to the extent
- 377 appropriated by the Legislature or provided by statute.
- 378 (d) The net position of the Liquor Control Fund may not fall below zero.
- 379 (3) (a) Notwithstanding Subsection (2)(c), the department may draw by warrant from
- 380 the Liquor Control Fund without an appropriation for an expenditure that is directly incurred by
- 381 the department:
- 382 (i) to purchase an alcoholic product;
- 383 (ii) to transport an alcoholic product from the supplier to a warehouse of the
- 384 department; or
- 385 (iii) for variances related to an alcoholic product, including breakage or theft.
- 386 (b) If the balance of the Liquor Control Fund is not adequate to cover a warrant that the
- 387 department draws against the Liquor Control Fund, to the extent necessary to cover the
- 388 warrant, the cash resources of the General Fund may be used.
- 389 (4) (a) As used in this Subsection (4), "base budget" means the same as that term is
- 390 defined in legislative rule.
- 391 (b) The department's base budget shall include as an appropriation from the Liquor
- 392 Control Fund:
- 393 (i) credit card related fees paid by the department;
- 394 (ii) package agency compensation; and
- 395 (iii) the department's costs of shipping and warehousing alcoholic products.
- 396 (5) (a) The Division of Finance shall transfer annually from the Liquor Control Fund to
- 397 the General Fund a sum equal to the amount of net profit earned from the sale of liquor since

398 the preceding transfer of money under this Subsection (5).

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

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

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

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

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

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

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

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

414 (a) capital equipment purchases;

415 (b) salary increases for department employees;

416 (c) performance awards for department employees; or

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

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

419 **32B-2-304. Liquor price -- School lunch program -- Remittance of markup.**

420 (1) For purposes of this section:

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

422 (A) the cost of the product; and

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

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

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

427 (c) Notwithstanding Section 32B-1-102, "small brewer" means a brewer who
428 manufactures in a calendar year less than 40,000 barrels of beer, heavy beer, and flavored malt

429 beverage.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

466 [~~(4) The department shall deposit 10% of the total gross revenue from sales of liquor
467 with the state treasurer to be credited to the Uniform School Fund and used to support the
468 school lunch program administered by the State Board of Education under Section 53E-3-510.]~~

469 [(5)] (4) This section does not prohibit the department from selling discontinued items
470 at a discount.

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

472 **32B-2-305. Alcoholic Beverage Control Act Enforcement Fund.**

473 (1) As used in this section:

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

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

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

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

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

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

482 (ii) interest earned on the fund.

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

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

488 (5) (a) The Department of Public Safety shall expend money from the fund to
489 supplement appropriations by the Legislature so that the Department of Public Safety maintains
490 a sufficient number of alcohol-related law enforcement officers such that beginning on July 1,

491 2012, each year the enforcement ratio as of July 1 is equal to or less than the number specified
492 in Section 32B-1-201.

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

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

496 **35A-8-308. Throughput Infrastructure Fund.**

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

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

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

500 (b) any voluntary contributions received;

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

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

504 (3) The state treasurer shall:

505 (a) invest the money in the fund by following the procedures and requirements of Title
506 51, Chapter 7, State Money Management Act; and

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

508 Section 7. Section 35A-8-309 is amended to read:

509 **35A-8-309. Throughput Infrastructure Fund administered by impact board --**
510 **Uses -- Review by board -- Annual report -- First project.**

511 (1) The impact board shall:

512 (a) make grants and loans from the Throughput Infrastructure Fund created in Section
513 35A-8-308 for a throughput infrastructure project;

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

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

521 (d) determine provisions for repayment of loans;

522 (e) establish criteria for awarding loans and grants; and
523 (f) establish criteria for determining eligibility for assistance under this section.
524 (2) The cost of acquisition or construction of a throughput infrastructure project
525 includes amounts for working capital, reserves, transaction costs, and other amounts
526 determined by the impact board to be allocable to a throughput infrastructure project.
527 (3) The impact board may restructure or forgive all or part of a local political
528 subdivision's or interlocal agency's obligation to repay loans for extenuating circumstances.
529 (4) To receive assistance under this section, a local political subdivision or an
530 interlocal agency shall submit a formal application containing the information that the impact
531 board requires.
532 (5) (a) The impact board shall:
533 (i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant
534 before approving the loan or grant and may condition its approval on whatever assurances the
535 impact board considers necessary to ensure that proceeds of the loan or grant will be used in
536 accordance with this section;
537 (ii) ensure that each loan specifies terms for interest deferments, accruals, and
538 scheduled principal repayment; and
539 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations of
540 the appropriate local political subdivision or interlocal agency issued to the impact board and
541 payable from the net revenues of a throughput infrastructure project.
542 (b) An instrument described in Subsection (5)(a)(iii) may be:
543 (i) non-recourse to the local political subdivision or interlocal agency; and
544 (ii) limited to a pledge of the net revenues from a throughput infrastructure project.
545 (6) (a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate
546 from the Throughput Infrastructure Fund to the board those amounts that are appropriated by
547 the Legislature for the administration of the Throughput Infrastructure Fund.
548 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual
549 receipts to the fund.
550 (7) The board shall include in the annual written report described in Section
551 35A-1-109:
552 (a) the number and type of loans and grants made under this section; and

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

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

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

560 (i) grant up to 2% of the money in the Throughput Infrastructure Fund to the interlocal
561 agency to pay or reimburse costs incurred by the interlocal agency preliminary to its acquisition
562 of the throughput infrastructure project; and

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

565 Section 8. Section **35A-9-214** is enacted to read:

566 **35A-9-214. Intergenerational poverty report to State Tax Commission.**

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

568 (2) On or before January 31 of each year, the department shall provide a notice to each
569 individual the department identifies as experiencing intergenerational poverty that:

570 (a) informs the individual of the tax credit available under Section [59-10-1114](#); and

571 (b) explains the eligibility requirements and process for claiming a tax credit under
572 Section [59-10-1114](#).

573 (3) For purposes of Subsection (2), an individual is experiencing intergenerational
574 poverty if:

575 (a) the individual received public assistance during the previous calendar year;

576 (b) the individual received public assistance for 12 months or more since the individual
577 reached 18 years of age; and

578 (c) the individual or the individual's family received public assistance for 12 months or
579 more before the individual reached 18 years of age.

580 (4) (a) On or before March 1 of each year, the department shall, in accordance with
581 applicable federal law, provide the commission an electronic report that states, for each
582 individual to whom the department provided notice in accordance with this section during the
583 preceding year:

- 584 (i) the individual's name; and
- 585 (ii) the individual's social security number.
- 586 (b) The department and the commission shall ensure that the information contained in
- 587 each electronic report is secure and confidential.

588 Section 9. Section **41-6a-409** is amended to read:

589 **41-6a-409. Prohibition of flat response fee for motor vehicle accident.**

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

592 (2) A government entity:

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

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

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

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

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

603 (iv) towing costs[-]; and

604 (v) applicable sales and use taxes.

605 (3) If a government entity imposes a charge on more than one individual for the actual
606 cost or a reasonable estimate of the cost of responding to a motor vehicle accident, the
607 government entity shall apportion the charges so that the government entity does not receive
608 more for responding to the motor vehicle accident than the actual response cost or a reasonable
609 estimate of the cost.

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

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

615 the responsible party.

616 Section 10. Section **41-6a-505** is amended to read:

617 **41-6a-505. Sentencing requirements for driving under the influence of alcohol,**
618 **drugs, or a combination of both violations.**

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

620 (a) the court shall:

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

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

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

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

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

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

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

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

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

637 (viii) (A) order the individual to pay the towing and storage fees described in Section
638 **72-9-603** and the applicable sales and use tax; or

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

642 (b) the court may:

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

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

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

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

652 (a) the court shall:

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

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

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

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

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

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

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

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

666 (B) if the administrative impound fee was paid by a party described in Subsection
667 41-6a-1406(5)(a), other than the individual sentenced, order the individual sentenced to
668 reimburse the party; or

669 (viii) (A) order the individual to pay the towing and storage fees described in Section
670 72-9-603; or

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

674 (b) the court may:

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

677 (ii) order the individual to participate in a 24-7 sobriety program as defined in Section
678 41-6a-515.5 if the individual is 21 years of age or older; or

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

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

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

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

684 (c) supervised probation.

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

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

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

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

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

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

695 (b) one or more of the following:

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

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

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

702 Section 11. Section 41-6a-1406 is amended to read:

703 **41-6a-1406. Removal and impoundment of vehicles -- Reporting and notification**
704 **requirements -- Administrative impound fee -- Refunds -- Possessory lien -- Rulemaking.**

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

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

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

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

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

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

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

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

719 (ii) the tow truck operator or the tow truck motor carrier by whom the tow truck
720 operator is employed.

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

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

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

725 (iii) the vehicle identification number or vessel or outboard motor identification
726 number;

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

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

730 (vi) the reason for removal or impoundment;

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

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

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

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

737 (ii) begin charging storage fees.

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

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

741 (i) the registered owner;

742 (ii) any lien holder; or

743 (iii) a dealer, as defined in Section 41-1a-102, if the vehicle, vessel, or outboard motor
744 is currently operating under a temporary permit issued by the dealer, as described in Section
745 41-3-302.

746 (b) The notice shall:

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

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

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

753 (B) the applicable sales and use tax;

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

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

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

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

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

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

770 in Subsection (5)(a):

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

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

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

776 (iv) if the impoundment was made under Section 41-6a-527, pays an administrative
777 impound fee of \$400; and

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

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

782 (ii) \$147 of the administrative impound fee assessed under Subsection (6)(a)(iv) shall
783 be deposited in the Department of Public Safety Restricted Account created in Section
784 53-3-106;

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

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

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

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

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

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

801 under Subsection (1).

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

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

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

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

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

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

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

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

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

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

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

830 (A) be reasonable and fair; and

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

832 Section 12. Section **41-6a-1642** is amended to read:

833 **41-6a-1642. Emissions inspection -- County program.**

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

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

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

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

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

848 (i) the federal government;

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

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

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

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

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

859 (ii) Volkswagen Jetta Sportwagen, model years 2009, 2010, 2011, 2012, 2013, and
860 2014;

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

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

- 863 (v) Volkswagen Passat, model years 2012, 2013, 2014, and 2015;
- 864 (vi) Volkswagen Beetle, model years 2013, 2014, and 2015;
- 865 (vii) Volkswagen Beetle Convertible, model years 2013, 2014, and 2015; and
- 866 (viii) Audi A3, model years 2010, 2011, 2012, 2013, and 2015; and
- 867 (b) a 3.0-liter diesel engine motor vehicle in which its lifetime nitrogen oxide
- 868 emissions are mitigated in the state to a settlement, including:
- 869 (i) Volkswagen Touareg, model years 2009, 2010, 2011, 2012, 2013, 2014, 2015, and
- 870 2016;
- 871 (ii) Audi Q7, model years 2009, 2010, 2011, 2012, 2013, 2014, 2015, and 2016;
- 872 (iii) Audi A6 Quattro, model years 2014, 2015, and 2016;
- 873 (iv) Audi A7 Quattro, model years 2014, 2015, and 2016;
- 874 (v) Audi A8, model years 2014, 2015, and 2016;
- 875 (vi) Audi A8L, model years 2014, 2015, and 2016;
- 876 (vii) Audi Q5, model years 2014, 2015, and 2016; and
- 877 (viii) Porsche Cayenne Diesel, model years 2013, 2014, 2015, and 2016.
- 878 (3) (a) The legislative body of a county identified in Subsection (1), in consultation
- 879 with the Air Quality Board created under Section 19-1-106, shall make regulations or
- 880 ordinances regarding:
- 881 (i) emissions standards;
- 882 (ii) test procedures;
- 883 (iii) inspections stations;
- 884 (iv) repair requirements and dollar limits for correction of deficiencies; and
- 885 (v) subject to Subsection (3)(e), certificates of emissions inspections.
- 886 (b) In accordance with Subsection (3)(a), a county legislative body:
- 887 (i) shall make regulations or ordinances to attain or maintain ambient air quality
- 888 standards in the county, consistent with the state implementation plan and federal
- 889 requirements;
- 890 (ii) may allow for a phase-in of the program by geographical area; and
- 891 (iii) shall comply with the analyzer design and certification requirements contained in
- 892 the state implementation plan prepared under Title 19, Chapter 2, Air Conservation Act.
- 893 (c) The county legislative body and the Air Quality Board shall give preference to an

894 inspection and maintenance program that:

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

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

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

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

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

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

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

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

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

910 (b) a motor vehicle that:

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

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

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

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

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

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

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

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

- 925 (A) for the transportation of farm products, including livestock and its products,
926 poultry and its products, floricultural and horticultural products; and
- 927 (B) in the transportation of farm supplies, including tile, fence, and every other thing or
928 commodity used in agricultural, floricultural, horticultural, livestock, and poultry production
929 and maintenance;
- 930 (g) a motorcycle as defined in Section [41-1a-102](#);
- 931 (h) a motor vehicle powered solely by electric power; and
- 932 (i) a motor vehicle with a model year of 1967 or older.
- 933 (5) The county shall issue to the registered owner who signs and submits a signed
934 statement under Subsection (4)(f) a certificate of exemption from emissions inspection
935 requirements for purposes of registering the exempt vehicle.
- 936 (6) A legislative body of a county described in Subsection (1) may exempt from an
937 emissions inspection program a diesel-powered motor vehicle with a:
- 938 (a) gross vehicle weight rating of more than 14,000 pounds; or
939 (b) model year of 1997 or older.
- 940 (7) (a) The legislative body of a county described in Subsection (1) that does not
941 require an emissions inspection for diesel-powered motor vehicles as of December 31, 2017,
942 shall implement a three-year pilot program as described in Subsection (7)(b).
- 943 (b) Beginning on January 1, 2019, and ending on December 31, 2021, the legislative
944 body of a county described in Subsection (7)(a) shall require:
- 945 (i) a computerized emissions inspection for a diesel-powered motor vehicle that has:
- 946 (A) a model year of 2007 or newer;
947 (B) a gross vehicle weight rating of 14,000 pounds or less; and
948 (C) a model year that is five years old or older;
- 949 (ii) a visual inspection of emissions equipment for a diesel-powered motor vehicle:
- 950 (A) with a gross vehicle weight rating of 14,000 pounds or less;
951 (B) that has a model year of 1998 or newer; and
952 (C) that has a model year that is five years old or older.
- 953 (c) (i) The legislative body of a county that participates in the pilot program described
954 in this Subsection (7) shall prepare a report including:
- 955 (A) the total number of diesel-powered vehicles inspected as part of the pilot program

956 using computerized technology;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

999 (ii) The provisions of Subsection (9)(c)(i) apply only to a vehicle that is less than six
1000 years old on January 1.

1001 (iii) For a county required to implement a new vehicle emissions inspection and
1002 maintenance program on or after December 1, 2012, under Subsection (1), but for which no
1003 current federally approved state implementation plan exists, a vehicle shall be tested at a
1004 frequency determined by the county legislative body, in consultation with the Air Quality
1005 Board created under Section 19-1-106, that is necessary to comply with federal law or attain or
1006 maintain any national ambient air quality standard.

1007 (iv) If a county legislative body establishes or changes the frequency of a vehicle
1008 emissions inspection and maintenance program under Subsection (9)(c)(iii), the establishment
1009 or change shall take effect on January 1 if the State Tax Commission receives notice meeting
1010 the requirements of Subsection (9)(c)(v) from the county before October 1.

1011 (v) The notice described in Subsection (9)(c)(iv) shall:

1012 (A) state that the county will establish or change the frequency of the vehicle emissions
1013 inspection and maintenance program under this section;

1014 (B) include a copy of the ordinance establishing or changing the frequency; and

1015 (C) if the county establishes or changes the frequency under this section, state how
1016 frequently the emissions testing will be required.

1017 (d) If an emissions inspection is only required every two years for a vehicle under

1018 Subsection(9)(c), the inspection shall be required for the vehicle in:

1019 (i) odd-numbered years for vehicles with odd-numbered model years; or

1020 (ii) in even-numbered years for vehicles with even-numbered model years.

1021 (10) (a) Except as provided in Subsections (9)(b), (c), and (d), the emissions inspection
1022 required under this section may be made no more than two months before the renewal of
1023 registration.

1024 (b) (i) If the title of a used motor vehicle is being transferred, the owner may use an
1025 emissions inspection certificate issued for the motor vehicle during the previous 11 months to
1026 satisfy the requirement under this section.

1027 (ii) If the transferor is a licensed and bonded used motor vehicle dealer, the owner may
1028 use an emissions inspection certificate issued for the motor vehicle in a licensed and bonded
1029 motor vehicle dealer's name during the previous 11 months to satisfy the requirement under
1030 this section.

1031 (c) If the title of a leased vehicle is being transferred to the lessee of the vehicle, the
1032 lessee may use an emissions inspection certificate issued during the previous 11 months to
1033 satisfy the requirement under this section.

1034 (d) If the motor vehicle is part of a fleet of 101 or more vehicles, the owner may not
1035 use an emissions inspection made more than 11 months before the renewal of registration to
1036 satisfy the requirement under this section.

1037 (e) If the application for renewal of registration is for a six-month registration period
1038 under Section [41-1a-215.5](#), the owner may use an emissions inspection certificate issued during
1039 the previous eight months to satisfy the requirement under this section.

1040 (11) (a) A county identified in Subsection (1) shall collect information about and
1041 monitor the program.

1042 (b) A county identified in Subsection (1) shall supply this information to an appropriate
1043 legislative committee, as designated by the Legislative Management Committee, at times
1044 determined by the designated committee to identify program needs, including funding needs.

1045 (12) If approved by the county legislative body, a county that had an established
1046 emissions inspection fee as of January 1, 2002, may increase the established fee that an
1047 emissions inspection station may charge by \$2.50 for each year that is exempted from
1048 emissions inspections under Subsection (9)(c) up to a \$7.50 increase.

1049 (13) (a) A county identified in Subsection (1) may impose a local emissions
1050 compliance fee on each motor vehicle registration within the county in accordance with the
1051 procedures and requirements of Section [41-1a-1223](#).

1052 (b) A county that imposes a local emissions compliance fee may use revenues
1053 generated from the fee for the establishment and enforcement of an emissions inspection and
1054 maintenance program in accordance with the requirements of this section.

1055 (c) A county that imposes a local emissions compliance fee may use revenues
1056 generated from the fee to promote programs to maintain a local, state, or national ambient air
1057 quality standard.

1058 Section 13. Section **41-12a-806** is amended to read:

1059 **41-12a-806. Restricted account -- Creation -- Funding -- Interest -- Purposes.**

1060 (1) There is created within the Transportation Fund a restricted account known as the
1061 "Uninsured Motorist Identification Restricted Account."

1062 (2) The account consists of money generated from the following revenue sources:

1063 (a) money received by the state under Section [41-1a-1218](#), the uninsured motorist
1064 identification fee;

1065 (b) money received by the state under Section [41-1a-1220](#), the registration
1066 reinstatement fee; and

1067 (c) appropriations made to the account by the Legislature.

1068 (3) (a) The account shall earn interest.

1069 (b) All interest earned on account money shall be deposited into the account.

1070 (4) The Legislature shall appropriate money from the account to:

1071 (a) the department to fund the contract with the designated agent;

1072 (b) the department to offset the costs to state and local law enforcement agencies of
1073 using the information for the purposes authorized under this part;

1074 (c) the Tax Commission to offset the costs to the Motor Vehicle Division for revoking
1075 and reinstating vehicle registrations under Subsection [41-1a-110\(2\)\(a\)\(ii\)](#); and

1076 (d) the department to reimburse a person for the costs, including any applicable sales
1077 and use tax, of towing and storing the person's vehicle if:

1078 (i) the person's vehicle was impounded in accordance with Subsection [41-1a-1101\(2\)](#);

1079 (ii) the impounded vehicle had owner's or operator's security in effect for the vehicle at

1080 the time of the impoundment;

1081 (iii) the database indicated that owner's or operator's security was not in effect for the
1082 impounded vehicle; and

1083 (iv) the department determines that the person's vehicle was wrongfully impounded.

1084 (5) The Legislature may appropriate not more than \$1,000,000 annually from the
1085 account to the Peace Officer Standards and Training Division, created under Section 53-6-103,
1086 for use in law enforcement training, including training on the use of the Uninsured Motorist
1087 Identification Database Program created under Title 41, Chapter 12a, Part 8, Uninsured
1088 Motorist Identification Database Program.

1089 (6) (a) By following the procedures in Title 63G, Chapter 4, Administrative Procedures
1090 Act, the department shall hold a hearing to determine whether a person's vehicle was
1091 wrongfully impounded under Subsection 41-1a-1101(2).

1092 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1093 division shall make rules establishing procedures for a person to apply for a reimbursement
1094 under Subsection (4)(d).

1095 (c) A person is not eligible for a reimbursement under Subsection (4)(d) unless the
1096 person applies for the reimbursement within six months from the date that the motor vehicle
1097 was impounded.

1098 Section 14. Section 53B-8a-106 is amended to read:

1099 **53B-8a-106. Account agreements.**

1100 The plan may enter into account agreements with account owners on behalf of
1101 beneficiaries under the following terms and agreements:

1102 (1) (a) An account agreement may require an account owner to agree to invest a
1103 specific amount of money in the plan for a specific period of time for the benefit of a specific
1104 beneficiary, not to exceed an amount determined by the executive director.

1105 (b) Account agreements may be amended to provide for adjusted levels of payments
1106 based upon changed circumstances or changes in educational plans.

1107 (c) An account owner may make additional optional payments as long as the total
1108 payments for a specific beneficiary do not exceed the total estimated higher education costs as
1109 determined by the executive director.

1110 (d) Subject to Subsections (1)(f) and (g), the maximum amount of a qualified

1111 investment that a corporation that is an account owner may subtract from unadjusted income
1112 for a taxable year in accordance with Title 59, Chapter 7, Corporate Franchise and Income
1113 Taxes, is \$1,710 for each individual beneficiary for the taxable year beginning on or after
1114 January 1, 2010, but beginning on or before December 31, 2010.

1115 (e) Subject to Subsections (1)(f) and (g), the maximum amount of a qualified
1116 investment that may be used as the basis for claiming a tax credit in accordance with Section
1117 [59-10-1017](#), is:

1118 (i) subject to Subsection (1)(e)(iv), for a resident or nonresident estate or trust that is an
1119 account owner, \$1,710 for each individual beneficiary for the taxable year beginning on or after
1120 January 1, 2010, but beginning on or before December 31, 2010;

1121 (ii) subject to Subsection (1)(e)(iv), for a resident or nonresident individual that is an
1122 account owner, other than a husband and wife who are account owners and file a single return
1123 jointly under Title 59, Chapter 10, Individual Income Tax Act, \$1,710 for each individual
1124 beneficiary for the taxable year beginning on or after January 1, 2010, but beginning on or
1125 before December 31, 2010;

1126 (iii) subject to Subsection (1)(e)(iv), for a husband and wife who are account owners
1127 and file a single return jointly under Title 59, Chapter 10, Individual Income Tax Act, \$3,420
1128 for each individual beneficiary:

1129 (A) for the taxable year beginning on or after January 1, 2010, but beginning on or
1130 before December 31, 2010; and

1131 (B) regardless of whether the plan has entered into:

1132 (I) a separate account agreement with each spouse; or

1133 (II) a single account agreement with both spouses jointly; or

1134 (iv) for a grantor trust:

1135 (A) if the owner of the grantor trust has a single filing status or head of household
1136 filing status as defined in Section [~~59-10-1018~~] [59-10-1017](#), the amount described in
1137 Subsection (1)(e)(ii); or

1138 (B) if the owner of the grantor trust has a joint filing status as defined in Section
1139 [~~59-10-1018~~] [59-10-1017](#), the amount described in Subsection (1)(e)(iii).

1140 (f) (i) For taxable years beginning on or after January 1, 2011, the executive director
1141 shall annually increase the maximum amount of a qualified investment described in

1142 Subsections (1)(d) and (1)(e)(i) and (ii), by a percentage equal to the increase in the consumer
1143 price index for the preceding calendar year.

1144 (ii) After making an increase required by Subsection (1)(f)(i), the executive director
1145 shall:

1146 (A) round the maximum amount of the qualified investments described in Subsections
1147 (1)(d) and (1)(e)(i) and (ii) increased under Subsection (1)(f)(i) to the nearest 10 dollar
1148 increment; and

1149 (B) increase the maximum amount of the qualified investment described in Subsection
1150 (1)(e)(iii) so that the maximum amount of the qualified investment described in Subsection
1151 (1)(e)(iii) is equal to the product of:

1152 (I) the maximum amount of the qualified investment described in Subsection (1)(e)(ii)
1153 as rounded under Subsection (1)(f)(ii)(A); and

1154 (II) two.

1155 (iii) For purposes of Subsections (1)(f)(i) and (ii), the executive director shall calculate
1156 the consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

1157 (g) For taxable years beginning on or after January 1, 2011, the executive director shall
1158 keep the previous year's maximum amount of a qualified investment described in Subsections
1159 (1)(d) and (1)(e)(i) and (ii) if the consumer price index for the preceding calendar year
1160 decreases.

1161 (2) (a) Beneficiaries designated in account agreements must be designated after birth
1162 and before age 19 for an account owner to:

1163 (i) subtract a qualified investment from income under Title 59, Chapter 7, Corporate
1164 Franchise and Income Taxes; or

1165 (ii) use a qualified investment as the basis for claiming a tax credit in accordance with
1166 Section [59-10-1017](#).

1167 (b) Account owners may designate a beneficiary age 19 or older, but investments for
1168 that beneficiary are not eligible to be:

1169 (i) subtracted from income under Title 59, Chapter 7, Corporate Franchise and Income
1170 Taxes; or

1171 (ii) used as the basis for claiming a tax credit in accordance with Section [59-10-1017](#).

1172 (3) Each account agreement shall state clearly that there are no guarantees regarding

1173 money in the plan as to the return of principal and that losses could occur.

1174 (4) Each account agreement shall provide that:

1175 (a) a contributor to, or designated beneficiary under, an account agreement may not
1176 direct the investment of any contributions or earnings on contributions;

1177 (b) any part of the money in any account may not be used as security for a loan; and

1178 (c) an account owner may not borrow from the plan.

1179 (5) The execution of an account agreement by the plan may not guarantee in any way

1180 that higher education costs will be equal to projections and estimates provided by the plan or

1181 that the beneficiary named in any account agreement will:

1182 (a) be admitted to an institution of higher education;

1183 (b) if admitted, be determined a resident for tuition purposes by the institution of
1184 higher education;

1185 (c) be allowed to continue attendance at the institution of higher education following
1186 admission; or

1187 (d) graduate from the institution of higher education.

1188 (6) A beneficiary may be changed as permitted by the rules and regulations of the

1189 board upon written request of the account owner prior to the date of admission of any

1190 beneficiary under an account agreement by an institution of higher education so long as the

1191 substitute beneficiary is eligible for participation.

1192 (7) An account agreement may be freely amended throughout the term of the account

1193 agreement in order to enable an account owner to increase or decrease the level of

1194 participation, change the designation of beneficiaries, and carry out similar matters as

1195 authorized by rule.

1196 (8) Each account agreement shall provide that:

1197 (a) the account agreement may be canceled upon the terms and conditions, and upon
1198 payment of the fees and costs set forth and contained in the board's rules and regulations; and

1199 (b) the executive director may amend the agreement unilaterally and retroactively, if

1200 necessary, to maintain the plan as a qualified tuition program under Section 529, Internal

1201 Revenue Code.

1202 Section 15. Section **53G-10-406** is amended to read:

1203 **53G-10-406. Underage Drinking Prevention Program -- State board rules.**

- 1204 (1) As used in this section:
- 1205 (a) "Advisory council" means the Underage Drinking Prevention Program Advisory
- 1206 Council created in this section.
- 1207 (b) "Program" means the Underage Drinking Prevention Program created in this
- 1208 section.
- 1209 (c) "School-based prevention program" means an evidence-based program intended for
- 1210 students aged 13 and older that:
- 1211 (i) is aimed at preventing underage consumption of alcohol;
- 1212 (ii) is delivered by methods that engage students in storytelling and visualization;
- 1213 (iii) addresses the behavioral risk factors associated with underage drinking; and
- 1214 (iv) provides practical tools to address the dangers of underage drinking.
- 1215 (2) There is created the Underage Drinking Prevention Program that consists of:
- 1216 (a) a school-based prevention program for students in grade 7 or 8; and
- 1217 (b) a school-based prevention program for students in grade 9 or 10 that increases
- 1218 awareness of the dangers of driving under the influence of alcohol.
- 1219 (3) (a) Beginning with the 2018-19 school year, an LEA shall offer the program each
- 1220 school year to each student in grade 7 or 8 and grade 9 or 10.
- 1221 (b) An LEA shall select from the providers qualified by the state board under
- 1222 Subsection (6) to offer the program.
- 1223 (4) The state board shall administer the program with input from the advisory council.
- 1224 (5) There is created the Underage Drinking Prevention Program Advisory Council
- 1225 comprised of the following members:
- 1226 (a) the executive director of the Department of Alcoholic Beverage Control or the
- 1227 executive director's designee;
- 1228 (b) the executive director of the Department of Health or the executive director's
- 1229 designee;
- 1230 (c) the director of the Division of Substance Abuse and Mental Health or the director's
- 1231 designee;
- 1232 (d) the director of the Division of Child and Family Services or the director's designee;
- 1233 (e) the director of the Division of Juvenile Justice Services or the director's designee;
- 1234 (f) the state superintendent or the state superintendent's designee; and

- 1235 (g) two members of the state board, appointed by the chair of the state board.
- 1236 (6) (a) In accordance with Title 63G, Chapter 6a, Utah Procurement Code, the state
1237 board shall qualify one or more providers to provide the program to an LEA.
- 1238 (b) In selecting a provider described in Subsection (6)(a), the state board shall consider:
- 1239 (i) whether the provider's program complies with the requirements described in this
1240 section;
- 1241 (ii) the extent to which the provider's underage drinking prevention program aligns
1242 with core standards for Utah public schools; and
- 1243 (iii) the provider's experience in providing a program that is effective at reducing
1244 underage drinking.
- 1245 ~~[(7) (a) The state board shall use money from the Underage Drinking Prevention
1246 Program Restricted Account described in Section 53F-9-304 for the program.]~~
- 1247 ~~[(b) The state board may use money from the Underage Drinking Prevention Program
1248 Restricted Account to fund up to .5 of a full-time equivalent position to administer the
1249 program.]~~
- 1250 ~~[(8) (7) The state board shall make rules that:~~
- 1251 (a) beginning with the 2018-19 school year, require an LEA to offer the Underage
1252 Drinking Prevention Program each school year to each student in grade 7 or 8 and grade 9 or
1253 10; and
- 1254 (b) establish criteria for the state board to use in selecting a provider described in
1255 Subsection (6).
- 1256 Section 16. Section **59-1-1503** is amended to read:
- 1257 **59-1-1503. Nonrefundable credit -- Sales and use tax exemption -- Sales and use**
1258 **tax remittance.**
- 1259 (1) A nonrefundable individual income tax credit is allowed as provided in Section
1260 **59-10-1028** related to a capital gain on a transaction involving the exchange of one form of
1261 legal tender for another form of legal tender.
- 1262 (2) Sales of currency or coin are exempt from sales and use taxes as provided in
1263 Subsection **59-12-104**~~[(50)](43)~~.
- 1264 (3) The remittance of a sales and use tax on a transaction involving specie legal tender
1265 is as provided in Section **59-12-107**.

1266 Section 17. Section **59-5-102** is amended to read:

1267 **59-5-102. Definitions -- Severance tax -- Computation -- Rate -- Annual**

1268 **exemption -- Tax credits -- Tax rate reduction.**

1269 (1) As used in this section:

1270 (a) "Division" means the Division of Oil, Gas, and Mining created in Section [40-6-15](#).

1271 (b) "Office" means the Office of Energy Development created in Section [63M-4-401](#).

1272 (c) "Royalty rate" means the percentage of the interests described in Subsection

1273 (2)(b)(i) as defined by a contract between the United States, the state, an Indian, or an Indian

1274 tribe and the oil or gas producer.

1275 (d) "Taxable value" means the total value of the oil or gas minus:

1276 (i) any royalties paid to, or the value of oil or gas taken in kind by, the interest holders
1277 described in Subsection (2)(b)(i); and

1278 (ii) the total value of oil or gas exempt from severance tax under Subsection (2)(b)(ii).

1279 (e) "Taxable volume" means:

1280 (i) for oil, the total volume of barrels minus:

1281 (A) for an interest described in Subsection (2)(b)(i), the product of the royalty rate and
1282 the total volume of barrels; and

1283 (B) the number of barrels that are exempt under Subsection (2)(b)(ii); and

1284 (ii) for natural gas, the total volume of MCFs minus:

1285 (A) for an interest described in Subsection (2)(b)(i), the product of the royalty rate and
1286 the total volume of MCFs; and

1287 (B) the number of MCFs that are exempt under Subsection (2)(b)(ii).

1288 (f) "Total value" means the value, as determined by Section [59-5-103.1](#), of all oil or
1289 gas that is:

1290 (i) produced; and

1291 (ii) (A) saved;

1292 (B) sold; or

1293 (C) transported from the field where the oil or gas was produced.

1294 (g) "Total volume" means:

1295 (i) for oil, the number of barrels:

1296 (A) produced; and

1297 (B) (I) saved;
1298 (II) sold; or
1299 (III) transported from the field where the oil was produced; and
1300 (ii) for natural gas, the number of MCFs:
1301 (A) produced; and
1302 (B) (I) saved;
1303 (II) sold; or
1304 (III) transported from the field where the natural gas was produced.
1305 (h) "Value of oil or gas taken in kind" means the volume of oil or gas taken in kind
1306 multiplied by the market price for oil or gas at the location where the oil or gas was produced
1307 on the date the oil or gas was taken in kind.
1308 (2) (a) Except as provided in Subsection (2)(b), a person owning an interest in oil or
1309 gas produced from a well in the state, including a working interest, royalty interest, payment
1310 out of production, or any other interest, or in the proceeds of the production of oil or gas, shall
1311 pay to the state a severance tax on the owner's interest in the taxable value of the oil or gas:
1312 (i) produced; and
1313 (ii) (A) saved;
1314 (B) sold; or
1315 (C) transported from the field where the substance was produced.
1316 (b) The severance tax imposed by Subsection (2)(a) does not apply to:
1317 (i) an interest of:
1318 (A) the United States in oil or gas or in the proceeds of the production of oil or gas;
1319 (B) the state or a political subdivision of the state in oil or gas or in the proceeds of the
1320 production of oil or gas; and
1321 (C) an Indian or Indian tribe as defined in Section 9-9-101 in oil or gas or in the
1322 proceeds of the production of oil or gas produced from land under the jurisdiction of the United
1323 States; and
1324 (ii) the value of:
1325 (A) oil or gas produced from stripper wells, unless the exemption prevents the
1326 severance tax from being treated as a deduction for federal tax purposes;
1327 (B) oil or gas produced in the first 12 months of production for wildcat wells started

1328 after January 1, 1990; and

1329 (C) oil or gas produced in the first six months of production for development wells
1330 started after January 1, 1990.

1331 (3) (a) The severance tax on oil shall be calculated as follows:

1332 (i) dividing the taxable value by the taxable volume;

1333 (ii) (A) multiplying the rate described in Subsection (4)(a)(i) by the portion of the
1334 figure calculated in Subsection (3)(a)(i) that is subject to the rate described in Subsection
1335 (4)(a)(i); and

1336 (B) multiplying the rate described in Subsection (4)(a)(ii) by the portion of the figure
1337 calculated in Subsection (3)(a)(i) that is subject to the rate described in Subsection (4)(a)(ii);

1338 (iii) adding together the figures calculated in Subsections (3)(a)(ii)(A) and (B); and

1339 (iv) multiplying the figure calculated in Subsection (3)(a)(iii) by the taxable volume.

1340 (b) The severance tax on natural gas shall be calculated as follows:

1341 (i) dividing the taxable value by the taxable volume;

1342 (ii) (A) multiplying the rate described in Subsection (4)(b)(i) by the portion of the
1343 figure calculated in Subsection (3)(b)(i) that is subject to the rate described in Subsection
1344 (4)(b)(i); and

1345 (B) multiplying the rate described in Subsection (4)(b)(ii) by the portion of the figure
1346 calculated in Subsection (3)(b)(i) that is subject to the rate described in Subsection (4)(b)(ii);

1347 (iii) adding together the figures calculated in Subsections (3)(b)(ii)(A) and (B); and

1348 (iv) multiplying the figure calculated in Subsection (3)(b)(iii) by the taxable volume.

1349 (c) The severance tax on natural gas liquids shall be calculated by multiplying the
1350 taxable value of the natural gas liquids by the severance tax rate in Subsection (4)(c).

1351 (4) Subject to Subsection (9):

1352 (a) the severance tax rate for oil is as follows:

1353 (i) [~~3%~~ 6%] of the taxable value of the oil up to and including the first \$13 per barrel
1354 for oil; and

1355 (ii) [~~5%~~ 10%] of the taxable value of the oil from \$13.01 and above per barrel for oil;

1356 (b) the severance tax rate for natural gas is as follows:

1357 (i) [~~3%~~ 6%] of the taxable value of the natural gas up to and including the first \$1.50
1358 per MCF for gas; and

- 1359 (ii) [~~5%~~] 10% of the taxable value of the natural gas from \$1.51 and above per MCF
1360 for gas; and
- 1361 (c) the severance tax rate for natural gas liquids is [~~4%~~] 8% of the taxable value of the
1362 natural gas liquids.
- 1363 (5) If oil or gas is shipped outside the state:
- 1364 (a) the shipment constitutes a sale; and
- 1365 (b) the oil or gas is subject to the tax imposed by this section.
- 1366 (6) (a) Except as provided in Subsection (6)(b), if the oil or gas is stockpiled, the tax is
1367 not imposed until the oil or gas is:
- 1368 (i) sold;
- 1369 (ii) transported; or
- 1370 (iii) delivered.
- 1371 (b) If oil or gas is stockpiled for more than two years, the oil or gas is subject to the tax
1372 imposed by this section.
- 1373 (7) (a) Subject to other provisions of this Subsection (7), a taxpayer that pays for all or
1374 part of the expenses of a recompletion or workover may claim a nonrefundable tax credit equal
1375 to the amount stated on a tax credit certificate that the office issues to the taxpayer.
- 1376 (b) The maximum tax credit per taxpayer per well in a calendar year is the lesser of:
- 1377 (i) 20% of the taxpayer's payment of expenses of a well recompletion or workover
1378 during the calendar year; and
- 1379 (ii) \$30,000.
- 1380 (c) A taxpayer may carry forward a tax credit allowed under this Subsection (7) for the
1381 next three calendar years if the tax credit exceeds the taxpayer's tax liability under this part for
1382 the calendar year in which the taxpayer claims the tax credit.
- 1383 (d) (i) To claim a tax credit under this Subsection (7), a taxpayer shall follow the
1384 procedures and requirements of this Subsection (7)(d).
- 1385 (ii) The taxpayer shall prepare a summary of the taxpayer's expenses of a well
1386 recompletion or workover during the calendar year that the well recompletion or workover is
1387 completed.
- 1388 (iii) An independent certified public accountant shall:
- 1389 (A) review the summary from the taxpayer; and

1390 (B) provide a report on the accuracy and validity of the amount of expenses of a well
1391 recompletion or workover that the taxpayer included in the summary, in accordance with the
1392 agreed upon procedures.

1393 (iv) The taxpayer shall submit the taxpayer's summary and the independent certified
1394 public accountant's report to the division to verify that the expenses certified by the
1395 independent certified public accountant are well recompletion or workover expenses.

1396 (v) The division shall return to the taxpayer:

1397 (A) the taxpayer's summary;

1398 (B) the report by the independent certified public accountant; and

1399 (C) a report by the division that includes the amount of approved well recompletion or
1400 workover expenses.

1401 (vi) The taxpayer shall apply to the office for a tax credit certificate to receive a written
1402 certification, on a form approved by the commission, that includes:

1403 (A) the amount of the taxpayer's payments of expenses of a well recompletion or
1404 workover during the calendar year; and

1405 (B) the amount of the taxpayer's tax credit.

1406 (vii) A taxpayer that receives a tax credit certificate shall retain the tax credit certificate
1407 for the same time period that a person is required to keep books and records under Section
1408 [59-1-1406](#).

1409 (e) The office shall submit to the commission an electronic list that includes:

1410 (i) the name and identifying information of each taxpayer to which the office issues a
1411 tax credit certificate; and

1412 (ii) for each taxpayer, the amount of the tax credit listed on the tax credit certificate.

1413 (f) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:

1414 (i) the office may make rules to govern the application process for receiving a tax
1415 credit certificate under this Subsection (7); and

1416 (ii) the division shall make rules to establish the agreed upon procedures described in
1417 Subsection (7)(d)(iii).

1418 (8) (a) Subject to the other provisions of this Subsection (8), a taxpayer may claim a
1419 tax credit against a severance tax owing on natural gas under this section if:

1420 (i) the taxpayer is required to pay a severance tax on natural gas under this section;

- 1421 (ii) the taxpayer owns or operates a plant in the state that converts natural gas to
1422 hydrogen fuel; and
- 1423 (iii) all of the natural gas for which the taxpayer owes a severance tax under this
1424 section is used for the production in the state of hydrogen fuel for use in zero emission motor
1425 vehicles.
- 1426 (b) The taxpayer may claim a tax credit equal to the lesser of:
- 1427 (i) the amount of tax that the taxpayer owes under this section; and
- 1428 (ii) \$5,000,000.
- 1429 (c) (i) To claim a tax credit under this Subsection (8), a taxpayer shall follow the
1430 procedures and requirements of this Subsection (8)(c).
- 1431 (ii) The taxpayer shall request that the division verify that the taxpayer owns or
1432 operates a plant in this state:
- 1433 (A) that converts natural gas to hydrogen fuel; and
- 1434 (B) at which all natural gas is converted to hydrogen fuel for use in zero emission
1435 motor vehicles.
- 1436 (d) The division shall submit to the commission an electronic list that includes the
1437 name and identifying information of each taxpayer for which the division completed the
1438 verification described in Subsection (8)(c).
- 1439 (9) A 50% reduction in the tax rate is imposed upon the incremental production
1440 achieved from an enhanced recovery project.
- 1441 (10) The taxes imposed by this section are:
- 1442 (a) in addition to all other taxes provided by law; and
- 1443 (b) delinquent, unless otherwise deferred, on June 1 following the calendar year when
1444 the oil or gas is:
- 1445 (i) produced; and
- 1446 (ii) (A) saved;
- 1447 (B) sold; or
- 1448 (C) transported from the field.
- 1449 (11) With respect to the tax imposed by this section on each owner of an interest in the
1450 production of oil or gas or in the proceeds of the production of oil or gas in the state, each
1451 owner is liable for the tax in proportion to the owner's interest in the production or in the

1452 proceeds of the production.

1453 (12) The tax imposed by this section shall be reported and paid by each producer that
1454 takes oil or gas in kind pursuant to an agreement on behalf of the producer and on behalf of
1455 each owner entitled to participate in the oil or gas sold by the producer or transported by the
1456 producer from the field where the oil or gas is produced.

1457 (13) Each producer shall deduct the tax imposed by this section from the amounts due
1458 to other owners for the production or the proceeds of the production.

1459 Section 18. Section **59-7-104** is amended to read:

1460 **59-7-104. Tax -- Minimum tax.**

1461 (1) Each domestic and foreign corporation, except a corporation that is exempt under
1462 Section **59-7-102**, shall pay an annual tax to the state based on the corporation's Utah taxable
1463 income for the taxable year for the privilege of exercising the corporation's corporate franchise,
1464 as defined in Section **59-7-101**, or for the privilege of doing business, as defined in Section
1465 **59-7-101**, in the state.

1466 (2) The tax shall be [~~4.95%~~]:

1467 (a) 4.66% of the first \$250,000 of a corporation's Utah taxable income[-]; plus

1468 (b) 4.95% of a corporation's Utah taxable income that exceeds \$250,000.

1469 (3) The minimum tax a corporation shall pay under this chapter is \$100.

1470 Section 19. Section **59-7-201** is amended to read:

1471 **59-7-201. Tax -- Minimum tax.**

1472 (1) There is imposed upon each corporation, except a corporation that is exempt under
1473 Section **59-7-102**, a tax upon the corporation's Utah taxable income for the taxable year that is
1474 derived from sources within this state other than income for any period that the corporation is
1475 required to include in the corporation's tax base under Section **59-7-104**.

1476 (2) The tax imposed by Subsection (1) shall be [~~4.95%~~]:

1477 (a) 4.66% of the first \$250,000 of a corporation's Utah taxable income[-]; plus

1478 (b) the product of:

1479 (i) the resident individual's state taxable income that exceeds \$250,000 for that taxable
1480 year; and

1481 (ii) 4.95%.

1482 (3) In no case shall the tax be less than \$100.

1483 Section 20. Section **59-7-610** is amended to read:

1484 **59-7-610. Recycling market development zones tax credits.**

1485 (1) Subject to other provisions of this section, a taxpayer that is a business operating in
1486 a recycling market development zone as defined in Section [63N-2-402](#) may claim the following
1487 nonrefundable tax credits:

1488 (a) a tax credit [~~of 5% of~~] equal to the product of the percentage listed in Subsection
1489 [59-7-104\(2\)\(a\)](#) and the purchase price paid for machinery and equipment used directly in:

1490 (i) commercial composting; or

1491 (ii) manufacturing facilities or plant units that:

1492 (A) manufacture, process, compound, or produce recycled items of tangible personal
1493 property for sale; or

1494 (B) reduce or reuse postconsumer waste material; and

1495 (b) a tax credit equal to the lesser of:

1496 (i) 20% of net expenditures to third parties for rent, wages, supplies, tools, test
1497 inventory, and utilities made by the taxpayer for establishing and operating recycling or
1498 composting technology in Utah; and

1499 (ii) \$2,000.

1500 (2) (a) To claim a tax credit described in Subsection (1), the taxpayer shall receive
1501 from the Governor's Office of Economic Development a written certification, on a form
1502 approved by the commission, that includes:

1503 (i) a statement that the taxpayer is operating a business within the boundaries of a
1504 recycling market development zone;

1505 (ii) for claims of the tax credit described in Subsection (1)(a):

1506 (A) the type of the machinery and equipment that the taxpayer purchased;

1507 (B) the date that the taxpayer purchased the machinery and equipment;

1508 (C) the purchase price for the machinery and equipment;

1509 (D) the total purchase price for all machinery and equipment for which the taxpayer is
1510 claiming a tax credit;

1511 (E) a statement that the machinery and equipment are integral to the composting or
1512 recycling process; and

1513 (F) the amount of the taxpayer's tax credit; and

- 1514 (iii) for claims of the tax credit described in Subsection (1)(b):
- 1515 (A) the type of net expenditure that the taxpayer made to a third party;
- 1516 (B) the date that the taxpayer made the payment to a third party;
- 1517 (C) the amount that the taxpayer paid to each third party;
- 1518 (D) the total amount that the taxpayer paid to all third parties;
- 1519 (E) a statement that the net expenditures support the establishment and operation of
- 1520 recycling or composting technology in Utah; and
- 1521 (F) the amount of the taxpayer's tax credit.
- 1522 (b) (i) The Governor's Office of Economic Development shall provide a taxpayer
- 1523 seeking to claim a tax credit under Subsection (1) with a copy of the written certification.
- 1524 (ii) The taxpayer shall retain a copy of the written certification for the same period of
- 1525 time that a person is required to keep books and records under Section [59-1-1406](#).
- 1526 (c) The Governor's Office of Economic Development shall submit to the commission
- 1527 an electronic list that includes:
- 1528 (i) the name and identifying information of each taxpayer to which the office issues a
- 1529 written certification; and
- 1530 (ii) for each taxpayer, the amount of each tax credit listed on the written certification.
- 1531 (3) A taxpayer may not claim a tax credit under Subsection (1)(a), Subsection (1)(b), or
- 1532 both that exceeds 40% of the taxpayer's state income tax liability as the tax liability is
- 1533 calculated:
- 1534 (a) for the taxable year in which the taxpayer made the purchases or payments;
- 1535 (b) before any other tax credits the taxpayer may claim for the taxable year; and
- 1536 (c) before the taxpayer claiming a tax credit authorized by this section.
- 1537 (4) The commission shall make rules governing what information a taxpayer shall file
- 1538 with the commission to verify the entitlement to and amount of a tax credit.
- 1539 (5) Except as provided in Subsections (6) through (8), a taxpayer may carry forward, to
- 1540 the next three taxable years, the amount of the tax credit that exceeds the taxpayer's income tax
- 1541 liability for the taxable year.
- 1542 (6) A taxpayer may not claim or carry forward a tax credit described in Subsection
- 1543 (1)(a) in a taxable year during which the taxpayer claims or carries forward a tax credit under
- 1544 Section [63N-2-213](#).

1545 (7) A taxpayer may not claim or carry forward a tax credit described in Subsection
1546 (1)(b) in a taxable year during which the taxpayer claims or carries forward a tax credit under
1547 Section 63N-2-213.

1548 (8) A taxpayer may not claim or carry forward a tax credit under this section for a
1549 taxable year during which the taxpayer claims the targeted business income tax credit under
1550 Section 59-7-624.

1551 Section 21. Section 59-7-614.1 is amended to read:

1552 **59-7-614.1. Refundable tax credit for hand tools used in farming operations --**
1553 **Procedures for refund -- Transfers from General Fund to Education Fund -- Rulemaking**
1554 **authority.**

1555 (1) [~~For a taxable year beginning on or after January 1, 2004, a~~] A taxpayer may claim
1556 a refundable tax credit:

1557 (a) as provided in this section;

1558 (b) against taxes otherwise due under this chapter; and

1559 (c) in an amount equal to the amount of tax the taxpayer pays:

1560 (i) on a purchase of a hand tool:

1561 (A) if the purchase is made on or after July 1, 2004;

1562 (B) if the hand tool is used or consumed primarily and directly in a farming operation
1563 in the state; and

1564 (C) if the unit purchase price of the hand tool is more than \$250; and

1565 (ii) under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection
1566 (1)(c)(i).

1567 (2) A taxpayer:

1568 (a) shall retain the following to establish the amount of tax the resident or nonresident
1569 individual paid under Chapter 12, Sales and Use Tax Act, on the purchase described in
1570 Subsection (1)(c)(i):

1571 (i) a receipt;

1572 (ii) an invoice; or

1573 (iii) a document similar to a document described in Subsection (2)(a)(i) or (ii); and

1574 (b) may not carry forward or carry back a tax credit under this section.

1575 (3) (a) In accordance with any rules prescribed by the commission under Subsection

1576 (3)(b)[:(†)] the commission shall make a refund to a taxpayer that claims a tax credit under this
1577 section if the amount of the tax credit exceeds the taxpayer's tax liability under this chapter[:
1578 and].

1579 [~~(ii) the Division of Finance shall transfer at least annually from the General Fund into~~
1580 ~~the Education Fund an amount equal to the amount of tax credit claimed under this section.]~~

1581 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1582 commission may make rules providing procedures for making[:(†)] a refund to a taxpayer as
1583 required by Subsection (3)(a)[(†); or].

1584 [~~(ii) transfers from the General Fund into the Education Fund as required by~~
1585 ~~Subsection (3)(a)(ii).]~~

1586 Section 22. Section **59-7-618** is amended to read:

1587 **59-7-618. Tax credit related to alternative fuel heavy duty vehicles.**

1588 (1) As used in this section:

1589 (a) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air
1590 Conservation Act.

1591 (b) "Director" means the director of the Division of Air Quality appointed under
1592 Section [19-2-107](#).

1593 (c) "Heavy duty vehicle" means a commercial category 7 or 8 vehicle, according to
1594 vehicle classifications established by the Federal Highway Administration.

1595 (d) "Natural gas" includes compressed natural gas and liquified natural gas.

1596 (e) "Qualified heavy duty vehicle" means a heavy duty vehicle that:

1597 (i) has never been titled or registered and has been driven less than 7,500 miles; and

1598 (ii) is fueled by natural gas, has a 100% electric drivetrain, or has a hydrogen-electric
1599 drivetrain.

1600 (f) "Qualified purchase" means the purchase of a qualified heavy duty vehicle.

1601 (g) "Qualified taxpayer" means a taxpayer that:

1602 (i) purchases a qualified heavy duty vehicle; and

1603 (ii) receives a tax credit certificate from the director.

1604 (h) "Small fleet" means 40 or fewer heavy duty vehicles registered in the state and
1605 owned by a single taxpayer.

1606 (i) "Tax credit certificate" means a certificate issued by the director certifying that a

1607 taxpayer is entitled to a tax credit as provided in this section and stating the amount of the tax
1608 credit.

1609 (2) A qualified taxpayer may claim a nonrefundable tax credit against tax otherwise
1610 due under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required
1611 to Pay Corporate Franchise or Income Tax Act:

1612 (a) in an amount equal to:

1613 (i) \$25,000, if the qualified purchase of a natural gas heavy duty vehicle occurs during
1614 calendar year 2015 or calendar year 2016;

1615 (ii) \$25,000, if the qualified purchase occurs during calendar year 2017;

1616 (iii) \$20,000, if the qualified purchase occurs during calendar year 2018;

1617 (iv) \$18,000, if the qualified purchase occurs during calendar year 2019; and

1618 (v) \$15,000, if the qualified purchase occurs during calendar year 2020; and

1619 (b) if the qualified taxpayer certifies under oath that over 50% of the miles that the
1620 heavy duty vehicle that is the subject of the qualified purchase will travel annually will be
1621 within the state.

1622 (3) (a) Except as provided in Subsection (3)(b), a taxpayer may not submit an
1623 application for, and the director may not issue to the taxpayer, a tax credit certificate under this
1624 section in any taxable year for a qualified purchase if the director has already issued tax credit
1625 certificates to the taxpayer for 10 qualified purchases in the same taxable year.

1626 (b) If, by May 1 of any year, more than 30% of the aggregate annual total amount of
1627 tax credits under Subsection (5) has not been claimed, a taxpayer may submit an application
1628 for, and the director may issue to the taxpayer, one or more tax credit certificates for up to eight
1629 additional qualified purchases, even if the director has already issued to that taxpayer tax credit
1630 certificates for the maximum number of qualified purchases allowed under Subsection (3)(a).

1631 (4) (a) Subject to Subsection (4)(b), the director shall reserve 25% of all tax credits
1632 available under this section for qualified taxpayers with a small fleet.

1633 (b) Subsection (4)(a) does not prevent a taxpayer from submitting an application for, or
1634 the director from issuing, a tax credit certificate if, before October 1, qualified taxpayers with a
1635 small fleet have not reserved under Subsection (5)(b) tax credits for the full amount reserved
1636 under Subsection (4)(a).

1637 (5) (a) The aggregate annual total amount of tax credits represented by tax credit

1638 certificates that the director issues under this section and Section 59-10-1033 may not exceed
1639 \$500,000.

1640 (b) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative
1641 Rulemaking Act, make rules to establish a process under which a taxpayer may reserve a
1642 potential tax credit under this section for a limited time to allow the taxpayer to make a
1643 qualified purchase with the assurance that the aggregate limit under Subsection (5)(a) will not
1644 be met before the taxpayer is able to submit an application for a tax credit certificate.

1645 (6) (a) (i) A taxpayer wishing to claim a tax credit under this section shall, using forms
1646 the board requires by rule:

1647 (A) submit to the director an application for a tax credit;

1648 (B) provide the director proof of a qualified purchase; and

1649 (C) submit to the director the certification under oath required under Subsection (2)(b).

1650 (ii) Upon receiving the application, proof, and certification required under Subsection
1651 (6)(a)(i), the director shall provide the taxpayer a written statement from the director
1652 acknowledging receipt of the proof.

1653 (b) If the director determines that a taxpayer qualifies for a tax credit under this section,
1654 the director shall:

1655 (i) determine the amount of tax credit the taxpayer is allowed under this section; and

1656 (ii) provide the taxpayer with a written tax credit certificate:

1657 (A) stating that the taxpayer has qualified for a tax credit; and

1658 (B) showing the amount of tax credit for which the taxpayer has qualified under this
1659 section.

1660 (c) A qualified taxpayer shall retain the tax credit certificate.

1661 (d) The director shall at least annually submit to the commission a list of all qualified
1662 taxpayers to which the director has issued a tax credit certificate and the amount of each tax
1663 credit represented by the tax credit certificates.

1664 (7) The tax credit under this section is allowed only:

1665 (a) against a tax owed under this chapter or Chapter 8, Gross Receipts Tax on Certain
1666 Corporations Not Required to Pay Corporate Franchise or Income Tax Act, in the taxable year
1667 by the qualified taxpayer;

1668 (b) for the taxable year in which the qualified purchase occurs; and

1669 (c) once per vehicle.

1670 (8) A qualified taxpayer may not assign a tax credit or a tax credit certificate under this
1671 section to another person.

1672 (9) If the qualified taxpayer receives a tax credit certificate under this section that
1673 allows a tax credit in an amount that exceeds the qualified taxpayer's tax liability under this
1674 chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay
1675 Corporate Franchise or Income Tax Act, for a taxable year, the qualified taxpayer may carry
1676 forward the amount of the tax credit that exceeds the tax liability for a period that does not
1677 exceed the next five taxable years.

1678 ~~[(10)(a) In accordance with any rules prescribed by the commission under Subsection~~
1679 ~~(10)(b), the Division of Finance shall transfer at least annually from the General Fund into the~~
1680 ~~Education Fund the aggregate amount of all tax credits claimed under this section.]~~

1681 ~~[(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~
1682 ~~the commission may make rules for making a transfer from the General Fund into the~~
1683 ~~Education Fund as required by Subsection (10)(a).]~~

1684 Section 23. Section **59-7-620** is amended to read:

1685 **59-7-620. Nonrefundable tax credit for contribution to state Achieving a Better**
1686 **Life Experience Program account.**

1687 (1) As used in this section:

1688 (a) "Account" means an account in a qualified ABLE program where the designated
1689 beneficiary of the account is a resident of this state.

1690 (b) "Contributor" means a corporation that:

1691 (i) makes a contribution to an account; and

1692 (ii) receives a statement from the qualified ABLE program itemizing the contribution.

1693 (c) "Designated beneficiary" means the same as that term is defined in 26 U.S.C. Sec.
1694 529A.

1695 (d) "Qualified ABLE program" means the same as that term is defined in Section
1696 [35A-12-102](#).

1697 (2) A contributor to an account may claim a nonrefundable tax credit as provided in
1698 this section.

1699 (3) Subject to the other provisions of this section, the tax credit is equal to the product

1700 of:

1701 (a) [~~5%~~] the percentage listed in Subsection 59-7-104(2)(a); and

1702 (b) the total amount of contributions:

1703 (i) the contributor makes for the taxable year; and

1704 (ii) for which the contributor receives a statement from the qualified ABLE program
1705 itemizing the contributions.

1706 (4) A contributor may not claim a tax credit under this section:

1707 (a) for an amount of excess contribution to an account that is returned to the
1708 contributor; or

1709 (b) with respect to an amount the contributor deducts on a federal income tax return.

1710 (5) A tax credit under this section may not be carried forward or carried back.

1711 Section 24. Section **59-10-104** is amended to read:

1712 **59-10-104. Tax basis -- Tax rate -- Exemption.**

1713 (1) A tax is imposed on the state taxable income of a resident individual as provided in
1714 this section.

1715 (2) For purposes of Subsection (1), for a taxable year, the tax is an amount equal to:

1716 (a) the product of:

1717 [~~(a)~~] (i) the first \$250,000 of the resident individual's state taxable income for that
1718 taxable year; and

1719 [~~(b) 4.95%.~~] (ii) 4.66%; plus

1720 (b) the product of:

1721 (i) the resident individual's state taxable income that exceeds \$250,000 for that taxable
1722 year; and

1723 (ii) 4.95%.

1724 (3) This section does not apply to a resident individual exempt from taxation under
1725 Section **59-10-104.1**.

1726 Section 25. Section **59-10-529.1** is amended to read:

1727 **59-10-529.1. Time period for commission to issue a refund.**

1728 (1) Except as provided in Subsection (2), the commission may not issue a refund
1729 before March 1.

1730 (2) The commission may issue a refund before March 1 if, before March 1, the

1731 commission determines that:

1732 (a) (i) an employer has filed the one or more forms in accordance with Subsection

1733 [59-10-406](#)(8) the employer is required to file with respect to an individual; and

1734 (ii) for a refund of a tax credit described in Section [59-10-1114](#), the Department of

1735 Workforce Services has submitted the electronic report required by Section [35A-9-214](#); and

1736 (b) the individual has filed a return in accordance with this chapter.

1737 Section 26. Section **59-10-1005** is amended to read:

1738 **59-10-1005. Tax credit for at-home parent.**

1739 (1) As used in this section:

1740 (a) "At-home parent" means a parent:

1741 (i) who provides full-time care at the parent's residence for one or more of the parent's
1742 own qualifying children;

1743 (ii) who claims [~~the qualifying child as a dependent on the parent's individual income~~
1744 ~~tax return for the taxable year for which the parent claims the credit]~~ a tax credit with respect to
1745 the qualifying child under Section 24, Internal Revenue Code, on the parent's federal individual
1746 income tax return for the taxable year; and

1747 (iii) if the sum of the following amounts are \$3,000 or less for the taxable year for
1748 which the parent claims the credit:

1749 (A) the total wages, tips, and other compensation listed on all of the parent's federal
1750 Forms W-2; and

1751 (B) the gross income listed on the parent's federal Form 1040 Schedule C, Profit or
1752 Loss From Business.

1753 (b) "Parent" means an individual who:

1754 (i) is the biological mother or father of a qualifying child;

1755 (ii) is the stepfather or stepmother of a qualifying child;

1756 (iii) (A) legally adopts a qualifying child; or

1757 (B) has a qualifying child placed in the individual's home:

1758 (I) by a child-placing agency, as defined in Section [62A-2-101](#); and

1759 (II) for the purpose of legally adopting the child;

1760 (iv) is a foster parent of a qualifying child; or

1761 (v) is a legal guardian of a qualifying child.

1762 (c) "Qualifying child" means a child who is no more than 12 months of age on the last
1763 day of the taxable year for which the tax credit is claimed.

1764 (2) [~~For a taxable year beginning on or after January 1, 2000, a~~] A claimant may claim
1765 on the claimant's individual income tax return a nonrefundable tax credit of \$100 for each
1766 qualifying child if:

1767 (a) the claimant or another claimant filing a joint individual income tax return with the
1768 claimant is an at-home parent; and

1769 (b) the adjusted gross income of all of the claimants filing the individual income tax
1770 return is less than or equal to \$50,000.

1771 (3) A claimant may not carry forward or carry back a tax credit authorized by this
1772 section.

1773 [~~(4)(a) In accordance with any rules prescribed by the commission under Subsection~~
1774 ~~(4)(b), the Division of Finance shall transfer at least annually from the General Fund into the~~
1775 ~~Education Fund the aggregate amount of all tax credits claimed under this section.]~~

1776 [~~(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~
1777 ~~the commission may make rules for making a transfer from the General Fund into the~~
1778 ~~Education Fund as required by Subsection (4)(a).]~~

1779 Section 27. Section **59-10-1007** is amended to read:

1780 **59-10-1007. Recycling market development zones tax credits.**

1781 (1) Subject to other provisions of this section, a claimant, estate, or trust in a recycling
1782 market development zone as defined in Section [63N-2-402](#) may claim the following
1783 nonrefundable tax credits:

1784 (a) a tax credit [~~of 5% of~~] equal to the product of the percentage listed in Subsection
1785 [59-10-104\(2\)\(a\)\(ii\)](#) and the purchase price paid for machinery and equipment used directly in:

1786 (i) commercial composting; or

1787 (ii) manufacturing facilities or plant units that:

1788 (A) manufacture, process, compound, or produce recycled items of tangible personal
1789 property for sale; or

1790 (B) reduce or reuse postconsumer waste material; and

1791 (b) a tax credit equal to the lesser of:

1792 (i) 20% of net expenditures to third parties for rent, wages, supplies, tools, test

1793 inventory, and utilities made by the claimant, estate, or trust for establishing and operating
1794 recycling or composting technology in Utah; and
1795 (ii) \$2,000.

1796 (2) (a) To claim a tax credit described in Subsection (1), the claimant, estate, or trust
1797 shall receive from the Governor's Office of Economic Development a written certification, on a
1798 form approved by the commission, that includes:

1799 (i) a statement that the claimant, estate, or trust is operating within the boundaries of a
1800 recycling market development zone;

1801 (ii) for claims of the tax credit described in Subsection (1)(a):

1802 (A) the type of the machinery and equipment that the claimant, estate, or trust
1803 purchased;

1804 (B) the date that the claimant, estate, or trust purchased the machinery and equipment;

1805 (C) the purchase price for the machinery and equipment;

1806 (D) the total purchase price for all machinery and equipment for which the claimant,
1807 estate, or trust is claiming a tax credit;

1808 (E) the amount of the claimant's, estate's, or trust's tax credit; and

1809 (F) a statement that the machinery and equipment are integral to the composting or
1810 recycling process; and

1811 (iii) for claims of the tax credit described in Subsection (1)(b):

1812 (A) the type of net expenditure that the claimant, estate, or trust made to a third party;

1813 (B) the date that the claimant, estate, or trust made the payment to a third party;

1814 (C) the amount that the claimant, estate, or trust paid to each third party;

1815 (D) the total amount that the claimant, estate, or trust paid to all third parties;

1816 (E) a statement that the net expenditures support the establishment and operation of
1817 recycling or composting technology in Utah; and

1818 (F) the amount of the claimant's, estate's, or trust's tax credit.

1819 (b) (i) The Governor's Office of Economic Development shall provide a claimant,
1820 estate, or trust seeking to claim a tax credit under Subsection (1) with a copy of the written
1821 certification.

1822 (ii) The claimant, estate, or trust shall retain a copy of the written certification for the
1823 same period of time that a person is required to keep books and records under Section

1824 59-1-1406.

1825 (c) The Governor's Office of Economic Development shall submit to the commission
1826 an electronic list that includes:

1827 (i) the name and identifying information of each claimant, estate, or trust to which the
1828 office issues a written certification; and

1829 (ii) for each claimant, estate, or trust, the amount of each tax credit listed on the written
1830 certification.

1831 (3) A claimant, estate, or trust may not claim a tax credit under Subsection (1)(a),
1832 Subsection (1)(b), or both that exceeds 40% of the claimant's, estate's, or trust's state income
1833 tax liability as the tax liability is calculated:

1834 (a) for the taxable year in which the claimant, estate, or trust made the purchases or
1835 payments;

1836 (b) before any other tax credits the claimant, estate, or trust may claim for the taxable
1837 year; and

1838 (c) before the claimant, estate, or trust claiming a tax credit authorized by this section.

1839 (4) The commission shall make rules governing what information a claimant, estate, or
1840 trust shall file with the commission to verify the entitlement to and amount of a tax credit.

1841 (5) Except as provided in Subsections (6) through (8), a claimant, estate, or trust may
1842 carry forward, to the next three taxable years, the amount of the tax credit that exceeds the
1843 taxpayer's income tax liability for the taxable year.

1844 (6) A claimant, estate, or trust may not claim or carry forward a tax credit described in
1845 Subsection (1)(a) in a taxable year during which the claimant, estate, or trust claims or carries
1846 forward a tax credit under Section 63N-2-213.

1847 (7) A claimant, estate, or trust may not claim a tax credit described in Subsection (1)(b)
1848 in a taxable year during which the claimant, estate, or trust claims or carries forward a tax
1849 credit under Section 63N-2-213.

1850 (8) A claimant, estate, or trust may not claim or carry forward a tax credit available
1851 under this section for a taxable year during which the claimant, estate, or trust claims the
1852 targeted business income tax credit under Section 59-10-1112.

1853 Section 28. Section 59-10-1017 is amended to read:

1854 **59-10-1017. Utah Educational Savings Plan tax credit.**

- 1855 (1) As used in this section:
- 1856 (a) "Account owner" means the same as that term is defined in Section 53B-8a-102.
- 1857 (b) "Grantor trust" means the same as that term is defined in Section 53B-8a-102.5.
- 1858 (c) "Higher education costs" means the same as that term is defined in Section
- 1859 53B-8a-102.5.
- 1860 (d) "Joint filing status" means:
- 1861 (i) spouses who file one return jointly under this chapter for a taxable year; or
- 1862 (ii) a surviving spouse, as defined in Section (2)(a), Internal Revenue Code, who files a
- 1863 single federal individual income tax return for the taxable year.
- 1864 ~~(d)~~ (e) "Maximum amount of a qualified investment for the taxable year" means, for
- 1865 a taxable year, the product of ~~[5%]~~ the percentage listed in Subsection 59-10-104(2)(a)(ii) and:
- 1866 (i) subject to Subsection (1)~~(d)~~(e)(iii), for a claimant, estate, or trust that is an account
- 1867 owner, if that claimant, estate, or trust is other than ~~[husband and wife]~~ spouse account owners
- 1868 who file ~~[a single]~~ one return jointly, the maximum amount of a qualified investment:
- 1869 (A) listed in Subsection 53B-8a-106(1)(e)(ii); and
- 1870 (B) increased or kept for that taxable year in accordance with Subsections
- 1871 53B-8a-106(1)(f) and (g);
- 1872 (ii) subject to Subsection (1)~~(d)~~(e)(iii), for claimants who are ~~[husband and wife]~~
- 1873 spouse account owners who file ~~[a single]~~ one return jointly, the maximum amount of a
- 1874 qualified investment:
- 1875 (A) listed in Subsection 53B-8a-106(1)(e)(iii); and
- 1876 (B) increased or kept for that taxable year in accordance with Subsections
- 1877 53B-8a-106(1)(f) and (g); or
- 1878 (iii) for a grantor trust:
- 1879 (A) if the owner of the grantor trust has a single filing status or head of household
- 1880 filing status as defined in Section 59-10-1018, the amount described in Subsection
- 1881 (1)~~(d)~~(e)(i); or
- 1882 (B) if the owner of the grantor trust has a joint filing status as defined in Section
- 1883 59-10-1018, the amount described in Subsection (1)~~(d)~~(e)(ii).
- 1884 ~~(e)~~ (f) "Owner of the grantor trust" means the same as that term is defined in Section
- 1885 53B-8a-102.5.

1886 [~~f~~] (g) "Qualified investment" means the same as that term is defined in Section
1887 [53B-8a-102.5](#).

1888 (2) Except as provided in Section [59-10-1002.2](#) and subject to the other provisions of
1889 this section, a claimant, estate, or trust that is an account owner may claim a nonrefundable tax
1890 credit equal to the product of:

1891 (a) the amount of a qualified investment made:

1892 (i) during the taxable year; and

1893 (ii) into an account owned by the claimant, estate, or trust; and

1894 (b) [~~5%~~] the percentage listed in Subsection [59-10-104\(2\)\(a\)\(ii\)](#).

1895 (3) A claimant, estate, or trust, or a person other than the claimant, estate, or trust, may
1896 make a qualified investment described in Subsection (2)(a)(ii).

1897 (4) A claimant, estate, or trust that is an account owner may not claim a tax credit
1898 under this section with respect to any portion of a qualified investment described in Subsection
1899 (2) that a claimant, estate, trust, or person described in Subsection (3) deducts on a federal
1900 income tax return.

1901 (5) A tax credit under this section may not exceed the maximum amount of a qualified
1902 investment for the taxable year.

1903 (6) A claimant, estate, or trust that is an account owner may not carry forward or carry
1904 back the tax credit under this section.

1905 (7) A claimant, estate, or trust may claim a tax credit under this section in addition to
1906 the tax credit described in Section [59-10-1017.1](#).

1907 Section 29. Section [59-10-1017.1](#) is amended to read:

1908 **[59-10-1017.1. Student Prosperity Savings Program tax credit.](#)**

1909 (1) As used in this section, "qualified donation" means an amount donated, in
1910 accordance with Section [53B-8a-203](#), to the Student Prosperity Savings Program created in
1911 Section [53B-8a-202](#).

1912 (2) A claimant, estate, or trust may claim a nonrefundable tax credit for a qualified
1913 donation.

1914 (3) The tax credit equals the product of:

1915 (a) the qualified donation; and

1916 (b) [~~5%~~] the percentage listed in Subsection [59-10-104\(2\)\(a\)\(ii\)](#).

1917 (4) A claimant, estate, or trust may not claim a tax credit under this section with
 1918 respect to any portion of a qualified donation that a claimant, estate, or trust deducts on a
 1919 federal income tax return.

1920 (5) A claimant, estate, or trust may not carry forward or carry back the portion of the
 1921 tax credit allowed by this section that exceeds the claimant's, estate's, or trust's tax liability for
 1922 the taxable year in which the claimant, estate, or trust claims the tax credit.

1923 (6) A claimant, estate, or trust may claim a tax credit under this section in addition to
 1924 the tax credit described in Section 59-10-1017.

1925 Section 30. Section 59-10-1018 is amended to read:

1926 **59-10-1018. Definitions -- Nonrefundable taxpayer tax credits.**

1927 (1) As used in this section:

1928 (a) "Head of household filing status" means a head of household, as defined in Section
 1929 2(b), Internal Revenue Code, who files ~~[a single]~~ one federal individual income tax return for
 1930 the taxable year.

1931 (b) "Joint filing status" means ~~[-(+)]~~ spouses who file ~~[a single]~~ one return jointly under
 1932 this chapter for a taxable year ~~[-or]~~.

1933 ~~[(ii) a surviving spouse, as defined in Section 2(a), Internal Revenue Code, who files a~~
 1934 ~~single federal individual income tax return for the taxable year.]~~

1935 (c) "Qualifying dependent" means an individual with respect to whom the claimant is
 1936 allowed to claim a tax credit under Section 24, Internal Revenue Code, on the claimant's
 1937 federal individual income tax return for the taxable year.

1938 (d) "Qualifying widower filing status" means a surviving spouse, as defined in Section
 1939 (2)(a), Internal Revenue Code, who files a single federal individual income tax return for the
 1940 taxable year.

1941 ~~[(+)]~~ (e) "Single filing status" means:

1942 (i) a single individual who files a single federal individual income tax return for the
 1943 taxable year; or

1944 (ii) a married individual who:

1945 (A) does not file a single federal individual income tax return jointly with that married
 1946 individual's spouse for the taxable year; and

1947 (B) files a single federal individual income tax return for the taxable year.

- 1948 [(e)] (f) "State or local income tax" means the lesser of:
- 1949 (i) the amount of state or local income tax that the claimant:
- 1950 (A) pays for the taxable year; and
- 1951 (B) reports on the claimant's federal individual income tax return for the taxable year,
- 1952 regardless of whether the claimant is allowed an itemized deduction on the claimant's federal
- 1953 individual income tax return for the taxable year for the full amount of state or local income tax
- 1954 paid; and
- 1955 (ii) \$10,000.
- 1956 [(f)] (g) (i) "Utah itemized deduction" means the amount the claimant deducts as
- 1957 allowed as an itemized deduction on the claimant's federal individual income tax return for that
- 1958 taxable year minus any amount of state or local income tax for the taxable year.
- 1959 (ii) "Utah itemized deduction" does not include any amount of qualified business
- 1960 income that the claimant subtracts as allowed by Section 199A, Internal Revenue Code, on the
- 1961 claimant's federal income tax return for that taxable year.
- 1962 [(g)] (h) "Utah personal exemption" means, subject to Subsection (6), [~~\$565~~] \$2,500
- 1963 multiplied by [~~the number of the claimant's qualifying dependents.~~];
- 1964 (i) for a claimant who has a joint filing status and no qualifying dependents, one; or
- 1965 (ii) for a claimant who has qualifying dependents, the number of the claimant's
- 1966 qualifying dependents.
- 1967 (2) Except as provided in Section [59-10-1002.2](#), and subject to Subsections (3) through
- 1968 (5), a claimant may claim a nonrefundable tax credit against taxes otherwise due under this part
- 1969 equal to the sum of:
- 1970 (a) (i) for a claimant that deducts the standard deduction on the claimant's federal
- 1971 individual income tax return for the taxable year, 6% of the amount the claimant deducts as
- 1972 allowed as the standard deduction on the claimant's federal individual income tax return for
- 1973 that taxable year; or
- 1974 (ii) for a claimant that itemizes deductions on the claimant's federal individual income
- 1975 tax return for the taxable year, 6% of the amount of the claimant's Utah itemized deduction;
- 1976 and
- 1977 (b) 6% of the claimant's Utah personal exemption.
- 1978 (3) A claimant may not carry forward or carry back a tax credit under this section.

1979 (4) The tax credit allowed by Subsection (2) shall be reduced by \$.013 for each dollar
1980 by which a claimant's state taxable income exceeds:

1981 (a) for a claimant who has a single filing status, [~~\$12,000~~] \$14,879;

1982 (b) for a claimant who has a head of household filing status, [~~\$18,000~~] \$22,318; or

1983 (c) for a claimant who has a joint filing status[~~, \$24,000~~] or a qualifying widower filing
1984 status, \$29,758.

1985 (5) (a) For a taxable year beginning on or after January 1, [~~2009~~] 2021, the commission
1986 shall increase or decrease annually the following dollar amounts by a percentage equal to the
1987 percentage difference between the consumer price index for the preceding calendar year and
1988 the consumer price index for calendar year [~~2007~~] 2019:

1989 (i) the dollar amount listed in Subsection (4)(a); and

1990 (ii) the dollar amount listed in Subsection (4)(b).

1991 (b) After the commission increases or decreases the dollar amounts listed in Subsection
1992 (5)(a), the commission shall round those dollar amounts listed in Subsection (5)(a) to the
1993 nearest whole dollar.

1994 (c) After the commission rounds the dollar amounts as required by Subsection (5)(b),
1995 the commission shall increase or decrease the dollar amount listed in Subsection (4)(c) so that
1996 the dollar amount listed in Subsection (4)(c) is equal to the product of:

1997 (i) the dollar amount listed in Subsection (4)(a); and

1998 (ii) two.

1999 (d) For purposes of Subsection (5)(a), the commission shall calculate the consumer
2000 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

2001 (6) (a) For a taxable year beginning on or after January 1, [~~2019~~] 2021, the commission
2002 shall increase annually the Utah personal exemption amount listed in Subsection (1)(~~g~~)(h) by
2003 a percentage equal to the percentage by which the consumer price index for the preceding
2004 calendar year exceeds the consumer price index for calendar year [~~2017~~] 2019.

2005 (b) After the commission increases the Utah personal exemption amount as described
2006 in Subsection (6)(a), the commission shall round the Utah personal exemption amount to the
2007 nearest whole dollar.

2008 (c) For purposes of Subsection (6)(a), the commission shall calculate the consumer
2009 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

2010 Section 31. Section **59-10-1018.1** is enacted to read:

2011 **59-10-1018.1. Taxpayer tax credit rebate.**

2012 (1) As used in this section:

2013 (a) "Head of household filing status" means the same as that term is defined in Section

2014 59-10-1018.

2015 (b) "Joint filing status" means the same as that term is defined in Section 59-10-1018.

2016 (c) "Qualifying dependent" means the same as that term is defined in Section

2017 59-10-1018.

2018 (d) "Qualifying filer" means a person who files a return under this chapter:

2019 (i) (A) for a taxable year beginning on or after January 1, 2018, and on or before

2020 December 31, 2018; and

2021 (B) on or before the deadline described in Section 59-10-516; or

2022 (ii) (A) for a taxable year beginning on or after January 1, 2019, and on or before

2023 December 31, 2019; and

2024 (B) on or before the deadline described in Section 59-10-514.

2025 (e) "Qualifying widower filing status" means the same as that term is defined in

2026 Section 59-10-1018.

2027 (f) "Single filing status" means the same as that term is defined in Section 59-10-1018.

2028 (g) "Utah personal exemption rebate" means \$1,285 multiplied by the number of the

2029 claimant's qualifying dependents.

2030 (2) Subject to the other provisions of this section, the commission shall provide a
2031 rebate to each qualifying filer equal to the lesser of:

2032 (a) the qualifying filer's tax liability for:

2033 (i) the taxable year beginning on or after January 1, 2018, and on or before December

2034 31, 2018; or

2035 (ii) if the claimant did not file a return under this chapter for the taxable year described

2036 in Subsection (2)(a), the taxable year beginning on or after January 1, 2019, and on or before

2037 December 31, 2019; and

2038 (b) 6% of the claimant's Utah personal exemption rebate.

2039 (3) The rebate described in Subsection (2) is reduced by \$.013 for each dollar by which

2040 the claimant's state taxable income exceeds:

- 2041 (a) for a claimant who has a single filing status, \$14,879;
2042 (b) for a claimant who has a head of household filing status, \$22,318; or
2043 (c) for a claimant who has a joint filing status or a qualifying widower filing status,
2044 \$29,758.
- 2045 (4) For each return filed under this chapter, no more than one qualifying filer may
2046 receive a rebate under this section.
- 2047 (5) The commission shall provide a qualifying filer who is a nonresident individual or
2048 a part-year resident individual an apportioned amount of the rebate described in this section
2049 equal to:
- 2050 (a) for a nonresident individual, the product of:
2051 (i) the state income tax percentage for the nonresident individual; and
2052 (ii) the amount of the rebate that the commission would have provided the nonresident
2053 individual but for the apportionment requirements described in this subsection; or
- 2054 (b) for a part-year resident individual, the product of:
2055 (i) the state income tax percentage for the part-year resident individual; and
2056 (ii) the amount of the rebate that the commission would have provided the part-year
2057 resident individual but for the apportionment requirements described in this subsection.
- 2058 (6) If the value of a qualifying filer's rebate under this section is less than \$25, the
2059 qualifying filer is not eligible to receive the rebate.
- 2060 (7) The commission shall comply with Subsection (2) on or before:
2061 (a) April 1, 2020; or
2062 (b) if the claimant did not file a return under this chapter for the taxable year beginning
2063 on or after January 1, 2018, and on or before December 31, 2018, July 1, 2020.

2064 Section 32. Section **59-10-1019** is amended to read:

2065 **59-10-1019. Definitions -- Nonrefundable retirement tax credit.**

2066 (1) As used in this section:

2067 (a) "Eligible over age 65 [~~or older~~]" means a claimant, regardless of whether
2068 that claimant is retired, who [~~:(i) is 65 years of age or older, and (ii)] was born on or before
2069 December 31, 1952.~~

2070 [~~(b) (i) "Eligible retirement income" means income received by an eligible under age
2071 65 retiree as a pension or annuity if that pension or annuity is:]~~

2072 ~~[(A) paid to the eligible under age 65 retiree or the surviving spouse of an eligible~~
2073 ~~under age 65 retiree; and]~~

2074 ~~[(B) (I) paid from an annuity contract purchased by an employer under a plan that~~
2075 ~~meets the requirements of Section 404(a)(2), Internal Revenue Code;]~~

2076 ~~[(H) purchased by an employee under a plan that meets the requirements of Section~~
2077 ~~408, Internal Revenue Code; or]~~

2078 ~~[(HH) paid by:]~~

2079 ~~[(Aa) the United States;]~~

2080 ~~[(Bb) a state or a political subdivision of a state; or]~~

2081 ~~[(Cc) the District of Columbia.]~~

2082 ~~[(ii) "Eligible retirement income" does not include amounts received by the spouse of a~~
2083 ~~living eligible under age 65 retiree because of the eligible under age 65 retiree's having been~~
2084 ~~employed in a community property state.]~~

2085 ~~[(c) "Eligible under age 65 retiree" means a claimant, regardless of whether that~~
2086 ~~claimant is retired, who:]~~

2087 ~~[(i) is younger than 65 years of age;]~~

2088 ~~[(ii) was born on or before December 31, 1952; and]~~

2089 ~~[(iii) has eligible retirement income for the taxable year for which a tax credit is~~
2090 ~~claimed under this section:]~~

2091 ~~[(d)] (b) "Head of household filing status" [is as] means the same as that term is~~
2092 ~~defined in Section 59-10-1018.~~

2093 ~~[(e) "Joint filing status" is as defined in Section 59-10-1018.]~~

2094 (c) "Joint filing status" means:

2095 (i) spouses who file one return jointly under this chapter for a taxable year; or

2096 (ii) a surviving spouse, as defined in Section (2)(a), Internal Revenue Code, who files a
2097 single federal individual income tax return for the taxable year.

2098 ~~[(f)] (d) "Married filing separately status" means a married individual who:~~

2099 ~~(i) does not file a single federal individual income tax return jointly with that married~~
2100 ~~individual's spouse for the taxable year; and~~

2101 ~~(ii) files a single federal individual income tax return for the taxable year.~~

2102 ~~[(g)] (e) "Modified adjusted gross income" means the sum of an eligible over age 65~~

2103 ~~[or older retiree's or eligible under age 65 retiree's]~~ retiree's:

2104 (i) adjusted gross income for the taxable year for which a tax credit is claimed under
2105 this section;

2106 (ii) any interest income that is not included in adjusted gross income for the taxable
2107 year described in Subsection (1)~~(g)~~(e)(i); and

2108 (iii) any addition to adjusted gross income required by Section [59-10-114](#) for the
2109 taxable year described in Subsection (1)~~(g)~~(e)(i).

2110 ~~(h)~~ (f) "Single filing status" means a single individual who files a single federal
2111 individual income tax return for the taxable year.

2112 (2) Except as provided in Section [59-10-1002.2](#) ~~[and subject to Subsections (3) through~~
2113 ~~(5): (a)]~~ and Subsections (3) and (4), each eligible over age 65 ~~[or older]~~ retiree may claim a
2114 nonrefundable tax credit of \$450 against taxes otherwise due under this part~~;~~].

2115 ~~[(b) each eligible under age 65 retiree may claim a nonrefundable tax credit against~~
2116 ~~taxes otherwise due under this part in an amount equal to the lesser of:]~~

2117 ~~[(i) \$288; or]~~

2118 ~~[(ii) the product of:]~~

2119 ~~[(A) the eligible under age 65 retiree's eligible retirement income for the taxable year~~
2120 ~~for which the eligible under age 65 retiree claims a tax credit under this section; and]~~

2121 ~~[(B) 6%.]~~

2122 ~~[(3) A tax credit under this section may not be carried forward or carried back.]~~

2123 (3) An eligible over age 65 retiree may not:

2124 (a) carry forward or carry back a tax credit under this section; or

2125 (b) claim a tax credit under this section if a tax credit is claimed under Section
2126 [59-10-1041](#) on the same return.

2127 (4) The ~~[sum of the tax credits]~~ tax credit allowed by Subsection (2) claimed on ~~[one]~~ a
2128 return filed under this part shall be reduced by \$.025 for each dollar by which modified
2129 adjusted gross income for purposes of the return exceeds:

2130 (a) for a federal individual income tax return that is allowed a married filing separately
2131 status, \$16,000;

2132 (b) for a federal individual income tax return that is allowed a single filing status,
2133 \$25,000;

2134 (c) for a federal individual income tax return that is allowed a head of household filing
2135 status, \$32,000; or

2136 (d) for a return under this chapter that is allowed a joint filing status, \$32,000.

2137 ~~[(5) For purposes of determining the ownership of items of retirement income under
2138 this section, common law doctrine shall be applied in all cases even though some items of
2139 retirement income may have originated from service or investments in a community property
2140 state.]~~

2141 Section 33. Section **59-10-1022** is amended to read:

2142 **59-10-1022. Nonrefundable tax credit for capital gain transactions.**

2143 (1) As used in this section:

2144 (a) (i) "Capital gain transaction" means a transaction that results in a:

2145 (A) short-term capital gain; or

2146 (B) long-term capital gain.

2147 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2148 commission may by rule define the term "transaction."

2149 (b) "Commercial domicile" means the principal place from which the trade or business
2150 of a Utah small business corporation is directed or managed.

2151 (c) "Long-term capital gain" is as defined in Section 1222, Internal Revenue Code.

2152 (d) "Qualifying stock" means stock that is:

2153 (i) (A) common; or

2154 (B) preferred;

2155 (ii) as defined by the commission by rule made in accordance with Title 63G, Chapter
2156 3, Utah Administrative Rulemaking Act, originally issued to:

2157 (A) a claimant, estate, or trust; or

2158 (B) a partnership if the claimant, estate, or trust that claims a tax credit under this
2159 section:

2160 (I) was a partner on the day on which the stock was issued; and

2161 (II) remains a partner until the last day of the taxable year for which the claimant,
2162 estate, or trust claims a tax credit under this section; and

2163 (iii) issued:

2164 (A) by a Utah small business corporation;

- 2165 (B) on or after January 1, 2008; and
- 2166 (C) for:
- 2167 (I) money; or
- 2168 (II) other property, except for stock or securities.
- 2169 (e) "Short-term capital gain" is as defined in Section 1222, Internal Revenue Code.
- 2170 (f) (i) "Utah small business corporation" means a corporation that:
- 2171 (A) except as provided in Subsection (1)(f)(ii), is a small business corporation as
- 2172 defined in Section 1244(c)(3), Internal Revenue Code;
- 2173 (B) except as provided in Subsection (1)(f)(iii), meets the requirements of Section
- 2174 1244(c)(1)(C), Internal Revenue Code; and
- 2175 (C) has its commercial domicile in this state.
- 2176 (ii) The dollar amount listed in Section 1244(c)(3)(A) is considered to be \$2,500,000.
- 2177 (iii) The phrase "the date the loss on such stock was sustained" in Sections
- 2178 1244(c)(1)(C) and 1244(c)(2), Internal Revenue Code, is considered to be "the last day of the
- 2179 taxable year for which the claimant, estate, or trust claims a tax credit under this section."
- 2180 (2) For taxable years beginning on or after January 1, 2008, a claimant, estate, or trust
- 2181 that meets the requirements of Subsection (3) may claim a nonrefundable tax credit equal to the
- 2182 product of:
- 2183 (a) the total amount of the claimant's, estate's, or trust's short-term capital gain or
- 2184 long-term capital gain on a capital gain transaction that occurs on or after January 1, 2008; and
- 2185 (b) [5%] the percentage listed in Subsection 59-10-104(2)(a)(ii).
- 2186 (3) For purposes of Subsection (2), a claimant, estate, or trust may claim the
- 2187 nonrefundable tax credit allowed by Subsection (2) if:
- 2188 (a) 70% or more of the gross proceeds of the capital gain transaction are expended:
- 2189 (i) to purchase qualifying stock in a Utah small business corporation; and
- 2190 (ii) within a 12-month period after the day on which the capital gain transaction occurs;
- 2191 and
- 2192 (b) prior to the purchase of the qualifying stock described in Subsection (3)(a)(i), the
- 2193 claimant, estate, or trust did not have an ownership interest in the Utah small business
- 2194 corporation that issued the qualifying stock.
- 2195 (4) A claimant, estate, or trust may not carry forward or carry back a tax credit under

2196 this section.

2197 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2198 commission may make rules:

2199 (a) defining the term "gross proceeds"; and

2200 (b) prescribing the circumstances under which a claimant, estate, or trust has an
2201 ownership interest in a Utah small business corporation.

2202 Section 34. Section **59-10-1023** is amended to read:

2203 **59-10-1023. Nonrefundable tax credit for amounts paid under a health benefit**
2204 **plan.**

2205 (1) As used in this section:

2206 (a) "Claimant with dependents" means a claimant:

2207 (i) regardless of the claimant's filing status for purposes of filing a federal individual
2208 income tax return for the taxable year; and

2209 (ii) who claims [~~one or more dependents under Section 151~~] a tax credit under Section
2210 24, Internal Revenue Code, [as allowed] on the claimant's federal individual income tax return
2211 for the taxable year.

2212 (b) "Eligible insured individual" means:

2213 (i) the claimant who is insured under a health benefit plan;

2214 (ii) the spouse of the claimant described in Subsection (1)(b)(i) if:

2215 (A) the claimant files [~~a single~~] one return jointly under this chapter with the claimant's
2216 spouse for the taxable year; and

2217 (B) the spouse is insured under the health benefit plan described in Subsection
2218 (1)(b)(i); or

2219 (iii) a dependent of the claimant described in Subsection (1)(b)(i) if:

2220 (A) the claimant claims the dependent under Section 151, Internal Revenue Code, as
2221 allowed on the claimant's federal individual income tax return for the taxable year; and

2222 (B) the dependent is insured under the health benefit plan described in Subsection
2223 (1)(b)(i).

2224 (c) "Excluded expenses" means an amount a claimant pays for insurance offered under
2225 a health benefit plan for a taxable year if:

2226 (i) the claimant claims a tax credit for that amount under Section 35, Internal Revenue

- 2227 Code:
- 2228 (A) on the claimant's federal individual income tax return for the taxable year; and
- 2229 (B) with respect to an eligible insured individual;
- 2230 (ii) the claimant deducts that amount under Section 162 or 213, Internal Revenue
- 2231 Code:
- 2232 (A) on the claimant's federal individual income tax return for the taxable year; and
- 2233 (B) with respect to an eligible insured individual; or
- 2234 (iii) the claimant excludes that amount from gross income under Section 106 or 125,
- 2235 Internal Revenue Code, with respect to an eligible insured individual.
- 2236 (d) (i) "Health benefit plan" is as defined in Section [31A-1-301](#).
- 2237 (ii) "Health benefit plan" does not include equivalent self-insurance as defined by the
- 2238 Insurance Department by rule made in accordance with Title 63G, Chapter 3, Utah
- 2239 Administrative Rulemaking Act.
- 2240 (e) "Joint claimant with no dependents" means ~~[a husband and wife]~~ spouses who:
- 2241 (i) file ~~[a single]~~ one return jointly under this chapter for the taxable year; and
- 2242 (ii) do not claim a dependent under Section 151, Internal Revenue Code, on the
- 2243 ~~[husband's and wife's]~~ spouses' federal individual income tax return for the taxable year.
- 2244 (f) "Single claimant with no dependents" means:
- 2245 (i) a single individual who:
- 2246 (A) files a single federal individual income tax return for the taxable year; and
- 2247 (B) does not claim a dependent under Section 151, Internal Revenue Code, on the
- 2248 single individual's federal individual income tax return for the taxable year;
- 2249 (ii) a head of household:
- 2250 (A) as defined in Section 2(b), Internal Revenue Code, who files a single federal
- 2251 individual income tax return for the taxable year; and
- 2252 (B) who does not claim a dependent under Section 151, Internal Revenue Code, on the
- 2253 head of household's federal individual income tax return for the taxable year; or
- 2254 (iii) a married individual who:
- 2255 (A) does not file a single federal individual income tax return jointly with that married
- 2256 individual's spouse for the taxable year; and
- 2257 (B) does not claim a dependent under Section 151, Internal Revenue Code, on that

2258 married individual's federal individual income tax return for the taxable year.

2259 (2) Subject to Subsection (3), and except as provided in Subsection (4), [~~for taxable~~
2260 ~~years beginning on or after January 1, 2009,~~] a claimant may claim a nonrefundable tax credit
2261 equal to the product of:

2262 (a) the difference between:

2263 (i) the total amount the claimant pays during the taxable year for:

2264 (A) insurance offered under a health benefit plan; and

2265 (B) an eligible insured individual; and

2266 (ii) excluded expenses; and

2267 (b) [~~5%~~] the percentage listed in Subsection 59-10-104(2)(a)(ii).

2268 (3) The maximum amount of a tax credit described in Subsection (2) a claimant may
2269 claim on a return for a taxable year is:

2270 (a) for a single claimant with no dependents, \$300;

2271 (b) for a joint claimant with no dependents, \$600; or

2272 (c) for a claimant with dependents, \$900.

2273 (4) A claimant may not claim a tax credit under this section if the claimant is eligible to
2274 participate in insurance offered under a health benefit plan maintained and funded in whole or
2275 in part by:

2276 (a) the claimant's employer; or

2277 (b) another person's employer.

2278 (5) A claimant may not carry forward or carry back a tax credit under this section.

2279 Section 35. Section **59-10-1028** is amended to read:

2280 **59-10-1028. Nonrefundable tax credit for capital gain transactions on the**
2281 **exchange of one form of legal tender for another form of legal tender.**

2282 (1) As used in this section:

2283 (a) "Capital gain transaction" means a transaction that results in a:

2284 (i) short-term capital gain; or

2285 (ii) long-term capital gain.

2286 (b) "Long-term capital gain" [~~is as defined~~] means the same as that term is defined in
2287 Section 1222, Internal Revenue Code.

2288 (c) "Long-term capital loss" [~~is as defined~~] means the same as that term is defined in

2289 Section 1222, Internal Revenue Code.

2290 (d) "Net capital gain" means the amount by which the sum of long-term capital gains
2291 and short-term capital gains on a claimant's, estate's, or trust's transactions from exchanges
2292 made for a taxable year of one form of legal tender for another form of legal tender exceeds the
2293 sum of long-term capital losses and short-term capital losses on those transactions for that
2294 taxable year.

2295 (e) "Short-term capital loss" [~~is as defined~~] means the same as that term is defined in
2296 Section 1222, Internal Revenue Code.

2297 (f) "Short-term capital gain" [~~is as defined~~] means the same as that term is defined in
2298 Section 1222, Internal Revenue Code.

2299 (2) Except as provided in Section [59-10-1002.2](#), [~~for taxable years beginning on or~~
2300 ~~after January 1, 2012;~~] a claimant, estate, or trust may claim a nonrefundable tax credit equal to
2301 the product of:

2302 (a) to the extent a net capital gain is included in taxable income, the amount of the
2303 claimant's, estate's, or trust's net capital gain on capital gain transactions from exchanges made
2304 on or after January 1, 2012, for a taxable year, of one form of legal tender for another form of
2305 legal tender; and

2306 (b) [~~5%~~] the percentage listed in Subsection [59-10-104\(2\)\(a\)\(ii\)](#).

2307 (3) A claimant, estate, or trust may not carry forward or carry back a tax credit under
2308 this section.

2309 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2310 commission may make rules to implement this section.

2311 Section 36. Section **59-10-1033** is amended to read:

2312 **59-10-1033. Tax credit related to alternative fuel heavy duty vehicles.**

2313 (1) As used in this section:

2314 (a) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air
2315 Conservation Act.

2316 (b) "Director" means the director of the Division of Air Quality appointed under
2317 Section [19-2-107](#).

2318 (c) "Heavy duty vehicle" means a commercial category 7 or 8 vehicle, according to
2319 vehicle classifications established by the Federal Highway Administration.

- 2320 (d) "Natural gas" includes compressed natural gas and liquified natural gas.
- 2321 (e) "Qualified heavy duty vehicle" means a heavy duty vehicle that:
- 2322 (i) has never been titled or registered and has been driven less than 7,500 miles; and
- 2323 (ii) is fueled by natural gas, has a 100% electric drivetrain, or has a hydrogen-electric
- 2324 drivetrain.
- 2325 (f) "Qualified purchase" means the purchase of a qualified heavy duty vehicle.
- 2326 (g) "Qualified taxpayer" means a claimant, estate, or trust that:
- 2327 (i) purchases a qualified heavy duty vehicle; and
- 2328 (ii) receives a tax credit certificate from the director.
- 2329 (h) "Small fleet" means 40 or fewer heavy duty vehicles registered in the state and
- 2330 owned by a single claimant, estate, or trust.
- 2331 (i) "Tax credit certificate" means a certificate issued by the director certifying that a
- 2332 claimant, estate, or trust is entitled to a tax credit as provided in this section and stating the
- 2333 amount of the tax credit.
- 2334 (2) A qualified taxpayer may claim a nonrefundable tax credit against tax otherwise
- 2335 due under this chapter:
- 2336 (a) in an amount equal to:
- 2337 (i) \$25,000, if the qualified purchase of a natural gas heavy duty vehicle occurs during
- 2338 calendar year 2015 or calendar year 2016;
- 2339 (ii) \$25,000, if the qualified purchase occurs during calendar year 2017;
- 2340 (iii) \$20,000, if the qualified purchase occurs during calendar year 2018;
- 2341 (iv) \$18,000, if the qualified purchase occurs during calendar year 2019; and
- 2342 (v) \$15,000, if the qualified purchase occurs during calendar year 2020; and
- 2343 (b) if the qualified taxpayer certifies under oath that over 50% of the miles that the
- 2344 heavy duty vehicle that is the subject of the qualified purchase will travel annually will be
- 2345 within the state.
- 2346 (3) (a) Except as provided in Subsection (3)(b), a claimant, estate, or trust may not
- 2347 submit an application for, and the director may not issue to the claimant, estate, or trust, a tax
- 2348 credit certificate under this section in any taxable year for a qualified purchase if the director
- 2349 has already issued tax credit certificates to the claimant, estate, or trust for 10 qualified
- 2350 purchases in the same taxable year.

2351 (b) If, by May 1 of any year, more than 30% of the aggregate annual total amount of
2352 tax credits under Subsection (5) has not been claimed, a claimant, estate, or trust may submit
2353 an application for, and the director may issue to the claimant, estate, or trust, one or more tax
2354 credit certificates for up to eight additional qualified purchases, even if the director has already
2355 issued to that claimant, estate, or trust tax credit certificates for the maximum number of
2356 qualified purchases allowed under Subsection (3)(a).

2357 (4) (a) Subject to Subsection (4)(b), the director shall reserve 25% of all tax credits
2358 available under this section for qualified taxpayers with a small fleet.

2359 (b) Subsection (4)(a) does not prevent a claimant, estate, or trust from submitting an
2360 application for, or the director from issuing, a tax credit certificate if, before October 1,
2361 qualified taxpayers with a small fleet have not reserved under Subsection (5)(b) tax credits for
2362 the full amount reserved under Subsection (4)(a).

2363 (5) (a) The aggregate annual total amount of tax credits represented by tax credit
2364 certificates that the director issues under this section and Section 59-7-618 may not exceed
2365 \$500,000.

2366 (b) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative
2367 Rulemaking Act, make rules to establish a process under which a claimant, estate, or trust may
2368 reserve a potential tax credit under this section for a limited time to allow the claimant, estate,
2369 or trust to make a qualified purchase with the assurance that the aggregate limit under
2370 Subsection (5)(a) will not be met before the claimant, estate, or trust is able to submit an
2371 application for a tax credit certificate.

2372 (6) (a) (i) A claimant, estate, or trust wishing to claim a tax credit under this section
2373 shall, using forms the board requires by rule:

2374 (A) submit to the director an application for a tax credit;

2375 (B) provide the director proof of a qualified purchase; and

2376 (C) submit to the director the certification under oath required under Subsection (2)(b).

2377 (ii) Upon receiving the application, proof, and certification required under Subsection
2378 (6)(a)(i), the director shall provide the claimant, estate, or trust a written statement from the
2379 director acknowledging receipt of the proof.

2380 (b) If the director determines that a claimant, estate, or trust qualifies for a tax credit
2381 under this section, the director shall:

2382 (i) determine the amount of tax credit the claimant, estate, or trust is allowed under this
2383 section; and

2384 (ii) provide the claimant, estate, or trust with a written tax credit certificate:

2385 (A) stating that the claimant, estate, or trust has qualified for a tax credit; and

2386 (B) showing the amount of tax credit for which the claimant, estate, or trust has
2387 qualified under this section.

2388 (c) A qualified taxpayer shall retain the tax credit certificate.

2389 (d) The director shall at least annually submit to the commission a list of all qualified
2390 taxpayers to which the director has issued a tax credit certificate and the amount of each tax
2391 credit represented by the tax credit certificates.

2392 (7) The tax credit under this section is allowed only:

2393 (a) against a tax owed under this chapter in the taxable year by the qualified taxpayer;

2394 (b) for the taxable year in which the qualified purchase occurs; and

2395 (c) once per vehicle.

2396 (8) A qualified taxpayer may not assign a tax credit or a tax credit certificate under this
2397 section to another person.

2398 (9) If the qualified taxpayer receives a tax credit certificate under this section that
2399 allows a tax credit in an amount that exceeds the qualified taxpayer's tax liability under this
2400 chapter for a taxable year, the qualified taxpayer may carry forward the amount of the tax credit
2401 that exceeds the tax liability for a period that does not exceed the next five taxable years.

2402 ~~[(10)(a) In accordance with any rules prescribed by the commission under Subsection~~
2403 ~~(10)(b), the Division of Finance shall transfer at least annually from the General Fund into the~~
2404 ~~Education Fund the aggregate amount of all tax credits claimed under this section.]~~

2405 ~~[(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~
2406 ~~the commission may make rules for making a transfer from the General Fund into the~~
2407 ~~Education Fund as required by Subsection (10)(a).]~~

2408 Section 37. Section **59-10-1035** is amended to read:

2409 **59-10-1035. Nonrefundable tax credit for contribution to state Achieving a Better**
2410 **Life Experience Program account.**

2411 (1) As used in this section:

2412 (a) "Account" means an account in a qualified ABLE program where the designated

- 2413 beneficiary of the account is a resident of this state.
- 2414 (b) "Contributor" means a claimant, estate, or trust that:
- 2415 (i) makes a contribution to an account; and
- 2416 (ii) receives a statement from the qualified ABLE program itemizing the contribution.
- 2417 (c) "Designated beneficiary" means the same as that term is defined in 26 U.S.C. Sec.
- 2418 529A.
- 2419 (d) "Qualified ABLE program" means the same as that term is defined in Section
- 2420 [35A-12-102](#).
- 2421 (2) A contributor to an account may claim a nonrefundable tax credit as provided in
- 2422 this section.
- 2423 (3) Subject to the other provisions of this section, the tax credit is equal to the product
- 2424 of:
- 2425 (a) ~~[5%]~~ [the percentage listed in Subsection 59-10-104\(2\)\(a\)\(ii\)](#); and
- 2426 (b) the total amount of contributions:
- 2427 (i) the contributor makes for the taxable year; and
- 2428 (ii) for which the contributor receives a statement from the qualified ABLE program
- 2429 itemizing the contributions.
- 2430 (4) A contributor may not claim a tax credit under this section:
- 2431 (a) for an amount of excess contribution to an account that is returned to the
- 2432 contributor; or
- 2433 (b) with respect to an amount the contributor deducts on a federal income tax return.
- 2434 (5) A tax credit under this section may not be carried forward or carried back.
- 2435 Section 38. Section **59-10-1036** is amended to read:
- 2436 **59-10-1036. Nonrefundable tax credit for military survivor benefits.**
- 2437 (1) As used in this section:
- 2438 (a) "Dependent child" means the same as that term is defined in 10 U.S.C. Sec. 1447.
- 2439 (b) "Reserve components" means the same as that term is described in 10 U.S.C. Sec.
- 2440 10101.
- 2441 (c) "Surviving spouse" means the same as that term is defined in 10 U.S.C. Sec. 1447.
- 2442 (d) "Survivor benefits" means the amount paid by the federal government in
- 2443 accordance with 10 U.S.C. Secs. 1447 through 1455.

2444 (2) A surviving spouse or dependent child may claim a nonrefundable tax credit for
2445 survivor benefits if the benefits are paid due to:

2446 (a) the death of a member of the armed forces or reserve components while on active
2447 duty; or

2448 (b) the death of a member of the reserve components that results from a
2449 service-connected cause while performing inactive duty training.

2450 (3) The tax credit described in Subsection (2) is equal to the product of:

2451 (a) the amount of survivor benefits that the surviving spouse or dependent child
2452 received during the taxable year; and

2453 (b) [5%] the percentage listed in Subsection 59-10-104(2)(a)(ii).

2454 (4) The tax credit described in Subsection (2):

2455 (a) may not be carried forward or carried back; and

2456 (b) applies to a taxable year beginning on or after January 1, 2017.

2457 Section 39. Section **59-10-1041** is enacted to read:

2458 **59-10-1041. Nonrefundable tax credit for social security benefits.**

2459 (1) As used in this section:

2460 (a) "Head of household filing status" means the same as that term is defined in Section
2461 59-10-1018.

2462 (b) "Joint filing status" means:

2463 (i) spouses who file one return jointly under this chapter for a taxable year; or

2464 (ii) a surviving spouse, as defined in Section (2)(a), Internal Revenue Code, who files a
2465 single federal individual income tax return for the taxable year.

2466 (c) "Married filing separately status" means a married individual who:

2467 (i) does not file a single federal individual income tax return jointly with that married
2468 individual's spouse for the taxable year; and

2469 (ii) files a single federal individual income tax return for the taxable year.

2470 (d) "Modified adjusted gross income" means the sum of a claimant's:

2471 (i) adjusted gross income for the taxable year for which a tax credit is claimed under
2472 this section;

2473 (ii) any interest income that is not included in adjusted gross income for the taxable
2474 year described in Subsection (1)(d)(i); and

2475 (iii) any addition to adjusted gross income required by Section 59-10-114 for the
2476 taxable year described in Subsection (1)(d)(i).

2477 (e) "Single filing status" means a single individual who files a single federal individual
2478 income tax return for the taxable year.

2479 (f) "Social security benefit" means an amount received by a claimant as a monthly
2480 benefit in accordance with the Social Security Act, 42 U.S.C. Sec. 401 et seq.

2481 (2) Except as provided in Section 59-10-1002.2 and Subsections (3) and (4), a claimant
2482 may claim a nonrefundable tax credit against taxes otherwise due under this part equal to the
2483 product of:

2484 (a) the percentage listed in Subsection 59-10-104(2); and

2485 (b) the claimant's social security benefit that is included in adjusted gross income on
2486 the claimant's federal income tax return for the taxable year.

2487 (3) A claimant may not:

2488 (a) carry forward or carry back a tax credit under this section; or

2489 (b) claim a tax credit under this section if a tax credit is claimed under Section
2490 59-10-1019 on the same return.

2491 (4) The tax credit allowed by Subsection (2) claimed on a return filed under this part
2492 shall be reduced by \$.025 for each dollar by which modified adjusted gross income for
2493 purposes of the return exceeds:

2494 (a) for a return that has a married filing separately status, \$24,000;

2495 (b) for a return that has a single filing status, \$30,000;

2496 (c) for a return that has a head of household filing status, \$48,000; or

2497 (d) for a return that has a joint filing status, \$48,000.

2498 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2499 commission may make rules governing the calculation and method for claiming a tax credit
2500 described in this section.

2501 Section 40. Section 59-10-1102.1 is enacted to read:

2502 **59-10-1102.1. Apportionment of tax credit.**

2503 A nonresident individual or a part-year resident individual who claims the tax credit
2504 described in Section 59-10-1113 may only claim an apportioned amount of the tax credit equal
2505 to the product of:

2506 (1) the state income tax percentage for the nonresident individual or the state income
2507 tax percentage for the part-year resident individual; and

2508 (2) the amount of the tax credit that the nonresident individual or the part-year resident
2509 individual would have been allowed to claim but for the apportionment requirement of this
2510 section.

2511 Section 41. Section **59-10-1105** is amended to read:

2512 **59-10-1105. Tax credit for hand tools used in farming operations -- Procedures**
2513 **for refund -- Transfers from General Fund to Education Fund -- Rulemaking authority.**

2514 (1) [~~For a taxable year beginning on or after January 1, 2004, a~~] A claimant, estate, or
2515 trust may claim a refundable tax credit:

2516 (a) as provided in this section;

2517 (b) against taxes otherwise due under this chapter; and

2518 (c) in an amount equal to the amount of tax the claimant, estate, or trust pays:

2519 (i) on a purchase of a hand tool:

2520 (A) if the purchase is made on or after July 1, 2004;

2521 (B) if the hand tool is used or consumed primarily and directly in a farming operation
2522 in the state; and

2523 (C) if the unit purchase price of the hand tool is more than \$250; and

2524 (ii) under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection
2525 (1)(c)(i).

2526 (2) A claimant, estate, or trust:

2527 (a) shall retain the following to establish the amount of tax the claimant, estate, or trust
2528 paid under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection

2529 (1)(c)(i):

2530 (i) a receipt;

2531 (ii) an invoice; or

2532 (iii) a document similar to a document described in Subsection (2)(a)(i) or (ii); and

2533 (b) may not carry forward or carry back a tax credit under this section.

2534 (3) (a) In accordance with any rules prescribed by the commission under Subsection

2535 (3)(b)[~~-(i)~~], the commission shall make a refund to a claimant, estate, or trust that claims a tax
2536 credit under this section if the amount of the tax credit exceeds the claimant's, estate's, or trust's

2537 tax liability under this chapter[; and].

2538 ~~[(ii) the Division of Finance shall transfer at least annually from the General Fund into~~
2539 ~~the Education Fund an amount equal to the aggregate amount of all tax credits claimed under~~
2540 ~~this section.]~~

2541 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2542 commission may make rules providing procedures for making[:(i)] a refund to a claimant,
2543 estate, or trust as required by Subsection (3)(a)[(i); or].

2544 ~~[(ii) transfers from the General Fund into the Education Fund as required by~~
2545 ~~Subsection (3)(a)(ii).]~~

2546 Section 42. Section **59-10-1113** is enacted to read:

2547 **59-10-1113. Refundable state earned income tax credit.**

2548 (1) As used in this section:

2549 (a) "Department" means the Department of Workforce Services created in Section
2550 [35A-1-103](#).

2551 (b) "Federal earned income tax credit" means the federal earned income tax credit
2552 described in Section 32, Internal Revenue Code.

2553 (c) "Qualifying claimant" means a resident individual or nonresident individual who:

2554 (i) is identified by the department as experiencing intergenerational poverty in
2555 accordance with Section [35A-9-214](#); and

2556 (ii) claimed the federal earned income tax credit for the previous taxable year.

2557 (2) Except as provided in Section [59-10-1102.1](#), a qualifying claimant may claim a
2558 refundable earned income tax credit equal to 10% of the amount of the federal earned income
2559 tax credit that the qualifying claimant was entitled to claim on a federal income tax return in
2560 the previous taxable year.

2561 (3) (a) The commission shall use the electronic report described in Section [35A-9-214](#)
2562 to verify that a qualifying claimant is identified as experiencing intergenerational poverty.

2563 (b) The commission may not use the electronic report described in Section [35A-9-214](#)
2564 for any other purpose.

2565 Section 43. Section **59-10-1403.3** is amended to read:

2566 **59-10-1403.3. Refund of amounts paid or withheld for a pass-through entity.**

2567 (1) As used in this section:

- 2568 (a) "Committee" means the Revenue and Taxation Interim Committee.
- 2569 (b) "Qualifying excess withholding" means an amount that:
- 2570 (i) is paid or withheld:
- 2571 (A) by a pass-through entity that has a different taxable year than the pass-through
- 2572 entity that requests a refund under this section; and
- 2573 (B) on behalf of the pass-through entity that requests the refund, if the pass-through
- 2574 entity that requests the refund also is a pass-through entity taxpayer; and
- 2575 (ii) is equal to the difference between:
- 2576 (A) the amount paid or withheld for the taxable year on behalf of the pass-through
- 2577 entity that requests the refund; and
- 2578 (B) the product of [5%] the percentage listed in Subsection 59-10-104(2)(a)(ii) and the
- 2579 income, described in Subsection 59-10-1403.2(1)(a)(i), of the pass-through entity that requests
- 2580 the refund.
- 2581 (2) [~~For a taxable year ending on or after July 1, 2017, a~~] A pass-through entity may
- 2582 claim a refund of qualifying excess withholding, if the amount of the qualifying excess
- 2583 withholding is equal to or greater than \$250,000.
- 2584 (3) A pass-through entity that requests a refund of qualifying excess withholding under
- 2585 this section shall:
- 2586 (a) apply to the commission for a refund on or, subject to Subsection (4), after the day
- 2587 on which the pass-through entity files the pass-through entity's income tax return; and
- 2588 (b) provide any information that the commission may require to determine that the
- 2589 pass-through entity is eligible to receive the refund.
- 2590 (4) A pass-through entity shall claim a refund of qualifying excess withholding under
- 2591 this section within 30 days after the earlier of the day on which:
- 2592 (a) the pass-through entity files an income tax return; or
- 2593 (b) the pass-through entity's income tax return is due, including any extension of due
- 2594 date authorized in statute.
- 2595 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2596 commission may make rules establishing the information that a pass-through entity shall
- 2597 provide to the commission to obtain a refund of qualifying excess withholding under this
- 2598 section.

2599 ~~[(6) (a) On or before November 30, 2018, the committee shall review the \$250,000~~
 2600 ~~threshold described in Subsection (2) for the purpose of assessing whether the threshold~~
 2601 ~~amount should be maintained, increased, or decreased.]~~

2602 ~~[(b) To assist the committee in conducting the review described in Subsection (6)(a),~~
 2603 ~~the commission shall provide the committee with:]~~

2604 ~~[(i) the total number of refund requests made under this section;]~~

2605 ~~[(ii) the total costs of any refunds issued under this section;]~~

2606 ~~[(iii) the costs of any audits conducted on refund requests made under this section; and]~~

2607 ~~[(iv) an estimation of:]~~

2608 ~~[(A) the number of refund requests the commission expects to receive if the Legislature~~
 2609 ~~increases the threshold;]~~

2610 ~~[(B) the number of refund requests the commission expects to receive if the Legislature~~
 2611 ~~decreases the threshold; and]~~

2612 ~~[(C) the costs of any audits the commission would conduct if the Legislature increases~~
 2613 ~~or decreases the threshold.]~~

2614 Section 44. Section **59-12-102** is amended to read:

2615 **59-12-102. Definitions.**

2616 As used in this chapter:

2617 (1) "800 service" means a telecommunications service that:

2618 (a) allows a caller to dial a toll-free number without incurring a charge for the call; and

2619 (b) is typically marketed:

2620 (i) under the name 800 toll-free calling;

2621 (ii) under the name 855 toll-free calling;

2622 (iii) under the name 866 toll-free calling;

2623 (iv) under the name 877 toll-free calling;

2624 (v) under the name 888 toll-free calling; or

2625 (vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the

2626 Federal Communications Commission.

2627 (2) (a) "900 service" means an inbound toll telecommunications service that:

2628 (i) a subscriber purchases;

2629 (ii) allows a customer of the subscriber described in Subsection (2)(a)(i) to call in to

2630 the subscriber's:

2631 (A) prerecorded announcement; or

2632 (B) live service; and

2633 (iii) is typically marketed:

2634 (A) under the name 900 service; or

2635 (B) under a name similar to Subsection (2)(a)(iii)(A) as designated by the Federal

2636 Communications Commission.

2637 (b) "900 service" does not include a charge for:

2638 (i) a collection service a seller of a telecommunications service provides to a

2639 subscriber; or

2640 (ii) the following a subscriber sells to the subscriber's customer:

2641 (A) a product; or

2642 (B) a service.

2643 (3) (a) "Admission or user fees" includes season passes.

2644 (b) "Admission or user fees" does not include annual membership dues to private

2645 organizations.

2646 (4) "Affiliate" or "affiliated person" means a person that, with respect to another

2647 person:

2648 (a) has an ownership interest of more than 5%, whether direct or indirect, in that other

2649 person; or

2650 (b) is related to the other person because a third person, or a group of third persons who

2651 are affiliated persons with respect to each other, holds an ownership interest of more than 5%,

2652 whether direct or indirect, in the related persons.

2653 (5) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on

2654 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax

2655 Agreement after November 12, 2002.

2656 (6) "Agreement combined tax rate" means the sum of the tax rates:

2657 (a) listed under Subsection (7); and

2658 (b) that are imposed within a local taxing jurisdiction.

2659 (7) "Agreement sales and use tax" means a tax imposed under:

2660 (a) Subsection [59-12-103\(2\)\(a\)\(i\)\(A\)](#);

- 2661 (b) Subsection 59-12-103(2)(b)(i);
- 2662 (c) Subsection 59-12-103(2)(c)(i);
- 2663 (d) Subsection 59-12-103(2)(d)(i)(A)(I);
- 2664 (e) Section 59-12-204;
- 2665 (f) Section 59-12-401;
- 2666 (g) Section 59-12-402;
- 2667 (h) Section 59-12-402.1;
- 2668 (i) Section 59-12-703;
- 2669 (j) Section 59-12-802;
- 2670 (k) Section 59-12-804;
- 2671 (l) Section 59-12-1102;
- 2672 (m) Section 59-12-1302;
- 2673 (n) Section 59-12-1402;
- 2674 (o) Section 59-12-1802;
- 2675 (p) Section 59-12-2003;
- 2676 (q) Section 59-12-2103;
- 2677 (r) Section 59-12-2213;
- 2678 (s) Section 59-12-2214;
- 2679 (t) Section 59-12-2215;
- 2680 (u) Section 59-12-2216;
- 2681 (v) Section 59-12-2217;
- 2682 (w) Section 59-12-2218;
- 2683 (x) Section 59-12-2219; or
- 2684 (y) Section 59-12-2220.
- 2685 (8) "Aircraft" means the same as that term is defined in Section 72-10-102.
- 2686 (9) "Aircraft maintenance, repair, and overhaul provider" means a business entity:
- 2687 (a) except for:
- 2688 (i) an airline as defined in Section 59-2-102; or
- 2689 (ii) an affiliated group, as defined in Section 59-7-101, except that "affiliated group"
- 2690 includes a corporation that is qualified to do business but is not otherwise doing business in the
- 2691 state, of an airline; and

2692 (b) that has the workers, expertise, and facilities to perform the following, regardless of
2693 whether the business entity performs the following in this state:

2694 (i) check, diagnose, overhaul, and repair:

2695 (A) an onboard system of a fixed wing turbine powered aircraft; and

2696 (B) the parts that comprise an onboard system of a fixed wing turbine powered aircraft;

2697 (ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered aircraft
2698 engine;

2699 (iii) perform at least the following maintenance on a fixed wing turbine powered
2700 aircraft:

2701 (A) an inspection;

2702 (B) a repair, including a structural repair or modification;

2703 (C) changing landing gear; and

2704 (D) addressing issues related to an aging fixed wing turbine powered aircraft;

2705 (iv) completely remove the existing paint of a fixed wing turbine powered aircraft and
2706 completely apply new paint to the fixed wing turbine powered aircraft; and

2707 (v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that
2708 results in a change in the fixed wing turbine powered aircraft's certification requirements by the
2709 authority that certifies the fixed wing turbine powered aircraft.

2710 (10) "Alcoholic beverage" means a beverage that:

2711 (a) is suitable for human consumption; and

2712 (b) contains .5% or more alcohol by volume.

2713 (11) "Alternative energy" means:

2714 (a) biomass energy;

2715 (b) geothermal energy;

2716 (c) hydroelectric energy;

2717 (d) solar energy;

2718 (e) wind energy; or

2719 (f) energy that is derived from:

2720 (i) coal-to-liquids;

2721 (ii) nuclear fuel;

2722 (iii) oil-impregnated diatomaceous earth;

2723 (iv) oil sands;
2724 (v) oil shale;
2725 (vi) petroleum coke; or
2726 (vii) waste heat from:
2727 (A) an industrial facility; or
2728 (B) a power station in which an electric generator is driven through a process in which
2729 water is heated, turns into steam, and spins a steam turbine.

2730 (12) (a) Subject to Subsection (12)(b), "alternative energy electricity production
2731 facility" means a facility that:
2732 (i) uses alternative energy to produce electricity; and
2733 (ii) has a production capacity of two megawatts or greater.
2734 (b) A facility is an alternative energy electricity production facility regardless of
2735 whether the facility is:
2736 (i) connected to an electric grid; or
2737 (ii) located on the premises of an electricity consumer.

2738 (13) (a) "Ancillary service" means a service associated with, or incidental to, the
2739 provision of telecommunications service.
2740 (b) "Ancillary service" includes:
2741 (i) a conference bridging service;
2742 (ii) a detailed communications billing service;
2743 (iii) directory assistance;
2744 (iv) a vertical service; or
2745 (v) a voice mail service.

2746 (14) "Area agency on aging" means the same as that term is defined in Section
2747 [62A-3-101](#).

2748 ~~[(15) "Assisted amusement device" means an amusement device, skill device, or ride~~
2749 ~~device that is started and stopped by an individual:]~~
2750 ~~[(a) who is not the purchaser or renter of the right to use or operate the amusement~~
2751 ~~device, skill device, or ride device; and]~~
2752 ~~[(b) at the direction of the seller of the right to use the amusement device, skill device,~~
2753 ~~or ride device.]~~

2754 [~~(16)~~] (15) "Assisted cleaning or washing of tangible personal property" means
2755 cleaning or washing of tangible personal property if the cleaning or washing labor is primarily
2756 performed by an individual:

2757 (a) who is not the purchaser of the cleaning or washing of the tangible personal
2758 property; and

2759 (b) at the direction of the seller of the cleaning or washing of the tangible personal
2760 property.

2761 [~~(17)~~] (16) "Authorized carrier" means:

2762 (a) in the case of vehicles operated over public highways, the holder of credentials
2763 indicating that the vehicle is or will be operated pursuant to both the International Registration
2764 Plan and the International Fuel Tax Agreement;

2765 (b) in the case of aircraft, the holder of a Federal Aviation Administration operating
2766 certificate or air carrier's operating certificate; or

2767 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling
2768 stock, a person who uses locomotives, freight cars, railroad work equipment, or other rolling
2769 stock in more than one state.

2770 [~~(18)~~] (17) (a) Except as provided in Subsection [~~(18)~~] (17)(b), "biomass energy"
2771 means any of the following that is used as the primary source of energy to produce fuel or
2772 electricity:

2773 (i) material from a plant or tree; or

2774 (ii) other organic matter that is available on a renewable basis, including:

2775 (A) slash and brush from forests and woodlands;

2776 (B) animal waste;

2777 (C) waste vegetable oil;

2778 (D) methane or synthetic gas produced at a landfill, as a byproduct of the treatment of
2779 wastewater residuals, or through the conversion of a waste material through a nonincineration,
2780 thermal conversion process;

2781 (E) aquatic plants; and

2782 (F) agricultural products.

2783 (b) "Biomass energy" does not include:

2784 (i) black liquor; or

- 2785 (ii) treated woods.
- 2786 [~~(19)~~] (18) (a) "Bundled transaction" means the sale of two or more items of tangible
2787 personal property, products, or services if the tangible personal property, products, or services
2788 are:
- 2789 (i) distinct and identifiable; and
- 2790 (ii) sold for one nonitemized price.
- 2791 (b) "Bundled transaction" does not include:
- 2792 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on
2793 the basis of the selection by the purchaser of the items of tangible personal property included in
2794 the transaction;
- 2795 (ii) the sale of real property;
- 2796 (iii) the sale of services to real property;
- 2797 (iv) the retail sale of tangible personal property and a service if:
- 2798 (A) the tangible personal property:
- 2799 (I) is essential to the use of the service; and
- 2800 (II) is provided exclusively in connection with the service; and
- 2801 (B) the service is the true object of the transaction;
- 2802 (v) the retail sale of two services if:
- 2803 (A) one service is provided that is essential to the use or receipt of a second service;
- 2804 (B) the first service is provided exclusively in connection with the second service; and
- 2805 (C) the second service is the true object of the transaction;
- 2806 (vi) a transaction that includes tangible personal property or a product subject to
2807 taxation under this chapter and tangible personal property or a product that is not subject to
2808 taxation under this chapter if the:
- 2809 (A) seller's purchase price of the tangible personal property or product subject to
2810 taxation under this chapter is de minimis; or
- 2811 (B) seller's sales price of the tangible personal property or product subject to taxation
2812 under this chapter is de minimis; and
- 2813 (vii) the retail sale of tangible personal property that is not subject to taxation under
2814 this chapter and tangible personal property that is subject to taxation under this chapter if:
- 2815 (A) that retail sale includes:

- 2816 (I) food and food ingredients;
- 2817 (II) a drug;
- 2818 (III) durable medical equipment;
- 2819 (IV) mobility enhancing equipment;
- 2820 (V) an over-the-counter drug;
- 2821 (VI) a prosthetic device; or
- 2822 (VII) a medical supply; and
- 2823 (B) subject to Subsection [~~(19)~~] (18)(f):
- 2824 (I) the seller's purchase price of the tangible personal property subject to taxation under
- 2825 this chapter is 50% or less of the seller's total purchase price of that retail sale; or
- 2826 (II) the seller's sales price of the tangible personal property subject to taxation under
- 2827 this chapter is 50% or less of the seller's total sales price of that retail sale.
- 2828 (c) (i) For purposes of Subsection [~~(19)~~] (18)(a)(i), tangible personal property, a
- 2829 product, or a service that is distinct and identifiable does not include:
- 2830 (A) packaging that:
- 2831 (I) accompanies the sale of the tangible personal property, product, or service; and
- 2832 (II) is incidental or immaterial to the sale of the tangible personal property, product, or
- 2833 service;
- 2834 (B) tangible personal property, a product, or a service provided free of charge with the
- 2835 purchase of another item of tangible personal property, a product, or a service; or
- 2836 (C) an item of tangible personal property, a product, or a service included in the
- 2837 definition of "purchase price."
- 2838 (ii) For purposes of Subsection [~~(19)~~] (18)(c)(i)(B), an item of tangible personal
- 2839 property, a product, or a service is provided free of charge with the purchase of another item of
- 2840 tangible personal property, a product, or a service if the sales price of the purchased item of
- 2841 tangible personal property, product, or service does not vary depending on the inclusion of the
- 2842 tangible personal property, product, or service provided free of charge.
- 2843 (d) (i) For purposes of Subsection [~~(19)~~] (18)(a)(ii), property sold for one nonitemized
- 2844 price does not include a price that is separately identified by tangible personal property,
- 2845 product, or service on the following, regardless of whether the following is in paper format or
- 2846 electronic format:

- 2847 (A) a binding sales document; or
- 2848 (B) another supporting sales-related document that is available to a purchaser.
- 2849 (ii) For purposes of Subsection [~~(19)~~] (18)(d)(i), a binding sales document or another
- 2850 supporting sales-related document that is available to a purchaser includes:
- 2851 (A) a bill of sale;
- 2852 (B) a contract;
- 2853 (C) an invoice;
- 2854 (D) a lease agreement;
- 2855 (E) a periodic notice of rates and services;
- 2856 (F) a price list;
- 2857 (G) a rate card;
- 2858 (H) a receipt; or
- 2859 (I) a service agreement.
- 2860 (e) (i) For purposes of Subsection [~~(19)~~] (18)(b)(vi), the sales price of tangible personal
- 2861 property or a product subject to taxation under this chapter is de minimis if:
- 2862 (A) the seller's purchase price of the tangible personal property or product is 10% or
- 2863 less of the seller's total purchase price of the bundled transaction; or
- 2864 (B) the seller's sales price of the tangible personal property or product is 10% or less of
- 2865 the seller's total sales price of the bundled transaction.
- 2866 (ii) For purposes of Subsection [~~(19)~~] (18)(b)(vi), a seller:
- 2867 (A) shall use the seller's purchase price or the seller's sales price to determine if the
- 2868 purchase price or sales price of the tangible personal property or product subject to taxation
- 2869 under this chapter is de minimis; and
- 2870 (B) may not use a combination of the seller's purchase price and the seller's sales price
- 2871 to determine if the purchase price or sales price of the tangible personal property or product
- 2872 subject to taxation under this chapter is de minimis.
- 2873 (iii) For purposes of Subsection [~~(19)~~] (18)(b)(vi), a seller shall use the full term of a
- 2874 service contract to determine if the sales price of tangible personal property or a product is de
- 2875 minimis.
- 2876 (f) For purposes of Subsection [~~(19)~~] (18)(b)(vii)(B), a seller may not use a
- 2877 combination of the seller's purchase price and the seller's sales price to determine if tangible

2878 personal property subject to taxation under this chapter is 50% or less of the seller's total
2879 purchase price or sales price of that retail sale.

2880 ~~[(20)]~~ (19) "Certified automated system" means software certified by the governing
2881 board of the agreement that:

2882 (a) calculates the agreement sales and use tax imposed within a local taxing
2883 jurisdiction:

2884 (i) on a transaction; and

2885 (ii) in the states that are members of the agreement;

2886 (b) determines the amount of agreement sales and use tax to remit to a state that is a
2887 member of the agreement; and

2888 (c) maintains a record of the transaction described in Subsection ~~[(20)]~~ (19)(a)(i).

2889 ~~[(21)]~~ (20) "Certified service provider" means an agent certified:

2890 (a) by the governing board of the agreement; and

2891 (b) to perform a seller's sales and use tax functions for an agreement sales and use tax,
2892 as outlined in the contract between the governing board of the agreement and the certified
2893 service provider, other than the seller's obligation under Section 59-12-124 to remit a tax on the
2894 seller's own purchases.

2895 ~~[(22)]~~ (21) (a) Subject to Subsection ~~[(22)]~~ (21)(b), "clothing" means all human
2896 wearing apparel suitable for general use.

2897 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2898 commission shall make rules:

2899 (i) listing the items that constitute "clothing"; and

2900 (ii) that are consistent with the list of items that constitute "clothing" under the
2901 agreement.

2902 ~~[(23)]~~ (22) "Coal-to-liquid" means the process of converting coal into a liquid synthetic
2903 fuel.

2904 ~~[(24)]~~ (23) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or
2905 other fuels that does not constitute industrial use under Subsection (57) or residential use under
2906 Subsection ~~[(111)]~~ (115).

2907 ~~[(25)]~~ (24) (a) "Common carrier" means a person engaged in or transacting the
2908 business of transporting passengers, freight, merchandise, or other property for hire within this

2909 state.

2910 (b) (i) "Common carrier" does not include a person that, at the time the person is
2911 traveling to or from that person's place of employment, transports a passenger to or from the
2912 passenger's place of employment.

2913 (ii) For purposes of Subsection [~~(25)~~] (24)(b)(i), in accordance with Title 63G, Chapter
2914 3, Utah Administrative Rulemaking Act, the commission may make rules defining what
2915 constitutes a person's place of employment.

2916 (c) "Common carrier" does not include a person that provides transportation network
2917 services, as defined in Section 13-51-102.

2918 [~~(26)~~] (25) "Component part" includes:

2919 (a) poultry, dairy, and other livestock feed, and their components;

2920 (b) baling ties and twine used in the baling of hay and straw;

2921 (c) fuel used for providing temperature control of orchards and commercial
2922 greenhouses doing a majority of their business in wholesale sales, and for providing power for
2923 off-highway type farm machinery; and

2924 (d) feed, seeds, and seedlings.

2925 [~~(27)~~] (26) "Computer" means an electronic device that accepts information:

2926 (a) (i) in digital form; or

2927 (ii) in a form similar to digital form; and

2928 (b) manipulates that information for a result based on a sequence of instructions.

2929 [~~(28)~~] (27) "Computer software" means a set of coded instructions designed to cause:

2930 (a) a computer to perform a task; or

2931 (b) automatic data processing equipment to perform a task.

2932 [~~(29)~~] (28) "Computer software maintenance contract" means a contract that obligates a
2933 seller of computer software to provide a customer with:

2934 (a) future updates or upgrades to computer software;

2935 (b) support services with respect to computer software; or

2936 (c) a combination of Subsections [~~(29)~~] (28)(a) and (b).

2937 [~~(30)~~] (29) (a) "Conference bridging service" means an ancillary service that links two
2938 or more participants of an audio conference call or video conference call.

2939 (b) "Conference bridging service" may include providing a telephone number as part of

2940 the ancillary service described in Subsection [~~(30)~~] (29)(a).

2941 (c) "Conference bridging service" does not include a telecommunications service used
2942 to reach the ancillary service described in Subsection [~~(30)~~] (29)(a).

2943 [~~(31)~~] (30) "Construction materials" means any tangible personal property that will be
2944 converted into real property.

2945 [~~(32)~~] (31) "Delivered electronically" means delivered to a purchaser by means other
2946 than tangible storage media.

2947 (32) "Dating referral services" means services that are primarily intended to introduce
2948 or match adults for social or romantic activities, including computer dating or video dating
2949 services.

2950 (33) (a) "Delivery charge" means a charge:

2951 (i) by a seller of:

2952 (A) tangible personal property;

2953 (B) a product transferred electronically; or

2954 (C) a service; and

2955 (ii) for preparation and delivery of the tangible personal property, product transferred
2956 electronically, or services described in Subsection (33)(a)(i) to a location designated by the
2957 purchaser.

2958 (b) "Delivery charge" includes a charge for the following:

2959 (i) transportation;

2960 (ii) shipping;

2961 (iii) postage;

2962 (iv) handling;

2963 (v) crating; or

2964 (vi) packing.

2965 (34) "Detailed telecommunications billing service" means an ancillary service of
2966 separately stating information pertaining to individual calls on a customer's billing statement.

2967 (35) "Dietary supplement" means a product, other than tobacco, that:

2968 (a) is intended to supplement the diet;

2969 (b) contains one or more of the following dietary ingredients:

2970 (i) a vitamin;

- 2971 (ii) a mineral;
- 2972 (iii) an herb or other botanical;
- 2973 (iv) an amino acid;
- 2974 (v) a dietary substance for use by humans to supplement the diet by increasing the total
2975 dietary intake; or
- 2976 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient
2977 described in Subsections (35)(b)(i) through (v);
- 2978 (c) (i) except as provided in Subsection (35)(c)(ii), is intended for ingestion in:
- 2979 (A) tablet form;
- 2980 (B) capsule form;
- 2981 (C) powder form;
- 2982 (D) softgel form;
- 2983 (E) gelcap form; or
- 2984 (F) liquid form; or
- 2985 (ii) if the product is not intended for ingestion in a form described in Subsections
2986 (35)(c)(i)(A) through (F), is not represented:
- 2987 (A) as conventional food; and
- 2988 (B) for use as a sole item of:
- 2989 (I) a meal; or
- 2990 (II) the diet; and
- 2991 (d) is required to be labeled as a dietary supplement:
- 2992 (i) identifiable by the "Supplemental Facts" box found on the label; and
- 2993 (ii) as required by 21 C.F.R. Sec. 101.36.
- 2994 (36) (a) "Digital audio work" means a work that results from the fixation of a series of
2995 musical, spoken, or other sounds.
- 2996 (b) "Digital audio work" includes a ringtone.
- 2997 (37) "Digital audio-visual work" means a series of related images which, when shown
2998 in succession, imparts an impression of motion, together with accompanying sounds, if any.
- 2999 (38) "Digital book" means a work that is generally recognized in the ordinary and usual
3000 sense as a book.
- 3001 (39) (a) "Direct mail" means printed material delivered or distributed by United States

- 3002 mail or other delivery service:
- 3003 (i) to:
- 3004 (A) a mass audience; or
- 3005 (B) addressees on a mailing list provided:
- 3006 (I) by a purchaser of the mailing list; or
- 3007 (II) at the discretion of the purchaser of the mailing list; and
- 3008 (ii) if the cost of the printed material is not billed directly to the recipients.
- 3009 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a
- 3010 purchaser to a seller of direct mail for inclusion in a package containing the printed material.
- 3011 (c) "Direct mail" does not include multiple items of printed material delivered to a
- 3012 single address.
- 3013 (40) "Directory assistance" means an ancillary service of providing:
- 3014 (a) address information; or
- 3015 (b) telephone number information.
- 3016 (41) (a) "Disposable home medical equipment or supplies" means medical equipment
- 3017 or supplies that:
- 3018 (i) cannot withstand repeated use; and
- 3019 (ii) are purchased by, for, or on behalf of a person other than:
- 3020 (A) a health care facility as defined in Section [26-21-2](#);
- 3021 (B) a health care provider as defined in Section [78B-3-403](#);
- 3022 (C) an office of a health care provider described in Subsection (41)(a)(ii)(B); or
- 3023 (D) a person similar to a person described in Subsections (41)(a)(ii)(A) through (C).
- 3024 (b) "Disposable home medical equipment or supplies" does not include:
- 3025 (i) a drug;
- 3026 (ii) durable medical equipment;
- 3027 (iii) a hearing aid;
- 3028 (iv) a hearing aid accessory;
- 3029 (v) mobility enhancing equipment; or
- 3030 (vi) tangible personal property used to correct impaired vision, including:
- 3031 (A) eyeglasses; or
- 3032 (B) contact lenses.

3033 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3034 commission may by rule define what constitutes medical equipment or supplies.

3035 (42) "Drilling equipment manufacturer" means a facility:

3036 (a) located in the state;

3037 (b) with respect to which 51% or more of the manufacturing activities of the facility
3038 consist of manufacturing component parts of drilling equipment;

3039 (c) that uses pressure of 800,000 or more pounds per square inch as part of the
3040 manufacturing process; and

3041 (d) that uses a temperature of 2,000 or more degrees Fahrenheit as part of the
3042 manufacturing process.

3043 (43) (a) "Drug" means a compound, substance, or preparation, or a component of a
3044 compound, substance, or preparation that is:

3045 (i) recognized in:

3046 (A) the official United States Pharmacopoeia;

3047 (B) the official Homeopathic Pharmacopoeia of the United States;

3048 (C) the official National Formulary; or

3049 (D) a supplement to a publication listed in Subsections (43)(a)(i)(A) through (C);

3050 (ii) intended for use in the:

3051 (A) diagnosis of disease;

3052 (B) cure of disease;

3053 (C) mitigation of disease;

3054 (D) treatment of disease; or

3055 (E) prevention of disease; or

3056 (iii) intended to affect:

3057 (A) the structure of the body; or

3058 (B) any function of the body.

3059 (b) "Drug" does not include:

3060 (i) food and food ingredients;

3061 (ii) a dietary supplement;

3062 (iii) an alcoholic beverage; or

3063 (iv) a prosthetic device.

3064 (44) (a) Except as provided in Subsection (44)(c), "durable medical equipment" means
3065 equipment that:

- 3066 (i) can withstand repeated use;
- 3067 (ii) is primarily and customarily used to serve a medical purpose;
- 3068 (iii) generally is not useful to a person in the absence of illness or injury; and
- 3069 (iv) is not worn in or on the body.

3070 (b) "Durable medical equipment" includes parts used in the repair or replacement of the
3071 equipment described in Subsection (44)(a).

3072 (c) "Durable medical equipment" does not include mobility enhancing equipment.

3073 (45) "Electronic" means:

3074 (a) relating to technology; and

3075 (b) having:

3076 (i) electrical capabilities;

3077 (ii) digital capabilities;

3078 (iii) magnetic capabilities;

3079 (iv) wireless capabilities;

3080 (v) optical capabilities;

3081 (vi) electromagnetic capabilities; or

3082 (vii) capabilities similar to Subsections (45)(b)(i) through (vi).

3083 (46) "Electronic financial payment service" means an establishment:

3084 (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and
3085 Clearinghouse Activities, of the 2012 North American Industry Classification System of the
3086 federal Executive Office of the President, Office of Management and Budget; and

3087 (b) that performs electronic financial payment services.

3088 (47) "Employee" means the same as that term is defined in Section [59-10-401](#).

3089 (48) "Fixed guideway" means a public transit facility that uses and occupies:

3090 (a) rail for the use of public transit; or

3091 (b) a separate right-of-way for the use of public transit.

3092 (49) "Fixed wing turbine powered aircraft" means an aircraft that:

3093 (a) is powered by turbine engines;

3094 (b) operates on jet fuel; and

- 3095 (c) has wings that are permanently attached to the fuselage of the aircraft.
- 3096 (50) "Fixed wireless service" means a telecommunications service that provides radio
- 3097 communication between fixed points.
- 3098 (51) (a) "Food and food ingredients" means substances:
- 3099 (i) regardless of whether the substances are in:
- 3100 (A) liquid form;
- 3101 (B) concentrated form;
- 3102 (C) solid form;
- 3103 (D) frozen form;
- 3104 (E) dried form; or
- 3105 (F) dehydrated form; and
- 3106 (ii) that are:
- 3107 (A) sold for:
- 3108 (I) ingestion by humans; or
- 3109 (II) chewing by humans; and
- 3110 (B) consumed for the substance's:
- 3111 (I) taste; or
- 3112 (II) nutritional value.
- 3113 (b) "Food and food ingredients" includes an item described in Subsection [~~95~~]
- 3114 (99)(b)(iii).
- 3115 (c) "Food and food ingredients" does not include:
- 3116 (i) an alcoholic beverage;
- 3117 (ii) tobacco; or
- 3118 (iii) prepared food.
- 3119 (52) (a) "Fundraising sales" means sales:
- 3120 (i) (A) made by a school; or
- 3121 (B) made by a school student;
- 3122 (ii) that are for the purpose of raising funds for the school to purchase equipment,
- 3123 materials, or provide transportation; and
- 3124 (iii) that are part of an officially sanctioned school activity.
- 3125 (b) For purposes of Subsection (52)(a)(iii), "officially sanctioned school activity"

3126 means a school activity:

3127 (i) that is conducted in accordance with a formal policy adopted by the school or school
3128 district governing the authorization and supervision of fundraising activities;

3129 (ii) that does not directly or indirectly compensate an individual teacher or other
3130 educational personnel by direct payment, commissions, or payment in kind; and

3131 (iii) the net or gross revenues from which are deposited in a dedicated account
3132 controlled by the school or school district.

3133 (53) "Geothermal energy" means energy contained in heat that continuously flows
3134 outward from the earth that is used as the sole source of energy to produce electricity.

3135 (54) "Governing board of the agreement" means the governing board of the agreement
3136 that is:

3137 (a) authorized to administer the agreement; and

3138 (b) established in accordance with the agreement.

3139 (55) (a) [~~For purposes of Subsection 59-12-104(41), "governmental]~~ "Governmental
3140 entity" means:

3141 (i) the executive branch of the state, including all departments, institutions, boards,
3142 divisions, bureaus, offices, commissions, and committees;

3143 (ii) the judicial branch of the state, including the courts, the Judicial Council, the
3144 Administrative Office of the Courts, and similar administrative units in the judicial branch;

3145 (iii) the legislative branch of the state, including the House of Representatives, the
3146 Senate, the Legislative Printing Office, the Office of Legislative Research and General
3147 Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal
3148 Analyst;

3149 (iv) the National Guard;

3150 (v) an independent entity as defined in Section 63E-1-102; or

3151 (vi) a political subdivision as defined in Section 17B-1-102.

3152 (b) "Governmental entity" does not include the state systems of public and higher
3153 education, including:

3154 (i) a school;

3155 (ii) the State Board of Education;

3156 (iii) the State Board of Regents; or

- 3157 (iv) an institution of higher education described in Section [53B-1-102](#).
- 3158 (56) "Hydroelectric energy" means water used as the sole source of energy to produce
- 3159 electricity.
- 3160 (57) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil, or
- 3161 other fuels:
- 3162 (a) in mining or extraction of minerals;
- 3163 (b) in agricultural operations to produce an agricultural product up to the time of
- 3164 harvest or placing the agricultural product into a storage facility, including:
- 3165 (i) commercial greenhouses;
- 3166 (ii) irrigation pumps;
- 3167 (iii) farm machinery;
- 3168 (iv) implements of husbandry as defined in Section [41-1a-102](#) that are not registered
- 3169 under Title 41, Chapter 1a, Part 2, Registration; and
- 3170 (v) other farming activities;
- 3171 (c) in manufacturing tangible personal property at an establishment described in:
- 3172 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
- 3173 the federal Executive Office of the President, Office of Management and Budget; or
- 3174 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
- 3175 American Industry Classification System of the federal Executive Office of the President,
- 3176 Office of Management and Budget;
- 3177 (d) by a scrap recycler if:
- 3178 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
- 3179 one or more of the following items into prepared grades of processed materials for use in new
- 3180 products:
- 3181 (A) iron;
- 3182 (B) steel;
- 3183 (C) nonferrous metal;
- 3184 (D) paper;
- 3185 (E) glass;
- 3186 (F) plastic;
- 3187 (G) textile; or

3188 (H) rubber; and
3189 (ii) the new products under Subsection (57)(d)(i) would otherwise be made with
3190 nonrecycled materials; or
3191 (e) in producing a form of energy or steam described in Subsection 54-2-1(3)(a) by a
3192 cogeneration facility as defined in Section 54-2-1.
3193 ~~[(58)(a) Except as provided in Subsection (58)(b), "installation charge" means a~~
3194 ~~charge for installing:]~~
3195 ~~[(i) tangible personal property; or]~~
3196 ~~[(ii) a product transferred electronically.]~~
3197 ~~[(b) "Installation charge" does not include a charge for:]~~
3198 ~~[(i) repairs or renovations of:]~~
3199 ~~[(A) tangible personal property; or]~~
3200 ~~[(B) a product transferred electronically; or]~~
3201 ~~[(ii) attaching tangible personal property or a product transferred electronically:]~~
3202 ~~[(A) to other tangible personal property; and]~~
3203 ~~[(B) as part of a manufacturing or fabrication process.]~~
3204 (58) (a) "Installation charge" means a charge:
3205 (i) by a seller of:
3206 (A) tangible personal property; or
3207 (B) a product transferred electronically; and
3208 (ii) for installing the tangible personal property or the product transferred electronically
3209 described in Subsection (58)(a)(i).
3210 (b) "Installation charge" does not include a charge for:
3211 (i) installing tangible personal property if the tangible personal property is permanently
3212 attached to real property;
3213 (ii) converting tangible personal property to real property.
3214 (59) "Institution of higher education" means an institution of higher education listed in
3215 Section 53B-2-101.
3216 (60) (a) "Lease" or "rental" means a transfer of possession or control of tangible
3217 personal property or a product transferred electronically for:
3218 (i) (A) a fixed term; or

- 3219 (B) an indeterminate term; and
3220 (ii) consideration.
- 3221 (b) "Lease" or "rental" includes an agreement covering a motor vehicle and trailer if the
3222 amount of consideration may be increased or decreased by reference to the amount realized
3223 upon sale or disposition of the property as defined in Section 7701(h)(1), Internal Revenue
3224 Code.
- 3225 (c) "Lease" or "rental" does not include:
- 3226 (i) a transfer of possession or control of property under a security agreement or
3227 deferred payment plan that requires the transfer of title upon completion of the required
3228 payments;
- 3229 (ii) a transfer of possession or control of property under an agreement that requires the
3230 transfer of title:
- 3231 (A) upon completion of required payments; and
3232 (B) if the payment of an option price does not exceed the greater of:
- 3233 (I) \$100; or
3234 (II) 1% of the total required payments; or
- 3235 (iii) providing tangible personal property along with an operator for a fixed period of
3236 time or an indeterminate period of time if the operator is necessary for equipment to perform as
3237 designed.
- 3238 (d) For purposes of Subsection (60)(c)(iii), an operator is necessary for equipment to
3239 perform as designed if the operator's duties exceed the:
- 3240 (i) set-up of tangible personal property;
3241 (ii) maintenance of tangible personal property; or
3242 (iii) inspection of tangible personal property.
- 3243 (61) "Life science establishment" means an establishment in this state that is classified
3244 under the following NAICS codes of the 2007 North American Industry Classification System
3245 of the federal Executive Office of the President, Office of Management and Budget:
- 3246 (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;
3247 (b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus
3248 Manufacturing; or
3249 (c) NAICS Code 334517, Irradiation Apparatus Manufacturing.

3250 (62) "Life science research and development facility" means a facility owned, leased,
3251 or rented by a life science establishment if research and development is performed in 51% or
3252 more of the total area of the facility.

3253 (63) "Load and leave" means delivery to a purchaser by use of a tangible storage media
3254 if the tangible storage media is not physically transferred to the purchaser.

3255 (64) "Local taxing jurisdiction" means a:

3256 (a) county that is authorized to impose an agreement sales and use tax;

3257 (b) city that is authorized to impose an agreement sales and use tax; or

3258 (c) town that is authorized to impose an agreement sales and use tax.

3259 (65) "Manufactured home" means the same as that term is defined in Section
3260 [15A-1-302](#).

3261 (66) "Manufacturing facility" means:

3262 (a) an establishment described in:

3263 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
3264 the federal Executive Office of the President, Office of Management and Budget; or

3265 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
3266 American Industry Classification System of the federal Executive Office of the President,
3267 Office of Management and Budget;

3268 (b) a scrap recycler if:

3269 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
3270 one or more of the following items into prepared grades of processed materials for use in new
3271 products:

3272 (A) iron;

3273 (B) steel;

3274 (C) nonferrous metal;

3275 (D) paper;

3276 (E) glass;

3277 (F) plastic;

3278 (G) textile; or

3279 (H) rubber; and

3280 (ii) the new products under Subsection (66)(b)(i) would otherwise be made with

3281 nonrecycled materials; or

3282 (c) a cogeneration facility as defined in Section 54-2-1 if the cogeneration facility is
3283 placed in service on or after May 1, 2006.

3284 (67) (a) "Marketplace" means a physical or electronic place, platform, or forum where
3285 tangible personal property, a product transferred electronically, or a service is offered for sale.

3286 (b) "Marketplace" includes a store, a booth, an Internet website, a catalog, or a
3287 dedicated sales software application.

3288 (68) (a) "Marketplace facilitator" means a person, including an affiliate of the person,
3289 that enters into a contract, an agreement, or otherwise with sellers, for consideration, to
3290 facilitate the sale of a seller's product through a marketplace that the person owns, operates, or
3291 controls and that directly or indirectly:

3292 (i) does any of the following:

3293 (A) lists, makes available, or advertises tangible personal property, a product
3294 transferred electronically, or a service for sale by a marketplace seller on a marketplace that the
3295 person owns, operates, or controls;

3296 (B) facilitates the sale of a marketplace seller's tangible personal property, product
3297 transferred electronically, or service by transmitting or otherwise communicating an offer or
3298 acceptance of a retail sale between the marketplace seller and a purchaser using the
3299 marketplace;

3300 (C) owns, rents, licenses, makes available, or operates any electronic or physical
3301 infrastructure or any property, process, method, copyright, trademark, or patent that connects a
3302 marketplace seller to a purchaser for the purpose of making a retail sale of tangible personal
3303 property, a product transferred electronically, or a service;

3304 (D) provides a marketplace for making, or otherwise facilitates, a retail sale of tangible
3305 personal property, a product transferred electronically, or a service, regardless of ownership or
3306 control of the tangible personal property, the product transferred electronically, or the service
3307 that is the subject of the retail sale;

3308 (E) provides software development or research and development activities related to
3309 any activity described in this Subsection (68)(a)(i), if the software development or research and
3310 development activity is directly related to the person's marketplace;

3311 (F) provides or offers fulfillment or storage services for a marketplace seller;

- 3312 (G) sets prices for the sale of tangible personal property, a product transferred
3313 electronically, or a service by a marketplace seller;
- 3314 (H) provides or offers customer service to a marketplace seller or a marketplace seller's
3315 purchaser or accepts or assists with taking orders, returns, or exchanges of tangible personal
3316 property, a product transferred electronically, or a service sold by a marketplace seller on the
3317 person's marketplace; or
- 3318 (I) brands or otherwise identifies sales as those of the person; and
3319 (ii) does any of the following:
- 3320 (A) collects the sales price or purchase price of a retail sale of tangible personal
3321 property, a product transferred electronically, or a service;
- 3322 (B) provides payment processing services for a retail sale of tangible personal property,
3323 a product transferred electronically, or a service;
- 3324 (C) charges, collects, or otherwise receives a selling fee, listing fee, referral fee, closing
3325 fee, a fee for inserting or making available tangible personal property, a product transferred
3326 electronically, or a service on the person's marketplace, or other consideration for the
3327 facilitation of a retail sale of tangible personal property, a product transferred electronically, or
3328 a service, regardless of ownership or control of the tangible personal property, the product
3329 transferred electronically, or the service that is the subject of the retail sale;
- 3330 (D) through terms and conditions, an agreement, or another arrangement with a third
3331 person, collects payment from a purchase for a retail sale of tangible personal property, a
3332 product transferred electronically, or a service and transmits that payment to the marketplace
3333 seller, regardless of whether the third person receives compensation or other consideration in
3334 exchange for the service; or
- 3335 (E) provides a virtual currency for a purchaser to use to purchase tangible personal
3336 property, a product transferred electronically, or service offered for sale.
- 3337 (b) "Marketplace facilitator" does not include a person that only provides payment
3338 processing services.
- 3339 (69) "Marketplace seller" means a seller that makes one or more retail sales through a
3340 marketplace that a marketplace facilitator owns, operates, or controls, regardless of whether the
3341 seller is required to be registered to collect and remit the tax under this part.
- 3342 (70) "Member of the immediate family of the producer" means a person who is related

3343 to a producer described in Subsection ~~59-12-104(20)~~(17)(a) as a:

3344 (a) child or stepchild, regardless of whether the child or stepchild is:

3345 (i) an adopted child or adopted stepchild; or

3346 (ii) a foster child or foster stepchild;

3347 (b) grandchild or stepgrandchild;

3348 (c) grandparent or stepgrandparent;

3349 (d) nephew or stepnephew;

3350 (e) niece or stepniece;

3351 (f) parent or stepparent;

3352 (g) sibling or stepsibling;

3353 (h) spouse;

3354 (i) person who is the spouse of a person described in Subsections (70)(a) through (g);

3355 or

3356 (j) person similar to a person described in Subsections (70)(a) through (i) as

3357 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah

3358 Administrative Rulemaking Act.

3359 (71) (a) "Menstrual products" means:

3360 (i) tampons;

3361 (ii) panty liners;

3362 (iii) menstrual cups;

3363 (iv) sanitary napkins; or

3364 (v) other similar tangible personal property designed for hygiene in connection with the

3365 human menstrual cycle.

3366 (b) "Menstrual products" does not include:

3367 (i) soaps or cleaning solutions;

3368 (ii) shampoo;

3369 (iii) toothpaste;

3370 (iv) mouthwash;

3371 (v) antiperspirants; or

3372 (vi) suntan lotions or screens.

3373 ~~[(71)]~~ (72) "Mobile home" means the same as that term is defined in Section

3374 15A-1-302.

3375 [~~(72)~~] (73) "Mobile telecommunications service" means the same as that term is
3376 defined in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

3377 [~~(73)~~] (74) (a) "Mobile wireless service" means a telecommunications service,
3378 regardless of the technology used, if:

- 3379 (i) the origination point of the conveyance, routing, or transmission is not fixed;
3380 (ii) the termination point of the conveyance, routing, or transmission is not fixed; or
3381 (iii) the origination point described in Subsection [~~(73)~~] (74)(a)(i) and the termination
3382 point described in Subsection [~~(73)~~] (74)(a)(ii) are not fixed.

3383 (b) "Mobile wireless service" includes a telecommunications service that is provided
3384 by a commercial mobile radio service provider.

3385 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3386 commission may by rule define "commercial mobile radio service provider."

3387 [~~(74)~~] (75) (a) [~~Except as provided in Subsection (74)(c), "mobility"~~] "Mobility
3388 enhancing equipment" means equipment that is:

- 3389 (i) primarily and customarily used to provide or increase the ability to move from one
3390 place to another;
3391 (ii) appropriate for use in a:
3392 (A) home; or
3393 (B) motor vehicle; and
3394 (iii) not generally used by persons with normal mobility.

3395 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of
3396 the equipment described in Subsection [~~(74)~~] (75)(a).

3397 (c) "Mobility enhancing equipment" does not include:

- 3398 (i) a motor vehicle;
3399 (ii) equipment on a motor vehicle if that equipment is normally provided by the motor
3400 vehicle manufacturer;
3401 (iii) durable medical equipment; or
3402 (iv) a prosthetic device.

3403 [~~(75)~~] (76) "Model 1 seller" means a seller registered under the agreement that has
3404 selected a certified service provider as the seller's agent to perform the seller's sales and use tax

3405 functions for agreement sales and use taxes, as outlined in the contract between the governing
3406 board of the agreement and the certified service provider, other than the seller's obligation
3407 under Section [59-12-124](#) to remit a tax on the seller's own purchases.

3408 ~~[(76)]~~ [\(77\)](#) "Model 2 seller" means a seller registered under the agreement that:

3409 (a) except as provided in Subsection ~~[(76)]~~ [\(77\)](#)(b), has selected a certified automated
3410 system to perform the seller's sales tax functions for agreement sales and use taxes; and

3411 (b) retains responsibility for remitting all of the sales tax:

3412 (i) collected by the seller; and

3413 (ii) to the appropriate local taxing jurisdiction.

3414 ~~[(77)]~~ [\(78\)](#) (a) Subject to Subsection ~~[(77)]~~ [\(78\)](#)(b), "model 3 seller" means a seller
3415 registered under the agreement that has:

3416 (i) sales in at least five states that are members of the agreement;

3417 (ii) total annual sales ~~[revenues]~~ revenue of at least \$500,000,000;

3418 (iii) a proprietary system that calculates the amount of tax:

3419 (A) for an agreement sales and use tax; and

3420 (B) due to each local taxing jurisdiction; and

3421 (iv) entered into a performance agreement with the governing board of the agreement.

3422 (b) ~~[For purposes of Subsection (77)(a), "model]~~ "Model 3 seller" includes an affiliated
3423 group of sellers using the same proprietary system.

3424 ~~[(78)]~~ [\(79\)](#) "Model 4 seller" means a seller that is registered under the agreement and is
3425 not a model 1 seller, model 2 seller, or model 3 seller.

3426 ~~[(79)]~~ [\(80\)](#) "Modular home" means a modular unit as defined in Section [15A-1-302](#).

3427 ~~[(80)]~~ [\(81\)](#) "Motor vehicle" means the same as that term is defined in Section
3428 [41-1a-102](#).

3429 ~~[(81)]~~ [\(82\)](#) "Oil sands" means impregnated bituminous sands that:

3430 (a) contain a heavy, thick form of petroleum that is released when heated, mixed with
3431 other hydrocarbons, or otherwise treated;

3432 (b) yield mixtures of liquid hydrocarbon; and

3433 (c) require further processing other than mechanical blending before becoming finished
3434 petroleum products.

3435 ~~[(82)]~~ [\(83\)](#) "Oil shale" means a group of fine black to dark brown shales containing

3436 kerogen material that yields petroleum upon heating and distillation.

3437 ~~[(83)]~~ (84) "Optional computer software maintenance contract" means a computer
3438 software maintenance contract that a customer is not obligated to purchase as a condition to the
3439 retail sale of computer software.

3440 ~~[(84)]~~ (85) (a) "Other fuels" means products that burn independently to produce heat or
3441 energy.

3442 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible
3443 personal property.

3444 ~~[(85)]~~ (86) (a) "Paging service" means a telecommunications service that provides
3445 transmission of a coded radio signal for the purpose of activating a specific pager.

3446 (b) For purposes of Subsection ~~[(85)]~~ (86)(a), the transmission of a coded radio signal
3447 includes a transmission by message or sound.

3448 (87) "Pawn transaction" means the same as that term is defined in Section [13-32a-102](#).

3449 ~~[(86)]~~ (88) "Pawnbroker" means the same as that term is defined in Section
3450 [13-32a-102](#).

3451 ~~[(87)] "Pawn transaction" means the same as that term is defined in Section~~
3452 ~~[13-32a-102](#);~~

3453 ~~[(88)]~~ (89) (a) "Permanently attached to real property" means that for tangible personal
3454 property attached to real property:

3455 (i) the attachment of the tangible personal property to the real property:

3456 (A) is essential to the use of the tangible personal property; and

3457 (B) suggests that the tangible personal property will remain attached to the real
3458 property in the same place over the useful life of the tangible personal property; or

3459 (ii) if the tangible personal property is detached from the real property, the detachment
3460 would:

3461 (A) cause substantial damage to the tangible personal property; or

3462 (B) require substantial alteration or repair of the real property to which the tangible
3463 personal property is attached.

3464 (b) "Permanently attached to real property" includes:

3465 (i) the attachment of an accessory to the tangible personal property if the accessory is:

3466 (A) essential to the operation of the tangible personal property; and

3467 (B) attached only to facilitate the operation of the tangible personal property;
3468 (ii) a temporary detachment of tangible personal property from real property for a
3469 repair or renovation if the repair or renovation is performed where the tangible personal
3470 property and real property are located; or
3471 (iii) property attached to oil, gas, or water pipelines, except for the property listed in
3472 Subsection [~~88~~] (89)(c)(iii) or (iv).
3473 (c) "Permanently attached to real property" does not include:
3474 (i) the attachment of portable or movable tangible personal property to real property if
3475 that portable or movable tangible personal property is attached to real property only for:
3476 (A) convenience;
3477 (B) stability; or
3478 (C) for an obvious temporary purpose;
3479 (ii) the detachment of tangible personal property from real property except for the
3480 detachment described in Subsection [~~88~~] (89)(b)(ii);
3481 (iii) an attachment of the following tangible personal property to real property if the
3482 attachment to real property is only through a line that supplies water, electricity, gas,
3483 telecommunications, cable, or supplies a similar item as determined by the commission by rule
3484 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:
3485 (A) a computer;
3486 (B) a telephone;
3487 (C) a television; or
3488 (D) tangible personal property similar to Subsections [~~88~~] (89)(c)(iii)(A) through (C)
3489 as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah
3490 Administrative Rulemaking Act; or
3491 (iv) an item listed in Subsection [~~129~~] (135)(c).
3492 [~~89~~] (90) "Person" includes any individual, firm, partnership, joint venture,
3493 association, corporation, estate, trust, business trust, receiver, syndicate, this state, any county,
3494 city, municipality, district, or other local governmental entity of the state, or any group or
3495 combination acting as a unit.
3496 (91) (a) "Personal transportation service" means the transportation of one or more
3497 individuals by motor vehicle.

3498 (b) "Personal transportation" includes taxicab service, limousine service, driver service,
3499 shuttle service, scenic or sightseeing transportation, and a prearranged ride as defined in
3500 Section 13-51-102.

3501 (c) "Personal transportation service" does not include:

3502 (i) services provided by or through a governmental entity;

3503 (ii) transportation by ambulance as defined in Section 26-8a-102;

3504 (iii) transportation provided in connection with a funeral; or

3505 (iv) transportation by a low-speed vehicle, as defined in Section 41-6a-102, within a
3506 county of the first class, as classified in Section 17-50-501.

3507 (92) (a) "Pet boarding or care" means the furnishing of:

3508 (i) boarding for a pet; or

3509 (ii) daytime care for a pet at a location other than the pet owner's residence where the
3510 pet is dropped off and picked up.

3511 (b) "Pet boarding or care" does not include a service described in Subsection (92)(a):

3512 (i) by a veterinarian licensed under Title 58, Chapter 28, Veterinary Practice Act, in
3513 conjunction with a veterinary medical service; or

3514 (ii) for a working animal, livestock, or a laboratory animal.

3515 (93) (a) "Pet grooming" means:

3516 (i) cleaning, maintaining, or enhancing the physical appearance of a pet; or

3517 (ii) furnishing other hygienic care for a pet.

3518 (b) "Pet grooming" does not include a service described in Subsection (93)(a):

3519 (i) by a veterinarian licensed under Title 58, Chapter 28, Veterinary Practice Act, in
3520 conjunction with a veterinary medical service; or

3521 (ii) for a working animal, livestock, or a laboratory animal.

3522 ~~[(90)]~~ (94) "Place of primary use":

3523 (a) for telecommunications service other than mobile telecommunications service,

3524 means the street address representative of where the customer's use of the telecommunications
3525 service primarily occurs, which shall be:

3526 (i) the residential street address of the customer; or

3527 (ii) the primary business street address of the customer; or

3528 (b) for mobile telecommunications service, means the same as that term is defined in

3529 the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

3530 ~~[(91)]~~ (95) (a) "Postpaid calling service" means a telecommunications service a person
3531 obtains by making a payment on a call-by-call basis:

3532 (i) through the use of a:

3533 (A) bank card;

3534 (B) credit card;

3535 (C) debit card; or

3536 (D) travel card; or

3537 (ii) by a charge made to a telephone number that is not associated with the origination
3538 or termination of the telecommunications service.

3539 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling
3540 service, that would be a prepaid wireless calling service if the service were exclusively a
3541 telecommunications service.

3542 ~~[(92)]~~ (96) "Postproduction" means an activity related to the finishing or duplication of
3543 a medium described in Subsection 59-12-104~~[(54)]~~(47)(a).

3544 ~~[(93)]~~ (97) "Prepaid calling service" means a telecommunications service:

3545 (a) that allows a purchaser access to telecommunications service that is exclusively
3546 telecommunications service;

3547 (b) that:

3548 (i) is paid for in advance; and

3549 (ii) enables the origination of a call using an:

3550 (A) access number; or

3551 (B) authorization code;

3552 (c) that is dialed:

3553 (i) manually; or

3554 (ii) electronically; and

3555 (d) sold in predetermined units or dollars that decline:

3556 (i) by a known amount; and

3557 (ii) with use.

3558 ~~[(94)]~~ (98) "Prepaid wireless calling service" means a telecommunications service:

3559 (a) that provides the right to utilize:

- 3560 (i) mobile wireless service; and
- 3561 (ii) other service that is not a telecommunications service, including:
- 3562 (A) the download of a product transferred electronically;
- 3563 (B) a content service; or
- 3564 (C) an ancillary service;
- 3565 (b) that:
- 3566 (i) is paid for in advance; and
- 3567 (ii) enables the origination of a call using an:
- 3568 (A) access number; or
- 3569 (B) authorization code;
- 3570 (c) that is dialed:
- 3571 (i) manually; or
- 3572 (ii) electronically; and
- 3573 (d) sold in predetermined units or dollars that decline:
- 3574 (i) by a known amount; and
- 3575 (ii) with use.
- 3576 ~~[(95)]~~ (99) (a) "Prepared food" means:
- 3577 (i) food:
- 3578 (A) sold in a heated state; or
- 3579 (B) heated by a seller;
- 3580 (ii) two or more food ingredients mixed or combined by the seller for sale as a single
- 3581 item; or
- 3582 (iii) except as provided in Subsection ~~[(95)]~~ (99)(c), food sold with an eating utensil
- 3583 provided by the seller, including a:
- 3584 (A) plate;
- 3585 (B) knife;
- 3586 (C) fork;
- 3587 (D) spoon;
- 3588 (E) glass;
- 3589 (F) cup;
- 3590 (G) napkin; or

- 3591 (H) straw.
- 3592 (b) "Prepared food" does not include:
- 3593 (i) food that a seller only:
- 3594 (A) cuts;
- 3595 (B) repackages; or
- 3596 (C) pasteurizes; or
- 3597 (ii) (A) the following:
- 3598 (I) raw egg;
- 3599 (II) raw fish;
- 3600 (III) raw meat;
- 3601 (IV) raw poultry; or
- 3602 (V) a food containing an item described in Subsections [~~(95)~~] (99)(b)(ii)(A)(I) through
- 3603 (IV); and
- 3604 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the
- 3605 Food and Drug Administration's Food Code that a consumer cook the items described in
- 3606 Subsection [~~(95)~~] (99)(b)(ii)(A) to prevent food borne illness; or
- 3607 (iii) the following if sold without eating utensils provided by the seller:
- 3608 (A) food and food ingredients sold by a seller if the seller's proper primary
- 3609 classification under the 2002 North American Industry Classification System of the federal
- 3610 Executive Office of the President, Office of Management and Budget, is manufacturing in
- 3611 Sector 311, Food Manufacturing, except for Subsector 3118, Bakeries and Tortilla
- 3612 Manufacturing;
- 3613 (B) food and food ingredients sold in an unheated state:
- 3614 (I) by weight or volume; and
- 3615 (II) as a single item; or
- 3616 (C) a bakery item, including:
- 3617 (I) a bagel;
- 3618 (II) a bar;
- 3619 (III) a biscuit;
- 3620 (IV) bread;
- 3621 (V) a bun;

- 3622 (VI) a cake;
- 3623 (VII) a cookie;
- 3624 (VIII) a croissant;
- 3625 (IX) a danish;
- 3626 (X) a donut;
- 3627 (XI) a muffin;
- 3628 (XII) a pastry;
- 3629 (XIII) a pie;
- 3630 (XIV) a roll;
- 3631 (XV) a tart;
- 3632 (XVI) a torte; or
- 3633 (XVII) a tortilla.

3634 (c) An eating utensil provided by the seller does not include the following used to
3635 transport the food:

- 3636 (i) a container; or
- 3637 (ii) packaging.

3638 ~~[(96)]~~ (100) "Prescription" means an order, formula, or recipe that is issued:

- 3639 (a) (i) orally;
- 3640 (ii) in writing;
- 3641 (iii) electronically; or
- 3642 (iv) by any other manner of transmission; and
- 3643 (b) by a licensed practitioner authorized by the laws of a state.

3644 ~~[(97)]~~ (101) (a) ~~[Except as provided in Subsection (97)(b)(ii) or (iii), "prewritten]~~

3645 "Prewritten computer software" means computer software that is not designed and developed:

- 3646 (i) by the author or other creator of the computer software; and
- 3647 (ii) to the specifications of a specific purchaser.

3648 (b) "Prewritten computer software" includes:

3649 (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer
3650 software is not designed and developed:

- 3651 (A) by the author or other creator of the computer software; and
- 3652 (B) to the specifications of a specific purchaser;

3653 (ii) computer software designed and developed by the author or other creator of the
3654 computer software to the specifications of a specific purchaser if the computer software is sold
3655 to a person other than the purchaser; or

3656 (iii) except as provided in Subsection [~~97~~] (101)(c), prewritten computer software or
3657 a prewritten portion of prewritten computer software:

3658 (A) that is modified or enhanced to any degree; and

3659 (B) if the modification or enhancement described in Subsection [~~97~~] (101)(b)(iii)(A)
3660 is designed and developed to the specifications of a specific purchaser.

3661 (c) "Prewritten computer software" does not include a modification or enhancement
3662 described in Subsection [~~97~~] (101)(b)(iii) if the charges for the modification or enhancement
3663 are:

3664 (i) reasonable; and

3665 (ii) subject to Subsections 59-12-103(2)(e)(ii) and (2)(f)(i), separately stated on the
3666 invoice or other statement of price provided to the purchaser at the time of sale or later, as
3667 demonstrated by:

3668 (A) the books and records the seller keeps at the time of the transaction in the regular
3669 course of business, including books and records the seller keeps at the time of the transaction in
3670 the regular course of business for nontax purposes;

3671 (B) a preponderance of the facts and circumstances at the time of the transaction; and

3672 (C) the understanding of all of the parties to the transaction.

3673 [~~98~~] (102) (a) "Private communications service" means a telecommunications
3674 service:

3675 (i) that entitles a customer to exclusive or priority use of one or more communications
3676 channels between or among termination points; and

3677 (ii) regardless of the manner in which the one or more communications channels are
3678 connected.

3679 (b) "Private communications service" includes the following provided in connection
3680 with the use of one or more communications channels:

3681 (i) an extension line;

3682 (ii) a station;

3683 (iii) switching capacity; or

3684 (iv) another associated service that is provided in connection with the use of one or
3685 more communications channels as defined in Section 59-12-215.

3686 [~~(99)~~] (103) (a) [~~Except as provided in Subsection (99)(b), "product]~~ "Product
3687 transferred electronically" means a product transferred electronically that would be subject to a
3688 tax under this chapter if that product was transferred in a manner other than electronically.

3689 (b) "Product transferred electronically" does not include:

- 3690 (i) an ancillary service;
- 3691 (ii) computer software; or
- 3692 (iii) a telecommunications service.

3693 [~~(100)~~] (104) (a) "Prosthetic device" means a device that is worn on or in the body to:

- 3694 (i) artificially replace a missing portion of the body;
- 3695 (ii) prevent or correct a physical deformity or physical malfunction; or
- 3696 (iii) support a weak or deformed portion of the body.

3697 (b) "Prosthetic device" includes:

- 3698 (i) parts used in the repairs or renovation of a prosthetic device;
- 3699 (ii) replacement parts for a prosthetic device;
- 3700 (iii) a dental prosthesis; or
- 3701 (iv) a hearing aid.

3702 (c) "Prosthetic device" does not include:

- 3703 (i) corrective eyeglasses; or
- 3704 (ii) contact lenses.

3705 [~~(101)~~] (105) (a) "Protective equipment" means an item:

- 3706 (i) for human wear; and
- 3707 (ii) that is:
 - 3708 (A) designed as protection:
 - 3709 (I) to the wearer against injury or disease; or
 - 3710 (II) against damage or injury of other persons or property; and
 - 3711 (B) not suitable for general use.

3712 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3713 commission shall make rules:

- 3714 (i) listing the items that constitute "protective equipment"; and

3715 (ii) that are consistent with the list of items that constitute "protective equipment"
3716 under the agreement.

3717 [~~(102)~~] (106) (a) For purposes of Subsection 59-12-104~~[(41)](36)~~, "publication" means
3718 any written or printed matter, other than a photocopy:

3719 (i) regardless of:

3720 (A) characteristics;

3721 (B) copyright;

3722 (C) form;

3723 (D) format;

3724 (E) method of reproduction; or

3725 (F) source; and

3726 (ii) made available in printed or electronic format.

3727 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3728 commission may by rule define the term "photocopy."

3729 [~~(103)~~] (107) (a) "Purchase price" and "sales price" mean the total amount of
3730 consideration:

3731 (i) valued in money; and

3732 (ii) for which tangible personal property, a product transferred electronically, or
3733 services are:

3734 (A) sold;

3735 (B) leased; or

3736 (C) rented.

3737 (b) "Purchase price" and "sales price" include:

3738 (i) the seller's cost of the tangible personal property, a product transferred
3739 electronically, or services sold;

3740 (ii) expenses of the seller, including:

3741 (A) the cost of materials used;

3742 (B) a labor cost;

3743 (C) a service cost;

3744 (D) interest;

3745 (E) a loss;

- 3746 (F) the cost of transportation to the seller; or
- 3747 (G) a tax imposed on the seller;
- 3748 (iii) a delivery charge; or
- 3749 (iv) an installation charge;
- 3750 [~~(iii)~~] (v) a charge by the seller for any service necessary to complete the sale; or
- 3751 [~~(iv)~~] (vi) consideration a seller receives from a person other than the purchaser if:
- 3752 (A) (I) the seller actually receives consideration from a person other than the purchaser;
- 3753 and
- 3754 (II) the consideration described in Subsection [~~(103)~~] (107)(b)[~~(iv)~~](vi)(A)(I) is directly
- 3755 related to a price reduction or discount on the sale;
- 3756 (B) the seller has an obligation to pass the price reduction or discount through to the
- 3757 purchaser;
- 3758 (C) the amount of the consideration attributable to the sale is fixed and determinable by
- 3759 the seller at the time of the sale to the purchaser; and
- 3760 (D) (I) (Aa) the purchaser presents a certificate, coupon, or other documentation to the
- 3761 seller to claim a price reduction or discount; and
- 3762 (Bb) a person other than the seller authorizes, distributes, or grants the certificate,
- 3763 coupon, or other documentation with the understanding that the person other than the seller
- 3764 will reimburse any seller to whom the certificate, coupon, or other documentation is presented;
- 3765 (II) the purchaser identifies that purchaser to the seller as a member of a group or
- 3766 organization allowed a price reduction or discount, except that a preferred customer card that is
- 3767 available to any patron of a seller does not constitute membership in a group or organization
- 3768 allowed a price reduction or discount; or
- 3769 (III) the price reduction or discount is identified as a third party price reduction or
- 3770 discount on the:
- 3771 (Aa) invoice the purchaser receives; or
- 3772 (Bb) certificate, coupon, or other documentation the purchaser presents.
- 3773 (c) "Purchase price" and "sales price" do not include:
- 3774 (i) a discount:
- 3775 (A) in a form including:
- 3776 (I) cash;

- 3777 (II) term; or
- 3778 (III) coupon;
- 3779 (B) that is allowed by a seller;
- 3780 (C) taken by a purchaser on a sale; and
- 3781 (D) that is not reimbursed by a third party; or
- 3782 (ii) subject to Subsections ~~59-12-103~~(2)(e)(ii) and (2)(f)(i), the following if separately
- 3783 stated on an invoice, bill of sale, or similar document provided to the purchaser at the time of
- 3784 sale or later, as demonstrated by the books and records the seller keeps at the time of the
- 3785 transaction in the regular course of business, including books and records the seller keeps at the
- 3786 time of the transaction in the regular course of business for nontax purposes, by a
- 3787 preponderance of the facts and circumstances at the time of the transaction, and by the
- 3788 understanding of all of the parties to the transaction:
- 3789 (A) the following from credit extended on the sale of tangible personal property or
- 3790 services:
- 3791 (I) a carrying charge;
- 3792 (II) a financing charge; or
- 3793 (III) an interest charge;
- 3794 ~~[(B) a delivery charge;]~~
- 3795 ~~[(C) an installation charge;]~~
- 3796 ~~[(D)]~~ (B) a manufacturer rebate on a motor vehicle; or
- 3797 ~~[(E)]~~ (C) a tax or fee legally imposed directly on the consumer.
- 3798 ~~[(104)]~~ (108) "Purchaser" means a person to whom:
- 3799 (a) a sale of tangible personal property is made;
- 3800 (b) a product is transferred electronically; or
- 3801 (c) a service is furnished.
- 3802 ~~[(105)]~~ (109) "Qualifying ~~[enterprise]~~ data center" means ~~[an establishment that will:~~
- 3803 ~~(a) own and operate]~~ a data center facility that ~~[will house]~~;
- 3804 (a) houses a group of networked server computers in one physical location in order to
- 3805 ~~[centralize the dissemination, management, and storage of]~~ disseminate, manage, and store data
- 3806 and information;
- 3807 (b) ~~[be]~~ is located in the state;

- 3808 (c) ~~[be]~~ is a new operation constructed on or after July 1, 2016;
- 3809 (d) ~~[consist]~~ consists of one or more buildings that total 150,000 or more square feet;
- 3810 (e) ~~[be]~~ is owned or leased by:
- 3811 (i) the ~~[establishment]~~ operator of the data center facility; or
- 3812 (ii) a person under common ownership, as defined in Section 59-7-101, of the
- 3813 ~~[establishment]~~ operator of the data center facility; and
- 3814 (f) ~~[be]~~ is located on one or more parcels of land that are owned or leased by:
- 3815 (i) the ~~[establishment]~~ operator of the data center facility; or
- 3816 (ii) a person under common ownership, as defined in Section 59-7-101, of the
- 3817 ~~[establishment]~~ operator of the data center facility.
- 3818 ~~[(106)]~~ (110) "Regularly rented" means:
- 3819 (a) rented to a guest for value three or more times during a calendar year; or
- 3820 (b) advertised or held out to the public as a place that is regularly rented to guests for
- 3821 value.
- 3822 ~~[(107)]~~ (111) "Rental" means the same as that term is defined in Subsection (60).
- 3823 ~~[(108)]~~ (112) (a) ~~[Except as provided in Subsection (108)(b), "repairs"]~~ "Repairs or
- 3824 renovations of tangible personal property" means:
- 3825 (i) a repair or renovation of tangible personal property that is not permanently attached
- 3826 to real property; or
- 3827 (ii) attaching tangible personal property or a product transferred electronically to other
- 3828 tangible personal property or detaching tangible personal property or a product transferred
- 3829 electronically from other tangible personal property if:
- 3830 (A) the other tangible personal property to which the tangible personal property or
- 3831 product transferred electronically is attached or from which the tangible personal property or
- 3832 product transferred electronically is detached is not permanently attached to real property; and
- 3833 (B) the attachment of tangible personal property or a product transferred electronically
- 3834 to other tangible personal property or detachment of tangible personal property or a product
- 3835 transferred electronically from other tangible personal property is made in conjunction with a
- 3836 repair or replacement of tangible personal property or a product transferred electronically.
- 3837 (b) "Repairs or renovations of tangible personal property" does not include:
- 3838 (i) attaching prewritten computer software to other tangible personal property if the

3839 other tangible personal property to which the prewritten computer software is attached is not
3840 permanently attached to real property; or

3841 (ii) detaching prewritten computer software from other tangible personal property if the
3842 other tangible personal property from which the prewritten computer software is detached is
3843 not permanently attached to real property.

3844 [~~(109)~~] (113) "Research and development" means the process of inquiry or
3845 experimentation aimed at the discovery of facts, devices, technologies, or applications and the
3846 process of preparing those devices, technologies, or applications for marketing.

3847 [~~(110)~~] (114) (a) "Residential telecommunications services" means a
3848 telecommunications service or an ancillary service that is provided to an individual for personal
3849 use:

3850 (i) at a residential address; or

3851 (ii) at an institution, including a nursing home or a school, if the telecommunications
3852 service or ancillary service is provided to and paid for by the individual residing at the
3853 institution rather than the institution.

3854 (b) For purposes of Subsection [~~(110)~~] (114)(a)(i), a residential address includes an:

3855 (i) apartment; or

3856 (ii) other individual dwelling unit.

3857 [~~(111)~~] (115) "Residential use" means the use in or around a home, apartment building,
3858 sleeping quarters, and similar facilities or accommodations.

3859 [~~(112)~~] (116) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose
3860 other than:

3861 (a) resale;

3862 (b) sublease; or

3863 (c) subrent.

3864 [~~(113)~~] (117) (a) "Retailer" means any person, unless prohibited by the Constitution of
3865 the United States or federal law, that is engaged in a regularly organized business in tangible
3866 personal property or any other taxable transaction under Subsection 59-12-103(1), and who is
3867 selling to the user or consumer and not for resale.

3868 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly
3869 engaged in the business of selling to users or consumers within the state.

3870 [~~(H4)~~] (118) (a) "Sale" means any transfer of title, exchange, or barter, conditional or
3871 otherwise, in any manner, of tangible personal property or any other taxable transaction under
3872 Subsection 59-12-103(1), for consideration.

3873 (b) "Sale" includes:

3874 (i) installment and credit sales;

3875 (ii) any closed transaction constituting a sale;

3876 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this
3877 chapter;

3878 (iv) any transaction if the possession of property is transferred but the seller retains the
3879 title as security for the payment of the price; and

3880 (v) any transaction under which right to possession, operation, or use of any article of
3881 tangible personal property is granted under a lease or contract and the transfer of possession
3882 would be taxable if an outright sale were made.

3883 [~~(H5)~~] (119) "Sale at retail" means the same as that term is defined in Subsection
3884 [~~(H2)~~] (116).

3885 [~~(H6)~~] (120) "Sale-leaseback transaction" means a transaction by which title to
3886 tangible personal property or a product transferred electronically that is subject to a tax under
3887 this chapter is transferred:

3888 (a) by a purchaser-lessee;

3889 (b) to a lessor;

3890 (c) for consideration; and

3891 (d) if:

3892 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase
3893 of the tangible personal property or product transferred electronically;

3894 (ii) the sale of the tangible personal property or product transferred electronically to the
3895 lessor is intended as a form of financing:

3896 (A) for the tangible personal property or product transferred electronically; and

3897 (B) to the purchaser-lessee; and

3898 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee
3899 is required to:

3900 (A) capitalize the tangible personal property or product transferred electronically for

3901 financial reporting purposes; and
3902 (B) account for the lease payments as payments made under a financing arrangement.
3903 [~~(117)~~] (121) "Sales price" means the same as that term is defined in Subsection
3904 [~~(103)~~] (107).
3905 [~~(118)~~] (122) (a) "Sales relating to schools" means the following sales by, amounts
3906 paid to, or amounts charged by a school:
3907 (i) sales that are directly related to the school's educational functions or activities
3908 including:
3909 (A) the sale of:
3910 (I) textbooks;
3911 (II) textbook fees;
3912 (III) laboratory fees;
3913 (IV) laboratory supplies; or
3914 (V) safety equipment;
3915 (B) the sale of a uniform, protective equipment, or sports or recreational equipment
3916 that:
3917 (I) a student is specifically required to wear as a condition of participation in a
3918 school-related event or school-related activity; and
3919 (II) is not readily adaptable to general or continued usage to the extent that it takes the
3920 place of ordinary clothing;
3921 (C) sales of the following if the net or gross revenues generated by the sales are
3922 deposited into a school district fund or school fund dedicated to school meals:
3923 (I) food and food ingredients; or
3924 (II) prepared food; or
3925 (D) transportation charges for official school activities; or
3926 (ii) amounts paid to or amounts charged by a school for admission to a school-related
3927 event or school-related activity.
3928 (b) "Sales relating to schools" does not include:
3929 (i) bookstore sales of items that are not educational materials or supplies;
3930 (ii) except as provided in Subsection [~~(118)~~] (122)(a)(i)(B):
3931 (A) clothing;

3932 (B) clothing accessories or equipment;
3933 (C) protective equipment; or
3934 (D) sports or recreational equipment; or
3935 (iii) amounts paid to or amounts charged by a school for admission to a school-related
3936 event or school-related activity if the amounts paid or charged are passed through to a person:
3937 (A) other than a:
3938 (I) school;
3939 (II) nonprofit organization authorized by a school board or a governing body of a
3940 private school to organize and direct a competitive secondary school activity; or
3941 (III) nonprofit association authorized by a school board or a governing body of a
3942 private school to organize and direct a competitive secondary school activity; and
3943 (B) that is required to collect sales and use taxes under this chapter.
3944 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3945 commission may make rules defining the term "passed through."
3946 ~~[(119)]~~ (123) For purposes of this section and Section 59-12-104, "school" means:
3947 (a) an elementary school or a secondary school that:
3948 (i) is a:
3949 (A) public school; or
3950 (B) private school; and
3951 (ii) provides instruction for one or more grades kindergarten through 12; or
3952 (b) a public school district.
3953 (124) "Security system monitoring" means the service of monitoring signals from an
3954 alarm system, as defined in Section 58-55-102, regardless of whether the monitoring is
3955 performed electronically or by an individual.
3956 ~~[(120)]~~ (125) (a) "Seller" means a person that makes a sale, lease, or rental of:
3957 (i) tangible personal property;
3958 (ii) a product transferred electronically; or
3959 (iii) a service.
3960 (b) "Seller" includes a marketplace facilitator.
3961 (126) "Seller-hosted prewritten computer software" means prewritten computer
3962 software that is accessed through the Internet or a seller-hosted server, regardless of whether:

- 3963 (a) the access is permanent; or
- 3964 (b) any downloading occurs.
- 3965 [~~(121)~~] (127) (a) "Semiconductor fabricating, processing, research, or development
- 3966 materials" means tangible personal property or a product transferred electronically if the
- 3967 tangible personal property or product transferred electronically is:
- 3968 (i) used primarily in the process of:
- 3969 (A) (I) manufacturing a semiconductor;
- 3970 (II) fabricating a semiconductor; or
- 3971 (III) research or development of a:
- 3972 (Aa) semiconductor; or
- 3973 (Bb) semiconductor manufacturing process; or
- 3974 (B) maintaining an environment suitable for a semiconductor; or
- 3975 (ii) consumed primarily in the process of:
- 3976 (A) (I) manufacturing a semiconductor;
- 3977 (II) fabricating a semiconductor; or
- 3978 (III) research or development of a:
- 3979 (Aa) semiconductor; or
- 3980 (Bb) semiconductor manufacturing process; or
- 3981 (B) maintaining an environment suitable for a semiconductor.
- 3982 (b) "Semiconductor fabricating, processing, research, or development materials"
- 3983 includes:
- 3984 (i) parts used in the repairs or renovations of tangible personal property or a product
- 3985 transferred electronically described in Subsection [~~(121)~~] (127)(a); or
- 3986 (ii) a chemical, catalyst, or other material used to:
- 3987 (A) produce or induce in a semiconductor a:
- 3988 (I) chemical change; or
- 3989 (II) physical change;
- 3990 (B) remove impurities from a semiconductor; or
- 3991 (C) improve the marketable condition of a semiconductor.
- 3992 [~~(122)~~] (128) "Senior citizen center" means a facility having the primary purpose of
- 3993 providing services to the aged as defined in Section [62A-3-101](#).

3994 [~~(123)~~] (129) (a) [~~Subject to Subsections (123)(b) and (c), "short-term"~~] "Short-term
3995 lodging consumable" means tangible personal property that:
3996 (i) a business that provides accommodations and services described in Subsection
3997 59-12-103(1)(i) purchases as part of a transaction to provide the accommodations and services
3998 to a purchaser;
3999 (ii) is intended to be consumed by the purchaser; and
4000 (iii) is:
4001 (A) included in the purchase price of the accommodations and services; and
4002 (B) not separately stated on an invoice, bill of sale, or other similar document provided
4003 to the purchaser.
4004 (b) "Short-term lodging consumable" includes:
4005 (i) a beverage;
4006 (ii) a brush or comb;
4007 (iii) a cosmetic;
4008 (iv) a hair care product;
4009 (v) lotion;
4010 (vi) a magazine;
4011 (vii) makeup;
4012 (viii) a meal;
4013 (ix) mouthwash;
4014 (x) nail polish remover;
4015 (xi) a newspaper;
4016 (xii) a notepad;
4017 (xiii) a pen;
4018 (xiv) a pencil;
4019 (xv) a razor;
4020 (xvi) saline solution;
4021 (xvii) a sewing kit;
4022 (xviii) shaving cream;
4023 (xix) a shoe shine kit;
4024 (xx) a shower cap;

- 4025 (xxi) a snack item;
- 4026 (xxii) soap;
- 4027 (xxiii) toilet paper;
- 4028 (xxiv) a toothbrush;
- 4029 (xxv) toothpaste; or
- 4030 (xxvi) an item similar to Subsections [~~(123)~~] (129)(b)(i) through (xxv) as the
- 4031 commission may provide by rule made in accordance with Title 63G, Chapter 3, Utah
- 4032 Administrative Rulemaking Act.
- 4033 (c) "Short-term lodging consumable" does not include:
- 4034 (i) tangible personal property that is cleaned or washed to allow the tangible personal
- 4035 property to be reused; or
- 4036 (ii) a product transferred electronically.
- 4037 [~~(124)~~] (130) "Simplified electronic return" means the electronic return:
- 4038 (a) described in Section 318(C) of the agreement; and
- 4039 (b) approved by the governing board of the agreement.
- 4040 [~~(125)~~] (131) "Solar energy" means the sun used as the sole source of energy for
- 4041 producing electricity.
- 4042 [~~(126)~~] (132) (a) "Sports or recreational equipment" means an item:
- 4043 (i) designed for human use; and
- 4044 (ii) that is:
- 4045 (A) worn in conjunction with:
- 4046 (I) an athletic activity; or
- 4047 (II) a recreational activity; and
- 4048 (B) not suitable for general use.
- 4049 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 4050 commission shall make rules:
- 4051 (i) listing the items that constitute "sports or recreational equipment"; and
- 4052 (ii) that are consistent with the list of items that constitute "sports or recreational
- 4053 equipment" under the agreement.
- 4054 [~~(127)~~] (133) "State" means the state of Utah, its departments, and agencies.
- 4055 [~~(128)~~] (134) "Storage" means any keeping or retention of tangible personal property or

4056 any other taxable transaction under Subsection 59-12-103(1), in this state for any purpose
4057 except sale in the regular course of business.

4058 ~~[(129)] (135) (a) [Except as provided in Subsection (129)(d) or (e), "tangible]~~

4059 "Tangible personal property" means personal property that:

4060 (i) may be:

4061 (A) seen;

4062 (B) weighed;

4063 (C) measured;

4064 (D) felt; or

4065 (E) touched; or

4066 (ii) is in any manner perceptible to the senses.

4067 (b) "Tangible personal property" includes:

4068 (i) electricity;

4069 (ii) water;

4070 (iii) gas;

4071 (iv) steam; or

4072 (v) prewritten computer software, regardless of the manner in which the prewritten
4073 computer software is transferred.

4074 (c) "Tangible personal property" includes the following regardless of whether the item
4075 is attached to real property:

4076 (i) a dishwasher;

4077 (ii) a dryer;

4078 (iii) a freezer;

4079 (iv) a microwave;

4080 (v) a refrigerator;

4081 (vi) a stove;

4082 (vii) a washer; or

4083 (viii) an item similar to Subsections ~~[(129)]~~ (135)(c)(i) through (vii) as determined by
4084 the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
4085 Rulemaking Act.

4086 (d) "Tangible personal property" does not include a product that is transferred

4087 electronically.

4088 (e) "Tangible personal property" does not include the following if attached to real
4089 property, regardless of whether the attachment to real property is only through a line that
4090 supplies water, electricity, gas, telephone, cable, or supplies a similar item as determined by the
4091 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
4092 Rulemaking Act:

4093 (i) a hot water heater;

4094 (ii) a water filtration system; or

4095 (iii) a water softener system.

4096 ~~[(130)]~~ (136) (a) "Telecommunications enabling or facilitating equipment, machinery,
4097 or software" means an item listed in Subsection ~~[(130)]~~ (136)(b) if that item is purchased or
4098 leased primarily to enable or facilitate one or more of the following to function:

4099 (i) telecommunications switching or routing equipment, machinery, or software; or

4100 (ii) telecommunications transmission equipment, machinery, or software.

4101 (b) The following apply to Subsection ~~[(130)]~~ (136)(a):

4102 (i) a pole;

4103 (ii) software;

4104 (iii) a supplementary power supply;

4105 (iv) temperature or environmental equipment or machinery;

4106 (v) test equipment;

4107 (vi) a tower; or

4108 (vii) equipment, machinery, or software that functions similarly to an item listed in
4109 Subsections ~~[(130)]~~ (136)(b)(i) through (vi) as determined by the commission by rule made in
4110 accordance with Subsection ~~[(130)]~~ (136)(c).

4111 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4112 commission may by rule define what constitutes equipment, machinery, or software that
4113 functions similarly to an item listed in Subsections ~~[(130)]~~ (136)(b)(i) through (vi).

4114 ~~[(131)]~~ (137) "Telecommunications equipment, machinery, or software required for
4115 911 service" means equipment, machinery, or software that is required to comply with 47
4116 C.F.R. Sec. 20.18.

4117 ~~[(132)]~~ (138) "Telecommunications maintenance or repair equipment, machinery, or

4118 software" means equipment, machinery, or software purchased or leased primarily to maintain
4119 or repair one or more of the following, regardless of whether the equipment, machinery, or
4120 software is purchased or leased as a spare part or as an upgrade or modification to one or more
4121 of the following:

- 4122 (a) telecommunications enabling or facilitating equipment, machinery, or software;
- 4123 (b) telecommunications switching or routing equipment, machinery, or software; or
- 4124 (c) telecommunications transmission equipment, machinery, or software.

4125 [~~(133)~~] (139) (a) "Telecommunications service" means the electronic conveyance,
4126 routing, or transmission of audio, data, video, voice, or any other information or signal to a
4127 point, or among or between points.

4128 (b) "Telecommunications service" includes:

4129 (i) an electronic conveyance, routing, or transmission with respect to which a computer
4130 processing application is used to act:

- 4131 (A) on the code, form, or protocol of the content;
- 4132 (B) for the purpose of electronic conveyance, routing, or transmission; and
- 4133 (C) regardless of whether the service:
 - 4134 (I) is referred to as voice over Internet protocol service; or
 - 4135 (II) is classified by the Federal Communications Commission as enhanced or value
4136 added;

- 4137 (ii) an 800 service;
- 4138 (iii) a 900 service;
- 4139 (iv) a fixed wireless service;
- 4140 (v) a mobile wireless service;
- 4141 (vi) a postpaid calling service;
- 4142 (vii) a prepaid calling service;
- 4143 (viii) a prepaid wireless calling service; or
- 4144 (ix) a private communications service.

4145 (c) "Telecommunications service" does not include:

- 4146 (i) advertising, including directory advertising;
- 4147 (ii) an ancillary service;
- 4148 (iii) a billing and collection service provided to a third party;

- 4149 (iv) a data processing and information service if:
- 4150 (A) the data processing and information service allows data to be:
- 4151 (I) (Aa) acquired;
- 4152 (Bb) generated;
- 4153 (Cc) processed;
- 4154 (Dd) retrieved; or
- 4155 (Ee) stored; and
- 4156 (II) delivered by an electronic transmission to a purchaser; and
- 4157 (B) the purchaser's primary purpose for the underlying transaction is the processed data
- 4158 or information;
- 4159 (v) installation or maintenance of the following on a customer's premises:
- 4160 (A) equipment; or
- 4161 (B) wiring;
- 4162 (vi) Internet access service;
- 4163 (vii) a paging service;
- 4164 (viii) a product transferred electronically, including:
- 4165 (A) music;
- 4166 (B) reading material;
- 4167 (C) a ring tone;
- 4168 (D) software; or
- 4169 (E) video;
- 4170 (ix) a radio and television audio and video programming service:
- 4171 (A) regardless of the medium; and
- 4172 (B) including:
- 4173 (I) furnishing conveyance, routing, or transmission of a television audio and video
- 4174 programming service by a programming service provider;
- 4175 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or
- 4176 (III) audio and video programming services delivered by a commercial mobile radio
- 4177 service provider as defined in 47 C.F.R. Sec. 20.3;
- 4178 (x) a value-added nonvoice data service; or
- 4179 (xi) tangible personal property.

4180 [~~(134)~~] (140) (a) "Telecommunications service provider" means a person that:
4181 (i) owns, controls, operates, or manages a telecommunications service; and
4182 (ii) engages in an activity described in Subsection [~~(134)~~] (140)(a)(i) for the shared use
4183 with or resale to any person of the telecommunications service.

4184 (b) A person described in Subsection [~~(134)~~] (140)(a) is a telecommunications service
4185 provider whether or not the Public Service Commission of Utah regulates:

- 4186 (i) that person; or
- 4187 (ii) the telecommunications service that the person owns, controls, operates, or
4188 manages.

4189 [~~(135)~~] (141) (a) "Telecommunications switching or routing equipment, machinery, or
4190 software" means an item listed in Subsection [~~(135)~~] (141)(b) if that item is purchased or
4191 leased primarily for switching or routing:

- 4192 (i) an ancillary service;
- 4193 (ii) data communications;
- 4194 (iii) voice communications; or
- 4195 (iv) telecommunications service.

4196 (b) The following apply to Subsection [~~(135)~~] (141)(a):

- 4197 (i) a bridge;
- 4198 (ii) a computer;
- 4199 (iii) a cross connect;
- 4200 (iv) a modem;
- 4201 (v) a multiplexer;
- 4202 (vi) plug in circuitry;
- 4203 (vii) a router;
- 4204 (viii) software;
- 4205 (ix) a switch; or
- 4206 (x) equipment, machinery, or software that functions similarly to an item listed in

4207 Subsections [~~(135)~~] (141)(b)(i) through (ix) as determined by the commission by rule made in
4208 accordance with Subsection [~~(135)~~] (141)(c).

4209 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4210 commission may by rule define what constitutes equipment, machinery, or software that

- 4211 functions similarly to an item listed in Subsections [~~(135)~~] (141)(b)(i) through (ix).
- 4212 [~~(136)~~] (142) (a) "Telecommunications transmission equipment, machinery, or
- 4213 software" means an item listed in Subsection [~~(136)~~] (142)(b) if that item is purchased or
- 4214 leased primarily for sending, receiving, or transporting:
- 4215 (i) an ancillary service;
 - 4216 (ii) data communications;
 - 4217 (iii) voice communications; or
 - 4218 (iv) telecommunications service.
- 4219 (b) The following apply to Subsection [~~(136)~~] (142)(a):
- 4220 (i) an amplifier;
 - 4221 (ii) a cable;
 - 4222 (iii) a closure;
 - 4223 (iv) a conduit;
 - 4224 (v) a controller;
 - 4225 (vi) a duplexer;
 - 4226 (vii) a filter;
 - 4227 (viii) an input device;
 - 4228 (ix) an input/output device;
 - 4229 (x) an insulator;
 - 4230 (xi) microwave machinery or equipment;
 - 4231 (xii) an oscillator;
 - 4232 (xiii) an output device;
 - 4233 (xiv) a pedestal;
 - 4234 (xv) a power converter;
 - 4235 (xvi) a power supply;
 - 4236 (xvii) a radio channel;
 - 4237 (xviii) a radio receiver;
 - 4238 (xix) a radio transmitter;
 - 4239 (xx) a repeater;
 - 4240 (xxi) software;
 - 4241 (xxii) a terminal;

4242 (xxiii) a timing unit;

4243 (xxiv) a transformer;

4244 (xxv) a wire; or

4245 (xxvi) equipment, machinery, or software that functions similarly to an item listed in

4246 Subsections ~~[(136)]~~ (142)(b)(i) through (xxv) as determined by the commission by rule made in
4247 accordance with Subsection ~~[(136)]~~ (142)(c).

4248 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4249 commission may by rule define what constitutes equipment, machinery, or software that
4250 functions similarly to an item listed in Subsections ~~[(136)]~~ (142)(b)(i) through (xxv).

4251 ~~[(137) (a) "Textbook for a higher education course" means a textbook or other printed
4252 material that is required for a course:]~~

4253 ~~[(i) offered by an institution of higher education; and]~~

4254 ~~[(ii) that the purchaser of the textbook or other printed material attends or will attend.]~~

4255 ~~[(b) "Textbook for a higher education course" includes a textbook in electronic
4256 format.]~~

4257 ~~[(138)]~~ (143) "Tobacco" means:

4258 (a) a cigarette;

4259 (b) a cigar;

4260 (c) chewing tobacco;

4261 (d) pipe tobacco; or

4262 (e) any other item that contains tobacco.

4263 ~~[(139)]~~ (144) "Unassisted amusement device" means an amusement device, skill

4264 device, or ride device that is started ~~[and]~~ or stopped by the purchaser or renter of the right to
4265 use or operate the amusement device, skill device, or ride device.

4266 ~~[(140)]~~ (145) (a) "Use" means the exercise of any right or power over tangible personal
4267 property, a product transferred electronically, or a service under Subsection 59-12-103(1),
4268 incident to the ownership or the leasing of that tangible personal property, product transferred
4269 electronically, or service.

4270 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal
4271 property, a product transferred electronically, or a service in the regular course of business and
4272 held for resale.

4273 ~~[(141)]~~ (146) "Value-added nonvoice data service" means a service:

4274 (a) that otherwise meets the definition of a telecommunications service except that a
4275 computer processing application is used to act primarily for a purpose other than conveyance,
4276 routing, or transmission; and

4277 (b) with respect to which a computer processing application is used to act on data or
4278 information:

4279 (i) code;

4280 (ii) content;

4281 (iii) form; or

4282 (iv) protocol.

4283 ~~[(142)]~~ (147) (a) Subject to Subsection ~~[(142)]~~ (147)(b), "vehicle" means the following
4284 that are required to be titled, registered, or titled and registered:

4285 (i) an aircraft as defined in Section 72-10-102;

4286 (ii) a vehicle as defined in Section 41-1a-102;

4287 (iii) an off-highway vehicle as defined in Section 41-22-2; or

4288 (iv) a vessel as defined in Section 41-1a-102.

4289 (b) For purposes of Subsection 59-12-104~~[(33)]~~(30) only, "vehicle" includes:

4290 (i) a vehicle described in Subsection ~~[(142)]~~ (147)(a); or

4291 (ii) (A) a locomotive;

4292 (B) a freight car;

4293 (C) railroad work equipment; or

4294 (D) other railroad rolling stock.

4295 ~~[(143)]~~ (148) "Vehicle dealer" means a person engaged in the business of buying,
4296 selling, or exchanging a vehicle ~~[as defined in Subsection (142)]~~.

4297 ~~[(144)]~~ (149) (a) "Vertical service" means an ancillary service that:

4298 (i) is offered in connection with one or more telecommunications services; and

4299 (ii) offers an advanced calling feature that allows a customer to:

4300 (A) identify a caller; and

4301 (B) manage multiple calls and call connections.

4302 (b) "Vertical service" includes an ancillary service that allows a customer to manage a
4303 conference bridging service.

4304 [~~(145)~~] (150) (a) "Voice mail service" means an ancillary service that enables a
4305 customer to receive, send, or store a recorded message.

4306 (b) "Voice mail service" does not include a vertical service that a customer is required
4307 to have in order to utilize a voice mail service.

4308 [~~(146)~~] (151) (a) [~~Except as provided in Subsection (146)(b), "waste~~] "Waste energy
4309 facility" means a facility that generates electricity:

4310 (i) using as the primary source of energy waste materials that would be placed in a
4311 landfill or refuse pit if it were not used to generate electricity, including:

4312 (A) tires;

4313 (B) waste coal;

4314 (C) oil shale; or

4315 (D) municipal solid waste; and

4316 (ii) in amounts greater than actually required for the operation of the facility.

4317 (b) "Waste energy facility" does not include a facility that incinerates:

4318 (i) hospital waste as defined in 40 C.F.R. 60.51c; or

4319 (ii) medical/infectious waste as defined in 40 C.F.R. 60.51c.

4320 [~~(147)~~] (152) "Watercraft" means a vessel as defined in Section [73-18-2](#).

4321 [~~(148)~~] (153) "Wind energy" means wind used as the sole source of energy to produce
4322 electricity.

4323 [~~(149)~~] (154) "ZIP Code" means a Zoning Improvement Plan Code assigned to a
4324 geographic location by the United States Postal Service.

4325 Section 45. Section **59-12-103** is amended to read:

4326 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
4327 **tax revenue.**

4328 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
4329 sales price for amounts paid or charged for the following transactions:

4330 (a) retail sales of tangible personal property made within the state;

4331 (b) amounts paid for:

4332 (i) telecommunications service, other than mobile telecommunications service or a 900
4333 service, that originates and terminates within the boundaries of this state;

4334 (ii) mobile telecommunications service that originates and terminates within the

4335 boundaries of one state only to the extent permitted by the Mobile Telecommunications
4336 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; [or]
4337 (iii) a 900 service; or
4338 [~~(iii)~~] (iv) an ancillary service associated with a:
4339 (A) telecommunications service described in Subsection (1)(b)(i); [or]
4340 (B) mobile telecommunications service described in Subsection (1)(b)(ii); or
4341 (C) 900 service;
4342 (c) sales of the following for commercial use:
4343 (i) gas;
4344 (ii) electricity;
4345 (iii) heat;
4346 (iv) coal;
4347 (v) fuel oil; or
4348 (vi) other fuels;
4349 (d) sales of the following for residential use:
4350 (i) gas;
4351 (ii) electricity;
4352 (iii) heat;
4353 (iv) coal;
4354 (v) fuel oil; or
4355 (vi) other fuels;
4356 (e) sales of prepared food;
4357 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or
4358 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
4359 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
4360 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
4361 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
4362 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
4363 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
4364 horseback rides, sports activities, or any other amusement, entertainment, recreation,
4365 exhibition, cultural, or athletic activity;

4366 (g) amounts paid or charged for services for repairs or renovations of tangible personal
4367 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

4368 (i) the tangible personal property; and

4369 (ii) parts used in the repairs or renovations of the tangible personal property described
4370 in Subsection (1)(g)(i), regardless of whether:

4371 (A) any parts are actually used in the repairs or renovations of that tangible personal
4372 property; or

4373 (B) the particular parts used in the repairs or renovations of that tangible personal
4374 property are exempt from a tax under this chapter;

4375 (h) [~~except as provided in Subsection 59-12-104(7),~~] amounts paid or charged for
4376 [~~assisted~~] cleaning or washing of tangible personal property;

4377 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
4378 accommodations and services that are regularly rented for less than 30 consecutive days;

4379 (j) amounts paid or charged for laundry or dry cleaning services;

4380 (k) amounts paid or charged for leases or rentals of tangible personal property if within
4381 this state the tangible personal property is:

4382 (i) stored;

4383 (ii) used; or

4384 (iii) otherwise consumed;

4385 (l) amounts paid or charged for tangible personal property if within this state the
4386 tangible personal property is:

4387 (i) stored;

4388 (ii) used; or

4389 (iii) consumed; [~~and~~]

4390 (m) amounts paid or charged for a sale:

4391 (i) (A) of a product transferred electronically; or

4392 (B) of a repair or renovation of a product transferred electronically; and

4393 (ii) regardless of whether the sale provides:

4394 (A) a right of permanent use of the product; or

4395 (B) a right to use the product that is less than a permanent use, including a right:

4396 (I) for a definite or specified length of time; and

- 4397 (II) that terminates upon the occurrence of a condition[-];
- 4398 (n) amounts paid or charged for access to digital audio-visual works, digital audio
- 4399 works, digital books, or gaming services, including the streaming of or subscription for access
- 4400 to digital audio-visual works, digital audio works, digital books, or gaming services regardless
- 4401 of:
- 4402 (i) the delivery method; or
- 4403 (ii) whether the amount paid or charged for access provides a right to:
- 4404 (A) single-use access to the digital audio-visual works, digital audio works, digital
- 4405 books, or gaming services; or
- 4406 (B) access the digital audio-visual works, digital audio works, digital books, or gaming
- 4407 services through a subscription, including a right that terminates upon the occurrence of a
- 4408 condition;
- 4409 (o) amounts paid or charged for the storage, use, or other consumption of:
- 4410 (i) prewritten computer software delivered electronically or by load and leave; or
- 4411 (ii) seller-hosted prewritten computer software; and
- 4412 (p) amounts paid or charged for the following services:
- 4413 (i) security system monitoring;
- 4414 (ii) personal transportation that originates in the state and terminates in the state;
- 4415 (iii) parking or garaging a motor vehicle at a location that:
- 4416 (A) is designed and used for parking or garaging one or more motor vehicles,
- 4417 regardless of whether the location is sometimes used for other purposes; and
- 4418 (B) is not residential property;
- 4419 (iv) tow truck service as defined in Section [72-9-102](#), including any related fees;
- 4420 (v) pet boarding or care;
- 4421 (vi) pet grooming;
- 4422 (vii) dating referral services; and
- 4423 (viii) identity theft protection.
- 4424 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
- 4425 are imposed on a transaction described in Subsection (1) equal to the sum of:
- 4426 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 4427 [~~(A) (I) through March 31, 2019, 4.70%; and~~]

4428 ~~[(H)]~~ (A) ~~[beginning on April 1, 2019,]~~ 4.70% plus the rate specified in Subsection
4429 ~~[(H)]~~ (12)(a); and

4430 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
4431 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
4432 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
4433 State Sales and Use Tax Act; and

4434 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
4435 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
4436 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
4437 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

4438 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
4439 transaction under this chapter other than this part.

4440 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax are
4441 imposed on a transaction described in Subsection (1)(d) equal to the sum of:

4442 (i) a state tax imposed on the transaction at a tax rate of 2%; and

4443 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
4444 transaction under this chapter other than this part.

4445 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax are
4446 imposed on amounts paid or charged for food and food ingredients equal to the sum of:

4447 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
4448 a tax rate of 1.75%; and

4449 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
4450 amounts paid or charged for food and food ingredients under this chapter other than this part.

4451 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
4452 tangible personal property other than food and food ingredients, a state tax and a local tax is
4453 imposed on the entire bundled transaction equal to the sum of:

4454 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

4455 (I) the tax rate described in Subsection (2)(a)(i)(A); and

4456 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
4457 Sales and Use Tax Act, if the location of the transaction as determined under Sections

4458 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,

4459 Additional State Sales and Use Tax Act; and

4460 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
4461 Sales and Use Tax Act, if the location of the transaction as determined under Sections
4462 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
4463 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

4464 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
4465 described in Subsection (2)(a)(ii).

4466 (ii) If an optional computer software maintenance contract is a bundled transaction that
4467 consists of taxable and nontaxable products that are not separately itemized on an invoice or
4468 similar billing document, the purchase of the optional computer software maintenance contract
4469 is 40% taxable under this chapter and 60% nontaxable under this chapter.

4470 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
4471 transaction described in Subsection (2)(d)(i) or (ii):

4472 (A) if the sales price of the bundled transaction is attributable to tangible personal
4473 property, a product, or a service that is subject to taxation under this chapter and tangible
4474 personal property, a product, or service that is not subject to taxation under this chapter, the
4475 entire bundled transaction is subject to taxation under this chapter unless:

4476 (I) the seller is able to identify by reasonable and verifiable standards the tangible
4477 personal property, product, or service that is not subject to taxation under this chapter from the
4478 books and records the seller keeps in the seller's regular course of business; or

4479 (II) state or federal law provides otherwise; or

4480 (B) if the sales price of a bundled transaction is attributable to two or more items of
4481 tangible personal property, products, or services that are subject to taxation under this chapter
4482 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
4483 higher tax rate unless:

4484 (I) the seller is able to identify by reasonable and verifiable standards the tangible
4485 personal property, product, or service that is subject to taxation under this chapter at the lower
4486 tax rate from the books and records the seller keeps in the seller's regular course of business; or

4487 (II) state or federal law provides otherwise.

4488 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
4489 seller's regular course of business includes books and records the seller keeps in the regular

4490 course of business for nontax purposes.

4491 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
4492 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
4493 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
4494 of tangible personal property, other property, a product, or a service that is not subject to
4495 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
4496 the seller, at the time of the transaction:

4497 (A) separately states the portion of the transaction that is not subject to taxation under
4498 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

4499 (B) is able to identify by reasonable and verifiable standards, from the books and
4500 records the seller keeps in the seller's regular course of business, the portion of the transaction
4501 that is not subject to taxation under this chapter.

4502 (ii) A purchaser and a seller may correct the taxability of a transaction if:

4503 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
4504 the transaction that is not subject to taxation under this chapter was not separately stated on an
4505 invoice, bill of sale, or similar document provided to the purchaser because of an error or
4506 ignorance of the law; and

4507 (B) the seller is able to identify by reasonable and verifiable standards, from the books
4508 and records the seller keeps in the seller's regular course of business, the portion of the
4509 transaction that is not subject to taxation under this chapter.

4510 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
4511 in the seller's regular course of business includes books and records the seller keeps in the
4512 regular course of business for nontax purposes.

4513 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
4514 personal property, products, or services that are subject to taxation under this chapter at
4515 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
4516 unless the seller, at the time of the transaction:

4517 (A) separately states the items subject to taxation under this chapter at each of the
4518 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

4519 (B) is able to identify by reasonable and verifiable standards the tangible personal
4520 property, product, or service that is subject to taxation under this chapter at the lower tax rate

4521 from the books and records the seller keeps in the seller's regular course of business.

4522 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
4523 seller's regular course of business includes books and records the seller keeps in the regular
4524 course of business for nontax purposes.

4525 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
4526 rate imposed under the following shall take effect on the first day of a calendar quarter:

4527 (i) Subsection (2)(a)(i)(A);

4528 (ii) Subsection (2)(b)(i);

4529 (iii) Subsection (2)(c)(i); or

4530 (iv) Subsection (2)(d)(i)(A)(I).

4531 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
4532 begins on or after the effective date of the tax rate increase if the billing period for the
4533 transaction begins before the effective date of a tax rate increase imposed under:

4534 (A) Subsection (2)(a)(i)(A);

4535 (B) Subsection (2)(b)(i);

4536 (C) Subsection (2)(c)(i); or

4537 (D) Subsection (2)(d)(i)(A)(I).

4538 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
4539 statement for the billing period is rendered on or after the effective date of the repeal of the tax
4540 or the tax rate decrease imposed under:

4541 (A) Subsection (2)(a)(i)(A);

4542 (B) Subsection (2)(b)(i);

4543 (C) Subsection (2)(c)(i); or

4544 (D) Subsection (2)(d)(i)(A)(I).

4545 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
4546 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
4547 change in a tax rate takes effect:

4548 (A) on the first day of a calendar quarter; and

4549 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

4550 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

4551 (A) Subsection (2)(a)(i)(A);

4552 (B) Subsection (2)(b)(i);
4553 (C) Subsection (2)(c)(i); or
4554 (D) Subsection (2)(d)(i)(A)(I).
4555 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
4556 the commission may by rule define the term "catalogue sale."
4557 (3) (a) The following state taxes shall be deposited into the General Fund:
4558 (i) the tax imposed by Subsection (2)(a)(i)(A);
4559 (ii) the tax imposed by Subsection (2)(b)(i);
4560 (iii) the tax imposed by Subsection (2)(c)(i); or
4561 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
4562 (b) The following local taxes shall be distributed to a county, city, or town as provided
4563 in this chapter:
4564 (i) the tax imposed by Subsection (2)(a)(ii);
4565 (ii) the tax imposed by Subsection (2)(b)(ii);
4566 (iii) the tax imposed by Subsection (2)(c)(ii); and
4567 (iv) the tax imposed by Subsection (2)(d)(i)(B).
4568 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
4569 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
4570 through (g):
4571 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
4572 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
4573 (B) for the fiscal year; or
4574 (ii) \$17,500,000.
4575 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
4576 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
4577 Department of Natural Resources to:
4578 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
4579 protect sensitive plant and animal species; or
4580 (B) award grants, up to the amount authorized by the Legislature in an appropriations
4581 act, to political subdivisions of the state to implement the measures described in Subsections
4582 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

4583 (ii) Money transferred to the Department of Natural Resources under Subsection
4584 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
4585 person to list or attempt to have listed a species as threatened or endangered under the
4586 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

4587 (iii) At the end of each fiscal year:

4588 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
4589 Conservation and Development Fund created in Section 73-10-24;

4590 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
4591 Program Subaccount created in Section 73-10c-5; and

4592 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
4593 Program Subaccount created in Section 73-10c-5.

4594 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
4595 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
4596 created in Section 4-18-106.

4597 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
4598 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
4599 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
4600 water rights.

4601 (ii) At the end of each fiscal year:

4602 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
4603 Conservation and Development Fund created in Section 73-10-24;

4604 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
4605 Program Subaccount created in Section 73-10c-5; and

4606 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
4607 Program Subaccount created in Section 73-10c-5.

4608 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
4609 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and
4610 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

4611 (ii) In addition to the uses allowed of the Water Resources Conservation and
4612 Development Fund under Section 73-10-24, the Water Resources Conservation and
4613 Development Fund may also be used to:

4614 (A) conduct hydrologic and geotechnical investigations by the Division of Water
4615 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
4616 quantifying surface and ground water resources and describing the hydrologic systems of an
4617 area in sufficient detail so as to enable local and state resource managers to plan for and
4618 accommodate growth in water use without jeopardizing the resource;

4619 (B) fund state required dam safety improvements; and

4620 (C) protect the state's interest in interstate water compact allocations, including the
4621 hiring of technical and legal staff.

4622 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
4623 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
4624 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

4625 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
4626 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
4627 created in Section 73-10c-5 for use by the Division of Drinking Water to:

4628 (i) provide for the installation and repair of collection, treatment, storage, and
4629 distribution facilities for any public water system, as defined in Section 19-4-102;

4630 (ii) develop underground sources of water, including springs and wells; and

4631 (iii) develop surface water sources.

4632 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
4633 2006, the difference between the following amounts shall be expended as provided in this
4634 Subsection (5), if that difference is greater than \$1:

4635 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
4636 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

4637 (ii) \$17,500,000.

4638 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

4639 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
4640 credits; and

4641 (B) expended by the Department of Natural Resources for watershed rehabilitation or
4642 restoration.

4643 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
4644 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund

4645 created in Section 73-10-24.

4646 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
4647 remaining difference described in Subsection (5)(a) shall be:

4648 (A) transferred each fiscal year to the Division of Water Resources as dedicated
4649 credits; and

4650 (B) expended by the Division of Water Resources for cloud-seeding projects
4651 authorized by Title 73, Chapter 15, Modification of Weather.

4652 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
4653 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
4654 created in Section 73-10-24.

4655 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
4656 remaining difference described in Subsection (5)(a) shall be deposited into the Water
4657 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
4658 Division of Water Resources for:

4659 (i) preconstruction costs:

4660 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
4661 26, Bear River Development Act; and

4662 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
4663 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

4664 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
4665 Chapter 26, Bear River Development Act;

4666 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
4667 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

4668 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
4669 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

4670 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
4671 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be
4672 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
4673 incurred for employing additional technical staff for the administration of water rights.

4674 (f) At the end of each fiscal year, any unexpended dedicated credits described in
4675 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development

4676 Fund created in Section 73-10-24.

4677 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the
4678 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
4679 (1) for the fiscal year shall be deposited as follows:

4680 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)
4681 shall be deposited into the Transportation Investment Fund of 2005 created by Section
4682 72-2-124;

4683 (b) for fiscal year 2017-18 only:

4684 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the
4685 Transportation Investment Fund of 2005 created by Section 72-2-124; and

4686 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the
4687 Water Infrastructure Restricted Account created by Section 73-10g-103;

4688 (c) for fiscal year 2018-19 only:

4689 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the
4690 Transportation Investment Fund of 2005 created by Section 72-2-124; and

4691 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the
4692 Water Infrastructure Restricted Account created by Section 73-10g-103;

4693 (d) for fiscal year 2019-20 only:

4694 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the
4695 Transportation Investment Fund of 2005 created by Section 72-2-124; and

4696 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the
4697 Water Infrastructure Restricted Account created by Section 73-10g-103;

4698 (e) for fiscal year 2020-21 only:

4699 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the
4700 Transportation Investment Fund of 2005 created by Section 72-2-124; and

4701 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the
4702 Water Infrastructure Restricted Account created by Section 73-10g-103; and

4703 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described
4704 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account
4705 created by Section 73-10g-103.

4706 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in

4707 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,
4708 [~~2012~~] 2020, the Division of Finance shall deposit into the Transportation Investment Fund of
4709 2005 created by Section 72-2-124:

4710 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
4711 the [~~revenues~~] revenue collected from the following taxes, which represents a portion of the
4712 approximately 17% of sales and use tax [~~revenues~~] revenue generated annually by the sales and
4713 use tax on vehicles and vehicle-related products:

4714 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

4715 (B) the tax imposed by Subsection (2)(b)(i);

4716 (C) the tax imposed by Subsection (2)(c)(i); and

4717 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

4718 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
4719 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through
4720 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
4721 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

4722 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of
4723 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total
4724 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)
4725 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
4726 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
4727 (7)(a) equal to the product of:

4728 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the
4729 previous fiscal year; and

4730 (B) the total sales and use tax revenue generated by the taxes described in Subsections
4731 (7)(a)(i)(A) through (D) in the current fiscal year.

4732 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
4733 Subsection (7)(a) would exceed [~~17%~~] 14.31% of the [~~revenues~~] revenue collected from the
4734 sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year,
4735 the Division of Finance shall deposit [~~17%~~] 14.31% of the [~~revenues~~] revenue collected from
4736 the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) for the current fiscal
4737 year under Subsection (7)(a).

4738 (iii) In all subsequent fiscal years after a year in which [~~17%~~] 14.31% of the [~~revenues~~]
4739 revenue collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through
4740 (D) was deposited under Subsection (7)(a), the Division of Finance shall annually deposit
4741 [~~17%~~] 14.31% of the [~~revenues~~] revenue collected from the sales and use taxes described in
4742 Subsections (7)(a)(i)(A) through (D) in the current fiscal year under Subsection (7)(a).

4743 [~~(8)(a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited~~
4744 ~~under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall~~
4745 ~~deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into~~
4746 ~~the Transportation Investment Fund of 2005 created by Section 72-2-124.]~~

4747 [~~(b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under~~
4748 ~~Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit~~
4749 ~~\$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the~~
4750 ~~Transportation Investment Fund of 2005 created by Section 72-2-124.]~~

4751 [~~(c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under~~
4752 ~~Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or~~
4753 ~~after July 1, 2018, the commission shall annually deposit into the Transportation Investment~~
4754 ~~Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)~~
4755 ~~in an amount equal to 3.68% of the revenues collected from the following taxes:]~~

4756 [~~(A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;]~~

4757 [~~(B) the tax imposed by Subsection (2)(b)(i);]~~

4758 [~~(C) the tax imposed by Subsection (2)(c)(i); and]~~

4759 [~~(D) the tax imposed by Subsection (2)(d)(i)(A)(I).]~~

4760 [~~(ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually~~
4761 ~~reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i)~~
4762 ~~by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year~~
4763 ~~by the portion of the tax imposed on motor and special fuel that is sold, used, or received for~~
4764 ~~sale or use in this state that exceeds 29.4 cents per gallon.]~~

4765 [(iii)] (8) The commission shall deposit annually [~~deposit the amount described in~~
4766 ~~Subsection (8)(c)(ii)] an amount of the revenue generated by the taxes listed under Subsection
4767 (3)(a) that is equal to 35% of the amount of revenue generated in the current fiscal year by the
4768 portion of the tax imposed on motor and special fuel under Chapter 13, Motor and Special Fuel~~

4769 Tax Act, that is sold, used, or received for sale or use in the state that exceeds 29.4 cents per
4770 gallon into the Transit [and] Transportation Investment Fund created in Section 72-2-124.

4771 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
4772 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
4773 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

4774 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),
4775 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17
4776 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund
4777 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on
4778 the transactions described in Subsection (1).

4779 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in
4780 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance
4781 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
4782 amount of revenue described as follows:

4783 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%
4784 tax rate on the transactions described in Subsection (1);

4785 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%
4786 tax rate on the transactions described in Subsection (1);

4787 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%
4788 tax rate on the transactions described in Subsection (1);

4789 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a
4790 .05% tax rate on the transactions described in Subsection (1); and

4791 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%
4792 tax rate on the transactions described in Subsection (1).

4793 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not
4794 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts
4795 paid or charged for food and food ingredients, except for tax revenue generated by a bundled
4796 transaction attributable to food and food ingredients and tangible personal property other than
4797 food and food ingredients described in Subsection (2)(d).

4798 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
4799 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that

4800 construction on a qualified hotel, as defined in Section [63N-2-502](#), has begun, the Division of
 4801 Finance shall, for two consecutive fiscal years, [~~annually~~] deposit annually \$1,900,000 of the
 4802 revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation
 4803 Fund, created in Section [63N-2-512](#).

4804 [~~(12)(a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the~~
 4805 ~~Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed~~
 4806 ~~under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section~~
 4807 ~~[35A-8-308](#).]~~

4808 [~~(b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division~~
 4809 ~~of Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under~~
 4810 ~~Subsection (3)(a) into the Throughput Infrastructure Fund created by Section [35A-8-308](#).]~~

4811 [~~(13)~~] (12) (a) The rate specified in this subsection is 0.15%.

4812 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall [~~(i) on or before~~
 4813 ~~September 30, 2019, transfer the amount of revenue collected from the rate described in~~
 4814 ~~Subsection (13)(a) beginning on April 1, 2019, and ending on June 30, 2019, on the~~
 4815 ~~transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into the~~
 4816 ~~Medicaid Expansion Fund created in Section [26-36b-208](#), and (ii)] for a fiscal year beginning
 4817 on or after July 1, 2019, [~~annually~~] transfer annually the amount of revenue collected from the
 4818 rate described in Subsection [~~(13)~~] (12)(a) on the transactions that are subject to the sales and
 4819 use tax under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section
 4820 [26-36b-208](#).~~

4821 Section 46. Section **59-12-104** is amended to read:

4822 **59-12-104. Exemptions.**

4823 [~~Exemptions from the taxes imposed by this chapter are as follows]~~ Except as provided
 4824 in Subsection [59-12-103](#)(2)(d), the purchase price of the following are exempt from the taxes
 4825 imposed by this chapter:

4826 (1) (a) sales of aviation fuel [~~, motor fuel, and special~~] or diesel fuel subject to a [~~Utah~~]
 4827 state excise tax under Chapter 13, Motor and Special Fuel Tax Act; or

4828 (b) sales of motor fuel or nondiesel special fuel, as defined in Section [59-13-601](#), that
 4829 are subject to a sales tax under Chapter 13, Part 6, Sales Tax on Motor Fuel and Special Fuel,
 4830 Other than Diesel Fuel;

4831 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political
4832 subdivisions; however, this exemption does not apply to sales of:

4833 (a) construction materials except:

4834 (i) construction materials purchased by or on behalf of institutions of the public
4835 education system as defined in Utah Constitution, Article X, Section 2, provided the
4836 construction materials are clearly identified and segregated and installed or converted to real
4837 property which is owned by institutions of the public education system; and

4838 (ii) construction materials purchased by the state, its institutions, or its political
4839 subdivisions which are installed or converted to real property by employees of the state, its
4840 institutions, or its political subdivisions; or

4841 (b) tangible personal property in connection with the construction, operation,
4842 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities
4843 providing additional project capacity, as defined in Section 11-13-103;

4844 [~~(3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:~~]

4845 [~~(i) the proceeds of each sale do not exceed \$1, and]~~

4846 [~~(ii) the seller or operator of the vending machine reports an amount equal to 150% of~~
4847 ~~the cost of the item described in Subsection (3)(b) as goods consumed; and]~~

4848 [~~(b) Subsection (3)(a) applies to:~~]

4849 [~~(i) food and food ingredients; or]~~

4850 [~~(ii) prepared food;]~~

4851 [~~(4)~~] (3) (a) sales of the following to a commercial airline carrier for in-flight
4852 consumption:

4853 (i) alcoholic beverages;

4854 (ii) food and food ingredients; or

4855 (iii) prepared food;

4856 (b) sales of tangible personal property or a product transferred electronically:

4857 (i) to a passenger;

4858 (ii) by a commercial airline carrier; and

4859 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or

4860 (c) services related to Subsection [~~(4)~~] (3)(a) or (b);

4861 [~~(5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts~~]

4862 and equipment:]

4863 [~~(A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002~~
4864 ~~North American Industry Classification System of the federal Executive Office of the~~
4865 ~~President, Office of Management and Budget, and]~~

4866 [~~(H) for:]~~

4867 [~~(Aa) installation in an aircraft, including services relating to the installation of parts or~~
4868 ~~equipment in the aircraft;]~~

4869 [~~(Bb) renovation of an aircraft; or]~~

4870 [~~(Cc) repair of an aircraft; or]~~

4871 [~~(B) for installation in an aircraft operated by a common carrier in interstate or foreign~~
4872 ~~commerce; or]~~

4873 [~~(ii) beginning on October 1, 2008, sales of parts and equipment for installation in an~~
4874 ~~aircraft operated by a common carrier in interstate or foreign commerce; and]~~

4875 [~~(b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,~~
4876 ~~a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a~~
4877 ~~refund:]~~

4878 [~~(i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;]~~

4879 [~~(ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;]~~

4880 [~~(iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for~~
4881 ~~the sale prior to filing for the refund;]~~

4882 [~~(iv) for sales and use taxes paid under this chapter on the sale;]~~

4883 [~~(v) in accordance with Section 59-1-1410; and]~~

4884 [~~(vi) subject to any extension allowed for filing for a refund under Section 59-1-1410,~~
4885 ~~if the person files for the refund on or before September 30, 2011;]~~

4886 (4) sales of parts and equipment for installation in an aircraft operated by a common
4887 carrier in interstate or foreign commerce;

4888 [~~(6)~~ (5) sales of commercials, motion picture films, prerecorded audio program tapes
4889 or records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture
4890 exhibitor, distributor, or commercial television or radio broadcaster;

4891 [~~(7) (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of~~
4892 ~~cleaning or washing of tangible personal property if the cleaning or washing of the tangible~~

4893 ~~personal property is not assisted cleaning or washing of tangible personal property;]~~

4894 ~~[(b) if a seller that sells at the same business location assisted cleaning or washing of~~
4895 ~~tangible personal property and cleaning or washing of tangible personal property that is not~~
4896 ~~assisted cleaning or washing of tangible personal property, the exemption described in~~
4897 ~~Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning~~
4898 ~~or washing of the tangible personal property; and]~~

4899 ~~[(c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,~~
4900 ~~Utah Administrative Rulemaking Act, the commission may make rules:]~~

4901 ~~[(i) governing the circumstances under which sales are at the same business location;~~
4902 ~~and]~~

4903 ~~[(ii) establishing the procedures and requirements for a seller to separately account for~~
4904 ~~sales of assisted cleaning or washing of tangible personal property;]~~

4905 ~~[(8)]~~ (6) sales made to or by religious or charitable institutions in the conduct of their
4906 regular religious or charitable functions and activities, if the requirements of Section
4907 [59-12-104.1](#) are fulfilled;

4908 ~~[(9)]~~ (7) sales of a vehicle of a type required to be registered under the motor vehicle
4909 laws of this state if the vehicle is:

4910 (a) not registered in this state; and

4911 (b) (i) not used in this state; or

4912 (ii) used in this state:

4913 (A) if the vehicle is not used to conduct business, for a time period that does not
4914 exceed the longer of:

4915 (I) 30 days in any calendar year; or

4916 (II) the time period necessary to transport the vehicle to the borders of this state; or

4917 (B) if the vehicle is used to conduct business, for the time period necessary to transport
4918 the vehicle to the borders of this state;

4919 ~~[(10)(a)]~~ (8) amounts paid for ~~[an item described in Subsection (10)(b) if]:~~

4920 (a) menstrual products; or

4921 (b) a drug, syringe, or stoma supply if:

4922 (i) the item is intended for human use; and

4923 (ii) (A) a prescription was issued for the item; or

4924 (B) the item was purchased by a hospital or other medical facility; ~~[and]~~
4925 ~~[(b) (i) Subsection (10)(a) applies to:]~~
4926 ~~[(A) a drug;]~~
4927 ~~[(B) a syringe; or]~~
4928 ~~[(C) a stoma supply; and]~~
4929 ~~[(ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;~~
4930 ~~the commission may by rule define the terms:]~~
4931 ~~[(A) "syringe"; or]~~
4932 ~~[(B) "stoma supply";]~~
4933 ~~[(H)] (9) purchases or leases exempt under Section 19-12-201;~~
4934 ~~[(H2)] (10) (a) sales of an item described in Subsection [(H2)] (10)(c) served by:~~
4935 (i) the following if the item described in Subsection [(H2)] (10)(c) is not available to
4936 the general public:
4937 (A) a church; or
4938 (B) a charitable institution; or
4939 (ii) an institution of higher education if:
4940 (A) the item described in Subsection [(H2)] (10)(c) is not available to the general
4941 public; or
4942 (B) the item described in Subsection [(H2)] (10)(c) is prepaid as part of a student meal
4943 plan offered by the institution of higher education; or
4944 (b) sales of an item described in Subsection [(H2)] (10)(c) provided for a patient by:
4945 (i) a medical facility; or
4946 (ii) a nursing facility; and
4947 (c) Subsections [(H2)] (10)(a) and (b) apply to:
4948 (i) food and food ingredients;
4949 (ii) prepared food; or
4950 (iii) alcoholic beverages;
4951 [(H3)] (11) (a) except as provided in Subsection [(H3)] (11)(b), the sale of tangible
4952 personal property or a product transferred electronically by a person:
4953 (i) regardless of the number of transactions involving the sale of that tangible personal
4954 property or product transferred electronically by that person; and

4955 (ii) not regularly engaged in the business of selling that type of tangible personal
4956 property or product transferred electronically;

4957 (b) this Subsection [~~(13)~~] (11) does not apply if:

4958 (i) the sale is one of a series of sales of a character to indicate that the person is
4959 regularly engaged in the business of selling that type of tangible personal property or product
4960 transferred electronically;

4961 (ii) the person holds that person out as regularly engaged in the business of selling that
4962 type of tangible personal property or product transferred electronically;

4963 (iii) the person sells an item of tangible personal property or product transferred
4964 electronically that the person purchased as a sale that is exempt under Subsection [~~(25)~~] (22);
4965 or

4966 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of
4967 this state in which case the tax is based upon:

4968 (A) the bill of sale or other written evidence of value of the vehicle or vessel being
4969 sold; or

4970 (B) in the absence of a bill of sale or other written evidence of value, the fair market
4971 value of the vehicle or vessel being sold at the time of the sale as determined by the
4972 commission; and

4973 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4974 commission shall make rules establishing the circumstances under which:

4975 (i) a person is regularly engaged in the business of selling a type of tangible personal
4976 property or product transferred electronically;

4977 (ii) a sale of tangible personal property or a product transferred electronically is one of
4978 a series of sales of a character to indicate that a person is regularly engaged in the business of
4979 selling that type of tangible personal property or product transferred electronically; or

4980 (iii) a person holds that person out as regularly engaged in the business of selling a type
4981 of tangible personal property or product transferred electronically;

4982 [~~(14)~~] (12) amounts paid or charged for a purchase or lease of machinery, equipment,
4983 normal operating repair or replacement parts, or materials, except for office equipment or
4984 office supplies, by:

4985 (a) a manufacturing facility that:

4986 (i) is located in the state; and
4987 (ii) uses or consumes the machinery, equipment, normal operating repair or
4988 replacement parts, or materials:
4989 (A) in the manufacturing process to manufacture an item sold as tangible personal
4990 property, as the commission may define that phrase in accordance with Title 63G, Chapter 3,
4991 Utah Administrative Rulemaking Act; or
4992 (B) for a scrap recycler, to process an item sold as tangible personal property, as the
4993 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
4994 Administrative Rulemaking Act;
4995 (b) an establishment, as the commission defines that term in accordance with Title
4996 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
4997 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
4998 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal
4999 Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the
5000 2002 North American Industry Classification System of the federal Executive Office of the
5001 President, Office of Management and Budget;
5002 (ii) is located in the state; and
5003 (iii) uses or consumes the machinery, equipment, normal operating repair or
5004 replacement parts, or materials in:
5005 (A) the production process to produce an item sold as tangible personal property, as the
5006 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
5007 Administrative Rulemaking Act;
5008 (B) research and development, as the commission may define that phrase in accordance
5009 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
5010 (C) transporting, storing, or managing tailings, overburden, or similar waste materials
5011 produced from mining;
5012 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in
5013 mining; or
5014 (E) preventing, controlling, or reducing dust or other pollutants from mining; or
5015 (c) an establishment, as the commission defines that term in accordance with Title 63G,
5016 Chapter 3, Utah Administrative Rulemaking Act, that:

5017 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
5018 American Industry Classification System of the federal Executive Office of the President,
5019 Office of Management and Budget;

5020 (ii) is located in the state; and

5021 (iii) uses or consumes the machinery, equipment, normal operating repair or
5022 replacement parts, or materials in the operation of the web search portal;

5023 ~~[(15)]~~ (13) (a) sales of the following if the requirements of Subsection ~~[(15)]~~ (13)(b)
5024 are met:

5025 (i) tooling;

5026 (ii) special tooling;

5027 (iii) support equipment;

5028 (iv) special test equipment; or

5029 (v) parts used in the repairs or renovations of tooling or equipment described in
5030 Subsections ~~[(15)]~~ (13)(a)(i) through (iv); and

5031 (b) sales of tooling, equipment, or parts described in Subsection ~~[(15)]~~ (13)(a) are
5032 exempt if:

5033 (i) the tooling, equipment, or parts are used or consumed exclusively in the
5034 performance of any aerospace or electronics industry contract with the United States
5035 government or any subcontract under that contract; and

5036 (ii) under the terms of the contract or subcontract described in Subsection ~~[(15)]~~
5037 (13)(b)(i), title to the tooling, equipment, or parts is vested in the United States government as
5038 evidenced by:

5039 (A) a government identification tag placed on the tooling, equipment, or parts; or

5040 (B) listing on a government-approved property record if placing a government
5041 identification tag on the tooling, equipment, or parts is impractical;

5042 ~~[(16) sales of newspapers or newspaper subscriptions;]~~

5043 ~~[(17)]~~ (14) (a) except as provided in Subsection ~~[(17)]~~ (14)(b), tangible personal
5044 property or a product transferred electronically traded in as full or part payment of the purchase
5045 price, except that for purposes of calculating sales or use tax upon vehicles not sold by a
5046 vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:

5047 (i) the bill of sale or other written evidence of value of the vehicle being sold and the

5048 vehicle being traded in; or
5049 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
5050 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the
5051 commission; and
5052 (b) Subsection ~~[(17)]~~ (14)(a) does not apply to the following items of tangible personal
5053 property or products transferred electronically traded in as full or part payment of the purchase
5054 price:
5055 (i) money;
5056 (ii) electricity;
5057 (iii) water;
5058 (iv) gas; or
5059 (v) steam;
5060 ~~[(18)]~~ (15) (a) (i) except as provided in Subsection ~~[(18)]~~ (15)(b), sales of tangible
5061 personal property or a product transferred electronically used or consumed primarily and
5062 directly in farming operations, regardless of whether the tangible personal property or product
5063 transferred electronically:
5064 (A) becomes part of real estate; or
5065 (B) is installed by a~~[-]~~ farmer, contractor, or subcontractor; or
5066 ~~[(F) farmer;]~~
5067 ~~[(H) contractor; or]~~
5068 ~~[(HH) subcontractor; or]~~
5069 (ii) sales of parts used in the repairs or renovations of tangible personal property or a
5070 product transferred electronically if the tangible personal property or product transferred
5071 electronically is exempt under Subsection ~~[(18)]~~ (15)(a)(i); and
5072 (b) amounts paid or charged for the following are subject to the taxes imposed by this
5073 chapter:
5074 (i) (A) subject to Subsection ~~[(18)]~~ (15)(b)(i)(B), machinery, equipment, materials, or
5075 supplies if used in a manner that is incidental to farming; and
5076 (B) tangible personal property that is considered to be used in a manner that is
5077 incidental to farming includes:
5078 (I) hand tools; or

5079 (II) maintenance and janitorial equipment and supplies;

5080 (ii) (A) subject to Subsection [~~(18)~~] (15)(b)(ii)(B), tangible personal property or a

5081 product transferred electronically if the tangible personal property or product transferred

5082 electronically is used in an activity other than farming; and

5083 (B) tangible personal property or a product transferred electronically that is considered

5084 to be used in an activity other than farming includes:

5085 (I) office equipment and supplies; or

5086 (II) equipment and supplies used in:

5087 (Aa) the sale or distribution of farm products;

5088 (Bb) research; or

5089 (Cc) transportation; or

5090 (iii) a vehicle required to be registered by the laws of this state during the period

5091 ending two years after the date of the vehicle's purchase;

5092 [~~(19)~~] (16) sales of hay;

5093 [~~(20)~~] (17) exclusive sale during the harvest season of seasonal crops, seedling plants,

5094 or garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or

5095 garden, farm, or other agricultural produce is sold by:

5096 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other

5097 agricultural produce;

5098 (b) an employee of the producer described in Subsection [~~(20)~~] (17)(a); or

5099 (c) a member of the immediate family of the producer described in Subsection [~~(20)~~]

5100 (17)(a);

5101 [~~(21)~~] (18) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is

5102 issued under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

5103 [~~(22)~~] (19) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,

5104 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,

5105 wholesaler, or retailer for use in packaging tangible personal property to be sold by that

5106 manufacturer, processor, wholesaler, or retailer;

5107 [~~(23)~~] (20) a product stored in the state for resale;

5108 [~~(24)~~] (21) (a) purchases of a product if:

5109 (i) the product is:

- 5110 (A) purchased outside of this state;
- 5111 (B) brought into this state:
- 5112 (I) at any time after the purchase described in Subsection [~~(24)~~] (21)(a)(i)(A); and
- 5113 (II) by a nonresident person who is not living or working in this state at the time of the
- 5114 purchase;
- 5115 (C) used for the personal use or enjoyment of the nonresident person described in
- 5116 Subsection [~~(24)~~] (21)(a)(i)(B)(II) while that nonresident person is within the state; and
- 5117 (D) not used in conducting business in this state; and
- 5118 (ii) for:
- 5119 (A) a product other than a boat described in Subsection [~~(24)~~] (21)(a)(ii)(B), the first
- 5120 use of the product for a purpose for which the product is designed occurs outside of this state;
- 5121 (B) a boat, the boat is registered outside of this state; or
- 5122 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered
- 5123 outside of this state;
- 5124 (b) the exemption provided for in Subsection [~~(24)~~] (21)(a) does not apply to:
- 5125 (i) a lease or rental of a product; or
- 5126 (ii) a sale of a vehicle exempt under Subsection [~~(33)~~] (30); and
- 5127 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
- 5128 purposes of Subsection [~~(24)~~] (21)(a), the commission may by rule define what constitutes the
- 5129 following:
- 5130 (i) conducting business in this state if that phrase has the same meaning in this
- 5131 Subsection [~~(24)~~] (21) as in Subsection [~~(63)~~] (55);
- 5132 (ii) the first use of a product if that phrase has the same meaning in this Subsection
- 5133 [~~(24)~~] (21) as in Subsection [~~(63)~~] (55); or
- 5134 (iii) a purpose for which a product is designed if that phrase has the same meaning in
- 5135 this Subsection [~~(24)~~] (21) as in Subsection [~~(63)~~] (55);
- 5136 [~~(25)~~] (22) a product purchased for resale in the regular course of business, either in its
- 5137 original form or as an ingredient or component part of a manufactured or compounded product;
- 5138 [~~(26)~~] (23) a product upon which a sales or use tax was paid to some other state, or one
- 5139 of its subdivisions, except that the state shall be paid any difference between the tax paid and
- 5140 the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is

5141 allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and
5142 Use Tax Act;

5143 ~~[(27)]~~ (24) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d)
5144 to a person for use in compounding a service taxable under the subsections;

5145 ~~[(28)]~~ (25) purchases made in accordance with the special supplemental nutrition
5146 program for women, infants, and children established in 42 U.S.C. Sec. 1786;

5147 ~~[(29)]~~ (26) sales or leases of rolls, rollers, refractory brick, electric motors, or other
5148 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code
5149 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of
5150 the President, Office of Management and Budget;

5151 ~~[(30)]~~ (27) sales of a boat of a type required to be registered under Title 73, Chapter 18,
5152 State Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard
5153 motor is:

5154 (a) not registered in this state; and

5155 (b) (i) not used in this state; or

5156 (ii) used in this state:

5157 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a
5158 time period that does not exceed the longer of:

5159 (I) 30 days in any calendar year; or

5160 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to
5161 the borders of this state; or

5162 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time
5163 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this
5164 state;

5165 ~~[(31)]~~ (28) sales of aircraft manufactured in Utah;

5166 ~~[(32)]~~ (29) amounts paid for the purchase of telecommunications service for purposes
5167 of providing telecommunications service;

5168 ~~[(33)]~~ (30) sales, leases, or uses of the following:

5169 (a) a vehicle by an authorized carrier; or

5170 (b) tangible personal property that is installed on a vehicle:

5171 (i) sold or leased to or used by an authorized carrier; and

5172 (ii) before the vehicle is placed in service for the first time;
5173 ~~[(34)]~~ (31) (a) 45% of the sales price of any new manufactured home; and
5174 (b) 100% of the sales price of any used manufactured home;
5175 ~~[(35)]~~ (32) sales relating to schools and fundraising sales;
5176 ~~[(36)]~~ (33) sales or rentals of durable medical equipment if:
5177 (a) a person presents a prescription for the durable medical equipment; and
5178 (b) the durable medical equipment is used for home use only;
5179 ~~[(37)] (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in~~
5180 ~~Section [72-11-102](#); and]~~
5181 ~~[(b) the commission shall by rule determine the method for calculating sales exempt~~
5182 ~~under Subsection (37)(a) that are not separately metered and accounted for in utility billings;]~~
5183 ~~[(38)]~~ (34) sales to a ski resort of:
5184 (a) snowmaking equipment;
5185 (b) ski slope grooming equipment;
5186 (c) passenger ropeways as defined in Section [72-11-102](#); or
5187 (d) parts used in the repairs or renovations of equipment or passenger ropeways
5188 described in Subsections ~~[(38)]~~ (34)(a) through (c);
5189 ~~[(39)]~~ (35) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for
5190 industrial use;
5191 ~~[(40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for~~
5192 ~~amusement, entertainment, or recreation an unassisted amusement device as defined in Section~~
5193 ~~[59-12-102](#);~~
5194 ~~[(b) if a seller that sells or rents at the same business location the right to use or operate~~
5195 ~~for amusement, entertainment, or recreation one or more unassisted amusement devices and~~
5196 ~~one or more assisted amusement devices, the exemption described in Subsection (40)(a)~~
5197 ~~applies if the seller separately accounts for the sales or rentals of the right to use or operate for~~
5198 ~~amusement, entertainment, or recreation for the assisted amusement devices; and]~~
5199 ~~[(c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,~~
5200 ~~Utah Administrative Rulemaking Act, the commission may make rules:]~~
5201 ~~[(i) governing the circumstances under which sales are at the same business location;~~
5202 ~~and]~~

5203 ~~[(ii) establishing the procedures and requirements for a seller to separately account for~~
5204 ~~the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for~~
5205 ~~assisted amusement devices;]~~

5206 ~~[(41)]~~ (36) (a) sales of photocopies by:

5207 (i) a governmental entity; or

5208 (ii) an entity within the state system of public education, including:

5209 (A) a school; or

5210 (B) the State Board of Education; or

5211 (b) sales of publications by a governmental entity;

5212 ~~[(42) amounts paid for admission to an athletic event at an institution of higher~~

5213 ~~education that is subject to the provisions of Title IX of the Education Amendments of 1972,~~

5214 ~~20 U.S.C. Sec. 1681 et seq.;]~~

5215 ~~[(43)]~~ (37) (a) sales made to or by:

5216 (i) an area agency on aging; or

5217 (ii) a senior citizen center owned by a county, city, or town; or

5218 (b) sales made by a senior citizen center that contracts with an area agency on aging;

5219 ~~[(44)]~~ (38) sales or leases of semiconductor fabricating, processing, research, or

5220 development materials regardless of whether the semiconductor fabricating, processing,

5221 research, or development materials:

5222 (a) actually come into contact with a semiconductor; or

5223 (b) ultimately become incorporated into real property;

5224 ~~[(45)]~~ (39) an amount paid by or charged to a purchaser for accommodations and

5225 services described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under

5226 Section 59-12-104.2;

5227 ~~[(46) beginning on September 1, 2001, the lease or use of a vehicle issued a temporary~~

5228 ~~sports event registration certificate in accordance with Section 41-3-306 for the event period~~

5229 ~~specified on the temporary sports event registration certificate;]~~

5230 ~~[(47)]~~ (40) (a) sales or uses of electricity, if the sales or uses are made under a retail

5231 tariff adopted by the Public Service Commission only for purchase of electricity produced from

5232 a new alternative energy source built after January 1, 2016, as designated in the tariff by the

5233 Public Service Commission; and

5234 (b) for a residential use customer only, the exemption under Subsection [~~(47)~~] (40)(a)
5235 applies only to the portion of the tariff rate a customer pays under the tariff described in
5236 Subsection [~~(47)~~] (40)(a) that exceeds the tariff rate under the tariff described in Subsection
5237 [~~(47)~~] (40)(a) that the customer would have paid absent the tariff;

5238 [~~(48)~~] (41) sales or rentals of mobility enhancing equipment if a person presents a
5239 prescription for the mobility enhancing equipment;

5240 [~~(49)~~] (42) sales of water in a:
5241 (a) pipe;
5242 (b) conduit;
5243 (c) ditch; or
5244 (d) reservoir;

5245 [~~(50)~~] (43) sales of currency or coins that constitute legal tender of a state, the United
5246 States, or a foreign nation;

5247 [~~(51)~~] (44) (a) sales of an item described in Subsection [~~(51)~~] (44)(b) if the item:
5248 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and
5249 (ii) has a gold, silver, or platinum content of 50% or more; and
5250 (b) Subsection [~~(51)~~] (44)(a) applies to a gold, silver, or platinum:
5251 (i) ingot;
5252 (ii) bar;
5253 (iii) medallion; or
5254 (iv) decorative coin;

5255 [~~(52)~~] (45) amounts paid on a sale-leaseback transaction;

5256 [~~(53)~~] (46) sales of a prosthetic device:
5257 (a) for use on or in a human; and
5258 (b) (i) for which a prescription is required; or
5259 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

5260 [~~(54)~~] (47) (a) except as provided in Subsection [~~(54)~~] (47)(b), purchases, leases, or
5261 rentals of machinery or equipment by an establishment described in Subsection [~~(54)~~] (47)(c) if
5262 the machinery or equipment is primarily used in the production or postproduction of the
5263 following media for commercial distribution:
5264 (i) a motion picture;

- 5265 (ii) a television program;
- 5266 (iii) a movie made for television;
- 5267 (iv) a music video;
- 5268 (v) a commercial;
- 5269 (vi) a documentary; or
- 5270 (vii) a medium similar to Subsections [~~54~~] (47)(a)(i) through (vi) as determined by
- 5271 the commission by administrative rule made in accordance with Subsection [~~54~~] (47)(d); or
- 5272 (b) purchases, leases, or rentals of machinery or equipment by an establishment
- 5273 described in Subsection [~~54~~] (47)(c) that is used for the production or postproduction of the
- 5274 following are subject to the taxes imposed by this chapter:
- 5275 (i) a live musical performance;
- 5276 (ii) a live news program; or
- 5277 (iii) a live sporting event;
- 5278 (c) the following establishments listed in the 1997 North American Industry
- 5279 Classification System of the federal Executive Office of the President, Office of Management
- 5280 and Budget, apply to Subsections [~~54~~] (47)(a) and (b):
- 5281 (i) NAICS Code 512110; or
- 5282 (ii) NAICS Code 51219; and
- 5283 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 5284 commission may by rule:
- 5285 (i) prescribe what constitutes a medium similar to Subsections [~~54~~] (47)(a)(i) through
- 5286 (vi); or
- 5287 (ii) define:
- 5288 (A) "commercial distribution";
- 5289 (B) "live musical performance";
- 5290 (C) "live news program"; or
- 5291 (D) "live sporting event";
- 5292 [~~55~~] (48) (a) leases of seven or more years or purchases made on or after July 1,
- 5293 2004, but on or before June 30, 2027, of tangible personal property that:
- 5294 (i) is leased or purchased for or by a facility that:
- 5295 (A) is an alternative energy electricity production facility;

5296 (B) is located in the state; and
5297 (C) (I) becomes operational on or after July 1, 2004; or
5298 (II) has its generation capacity increased by one or more megawatts on or after July 1,
5299 2004, as a result of the use of the tangible personal property;
5300 (ii) has an economic life of five or more years; and
5301 (iii) is used to make the facility or the increase in capacity of the facility described in
5302 Subsection [~~(55)~~] (48)(a)(i) operational up to the point of interconnection with an existing
5303 transmission grid including:
5304 (A) a wind turbine;
5305 (B) generating equipment;
5306 (C) a control and monitoring system;
5307 (D) a power line;
5308 (E) substation equipment;
5309 (F) lighting;
5310 (G) fencing;
5311 (H) pipes; or
5312 (I) other equipment used for locating a power line or pole; and
5313 (b) this Subsection [~~(55)~~] (48) does not apply to:
5314 (i) tangible personal property used in construction of:
5315 (A) a new alternative energy electricity production facility; or
5316 (B) the increase in the capacity of an alternative energy electricity production facility;
5317 (ii) contracted services required for construction and routine maintenance activities;
5318 and
5319 (iii) unless the tangible personal property is used or acquired for an increase in capacity
5320 of the facility described in Subsection [~~(55)~~] (48)(a)(i)(C)(II), tangible personal property used
5321 or acquired after:
5322 (A) the alternative energy electricity production facility described in Subsection [~~(55)~~]
5323 (48)(a)(i) is operational as described in Subsection [~~(55)~~] (48)(a)(iii); or
5324 (B) the increased capacity described in Subsection [~~(55)~~] (48)(a)(i) is operational as
5325 described in Subsection [~~(55)~~] (48)(a)(iii);
5326 [~~(56)~~] (49) (a) leases of seven or more years or purchases made on or after July 1,

- 5327 2004, but on or before June 30, 2027, of tangible personal property that:
- 5328 (i) is leased or purchased for or by a facility that:
- 5329 (A) is a waste energy production facility;
- 5330 (B) is located in the state; and
- 5331 (C) (I) becomes operational on or after July 1, 2004; or
- 5332 (II) has its generation capacity increased by one or more megawatts on or after July 1,
- 5333 2004, as a result of the use of the tangible personal property;
- 5334 (ii) has an economic life of five or more years; and
- 5335 (iii) is used to make the facility or the increase in capacity of the facility described in
- 5336 Subsection [~~(56)~~] (49)(a)(i) operational up to the point of interconnection with an existing
- 5337 transmission grid including:
- 5338 (A) generating equipment;
- 5339 (B) a control and monitoring system;
- 5340 (C) a power line;
- 5341 (D) substation equipment;
- 5342 (E) lighting;
- 5343 (F) fencing;
- 5344 (G) pipes; or
- 5345 (H) other equipment used for locating a power line or pole; and
- 5346 (b) this Subsection [~~(56)~~] (49) does not apply to:
- 5347 (i) tangible personal property used in construction of:
- 5348 (A) a new waste energy facility; or
- 5349 (B) the increase in the capacity of a waste energy facility;
- 5350 (ii) contracted services required for construction and routine maintenance activities;
- 5351 and
- 5352 (iii) unless the tangible personal property is used or acquired for an increase in capacity
- 5353 described in Subsection [~~(56)~~] (49)(a)(i)(C)(II), tangible personal property used or acquired
- 5354 after:
- 5355 (A) the waste energy facility described in Subsection [~~(56)~~] (49)(a)(i) is operational as
- 5356 described in Subsection [~~(56)~~] (49)(a)(iii); or
- 5357 (B) the increased capacity described in Subsection [~~(56)~~] (49)(a)(i) is operational as

5358 described in Subsection [~~(56)~~] (49)(a)(iii);
5359 [~~(57)~~] (50) (a) leases of five or more years or purchases made on or after July 1, 2004,
5360 but on or before June 30, 2027, of tangible personal property that:
5361 (i) is leased or purchased for or by a facility that:
5362 (A) is located in the state;
5363 (B) produces fuel from alternative energy, including:
5364 (I) methanol; or
5365 (II) ethanol; and
5366 (C) (I) becomes operational on or after July 1, 2004; or
5367 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as
5368 a result of the installation of the tangible personal property;
5369 (ii) has an economic life of five or more years; and
5370 (iii) is installed on the facility described in Subsection [~~(57)~~] (50)(a)(i);
5371 (b) this Subsection [~~(57)~~] (50) does not apply to:
5372 (i) tangible personal property used in construction of:
5373 (A) a new facility described in Subsection [~~(57)~~] (50)(a)(i); or
5374 (B) the increase in capacity of the facility described in Subsection [~~(57)~~] (50)(a)(i); or
5375 (ii) contracted services required for construction and routine maintenance activities;
5376 and
5377 (iii) unless the tangible personal property is used or acquired for an increase in capacity
5378 described in Subsection [~~(57)~~] (50)(a)(i)(C)(II), tangible personal property used or acquired
5379 after:
5380 (A) the facility described in Subsection [~~(57)~~] (50)(a)(i) is operational; or
5381 (B) the increased capacity described in Subsection [~~(57)~~] (50)(a)(i) is operational;
5382 [~~(58)~~] (51) (a) subject to Subsection [~~(58)(b) or (c)~~] (51)(b), sales of tangible personal
5383 property or a product transferred electronically to a person within this state if that tangible
5384 personal property or product transferred electronically is subsequently shipped outside the state
5385 and incorporated pursuant to contract into and becomes a part of real property located outside
5386 of this state; and
5387 (b) the exemption under Subsection [~~(58)~~] (51)(a) is not allowed to the extent that the
5388 other state or political entity to which the tangible personal property is shipped imposes a sales,

5389 use, gross receipts, or other similar transaction excise tax on the transaction against which the
5390 other state or political entity allows a credit for sales and use taxes imposed by this chapter;
5391 [and]

5392 ~~[(c) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,~~
5393 ~~a person may claim the exemption allowed by this Subsection (58) for a sale by filing for a~~
5394 ~~refund:]~~

5395 ~~[(i) if the sale is made on or after July 1, 2004, but on or before June 30, 2008;]~~

5396 ~~[(ii) as if this Subsection (58) as in effect on July 1, 2008, were in effect on the day on~~
5397 ~~which the sale is made;]~~

5398 ~~[(iii) if the person did not claim the exemption allowed by this Subsection (58) for the~~
5399 ~~sale prior to filing for the refund;]~~

5400 ~~[(iv) for sales and use taxes paid under this chapter on the sale;]~~

5401 ~~[(v) in accordance with Section 59-1-1410; and]~~

5402 ~~[(vi) subject to any extension allowed for filing for a refund under Section 59-1-1410,~~
5403 ~~if the person files for the refund on or before June 30, 2011;]~~

5404 ~~[(59) purchases:]~~

5405 ~~[(a) of one or more of the following items in printed or electronic format:]~~

5406 ~~[(i) a list containing information that includes one or more:]~~

5407 ~~[(A) names; or]~~

5408 ~~[(B) addresses; or]~~

5409 ~~[(ii) a database containing information that includes one or more:]~~

5410 ~~[(A) names; or]~~

5411 ~~[(B) addresses; and]~~

5412 ~~[(b) used to send direct mail;]~~

5413 ~~[(60)] (52) redemptions or repurchases of a product by a person if that product was:~~
5414 ~~(a) delivered to a pawnbroker as part of a pawn transaction; and~~
5415 ~~(b) redeemed or repurchased within the time period established in a written agreement~~
5416 ~~between the person and the pawnbroker for redeeming or repurchasing the product;~~

5417 ~~[(61)] (53) (a) purchases or leases of an item described in Subsection [(61)] (53)(b) if~~
5418 ~~the item:~~

5419 ~~(i) is purchased or leased by, or on behalf of, a telecommunications service provider;~~

5420 and

5421 (ii) has a useful economic life of one or more years; and

5422 (b) the following apply to Subsection [~~(61)~~] (53)(a):

5423 (i) telecommunications enabling or facilitating equipment, machinery, or software;

5424 (ii) telecommunications equipment, machinery, or software required for 911 service;

5425 (iii) telecommunications maintenance or repair equipment, machinery, or software;

5426 (iv) telecommunications switching or routing equipment, machinery, or software; or

5427 (v) telecommunications transmission equipment, machinery, or software;

5428 [~~(62)~~] (54) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of
5429 tangible personal property or a product transferred electronically that are used in the research
5430 and development of alternative energy technology; and

5431 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5432 commission may, for purposes of Subsection [~~(62)~~] (54)(a), make rules defining what
5433 constitutes purchases of tangible personal property or a product transferred electronically that
5434 are used in the research and development of alternative energy technology;

5435 [~~(63)~~] (55) (a) purchases of tangible personal property or a product transferred
5436 electronically if:

5437 (i) the tangible personal property or product transferred electronically is:

5438 (A) purchased outside of this state;

5439 (B) brought into this state at any time after the purchase described in Subsection [~~(63)~~]
5440 (55)(a)(i)(A); and

5441 (C) used in conducting business in this state; and

5442 (ii) for:

5443 (A) tangible personal property or a product transferred electronically other than the
5444 tangible personal property described in Subsection [~~(63)~~] (55)(a)(ii)(B), the first use of the
5445 property for a purpose for which the property is designed occurs outside of this state; or

5446 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered
5447 outside of this state;

5448 (b) the exemption provided for in Subsection [~~(63)~~] (55)(a) does not apply to:

5449 (i) a lease or rental of tangible personal property or a product transferred electronically;

5450 or

- 5451 (ii) a sale of a vehicle exempt under Subsection [~~(33)~~] (30); and
- 5452 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
- 5453 purposes of Subsection [~~(63)~~] (55)(a), the commission may by rule define what constitutes the
- 5454 following:
- 5455 (i) conducting business in this state if that phrase has the same meaning in this
- 5456 Subsection [~~(63)~~] (55) as in Subsection [~~(24)~~] (21);
- 5457 (ii) the first use of tangible personal property or a product transferred electronically if
- 5458 that phrase has the same meaning in this Subsection [~~(63)~~] (55) as in Subsection [~~(24)~~] (21); or
- 5459 (iii) a purpose for which tangible personal property or a product transferred
- 5460 electronically is designed if that phrase has the same meaning in this Subsection [~~(63)~~] (55) as
- 5461 in Subsection [~~(24)~~] (21);
- 5462 [~~(64)~~] (56) sales of disposable home medical equipment or supplies if:
- 5463 (a) a person presents a prescription for the disposable home medical equipment or
- 5464 supplies;
- 5465 (b) the disposable home medical equipment or supplies are used exclusively by the
- 5466 person to whom the prescription described in Subsection [~~(64)~~] (56)(a) is issued; and
- 5467 (c) the disposable home medical equipment and supplies are listed as eligible for
- 5468 payment under:
- 5469 (i) Title XVIII, federal Social Security Act; or
- 5470 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;
- 5471 [~~(65) sales:~~]
- 5472 [~~(a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit~~
- 5473 ~~District Act; or]~~
- 5474 [~~(b) of tangible personal property to a subcontractor of a public transit district, if the~~
- 5475 ~~tangible personal property is:]~~
- 5476 [~~(i) clearly identified; and]~~
- 5477 [~~(ii) installed or converted to real property owned by the public transit district;]~~
- 5478 [~~(66)~~] (57) sales of construction materials:
- 5479 (a) purchased on or after July 1, 2010;
- 5480 (b) purchased by, on behalf of, or for the benefit of an international airport:
- 5481 (i) located within a county of the first class; and

- 5482 (ii) that has a United States customs office on its premises; and
- 5483 (c) if the construction materials are:
 - 5484 (i) clearly identified;
 - 5485 (ii) segregated; and
 - 5486 (iii) installed or converted to real property:
 - 5487 (A) owned or operated by the international airport described in Subsection [(66)]
 - 5488 (57)(b); and
 - 5489 (B) located at the international airport described in Subsection [(66)] (57)(b);
 - 5490 [(67)] (58) sales of construction materials:
 - 5491 (a) purchased on or after July 1, 2008;
 - 5492 (b) purchased by, on behalf of, or for the benefit of a new airport:
 - 5493 (i) located within a county of the second class; and
 - 5494 (ii) that is owned or operated by a city in which an airline as defined in Section
 - 5495 59-2-102 is headquartered; and
 - 5496 (c) if the construction materials are:
 - 5497 (i) clearly identified;
 - 5498 (ii) segregated; and
 - 5499 (iii) installed or converted to real property:
 - 5500 (A) owned or operated by the new airport described in Subsection [(67)] (58)(b);
 - 5501 (B) located at the new airport described in Subsection [(67)] (58)(b); and
 - 5502 (C) as part of the construction of the new airport described in Subsection [(67)]
 - 5503 (58)(b);
 - 5504 [(68) sales of fuel to a common carrier that is a railroad for use in a locomotive
 - 5505 engine;]
 - 5506 [(69)] (59) purchases and sales described in Section 63H-4-111;
 - 5507 [(70)] (60) (a) sales of tangible personal property to an aircraft maintenance, repair, and
 - 5508 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of
 - 5509 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
 - 5510 lists a state or country other than this state as the location of registry of the fixed wing turbine
 - 5511 powered aircraft; or
 - 5512 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul

5513 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of
5514 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
5515 lists a state or country other than this state as the location of registry of the fixed wing turbine
5516 powered aircraft;

5517 ~~[(71) subject to Section 59-12-104.4, sales of a textbook for a higher education~~
5518 ~~course:]~~

5519 ~~[(a) to a person admitted to an institution of higher education; and]~~

5520 ~~[(b) by a seller, other than a bookstore owned by an institution of higher education, if~~
5521 ~~51% or more of that seller's sales revenue for the previous calendar quarter are sales of a~~
5522 ~~textbook for a higher education course;]~~

5523 ~~[(72)]~~ (61) a license fee or tax a municipality imposes in accordance with Subsection
5524 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced
5525 level of municipal services;

5526 ~~[(73)]~~ (62) amounts paid or charged for construction materials used in the construction
5527 of a new or expanding life science research and development facility in the state, if the
5528 construction materials are:

5529 (a) clearly identified;

5530 (b) segregated; and

5531 (c) installed or converted to real property;

5532 ~~[(74)]~~ (63) amounts paid or charged for:

5533 (a) a purchase or lease of machinery and equipment that:

5534 (i) are used in performing qualified research:

5535 (A) as defined in Section 41(d), Internal Revenue Code; and

5536 (B) in the state; and

5537 (ii) have an economic life of three or more years; and

5538 (b) normal operating repair or replacement parts:

5539 (i) for the machinery and equipment described in Subsection ~~[(74)]~~ (63)(a); and

5540 (ii) that have an economic life of three or more years;

5541 ~~[(75)]~~ (64) a sale or lease of tangible personal property used in the preparation of
5542 prepared food if:

5543 (a) for a sale:

- 5544 (i) the ownership of the seller and the ownership of the purchaser are identical; and
- 5545 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
- 5546 tangible personal property prior to making the sale; or
- 5547 (b) for a lease:
- 5548 (i) the ownership of the lessor and the ownership of the lessee are identical; and
- 5549 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible
- 5550 personal property prior to making the lease;
- 5551 ~~[(76)]~~ (65) (a) purchases of machinery or equipment if:
- 5552 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
- 5553 Gambling, and Recreation Industries, of the 2012 North American Industry Classification
- 5554 System of the federal Executive Office of the President, Office of Management and Budget;
- 5555 (ii) the machinery or equipment:
- 5556 (A) has an economic life of three or more years; and
- 5557 (B) is used by one or more persons who pay admission or user fees described in
- 5558 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and
- 5559 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
- 5560 (A) amounts paid or charged as admission or user fees described in Subsection
- 5561 59-12-103(1)(f); and
- 5562 (B) subject to taxation under this chapter; and
- 5563 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 5564 commission may make rules for verifying that 51% of a purchaser's sales revenue for the
- 5565 previous calendar quarter is:
- 5566 (i) amounts paid or charged as admission or user fees described in Subsection
- 5567 59-12-103(1)(f); and
- 5568 (ii) subject to taxation under this chapter;
- 5569 ~~[(77)]~~ (66) purchases of a short-term lodging consumable by a business that provides
- 5570 accommodations and services described in Subsection 59-12-103(1)(i);
- 5571 ~~[(78) amounts paid or charged to access a database:]~~
- 5572 ~~[(a) if the primary purpose for accessing the database is to view or retrieve information~~
- 5573 ~~from the database; and]~~
- 5574 ~~[(b) not including amounts paid or charged for a:]~~

- 5575 ~~[(i) digital audiowork;]~~
- 5576 ~~[(ii) digital audio-visual work; or]~~
- 5577 ~~[(iii) digital book;]~~
- 5578 ~~[(79)]~~ (67) amounts paid or charged for a purchase or lease made by an electronic
- 5579 financial payment service, of:
- 5580 (a) machinery and equipment that:
- 5581 (i) are used in the operation of the electronic financial payment service; and
- 5582 (ii) have an economic life of three or more years; and
- 5583 (b) normal operating repair or replacement parts that:
- 5584 (i) are used in the operation of the electronic financial payment service; and
- 5585 (ii) have an economic life of three or more years;
- 5586 ~~[(80)]~~ (68) ~~[beginning on April 1, 2013;]~~ sales of a fuel cell as defined in Section
- 5587 [54-15-102](#);
- 5588 ~~[(81)]~~ (69) amounts paid or charged for a purchase or lease of tangible personal
- 5589 property or a product transferred electronically if the tangible personal property or product
- 5590 transferred electronically:
- 5591 (a) is stored, used, or consumed in the state; and
- 5592 (b) is temporarily brought into the state from another state:
- 5593 (i) during a disaster period as defined in Section [53-2a-1202](#);
- 5594 (ii) by an out-of-state business as defined in Section [53-2a-1202](#);
- 5595 (iii) for a declared state disaster or emergency as defined in Section [53-2a-1202](#); and
- 5596 (iv) for disaster- or emergency-related work as defined in Section [53-2a-1202](#);
- 5597 ~~[(82)]~~ (70) sales of goods and services at a morale, welfare, and recreation facility, as
- 5598 defined in Section [39-9-102](#), made pursuant to Title 39, Chapter 9, State Morale, Welfare, and
- 5599 Recreation Program;
- 5600 ~~[(83)]~~ (71) amounts paid or charged for a purchase or lease of molten magnesium;
- 5601 ~~[(84)]~~ (72) amounts paid or charged for a purchase or lease made by a qualifying
- 5602 ~~[enterprise]~~ data center or an occupant of a qualifying data center of machinery, equipment, or
- 5603 normal operating repair or replacement parts, if the machinery, equipment, or normal operating
- 5604 repair or replacement parts:
- 5605 (a) are used in ~~[the operation of the establishment; and]~~:

5606 (i) the operation of the qualifying data center; or
5607 (ii) the occupant's operations in the qualifying data center; and
5608 (b) have an economic life of one or more years;
5609 [~~(85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a~~
5610 ~~vehicle that includes cleaning or washing of the interior of the vehicle;]~~
5611 [(86)] (73) amounts paid or charged for a purchase or lease of machinery, equipment,
5612 normal operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or
5613 supplies used or consumed:
5614 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
5615 in Section 63M-4-701 located in the state;
5616 (b) if the machinery, equipment, normal operating repair or replacement parts,
5617 catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:
5618 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
5619 added to gasoline or diesel fuel;
5620 (ii) research and development;
5621 (iii) transporting, storing, or managing raw materials, work in process, finished
5622 products, and waste materials produced from refining gasoline or diesel fuel, or adding
5623 blendstock to gasoline or diesel fuel;
5624 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
5625 refining; or
5626 (v) preventing, controlling, or reducing pollutants from refining; and
5627 (c) beginning on July 1, 2021, if the person has obtained a form certified by the Office
5628 of Energy Development under Subsection 63M-4-702(2);
5629 [(87)] (74) amounts paid to or charged by a proprietor for accommodations and
5630 services, as defined in Section 63H-1-205, if the proprietor is subject to the MIDA
5631 accommodations tax imposed under Section 63H-1-205;
5632 [(88)] (75) amounts paid or charged for a purchase or lease of machinery, equipment,
5633 normal operating repair or replacement parts, or materials, except for office equipment or
5634 office supplies, by an establishment, as the commission defines that term in accordance with
5635 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
5636 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North

5637 American Industry Classification System of the federal Executive Office of the President,
5638 Office of Management and Budget;

5639 (b) is located in this state; and

5640 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
5641 materials in the operation of the establishment; ~~and~~

5642 ~~[(89)] (76)~~ amounts paid or charged for an item exempt under Section [59-12-104.10](#)~~[-]~~;

5643 and

5644 (77) if paid for through a machine that accepts only cash for payment and if the
5645 machine is the only method by which to pay:

5646 (a) sales of cleaning or washing of tangible personal property if the cleaning or
5647 washing of the tangible personal property is not assisted cleaning or washing of tangible
5648 personal property;

5649 (b) sales of food and food ingredients or prepared food from a vending machine if:

5650 (i) the proceeds of each sale do not exceed \$1; and

5651 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
5652 the cost of the food and food ingredients or prepared food as goods consumed;

5653 (c) sales or rentals of the right to use or operate an unassisted amusement device for
5654 amusement, entertainment, or recreation; and

5655 (78) amounts paid or charged for tangible personal property that:

5656 (a) is not electricity, gas, machinery, equipment, vehicles, parts, office equipment, or
5657 office supplies; and

5658 (b) is consumed as part of a service described in Subsection [59-12-103\(1\)\(g\), \(h\), or](#)
5659 (i).

5660 Section 47. Section **59-12-104.5** is amended to read:

5661 **59-12-104.5. Revenue and Taxation Interim Committee review of sales and use**
5662 **taxes.**

5663 The Revenue and Taxation Interim Committee shall:

5664 (1) review Subsection [59-12-104](#)~~[(28)]~~(25) before October 1 of the year after the year
5665 in which Congress permits a state to participate in the special supplemental nutrition program
5666 under 42 U.S.C. Sec. 1786 even if state or local sales taxes are collected within the state on
5667 purchases of food under that program; and

5668 (2) review Subsection ~~59-12-104~~(18) before October 1 of the year after the year
5669 in which Congress permits a state to participate in the SNAP as defined in Section 35A-1-102,
5670 even if state or local sales taxes are collected within the state on purchases of food under that
5671 program.

5672 Section 48. Section **59-12-1201** is amended to read:

5673 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**
5674 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

5675 (1) (a) Except as provided in Subsection (3), there is imposed a tax of ~~[2.5%]~~ 4% on all
5676 short-term leases and rentals of motor vehicles not exceeding 30 days.

5677 (b) The tax imposed in this section is in addition to all other state, county, or municipal
5678 fees and taxes imposed on rentals of motor vehicles.

5679 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax
5680 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

5681 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall
5682 take effect on the first day of the first billing period:

5683 (A) that begins after the effective date of the tax rate increase; and

5684 (B) if the billing period for the transaction begins before the effective date of a tax rate
5685 increase imposed under Subsection (1).

5686 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax
5687 rate decrease shall take effect on the first day of the last billing period:

5688 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
5689 and

5690 (B) if the billing period for the transaction begins before the effective date of the repeal
5691 of the tax or the tax rate decrease imposed under Subsection (1).

5692 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

5693 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

5694 (b) the motor vehicle is rented as a personal household goods moving van; or

5695 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
5696 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an
5697 insurance agreement.

5698 (4) (a) (i) The tax authorized under this section shall be administered, collected, and

5699 enforced in accordance with:

5700 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,
5701 Tax Collection; and

5702 (B) Chapter 1, General Taxation Policies.

5703 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to
5704 Subsections 59-12-103(4) through (10) or Section 59-12-107.1 or 59-12-123.

5705 (b) The commission shall retain and deposit an administrative charge in accordance
5706 with Section 59-1-306 from the [revenues] revenue the commission collects from a tax under
5707 this part.

5708 (c) Except as provided under Subsection (4)(b), all revenue received by the
5709 commission under this section shall be deposited daily with the state treasurer and credited
5710 monthly to the Marda Dillree Corridor Preservation Fund under Section 72-2-117.

5711 Section 49. Section 59-13-202 is amended to read:

5712 **59-13-202. Refund of tax for agricultural uses on individual income and**
5713 **corporate franchise and income tax returns -- Application for permit for refund --**
5714 **Division of Finance to pay claims -- Rules permitted to enforce part -- Penalties --**
5715 **Revenue and Taxation Interim Committee study.**

5716 (1) As used in this section:

5717 (a) (i) Except as provided in Subsection (1)(a)(ii), "claimant" means a resident or
5718 nonresident person.

5719 (ii) "Claimant" does not include an estate or trust.

5720 (b) "Estate" means a nonresident estate or a resident estate.

5721 (c) "Refundable tax credit" or "tax credit" means a tax credit that a claimant, estate, or
5722 trust may claim:

5723 (i) as provided by statute; and

5724 (ii) regardless of whether, for the taxable year for which the claimant, estate, or trust
5725 claims the tax credit, the claimant, estate, or trust has a tax liability under:

5726 (A) Chapter 7, Corporate Franchise and Income Taxes; or

5727 (B) Chapter 10, Individual Income Tax Act.

5728 (d) "Trust" means a nonresident trust or a resident trust.

5729 (2) Any claimant, estate, or trust that purchases and uses any motor fuel within the state

5730 for the purpose of operating or propelling stationary farm engines and self-propelled farm
5731 machinery used for nonhighway agricultural uses, and that has paid the tax on the motor fuel as
5732 provided by this part, is entitled to a refund of the tax subject to the conditions and limitations
5733 provided under this part.

5734 (3) (a) A claimant, estate, or trust desiring a nonhighway agricultural use refund under
5735 this part shall claim the refund as a refundable tax credit on the tax return the claimant, estate,
5736 or trust files under:

5737 (i) Chapter 7, Corporate Franchise and Income Taxes; or

5738 (ii) Chapter 10, Individual Income Tax Act.

5739 (b) A claimant, estate, or trust not subject to filing a tax return described in Subsection
5740 (3)(a) shall obtain a permit and file claims on a calendar year basis.

5741 (c) Any claimant, estate, or trust claiming a refundable tax credit under this section is
5742 required to furnish any or all of the information outlined in this section upon request of the
5743 commission.

5744 (d) A refundable tax credit under this section is allowed only on purchases on which
5745 tax is paid during the taxable year covered by the tax return.

5746 (4) In order to obtain a permit for a refund of motor fuel tax paid, an application shall
5747 be filed containing:

5748 (a) the name of the claimant, estate, or trust;

5749 (b) the claimant's, estate's, or trust's address;

5750 (c) location and number of acres owned and operated, location and number of acres
5751 rented and operated, the latter of which shall be verified by a signed statement from the legal
5752 owner;

5753 (d) number of acres planted to each crop, type of soil, and whether irrigated or dry; and

5754 (e) make, size, and type of fuel used and power rating of each piece of equipment using
5755 fuel. If the claimant, estate, or trust is an operator of self-propelled or tractor-pulled farm
5756 machinery with which the claimant, estate, or trust works for hire doing custom jobs for other
5757 farmers, the application shall include information the commission requires and shall all be
5758 contained in, and be considered part of, the original application. The claimant, estate, or trust
5759 shall also file with the application a certificate from the county assessor showing each piece of
5760 equipment using fuel. This original application and all information contained in it constitutes a

5761 permanent file with the commission in the name of the claimant, estate, or trust.

5762 (5) A claimant, estate, or trust claiming the right to a refund of motor fuel tax paid shall
5763 file a claim with the commission by April 15 of each year for the refund for the previous
5764 calendar year. The claim shall state the name and address of the claimant, estate, or trust, the
5765 number of gallons of motor fuel purchased for nonhighway agricultural uses, and the amount
5766 paid for the motor fuel. The claimant, estate, or trust shall retain the original invoice to support
5767 the claim. No more than one claim for a tax refund may be filed annually by each user of
5768 motor fuel purchased for nonhighway agricultural uses.

5769 (6) Upon commission approval of the claim for a refund, the Division of Finance shall
5770 pay the amount found due to the claimant, estate, or trust. The total amount of claims for
5771 refunds shall be paid from motor fuel taxes.

5772 (7) The commission may refuse to accept as evidence of purchase or payment any
5773 instruments that show alteration or that fail to indicate the quantity of the purchase, the price of
5774 the motor fuel, a statement that the motor fuel is purchased for purposes other than
5775 transportation, and the date of purchase and delivery. If the commission is not satisfied with
5776 the evidence submitted in connection with the claim, the commission may reject the claim or
5777 require additional evidence.

5778 (8) A claimant, estate, or trust aggrieved by the decision of the commission with
5779 respect to a refundable tax credit or refund may file a request for agency action, requesting a
5780 hearing before the commission.

5781 (9) A claimant, estate, or trust that makes any false claim, report, or statement, as
5782 claimant, estate, trust, agent, or creditor, with intent to defraud or secure a refund to which the
5783 claimant, estate, or trust is not entitled, is subject to the criminal penalties provided under
5784 Section [59-1-401](#), and the commission shall initiate the filing of a complaint for alleged
5785 violations of this part. In addition to these penalties, the claimant, estate, or trust may not
5786 receive any refund as a claimant, estate, or trust or as a creditor of a claimant, estate, or trust for
5787 refund for a period of five years.

5788 ~~[(10)(a) In accordance with any rules prescribed by the commission under Subsection~~
5789 ~~(10)(b), the Division of Finance shall transfer at least annually from the Transportation Fund~~
5790 ~~into the Education Fund an amount equal to the amount of the refund claimed under this~~
5791 ~~section.]~~

5792 ~~[(b)]~~ (10) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
5793 Act, the commission may make rules providing procedures for:

5794 (i) making a refund to a claimant, estate, or trust as required by Subsection (3)(a)(i); or

5795 ~~[(ii) making a transfer from the Transportation Fund into the Education Fund as~~
5796 ~~required by Subsection (10)(a); or]~~

5797 ~~[(iii)]~~ (ii) enforcing this part.

5798 (11) (a) On or before November 30, 2017, and every three years after 2017, the
5799 Revenue and Taxation Interim Committee shall review the tax credit provided by this section
5800 and make recommendations concerning whether the tax credit should be continued, modified,
5801 or repealed.

5802 (b) In conducting the review required by Subsection (11)(a), the Revenue and Taxation
5803 Interim Committee shall:

5804 (i) schedule time on at least one committee agenda to conduct the review;

5805 (ii) invite state agencies, individuals, and organizations concerned with the credit under
5806 review to provide testimony;

5807 (iii) ensure that the recommendations described in this section include an evaluation of:

5808 (A) the cost of the tax credit to the state;

5809 (B) the purpose and effectiveness of the tax credit; and

5810 (C) the extent to which the state benefits from the tax credit; and

5811 (iv) undertake other review efforts as determined by the chairs of the Revenue and
5812 Taxation Interim Committee.

5813 Section 50. Section **59-13-323** is enacted to read:

5814 **59-13-323. Additional special fuel tax on diesel fuel.**

5815 (1) A supplier shall pay an additional special fuel tax on diesel fuel that is subject to
5816 the special fuel tax imposed under Section 59-13-301 in an amount equal to:

5817 (a) beginning on April 1, 2020, and ending on December 31, 2021, six cents per gallon;

5818 and

5819 (b) beginning on January 1, 2022, 10 cents per gallon.

5820 (2) (a) The commission shall deposit daily the revenue that the commission collects
5821 under this section with the state treasurer.

5822 (b) Notwithstanding Section 59-13-301, the state treasurer shall credit the revenue

5823 deposited in accordance with Subsection (2)(a) to the Transportation Investment Fund of 2005
5824 created in Section [72-2-124](#).

5825 (3) (a) A person entitled to a refund of a special fuel tax under this part may receive a
5826 refund of the additional special fuel tax due under this section for the same gallons that the
5827 person is entitled to a refund of a special fuel tax.

5828 (b) Notwithstanding Section [59-13-318](#), the total amount of claims for refunds under
5829 Subsection (3)(a) shall be paid from the Transportation Investment Fund of 2005.

5830 (4) Beginning in 2021, the commission shall submit annually on or before October 1,
5831 an electronic report to a legislative committee designated by the Legislative Management
5832 Committee that:

5833 (a) states the amount of revenue collected from the tax imposed under Section
5834 [59-13-323](#) during the preceding fiscal year; and

5835 (b) provides an estimate of the revenue that will be collected from the tax imposed
5836 under Section [59-13-323](#) during the current fiscal year.

5837 Section 51. Section **59-13-401** is amended to read:

5838 **59-13-401. Aviation fuel tax -- Rate.**

5839 (1) A tax is imposed upon aviation fuel at the rates provided in this section.

5840 (2) Except as provided by Subsection (3), the tax on aviation fuel shall be [~~9~~] 36.9
5841 cents per gallon.

5842 (3) Aviation fuel purchased for use by a federally certificated air carrier is subject to a
5843 tax of:

5844 (a) [~~4~~] 16.4 cents per gallon on aviation fuel purchased other than at an international
5845 airport:

5846 (i) located within a county of the first class; and

5847 (ii) that has a United States customs office on its premises; or

5848 (b) [~~2.5~~] 10.25 cents per gallon on aviation fuel purchased at an international airport:

5849 (i) located within a county of the first class; and

5850 (ii) that has a United States customs office on its premises.

5851 Section 52. Section **59-13-402** is amended to read:

5852 **59-13-402. Revenue from taxes deposited with treasurer -- Credit to Aeronautics**
5853 **Restricted Account -- Purposes for which funds may be used -- Allocation of funds --**

5854 **Reports -- Returns required.**

5855 (1) (a) [A#] Except as provided in Subsection (5), all revenue received by the
 5856 commission under this part shall be deposited daily with the state treasurer who shall credit all
 5857 of the revenue collected to the Transportation Fund.

5858 (b) An appropriation from the Transportation Fund shall be made to the commission to
 5859 cover expenses incurred in the administration and enforcement of this part and the collection of
 5860 the aviation fuel tax.

5861 (c) Refunds to which taxpayers are entitled under this part shall be paid from the
 5862 Transportation Fund.

5863 (2) The state treasurer shall place an amount equal to the total amount received from
 5864 the sale or use of aviation fuel in the Aeronautics Restricted Account created by Section
 5865 72-2-126.

5866 (3) The tax imposed on each gallon of aviation fuel under Section 59-13-401 shall be
 5867 allocated to the airport where the aviation fuel was sold and to aeronautical operations of the
 5868 Department of Transportation as follows:

5869

| | Total Tax Allocated | Allocation to Airport | Allocation to Aeronautical Operations |
|--|---------------------------|--------------------------|---|
| 5870 (a) Tax on Each Gallon of Aviation Fuel Purchased for Use by a Federally Certificated Air Carrier Other than at an International Airport Located Within a County of the First Class that has a United States Customs Office on its Premises | \$.04 | \$.03 | \$.01 |
| 5871 (b) Tax on Each Gallon of Aviation Fuel Purchased for Use by a Federally Certificated Air Carrier at an International Airport Located Within a County of the First Class that has a United States Customs Office on its Premises | \$.025 | \$.015 | \$.01 |

5872 (c) Tax on Each Gallon of Aviation
 Fuel Purchased for Use by a Person Other
 than a Federally Certificated Air Carrier
 at an International Airport Located Within a
 County of the First Class that has a United
 States Customs Office on its Premises \$.09 \$.00 \$.09

5873 (d) Tax on Each Gallon of Aviation
 Fuel Purchased for Use by a Person Other
 than a Federally Certificated Air Carrier
 Other than at an International Airport
 Located Within a County of the First
 Class that has a United States Customs
 Office on its Premises \$.09 \$.03 \$.06

5874 (e) The allocation to the publicly used airport may be used at the discretion of the
 5875 airport's governing authority for the:

5876 (i) construction, improvements, operation, and maintenance of publicly used airports in
 5877 the state; and

5878 (ii) payment of principal and interest on indebtedness incurred for the purposes
 5879 described in Subsection (3)(e)(i).

5880 (f) Upon appropriation by the Legislature, the allocation to aeronautical operations of
 5881 the Department of Transportation shall be used as provided in the Aeronautics Restricted
 5882 Account created by Section 72-2-126.

5883 (4) (a) The commission shall require reports and returns from distributors, retail
 5884 dealers, and users in order to enable the commission and the Department of Transportation to
 5885 allocate the revenue to be credited to:

5886 (i) the Aeronautics Restricted Account created by Section 72-2-126; and

5887 (ii) the separate accounts of individual airports.

5888 (b) (i) Except as provided by Subsection (4)(b)(ii), any unexpended amount remaining
 5889 in the account of any publicly used airport on the first day of January, April, July, and October
 5890 shall be paid to the authority operating the airport.

5891 (ii) Aviation fuel tax allocated to any airport owned and operated by a city of the first

5892 class shall be paid to the city treasurer on the first day of each month.

5893 (c) The state treasurer shall place aviation fuel tax collected on fuel sold at places other
5894 than publicly used airports in the Aeronautics Restricted Account created by Section [72-2-126](#).

5895 (5) The state treasurer shall credit to the General Fund an amount equal of the amount
5896 of revenue generated by a:

5897 (a) 27.9 cents per gallon tax on aviation fuel imposed under Subsection [59-13-401\(2\)](#);

5898 (b) 12.4 cents per gallon tax on aviation fuel imposed under Subsection
5899 [59-13-401\(3\)\(a\)](#); plus

5900 (c) 7.75 cents per gallon tax on aviation fuel imposed under Subsection
5901 [59-13-401\(3\)\(b\)](#).

5902 Section 53. Section **59-13-601** is enacted to read:

5903 **Part 6. Sales Tax on Motor Fuel and Special Fuel, Other than Diesel Fuel**
5904 **59-13-601. Sales tax on motor fuel and special fuel, other than diesel fuel.**

5905 (1) (a) As used in this part, "nondiesel special fuel" means special fuel, other than
5906 diesel fuel.

5907 (b) For purposes of this part, the definitions in Section [59-13-102](#) that contain the
5908 words special fuel in the definition shall be read as though the words special fuel were replaced
5909 with nondiesel special fuel.

5910 (2) (a) Beginning on April 1, 2020, and subject to the other provisions of this
5911 Subsection (2), a sales tax is imposed on motor fuel and nondiesel special fuel at an
5912 amount equal to the product of:

5913 (i) the rate described in Subsection [59-12-103\(2\)\(a\)\(i\)\(A\)](#);

5914 (ii) the average daily rack price, calculated in accordance with Subsection (3) or (4);

5915 and

5916 (iii) (A) the number of gallons of motor fuel;

5917 (B) the number of diesel gallon equivalent for liquified natural gas;

5918 (C) the number of gasoline gallon equivalent for compressed natural gas or hydrogen;

5919 or

5920 (D) the number of units sold of nondiesel special fuel that is not liquified natural gas,
5921 compressed natural gas, or hydrogen.

5922 (b) (i) The distributor shall pay the tax on motor fuel.

- 5923 (ii) The supplier shall pay the tax on nondiesel special fuel.
- 5924 (c) (i) Except as provided in Subsection (2)(c)(iii), the provisions of Part 2, Motor
- 5925 Fuel, apply to the sales tax imposed by this section on motor fuel.
- 5926 (ii) Except as provided in Subsection (2)(c)(iii), the provisions of Part 3, Special Fuel,
- 5927 apply to the sales tax imposed by this section on nondiesel special fuel.
- 5928 (iii) (A) The sales tax rate on motor fuel and nondiesel special fuel is as provided in
- 5929 this
- 5930 Subsection (2).
- 5931 (B) The treasurer shall deposit the revenue collected from the sales tax imposed under
- 5932 this section into the Transportation Investment Fund of 2005 created in Section
- 5933 [72-2-124](#).
- 5934 (C) The commission shall pay any refunds from the Transportation Investment Fund of
- 5935 2005 created in Section 72-2-124.
- 5936 (3) (a) The commission shall determine annually the average daily rack price for motor
- 5937 fuel.
- 5938 (b) For the 2020 calendar year, the commission shall make the determination required
- 5939 by Subsection (3)(a) by:
- 5940 (i) calculating the previous fiscal year statewide average rack price of a gallon of
- 5941 regular unleaded motor fuel, excluding federal and state excise taxes, for the 12 months ending
- 5942 on the previous June 30 as published by an oil pricing service; and
- 5943 (ii) rounding to the nearest one-hundredth of a cent.
- 5944 (c) For the 2021 calendar year, the commission shall make the determination required
- 5945 by Subsection (3)(a) by:
- 5946 (i) calculating the previous two fiscal years statewide average rack price of a gallon of
- 5947 regular unleaded motor fuel, excluding federal and state excise taxes, for the 24 months ending
- 5948 on the previous June 30 as published by an oil pricing service.
- 5949 (d) Beginning on January 1, 2022, the commission shall make the determination
- 5950 required by Subsection (3)(a) by:
- 5951 (i) calculating the previous three fiscal years statewide average rack price of a gallon of
- 5952 regular unleaded motor fuel, excluding federal and state excise taxes, for the 36 months ending
- 5953 on the previous June 30 as published by an oil pricing service; and

- 5954 (ii) rounding to the nearest one-hundredth of a cent.
- 5955 (e) If the average daily rack price of a gallon of motor fuel determined under
- 5956 Subsection (3)(c) or (d) is less than the average daily rack price of a gallon of motor fuel
- 5957 calculated in accordance with Subsection (3)(b), the average daily rack price shall be the
- 5958 average daily rack price calculated in accordance with Subsection (3)(b).
- 5959 (4) The average daily rack price for nondiesel special fuel is the product of:
- 5960 (a) the average daily rack price calculated in accordance with Subsection (3); and
- 5961 (b) the percentage calculated by dividing the rate calculated in accordance with
- 5962 Subsection 59-13-301(12) by the rate calculated in accordance with Subsection 59-13-201(1).
- 5963 (5) (a) The commission shall annually:
- 5964 (i) publish the average daily rack prices calculated in accordance with Subsections (3)
- 5965 and (4); and
- 5966 (ii) post or otherwise make public the average daily rack prices no later than 60 days
- 5967 prior to the annual effective date under Subsection (5)(b).
- 5968 (b) The average daily rack price described in Subsection (2) and calculated in
- 5969 accordance with Subsections (3) and (4) shall take effect:
- 5970 (i) for the 2020 calendar year, on April 1; and
- 5971 (ii) beginning with the 2021 calendar year, on January 1 of each year.
- 5972 Section 54. Section **59-24-103.5** is amended to read:
- 5973 **59-24-103.5. Radioactive waste disposal, processing, and recycling facility tax.**
- 5974 (1) On and after July 1, 2003, there is imposed a tax on a radioactive waste facility, or a
- 5975 processing or recycling facility, as provided in this chapter.
- 5976 (2) The tax is equal to the sum of the following amounts:
- 5977 (a) [~~12%~~] 36% of the gross receipts of a radioactive waste facility derived from the
- 5978 disposal of containerized class A waste;
- 5979 (b) [~~10%~~] 30% of the gross receipts of a radioactive waste facility derived from the
- 5980 disposal of processed class A waste;
- 5981 (c) [~~5%~~] 15% of the gross receipts of a radioactive waste facility derived from the
- 5982 disposal of uncontainerized, unprocessed class A waste from a governmental entity or an agent
- 5983 of a governmental entity:
- 5984 (i) pursuant to a contract entered into on or after April 30, 2001;

- 5985 (ii) pursuant to a contract substantially modified on or after April 30, 2001;
- 5986 (iii) pursuant to a contract renewed or extended on or after April 30, 2001; or
- 5987 (iv) not pursuant to a contract;
- 5988 (d) [~~5%~~] 15% of the gross receipts of a radioactive waste facility derived from the
- 5989 disposal of uncontainerized, unprocessed class A waste received by the facility from an entity
- 5990 other than a governmental entity or an agent of a governmental entity;
- 5991 (e) [~~5%~~] 15% of the gross receipts of a radioactive waste facility derived from the
- 5992 disposal of mixed waste, other than the mixed waste described in Subsection (2)(f), received
- 5993 from:
- 5994 (i) an entity other than a governmental entity or an agent of a governmental entity; or
- 5995 (ii) a governmental entity or an agent of a governmental entity:
- 5996 (A) pursuant to a contract entered into on or after April 30, 2005;
- 5997 (B) pursuant to a contract substantially modified on or after April 30, 2005;
- 5998 (C) pursuant to a contract renewed or extended on or after April 30, 2005; or
- 5999 (D) not pursuant to a contract;
- 6000 (f) [~~10%~~] 30% of the gross receipts of a radioactive waste facility derived from the
- 6001 disposal of mixed waste:
- 6002 (i) (A) received from an entity other than a governmental entity or an agent of a
- 6003 governmental entity; or
- 6004 (B) received from a governmental entity or an agent of a governmental entity:
- 6005 (I) pursuant to a contract entered into on or after April 30, 2005;
- 6006 (II) pursuant to a contract substantially modified on or after April 30, 2005;
- 6007 (III) pursuant to a contract renewed or extended on or after April 30, 2005; or
- 6008 (IV) not pursuant to a contract; and
- 6009 (ii) that contains a higher radionuclide concentration level than the mixed waste
- 6010 received by any radioactive waste facility in the state prior to April 1, 2004;
- 6011 (g) [~~10~~] 30 cents per cubic foot of alternate feed material received at a radioactive
- 6012 waste facility for disposal or reprocessing; and
- 6013 (h) [~~10~~] 30 cents per cubic foot of byproduct material received at a radioactive waste
- 6014 facility for disposal.
- 6015 (3) For purposes of the tax imposed by this section, a fraction of a cubic foot is

6016 considered to be a full cubic foot.

6017 (4) Except as provided in Subsections (2)(e) and (2)(f), the tax imposed by this section
6018 does not apply to radioactive waste containing material classified as hazardous waste under 40
6019 C.F.R. Part 261.

6020 Section 55. Section **63I-2-241** is enacted to read:

6021 **63I-2-241. Repeal dates -- Title 41.**

6022 Subsection 41-6a-702(5), which allows a vehicle with a clean fuel vehicle decal to
6023 travel in a lane designated for the use of high occupancy vehicles regardless of the number of
6024 occupants, is repealed September 30, 2025.

6025 Section 56. Section **63I-2-253** is amended to read:

6026 **63I-2-253. Repeal dates -- Titles 53 through 53G.**

6027 (1) (a) Subsections **53B-2a-103**(2) and (4), regarding the composition of the UTech
6028 Board of Trustees and the transition to that composition, are repealed July 1, 2019.

6029 (b) When repealing Subsections **53B-2a-103**(2) and (4), the Office of Legislative
6030 Research and General Counsel shall, in addition to its authority under Subsection **36-12-12**(3),
6031 make necessary changes to subsection numbering and cross references.

6032 (2) (a) Subsection **53B-2a-108**(5), regarding exceptions to the composition of a
6033 technical college board of directors, is repealed July 1, 2022.

6034 (b) When repealing Subsection **53B-2a-108**(5), the Office of Legislative Research and
6035 General Counsel shall, in addition to its authority under Subsection **36-12-12**(3), make
6036 necessary changes to subsection numbering and cross references.

6037 (3) Section **53B-6-105.7** is repealed July 1, 2024.

6038 (4) (a) Subsection **53B-7-705**(6)(b)(ii)(A), the language that states "Except as provided
6039 in Subsection (6)(b)(ii)(B)," is repealed July 1, 2021.

6040 (b) Subsection **53B-7-705**(6)(b)(ii)(B), regarding comparing a technical college's
6041 change in performance with the technical college's average performance, is repealed July 1,
6042 2021.

6043 (5) (a) Subsection **53B-7-707**(3)(a)(ii), the language that states "Except as provided in
6044 Subsection (3)(b)," is repealed July 1, 2021.

6045 (b) Subsection **53B-7-707**(3)(b), regarding performance data of a technical college
6046 during a fiscal year before fiscal year 2020, is repealed July 1, 2021.

- 6047 (6) Section 53B-8-112 is repealed July 1, 2024.
- 6048 (7) Section 53B-8-114 is repealed July 1, 2024.
- 6049 (8) (a) The following sections, regarding the Regents' scholarship program, are
6050 repealed on July 1, 2023:
- 6051 (i) Section 53B-8-202;
- 6052 (ii) Section 53B-8-203;
- 6053 (iii) Section 53B-8-204; and
- 6054 (iv) Section 53B-8-205.
- 6055 (b) (i) Subsection 53B-8-201(2), regarding the Regents' scholarship program for
6056 students who graduate from high school before fiscal year 2019, is repealed on July 1, 2023.
- 6057 (ii) When repealing Subsection 53B-8-201(2), the Office of Legislative Research and
6058 General Counsel shall, in addition to its authority under Subsection 36-12-12(3), make
6059 necessary changes to subsection numbering and cross references.
- 6060 (9) Section 53B-10-101 is repealed on July 1, 2027.
- 6061 (10) Title 53B, Chapter 18, Part 14, Uintah Basin Air Quality Research Project, is
6062 repealed July 1, 2023.
- 6063 (11) Section 53E-3-519 regarding school counselor services is repealed July 1, 2020.
- 6064 (12) Section 53E-3-520 is repealed July 1, 2021.
- 6065 (13) Subsection 53E-5-306(3)(b)(ii)(B), related to improving school performance and
6066 continued funding relating to the School Recognition and Reward Program, is repealed July 1,
6067 2020.
- 6068 (14) Section 53E-5-307 is repealed July 1, 2020.
- 6069 (15) In Subsections 53F-2-205(4) and (5), regarding the State Board of Education's
6070 duties if contributions from the minimum basic tax rate are overestimated or underestimated,
6071 the language that states "or 53F-2-301.5, as applicable" is repealed July 1, 2023.
- 6072 (16) Subsection 53F-2-301(1), relating to the years the section is not in effect, is
6073 repealed July 1, 2023.
- 6074 (17) In Subsection 53F-2-515(1), the language that states "or 53F-2-301.5, as
6075 applicable" is repealed July 1, 2023.
- 6076 (18) Section 53F-4-204 is repealed July 1, 2019.
- 6077 (19) In Subsection 53F-9-302(3), the language that states "or 53F-2-301.5, as

6078 applicable" is repealed July 1, 2023.

6079 (20) Section 53F-9-304 is repealed July 1, 2020.

6080 ~~[(20)]~~ (21) In Subsection 53F-9-305(3)(a), the language that states "or 53F-2-301.5, as
6081 applicable" is repealed July 1, 2023.

6082 ~~[(21)]~~ (22) In Subsection 53F-9-306(3)(a), the language that states "or 53F-2-301.5, as
6083 applicable" is repealed July 1, 2023.

6084 ~~[(22)]~~ (23) In Subsection 53G-3-304(1)(c)(i), the language that states "or 53F-2-301.5,
6085 as applicable" is repealed July 1, 2023.

6086 ~~[(23)]~~ (24) On July 1, 2023, when making changes in this section, the Office of
6087 Legislative Research and General Counsel shall, in addition to the office's authority under
6088 Subsection 36-12-12(3), make corrections necessary to ensure that sections and subsections
6089 identified in this section are complete sentences and accurately reflect the office's perception of
6090 the Legislature's intent.

6091 Section 57. Section **63I-2-259** is amended to read:

6092 **63I-2-259. Repeal dates -- Title 59.**

6093 ~~[(1) Section 59-1-102 is repealed on May 14, 2019.]~~

6094 ~~[(2)]~~ (1) In Section 59-2-926, the language that states "applicable" and "or
6095 53F-2-301.5" is repealed July 1, 2023.

6096 ~~[(3) Subsection 59-2-1007(15) is repealed on December 31, 2018.]~~

6097 (2) Section 59-10-1018.1 is repealed January 1, 2021.

6098 (3) Subsections 59-12-102(61) and (62), which define "life science establishment" and
6099 "life science research and development facility," are repealed January 1, 2027.

6100 (4) Subsection 59-12-104(62), which provides a sales and use tax exemption related to
6101 amounts paid or charged for construction materials used in the construction of a life science
6102 research and development facility, is repealed January 1, 2027.

6103 (5) Section 59-12-104.4 is repealed April 1, 2020.

6104 Section 58. Section **63I-2-272** is amended to read:

6105 **63I-2-272. Repeal dates -- Title 72.**

6106 (1) Subsections 72-1-213(2) and (3)(a)(i), related to the Road Usage Charge Advisory
6107 Committee, are repealed January 1, 2022.

6108 ~~[(2) On July 1, 2018:]~~

6109 [~~(a) in Subsection 72-2-108(2), the language that states "and except as provided in~~
6110 ~~Subsection (10)" is repealed; and]~~

6111 [~~(b) in Subsection 72-2-108(4)(c)(ii)(A), the language that states ", excluding any~~
6112 ~~amounts appropriated as additional support for class B and class C roads under Subsection~~
6113 ~~(10)," is repealed.]~~

6114 [~~(3)] (2) Section 72-3-113 is repealed January 1, 2020.~~

6115 (3) Section 72-6-121 is repealed September 30, 2025.

6116 Section 59. Section 63M-4-702 is amended to read:

6117 **63M-4-702. Refiner gasoline standard reporting -- Office of Energy Development**
6118 **certification of sales and use tax exemption eligibility.**

6119 (1) (a) Beginning on July 1, 2021, a refiner that seeks to be eligible for a sales and use
6120 tax exemption under Subsection 59-12-104~~[(86)](73)~~ shall annually report to the office
6121 whether the refiner's facility that is located within the state will have an average gasoline sulfur
6122 level of 10 parts per million (ppm) or less using the formulas prescribed in 40 C.F.R. Sec.
6123 80.1603, excluding the offset for credit use and transfer as prescribed in 40 C.F.R. Sec.
6124 80.1616.

6125 (b) Fuels for which a final destination outside Utah can be demonstrated or that are not
6126 subject to the standards and requirements of 40 C.F.R. Sec. 80.1603 as specified in 40 C.F.R.
6127 Sec. 80.1601 are not subject to the reporting provisions under Subsection (1)(a).

6128 (2) (a) Beginning on July 1, 2021, the office shall annually certify that the refiner is
6129 eligible for the sales and use tax exemption under Subsection 59-12-104~~[(86)](73)~~:

6130 (i) on a form provided by the State Tax Commission that shall be retained by the
6131 refiner claiming the sales and use tax exemption under Subsection 59-12-104~~[(86)](73)~~;

6132 (ii) if the refiner's refinery that is located within the state had an average sulfur level of
6133 10 parts per million (ppm) or less as reported under Subsection (1) in the previous calendar
6134 year; and

6135 (iii) before a taxpayer is allowed the sales and use tax exemption under Subsection
6136 59-12-104~~[(86)](73)~~.

6137 (b) The certification provided by the office under Subsection (2)(a) shall be renewed
6138 annually.

6139 (c) The office:

6140 (i) shall accept a copy of a report submitted by a refiner to the Environmental
6141 Protection Agency under 40 C.F.R. Sec. 80.1652 as sufficient evidence of the refiner's average
6142 gasoline sulfur level; or

6143 (ii) may establish another reporting mechanism through rules made under Subsection
6144 (3).

6145 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6146 office may make rules to implement this section.

6147 Section 60. Section **72-1-201** is amended to read:

6148 **72-1-201. Creation of Department of Transportation -- Functions, powers, duties,**
6149 **rights, and responsibilities.**

6150 (1) There is created the Department of Transportation which shall:

6151 (a) have the general responsibility for planning, research, design, construction,
6152 maintenance, security, and safety of state transportation systems;

6153 (b) provide administration for state transportation systems and programs;

6154 (c) implement the transportation policies of the state;

6155 (d) plan, develop, construct, and maintain state transportation systems that are safe,
6156 reliable, environmentally sensitive, and serve the needs of the traveling public, commerce, and
6157 industry;

6158 (e) establish standards and procedures regarding the technical details of administration
6159 of the state transportation systems as established by statute and administrative rule;

6160 (f) advise the governor and the Legislature about state transportation systems needs;

6161 (g) coordinate with utility companies for the reasonable, efficient, and cost-effective
6162 installation, maintenance, operation, relocation, and upgrade of utilities within state highway
6163 rights-of-way;

6164 (h) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
6165 make rules for the administration of the department, state transportation systems, and
6166 programs;

6167 (i) jointly with the commission annually report to the Transportation Interim
6168 Committee, by November 30 of each year, as to the operation, maintenance, condition,
6169 mobility, and safety needs for state transportation systems;

6170 (j) ensure that any training or certification required of a public official or public

6171 employee, as those terms are defined in Section [63G-22-102](#), complies with Title 63G, Chapter
6172 22, State Training and Certification Requirements, if the training or certification is required:

6173 (i) under this title;

6174 (ii) by the department; or

6175 (iii) by an agency or division within the department; [~~and~~]

6176 (k) study and make recommendations to the Legislature on potential managed lane use
6177 and implementation on selected transportation systems within the state[-]; and

6178 (l) implement one or more strategies to manage congestion on state highways and
6179 generate highway user fees, including the use of one or more high occupancy toll lanes as
6180 defined in Section [72-6-118](#) and implementation of the technology described in Subsection
6181 [72-6-118\(2\)\(e\)](#).

6182 (2) (a) The department shall exercise reasonable care in designing, constructing, and
6183 maintaining a state highway in a reasonably safe condition for travel.

6184 (b) Nothing in this section shall be construed as:

6185 (i) creating a private right of action; or

6186 (ii) expanding or changing the department's common law duty as described in
6187 Subsection (2)(a) for liability purposes.

6188 Section 61. Section **72-1-213.1** is amended to read:

6189 **72-1-213.1. Road usage charge program.**

6190 (1) As used in this section:

6191 (a) "Account manager" means an entity under contract with the department to
6192 administer and manage the road usage charge program.

6193 (b) "Alternative fuel vehicle" means the same as that term is defined in Section
6194 [41-1a-102](#).

6195 (c) "Payment period" means the interval during which an owner is required to report
6196 mileage and pay the appropriate road usage charge according to the terms of the program.

6197 (d) "Program" means the road usage charge program established and described in this
6198 section.

6199 (2) There is established a road usage charge program as described in this section.

6200 (3) (a) The department shall implement and oversee the administration of the program,
6201 which shall begin on January 1, 2020.

6202 (b) To implement and administer the program, the department may contract with an
6203 account manager.

6204 (4) (a) The owner or lessee of an alternative fuel vehicle may apply for enrollment of
6205 the alternative fuel vehicle in the program.

6206 (b) If an application for enrollment into the program is approved by the department, the
6207 owner or lessee of an alternative fuel vehicle may participate in the program in lieu of paying
6208 the fee described in Subsection 41-1a-1206(1)(h) or (2)(b).

6209 (5) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
6210 and consistent with this section, the department:

6211 (i) shall make rules to establish:

6212 (A) processes and terms for enrollment into and withdrawal or removal from the
6213 program;

6214 (B) payment periods and other payment methods and procedures for the program;

6215 (C) standards for mileage reporting mechanisms for an owner or lessee of an
6216 alternative fuel vehicle to report mileage as part of participation in the program;

6217 (D) standards for program functions for mileage recording, payment processing,
6218 account management, and other similar aspects of the program;

6219 (E) contractual terms between an owner or lessee of an alternative fuel vehicle owner
6220 and an account manager for participation in the program;

6221 (F) contractual terms between the department and an account manager, including
6222 authority for an account manager to enforce the terms of the program;

6223 (G) procedures to provide security and protection of personal information and data
6224 connected to the program, and penalties for account managers for violating privacy protection
6225 rules;

6226 (H) penalty procedures for a program participant's failure to pay a road usage charge or
6227 tampering with a device necessary for the program; and

6228 (I) department oversight of an account manager, including privacy protection of
6229 personal information and access and auditing capability of financial and other records related to
6230 administration of the program; and

6231 (ii) may make rules to establish:

6232 (A) an enrollment cap for certain alternative fuel vehicle types to participate in the

6233 program;

6234 (B) a process for collection of an unpaid road usage charge or penalty; or

6235 (C) integration of the program with other similar programs, such as tolling.

6236 (b) The department shall make recommendations to and consult with the commission

6237 regarding road usage mileage rates for each type of alternative fuel vehicle.

6238 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and

6239 consistent with this section, the commission shall, after consultation with the department, make

6240 rules to establish the road usage charge mileage rate for each type of alternative fuel vehicle.

6241 (7) (a) Revenue generated by the road usage charge program and relevant penalties

6242 shall be deposited into the Transportation Fund.

6243 (b) The department may use revenue generated by the program to cover the costs of

6244 administering the program.

6245 (8) (a) The department may:

6246 (i) (A) impose a penalty for failure to timely pay a road usage charge according to the

6247 terms of the program or tampering with a device necessary for the program; and

6248 (B) request that the Division of Motor Vehicles place a hold on the registration of the

6249 owner's or lessee's alternative fuel vehicle for failure to pay a road usage charge according to

6250 the terms of the program;

6251 (ii) send correspondence to the owner of an alternative fuel vehicle to inform the owner

6252 or lessee of:

6253 (A) the road usage charge program, implementation, and procedures;

6254 (B) an unpaid road usage charge and the amount of the road usage charge to be paid to

6255 the department;

6256 (C) the penalty for failure to pay a road usage charge within the time period described

6257 in Subsection (8)(a)(iii); and

6258 (D) a hold being placed on the owner's or lessee's registration for the alternative fuel

6259 vehicle, if the road usage charge and penalty are not paid within the time period described in

6260 Subsection (8)(a)(iii), which would prevent the renewal of the alternative fuel vehicle's

6261 registration; and

6262 (iii) require that the owner or lessee of the alternative fuel vehicle pay the road usage

6263 charge to the department within 30 days of the date when the department sends written notice

6264 of the road usage charge to the owner or lessee.

6265 (b) The department shall send the correspondence and notice described in Subsection
6266 (8)(a) to the owner of the alternative fuel vehicle according to the terms of the program.

6267 (9) (a) The Division of Motor Vehicles and the department shall share and provide
6268 access to:

6269 (i) information pertaining to an alternative fuel vehicle and participation in the program
6270 including:

6271 [(i)] (A) registration and ownership information pertaining to an alternative fuel
6272 vehicle;

6273 [(ii)] (B) information regarding the failure of an alternative fuel vehicle owner or lessee
6274 to pay a road usage charge or penalty imposed under this section within the time period
6275 described in Subsection (8)(a)(iii); and

6276 [(iii)] (C) the status of a request for a hold on the registration of an alternative fuel
6277 vehicle[-]; and

6278 (ii) the following information, in a format that does not allow the department to
6279 identify the vehicle owner, from each certificate of emissions inspection provided in
6280 accordance with Section [41-6a-1642](#):

6281 (A) the odometer reading; and

6282 (B) the date of the odometer reading.

6283 (b) If the department requests a hold on the registration in accordance with this section,
6284 the Division of Motor Vehicles may not renew the registration of a motor vehicle under Title
6285 41, Chapter 1a, Part 2, Registration, until the department withdraws the hold request.

6286 (10) The owner of an alternative fuel vehicle may apply for enrollment in the program
6287 or withdraw from the program according to the terms established by the department pursuant to
6288 rules made under Subsection (5).

6289 (11) If enrolled in the program, the owner or lessee of an alternative fuel vehicle shall:

6290 (a) report mileage driven as required by the department pursuant to Subsection (5);

6291 (b) pay the road usage fee for each payment period as set by the department and the
6292 commission pursuant to Subsections (5) and (6); and

6293 (c) comply with all other provisions of this section and other requirements of the
6294 program.

6295 (12) On or before October 1 of each year, the department shall submit an electronic
6296 report to a legislative committee designated by the Legislative Management Committee that:

6297 (a) describes the amount of revenue generated by the program during the preceding
6298 fiscal year; and

6299 (b) recommends strategies for expanding enrollment in the program.

6300 Section 62. Section **72-1-213.2** is enacted to read:

6301 **72-1-213.2. Reports on revenue from road usage charge program.**

6302 (1) As used in this section:

6303 (a) "Committees" means the Transportation Interim Committee and the Infrastructure
6304 and General Government Appropriations Subcommittee.

6305 (b) "Program" means the same as that term is defined in Section [72-1-213.1](#).

6306 (2) On or before October 1, 2020, the department shall submit to the committees a plan
6307 to enroll all vehicles registered in the state in the program by December 31, 2020.

6308 (3) Beginning in 2021, the committees shall receive and consider annually, on or
6309 before October 1, an electronic report from the department that:

6310 (a) provides the participation rate in the program;

6311 (b) states for the preceding fiscal year:

6312 (i) the amount of revenue collected from the program; and

6313 (ii) the department's cost to administer the program;

6314 (c) provides for the current fiscal year, an estimate of:

6315 (i) the revenue that will be collected from the program; and

6316 (ii) the department's cost to administer the program; and

6317 (d) recommends strategies to expand enrollment in the program to meet the deadline
6318 provided in Subsection (2).

6319 (4) In a year in which the revenue generated under the program, minus cost to
6320 administer the program, equals or exceeds 25%, 50%, 75%, or 100% of the revenue collected
6321 under Section [59-13-601](#), the department shall include that information in the report required
6322 under Subsection (3).

6323 Section 63. Section **72-2-120** is amended to read:

6324 **72-2-120. Tollway Special Revenue Fund -- Revenue.**

6325 (1) There is created a special revenue fund within the Transportation Fund known as

6326 the "Tollway Special Revenue Fund."

6327 (2) The fund shall be funded from the following sources:

6328 (a) tolls collected by the department under Section [72-6-118](#);

6329 (b) funds received by the department through a tollway development agreement under
6330 Section [72-6-203](#);

6331 (c) appropriations made to the fund by the Legislature;

6332 (d) contributions from other public and private sources for deposit into the fund;

6333 (e) interest earnings on cash balances; and

6334 (f) money collected for repayments and interest on fund money.

6335 (3) The Division of Finance may create a subaccount for each tollway as defined in
6336 Section [72-6-118](#).

6337 (4) The commission may authorize the money deposited into the fund to be spent by
6338 the department [~~to establish and operate tollways and related facilities and state transportation~~
6339 ~~systems, including design, construction, reconstruction, operation, maintenance, enforcement,~~
6340 ~~impacts from tollways, and the acquisition of right-of-way]~~ for any state transportation
6341 purpose.

6342 Section 64. Section [72-2-124](#) is amended to read:

6343 **[72-2-124. Transportation Investment Fund of 2005.](#)**

6344 (1) There is created a capital projects fund entitled the Transportation Investment Fund
6345 of 2005.

6346 (2) The fund consists of money generated from the following sources:

6347 (a) any voluntary contributions received for the maintenance, construction,
6348 reconstruction, or renovation of state and federal highways;

6349 (b) appropriations made to the fund by the Legislature;

6350 (c) registration fees designated under Section [41-1a-1201](#);

6351 (d) the sales and use tax revenues deposited into the fund in accordance with [~~Section~~
6352 ~~[59-12-103](#), and] Sections [59-12-103](#) and [59-13-601](#);~~

6353 (e) the additional special fuel tax revenues deposited into the fund in accordance with
6354 Section [59-13-323](#); and

6355 [~~e~~] (f) revenues transferred to the fund in accordance with Section [72-2-106](#).

6356 (3) (a) The fund shall earn interest.

- 6357 (b) All interest earned on fund money shall be deposited into the fund.
- 6358 (4) (a) Except as provided in Subsection (4)(b), the executive director may only use
6359 fund money to pay:
- 6360 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
6361 federal highways prioritized by the Transportation Commission through the prioritization
6362 process for new transportation capacity projects adopted under Section 72-1-304;
- 6363 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway
6364 projects described in Subsections 63B-18-401(2), (3), and (4);
- 6365 (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
6366 minus the costs paid from the County of the First Class Highway Projects Fund in accordance
6367 with Subsection 72-2-121(4)(f);
- 6368 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
6369 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified
6370 by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the
6371 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;
- 6372 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
6373 for projects prioritized in accordance with Section 72-2-125;
- 6374 (vi) all highway general obligation bonds that are intended to be paid from revenues in
6375 the Centennial Highway Fund created by Section 72-2-118;
- 6376 [~~(vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First~~
6377 ~~Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described~~
6378 ~~in Section 72-2-121; and]~~
- 6379 [~~(viii)~~ (vii) if a political subdivision provides a contribution equal to or greater than
6380 40% of the costs needed for construction, reconstruction, or renovation of paved pedestrian or
6381 paved nonmotorized transportation for projects that:
- 6382 (A) mitigate traffic congestion on the state highway system;
- 6383 (B) are part of an active transportation plan approved by the department; and
- 6384 (C) are prioritized by the commission through the prioritization process for new
6385 transportation capacity projects adopted under Section 72-1-304[;]; and
- 6386 (viii) for a fiscal year beginning on or after July 1, 2020, to annually transfer an equal
6387 portion of \$5,000,000 to each county with a population of less than 14,000, as determined by

6388 the lieutenant governor in accordance with Subsection 17-50-502(2), for expenses related to the
6389 improvement of class B roads located within the county.

6390 (b) The executive director may use fund money to exchange for an equal or greater
6391 amount of federal transportation funds to be used as provided in Subsection (4)(a).

6392 (5) (a) Except as provided in Subsection (5)(b), the executive director may not use fund
6393 money, including fund money from the Transit Transportation Investment Fund, within the
6394 boundaries of a municipality that is required to adopt a moderate income housing plan element
6395 as part of the municipality's general plan as described in Subsection 10-9a-401(3), if the
6396 municipality has failed to adopt a moderate income housing plan element as part of the
6397 municipality's general plan or has failed to implement the requirements of the moderate income
6398 housing plan as determined by the results of the Department of Workforce Service's review of
6399 the annual moderate income housing report described in Subsection 35A-8-803(1)(a)(vii).

6400 (b) Within the boundaries of a municipality that is required under Subsection
6401 10-9a-401(3) to plan for moderate income housing growth but has failed to adopt a moderate
6402 income housing plan element as part of the municipality's general plan or has failed to
6403 implement the requirements of the moderate income housing plan as determined by the results
6404 of the Department of Workforce Service's review of the annual moderate income housing
6405 report described in Subsection 35A-8-803(1)(a)(vii), the executive director:

6406 (i) may use fund money in accordance with Subsection (4)(a) for a limited-access
6407 facility;

6408 (ii) may not use fund money for the construction, reconstruction, or renovation of an
6409 interchange on a limited-access facility;

6410 (iii) may use Transit Transportation Investment Fund money for a multi-community
6411 fixed guideway public transportation project; and

6412 (iv) may not use Transit Transportation Investment Fund money for the construction,
6413 reconstruction, or renovation of a station that is part of a fixed guideway public transportation
6414 project.

6415 (6) (a) Except as provided in Subsection (6)(b), the executive director may not use fund
6416 money, including fund money from the Transit Transportation Investment Fund, within the
6417 boundaries of the unincorporated area of a county, if the county is required to adopt a moderate
6418 income housing plan element as part of the county's general plan as described in Subsection

6419 17-27a-401(3) and if the county has failed to adopt a moderate income housing plan element as
6420 part of the county's general plan or has failed to implement the requirements of the moderate
6421 income housing plan as determined by the results of the Department of Workforce Service's
6422 review of the annual moderate income housing report described in Subsection
6423 35A-8-803(1)(a)(vii).

6424 (b) Within the boundaries of the unincorporated area of a county where the county is
6425 required under Subsection 17-27a-401(3) to plan for moderate income housing growth but has
6426 failed to adopt a moderate income housing plan element as part of the county's general plan or
6427 has failed to implement the requirements of the moderate income housing plan as determined
6428 by the results of the Department of Workforce Service's review of the annual moderate income
6429 housing report described in Subsection 35A-8-803(1)(a)(vii), the executive director:

6430 (i) may use fund money in accordance with Subsection (4)(a) for a limited-access
6431 facility;

6432 (ii) may not use fund money for the construction, reconstruction, or renovation of an
6433 interchange on a limited-access facility;

6434 (iii) may use Transit Transportation Investment Fund money for a multi-community
6435 fixed guideway public transportation project; and

6436 (iv) may not use Transit Transportation Investment Fund money for the construction,
6437 reconstruction, or renovation of a station that is part of a fixed guideway public transportation
6438 project.

6439 (7) (a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued
6440 in any fiscal year, the department and the commission shall appear before the Executive
6441 Appropriations Committee of the Legislature and present the amount of bond proceeds that the
6442 department needs to provide funding for the projects identified in Subsections 63B-18-401(2),
6443 (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.

6444 (b) The Executive Appropriations Committee of the Legislature shall review and
6445 comment on the amount of bond proceeds needed to fund the projects.

6446 (8) The Division of Finance shall, from money deposited into the fund, transfer the
6447 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
6448 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt service or
6449 sinking fund.

6450 (9) (a) There is created in the Transportation Investment Fund of 2005 the Transit
6451 Transportation Investment Fund.

6452 (b) The fund shall be funded by:

6453 (i) contributions deposited into the fund in accordance with Section 59-12-103;

6454 (ii) appropriations into the account by the Legislature;

6455 (iii) private contributions; and

6456 (iv) donations or grants from public or private entities.

6457 (c) (i) The fund shall earn interest.

6458 (ii) All interest earned on fund money shall be deposited into the fund.

6459 (d) Subject to Subsection (9)(e), the Legislature may appropriate money from the fund
6460 for public transit capital development of new capacity projects to be used as prioritized by the
6461 commission.

6462 (e) (i) The Legislature may only appropriate money from the fund for a public transit
6463 capital development project or pedestrian or nonmotorized transportation project that provides
6464 connection to the public transit system if the public transit district or political subdivision
6465 provides funds of equal to or greater than 40% of the costs needed for the project.

6466 (ii) A public transit district or political subdivision may use money derived from a loan
6467 granted pursuant to Title 72, Chapter 2, Part 2, State Infrastructure Bank Fund, to provide all or
6468 part of the 40% requirement described in Subsection (9)(e)(i) if:

6469 (A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2,
6470 State Infrastructure Bank Fund; and

6471 (B) the proposed capital project has been prioritized by the commission pursuant to
6472 Section 72-1-303.

6473 Section 65. Section 72-6-118 is amended to read:

6474 **72-6-118. Definitions -- Establishment and operation of tollways -- Imposition**
6475 **and collection of tolls -- Amount of tolls -- Rulemaking.**

6476 (1) As used in this section:

6477 (a) (i) [~~High~~] Before January 1, 2025, "high occupancy toll lane" means a high
6478 occupancy vehicle lane designated under Section 41-6a-702 that may be used by an operator of
6479 a vehicle carrying less than the number of persons specified for the high occupancy vehicle
6480 lane if the operator of the vehicle pays a toll or fee.

6481 (ii) On or after January 1, 2025, "high occupancy toll lane" means a high occupancy
6482 vehicle lane designated under Section [41-6a-702](#) that may be used by an operator of a vehicle
6483 only if:

6484 (A) the vehicle is carrying three or more occupants; or

6485 (B) the operator pays a toll or fee.

6486 (b) "Toll" means any tax, fee, or charge assessed for the specific use of a tollway.

6487 (c) "Toll lane" means a designated new highway or additional lane capacity that is
6488 constructed, operated, or maintained for which a toll is charged for its use.

6489 (d) (i) "Tollway" means a highway, highway lane, bridge, path, tunnel, or right-of-way
6490 designed and used as a transportation route that is constructed, operated, or maintained through
6491 the use of toll revenues.

6492 (ii) "Tollway" includes a high occupancy toll lane and a toll lane.

6493 (e) "Tollway development agreement" has the same meaning as defined in Section
6494 [72-6-202](#).

6495 (2) Subject to the provisions of Subsection (3), the department may:

6496 (a) establish, expand, and operate tollways and related facilities for the purpose of
6497 funding in whole or in part the acquisition of right-of-way and the design, construction,
6498 reconstruction, operation, enforcement, and maintenance of or impacts from a transportation
6499 route for use by the public;

6500 (b) enter into contracts, agreements, licenses, franchises, tollway development
6501 agreements, or other arrangements to implement this section;

6502 (c) impose and collect tolls on any tollway established under this section, including
6503 collection of past due payment of a toll or penalty;

6504 (d) grant exclusive or nonexclusive rights to a private entity to impose and collect tolls
6505 pursuant to the terms and conditions of a tollway development agreement;

6506 (e) use technology to automatically monitor a tollway and collect payment of a toll,
6507 including:

6508 (i) license plate reading technology; and

6509 (ii) photographic or video recording technology; and

6510 (f) in accordance with Subsection (5), request that the Division of Motor Vehicles deny
6511 a request for registration of a motor vehicle if the motor vehicle owner has failed to pay a toll

6512 or penalty imposed for usage of a tollway involving the motor vehicle for which registration
6513 renewal has been requested.

6514 (3) (a) The department may establish or operate a tollway on an existing highway if
6515 approved by the commission in accordance with the terms of this section.

6516 (b) To establish a tollway on an existing highway, the department shall submit a
6517 proposal to the commission including:

6518 (i) a description of the tollway project;

6519 (ii) projected traffic on the tollway;

6520 (iii) the anticipated amount of the toll to be charged; and

6521 (iv) projected toll revenue.

6522 (4) (a) For a tollway established under this section, the department may:

6523 (i) according to the terms of each tollway, impose the toll upon the owner of a motor
6524 vehicle using the tollway according to the terms of the tollway;

6525 (ii) send correspondence to the owner of the motor vehicle to inform the owner of:

6526 (A) an unpaid toll and the amount of the toll to be paid to the department;

6527 (B) the penalty for failure to pay the toll timely; and

6528 (C) a hold being placed on the owner's registration for the motor vehicle if the toll and
6529 penalty are not paid timely, which would prevent the renewal of the motor vehicle's
6530 registration;

6531 (iii) require that the owner of the motor vehicle pay the toll to the department within 30
6532 days of the date when the department sends written notice of the toll to the owner; and

6533 (iv) impose a penalty for failure to pay a toll timely.

6534 (b) The department shall mail the correspondence and notice described in Subsection
6535 (4)(a) to the owner of the motor vehicle according to the terms of a tollway.

6536 (5) (a) The Division of Motor Vehicles and the department shall share and provide
6537 access to information pertaining to a motor vehicle and tollway enforcement including:

6538 (i) registration and ownership information pertaining to a motor vehicle;

6539 (ii) information regarding the failure of a motor vehicle owner to timely pay a toll or
6540 penalty imposed under this section; and

6541 (iii) the status of a request for a hold on the registration of a motor vehicle.

6542 (b) If the department requests a hold on the registration in accordance with this section,

6543 the Division of Motor Vehicles may not renew the registration of a motor vehicle under Title
6544 41, Chapter 1a, Part 2, Registration, if the owner of the motor vehicle has failed to pay a toll or
6545 penalty imposed under this section for usage of a tollway involving the motor vehicle for which
6546 registration renewal has been requested until the department withdraws the hold request.

6547 (6) (a) Except as provided in Subsection (6)(b), in accordance with Title 63G, Chapter
6548 3, Utah Administrative Rulemaking Act, the commission shall:

6549 (i) set the amount of any toll imposed or collected on a tollway on a state highway; and

6550 (ii) for tolls established under Subsection (6)(b), set:

6551 (A) an increase in a toll rate or user fee above an increase specified in a tollway
6552 development agreement; or

6553 (B) an increase in a toll rate or user fee above a maximum toll rate specified in a
6554 tollway development agreement.

6555 (b) A toll or user fee and an increase to a toll or user fee imposed or collected on a
6556 tollway on a state highway that is the subject of a tollway development agreement shall be set
6557 in the tollway development agreement.

6558 (7) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
6559 the department shall make rules:

6560 (i) necessary to establish and operate tollways on state highways;

6561 (ii) that establish standards and specifications for automatic tolling systems and
6562 automatic tollway monitoring technology; and

6563 (iii) to set the amount of a penalty for failure to pay a toll under this section.

6564 (b) The rules shall:

6565 (i) include minimum criteria for having a tollway; and

6566 (ii) conform to regional and national standards for automatic tolling.

6567 (8) (a) The commission may provide funds for public or private tollway pilot projects
6568 or high occupancy toll lanes from General Fund money appropriated by the Legislature to the
6569 commission for that purpose.

6570 (b) The commission may determine priorities and funding levels for tollways
6571 designated under this section.

6572 (9) (a) Except as provided in Subsection (9)(b), all revenue generated from a tollway
6573 on a state highway shall be deposited into the Tollway Special Revenue Fund created in

6574 Section [72-2-120](#) and used for [~~acquisition of right-of-way and the design, construction,~~
6575 ~~reconstruction, operation, maintenance, enforcement of state transportation systems and~~
6576 ~~facilities, including operating improvements to the tollway, and other facilities used exclusively~~
6577 ~~for the operation of a tollway facility within the corridor served by the tollway]~~ any state
6578 transportation purpose.

6579 (b) Revenue generated from a tollway that is the subject of a tollway development
6580 agreement shall be deposited into the Tollway Special Revenue Fund and used in accordance
6581 with Subsection (9)(a) unless:

6582 (i) the revenue is to a private entity through the tollway development agreement; or
6583 (ii) the revenue is identified for a different purpose under the tollway development
6584 agreement.

6585 (10) Data described in Subsection (2)(e) obtained for the purposes of this section:

6586 (a) in accordance with Section [63G-2-305](#), is a protected record under Title 63G,
6587 Chapter 2, Government Records Access and Management Act, if the photographic or video
6588 data is maintained by a governmental entity;

6589 (b) may not be used or shared for any purpose other than the purposes described in this
6590 section;

6591 (c) may only be preserved:

6592 (i) so long as necessary to collect the payment of a toll or penalty imposed in
6593 accordance with this section; or

6594 (ii) pursuant to a warrant issued under the Utah Rules of Criminal Procedure or an
6595 equivalent federal warrant; and

6596 (d) may only be disclosed:

6597 (i) in accordance with the disclosure requirements for a protected record under Section
6598 [63G-2-202](#); or

6599 (ii) pursuant to a warrant issued under the Utah Rules of Criminal Procedure or an
6600 equivalent federal warrant.

6601 (11) (a) The department may not sell for any purpose photographic or video data
6602 captured under Subsection (2)(e)(ii).

6603 (b) The department may not share captured photographic or video data for a purpose
6604 not authorized under this section.

6605 ~~[(12) Before November 1, 2018, the Driver License Division, the Division of Motor~~
6606 ~~Vehicles, and the department shall jointly study and report findings and recommendations to~~
6607 ~~the Transportation Interim Committee regarding the use of Title 53, Chapter 3, Part 6, Drivers'~~
6608 ~~License Compact, and other methods to collect a toll or penalty under this section from:]~~

6609 ~~[(a) an owner of a motor vehicle registered outside this state; or]~~

6610 ~~[(b) a driver or lessee of a motor vehicle leased or rented for 30 days or less.]]~~

6611 Section 66. Section **72-9-603** is amended to read:

6612 **72-9-603. Towing notice requirements -- Cost responsibilities -- Abandoned**
6613 **vehicle title restrictions -- Rules for maximum rates and certification.**

6614 (1) Except for a tow truck service that was ordered by a peace officer, or a person
6615 acting on behalf of a law enforcement agency, or a highway authority, after performing a tow
6616 truck service that is being done without the vehicle, vessel, or outboard motor owner's
6617 knowledge, the tow truck operator or the tow truck motor carrier shall:

6618 (a) immediately upon arriving at the place of storage or impound of the vehicle, vessel,
6619 or outboard motor:

6620 (i) send a report of the removal to the Motor Vehicle Division that complies with the
6621 requirements of Subsection [41-6a-1406\(4\)\(b\)](#); and

6622 (ii) contact the law enforcement agency having jurisdiction over the area where the
6623 vehicle, vessel, or outboard motor was picked up and notify the agency of the:

6624 (A) location of the vehicle, vessel, or outboard motor;

6625 (B) date, time, and location from which the vehicle, vessel, or outboard motor was
6626 removed;

6627 (C) reasons for the removal of the vehicle, vessel, or outboard motor;

6628 (D) person who requested the removal of the vehicle, vessel, or outboard motor; and

6629 (E) description, including the identification number, license number, or other
6630 identification number issued by a state agency, of the vehicle, vessel, or outboard motor;

6631 (b) within two business days of performing the tow truck service under Subsection
6632 (1)(a), send a certified letter to the last-known address of each party described in Subsection
6633 [41-6a-1406\(5\)\(a\)](#) with an interest in the vehicle, vessel, or outboard motor obtained from the
6634 Motor Vehicle Division or, if the person has actual knowledge of the party's address, to the
6635 current address, notifying the party of the:

- 6636 (i) location of the vehicle, vessel, or outboard motor;
- 6637 (ii) date, time, and location from which the vehicle, vessel, or outboard motor was
6638 removed;
- 6639 (iii) reasons for the removal of the vehicle, vessel, or outboard motor;
- 6640 (iv) person who requested the removal of the vehicle, vessel, or outboard motor;
- 6641 (v) a description, including its identification number and license number or other
6642 identification number issued by a state agency; and
- 6643 (vi) costs and procedures to retrieve the vehicle, vessel, or outboard motor; and
- 6644 (c) upon initial contact with the owner whose vehicle, vessel, or outboard motor was
6645 removed, provide the owner with a copy of the Utah Consumer Bill of Rights Regarding
6646 Towing established by the department in Subsection (7)(e).
- 6647 (2) (a) Until the tow truck operator or tow truck motor carrier reports the removal as
6648 required under Subsection (1)(a), a tow truck operator, tow truck motor carrier, or impound
6649 yard may not:
- 6650 (i) collect any fee associated with the removal; or
- 6651 (ii) begin charging storage fees.
- 6652 (b) (i) Except as provided in Subsection (2)(c), a tow truck operator or tow truck motor
6653 carrier may not perform a tow truck service without the vehicle, vessel, or outboard motor
6654 owner's or a lien holder's knowledge at either of the following locations without signage that
6655 meets the requirements of Subsection (2)(b)(ii):
- 6656 (A) a mobile home park as defined in Section 57-16-3; or
- 6657 (B) a multifamily dwelling of more than eight units.
- 6658 (ii) Signage under Subsection (2)(b)(i) shall display:
- 6659 (A) where parking is subject to towing; and
- 6660 (B) (I) the Internet website address that provides access to towing database information
6661 in accordance with Section 41-6a-1406; or
- 6662 (II) one of the following:
- 6663 (Aa) the name and phone number of the tow truck operator or tow truck motor carrier
6664 that performs a tow truck service for the locations listed under Subsection (2)(b)(i); or
- 6665 (Bb) the name of the mobile home park or multifamily dwelling and the phone number
6666 of the mobile home park or multifamily dwelling manager or management office that

6667 authorized the vehicle, vessel, or outboard motor to be towed.

6668 (c) Signage is not required under Subsection (2)(b) for parking in a location:

6669 (i) that is prohibited by law; or

6670 (ii) if it is reasonably apparent that the location is not open to parking.

6671 (d) Nothing in Subsection (2)(b) restricts the ability of a mobile home park as defined
6672 in Section 57-16-3 or a multifamily dwelling from instituting and enforcing regulations on
6673 parking.

6674 (3) The party described in Subsection 41-6a-1406(5)(a) with an interest in a vehicle,
6675 vessel, or outboard motor lawfully removed is only responsible for paying:

6676 (a) the tow truck service and storage fees set in accordance with Subsection (7); [~~and~~]

6677 (b) the administrative impound fee set in Section 41-6a-1406, if applicable[-]; and

6678 (c) the applicable sales and use tax.

6679 (4) (a) The fees under Subsection (3) are a possessory lien on the vehicle, vessel, or
6680 outboard motor and any nonlife essential items contained in the vehicle, vessel, or outboard
6681 motor that are owned by the owner of the vehicle, vessel, or outboard motor until paid.

6682 (b) The tow truck operator or tow truck motor carrier shall securely store the vehicle,
6683 vessel, or outboard motor and items described in Subsection (4)(a) in an approved state
6684 impound yard until a party described in Subsection 41-6a-1406(5)(a) with an interest in the
6685 vehicle, vessel, or outboard motor:

6686 (i) pays the [~~fees~~] amounts described in Subsection (3); and

6687 (ii) removes the vehicle, vessel, or outboard motor from the state impound yard.

6688 (5) (a) A vehicle, vessel, or outboard motor shall be considered abandoned if a party
6689 described in Subsection 41-6a-1406(5)(a) with an interest in the vehicle, vessel, or outboard
6690 motor does not, within 30 days after notice has been sent under Subsection (1)(b):

6691 (i) pay the [~~fees~~] amounts described in Subsection (3); and

6692 (ii) remove the vehicle, vessel, or outboard motor from the secure storage facility.

6693 (b) A person may not request a transfer of title to an abandoned vehicle, vessel, or
6694 outboard motor until at least 30 days after notice has been sent under Subsection (1)(b).

6695 (6) (a) A tow truck motor carrier or impound yard shall clearly and conspicuously post
6696 and disclose all its current fees, rates, and acceptable forms of payment for tow truck service
6697 and storage of a vehicle in accordance with rules established under Subsection (7).

6698 (b) A tow truck operator, a tow truck motor carrier, and an impound yard shall accept
6699 payment by cash and debit or credit card for a tow truck service under Subsection (1) or any
6700 service rendered, performed, or supplied in connection with a tow truck service under
6701 Subsection (1).

6702 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6703 department shall:

6704 (a) subject to the restriction in Subsection (8), set maximum rates that:

6705 (i) a tow truck motor carrier may charge for the tow truck service of a vehicle, vessel,
6706 or outboard motor that are transported in response to:

6707 (A) a peace officer dispatch call;

6708 (B) a motor vehicle division call; and

6709 (C) any other call or request where the owner of the vehicle, vessel, or outboard motor
6710 has not consented to the removal; and

6711 (ii) an impound yard may charge for the storage of a vehicle, vessel, or outboard motor
6712 stored as a result of one of the conditions listed under Subsection (7)(a)(i);

6713 (b) establish authorized towing certification requirements, not in conflict with federal
6714 law, related to incident safety, clean-up, and hazardous material handling;

6715 (c) specify the form and content of the posting and disclosure of fees and rates charged
6716 and acceptable forms of payment by a tow truck motor carrier or impound yard;

6717 (d) set a maximum rate for an administrative fee that a tow truck motor carrier may
6718 charge for reporting the removal as required under Subsection (1)(a)(i) and providing notice of
6719 the removal to each party described in Subsection 41-6a-1406(5)(a) with an interest in the
6720 vehicle, vessel, or outboard motor as required in Subsection (1)(b); and

6721 (e) establish a Utah Consumer Bill of Rights Regarding Towing form that contains
6722 specific information regarding:

6723 (i) a vehicle owner's rights and responsibilities if the owner's vehicle is towed;

6724 (ii) identifies the maximum rates that a tow truck motor carrier may charge for the tow
6725 truck service of a vehicle, vessel, or outboard motor that is transported in response to a call or
6726 request where the owner of the vehicle, vessel, or outboard motor has not consented to the
6727 removal; and

6728 (iii) identifies the maximum rates that an impound yard may charge for the storage of

6729 vehicle, vessel, or outboard motor that is transported in response to a call or request where the
6730 owner of the vehicle, vessel, or outboard motor has not consented to the removal.

6731 (8) An impound yard may not charge a fee for the storage of an impounded vehicle,
6732 vessel, or outboard motor if:

6733 (a) the vehicle, vessel, or outboard motor is being held as evidence; and

6734 (b) the vehicle, vessel, or outboard motor is not being released to a party described in
6735 Subsection 41-6a-1406(5)(a), even if the party satisfies the requirements to release the vehicle,
6736 vessel, or outboard motor under Section 41-6a-1406.

6737 (9) (a) (i) A tow truck motor carrier may charge a rate up to the maximum rate set by
6738 the department in rules made under Subsection (7).

6739 (ii) In addition to the maximum rates established under Subsection (7) [~~and when~~
6740 ~~receiving payment by credit card~~], a tow truck operator, a tow truck motor carrier, or an
6741 impound yard:

6742 (A) shall collect the sales and use tax due; and

6743 (B) when receiving payment by credit card, may charge a credit card processing fee of
6744 3% of the transaction total.

6745 (b) A tow truck motor carrier may not be required to maintain insurance coverage at a
6746 higher level than required in rules made pursuant to Subsection (7).

6747 (10) When a tow truck motor carrier or impound lot is in possession of a vehicle,
6748 vessel, or outboard motor as a result of a tow service that was performed without the consent of
6749 the owner, and that was not ordered by a peace officer or a person acting on behalf of a law
6750 enforcement agency, the tow truck motor carrier or impound yard shall make personnel
6751 available:

6752 (a) by phone 24 hours a day, seven days a week; and

6753 (b) to release the impounded vehicle, vessel, or outboard motor to the owner within
6754 one hour of when the owner calls the tow truck motor carrier or impound yard.

6755 **Section 67. Appropriations -- Operating and Capital Budgets.**

6756 Subsection 65 (a)(i). **Fiscal Year 2020 Appropriation -- Operating and Capital**
6757 **Budgets.**

6758 The following sums of money are appropriated for the fiscal year beginning July 1,
6759 2019, and ending June 30, 2020. These are additions to amounts previously appropriated for

6760 fiscal year 2020. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
 6761 Act, the Legislature appropriates the following sums of money from the funds or accounts
 6762 indicated for the use and support of the government of the state of Utah.

6763 ITEM 16764 To Department of Workforce Services -- Administration6765 From General Fund, One-time \$500,0006766 Schedule of Programs:6767 Communications \$500,000

6768 The Legislature intends that the Department of Workforce Services use this
 6769 appropriation for outreach to inform eligible individuals, particularly low income individuals,
 6770 of available income tax credits, exemptions, and rebates and how to claim them.

6771 Subsection 65 (a)(ii). Fiscal Year 2020 Appropriation -- Transfers to Unrestricted
 6772 **Funds.**

6773 The following sums of money are appropriated for the fiscal year beginning July 1,
 6774 2019, and ending June 30, 2020. These are additions to amounts previously appropriated for
 6775 fiscal year 2020.

6776 The Legislature authorizes the State Division of Finance to transfer the following
 6777 amounts to the unrestricted General Fund, Education Fund, or Uniform School Fund, as
 6778 indicated, from the restricted funds or accounts indicated. Expenditures and outlays from the
 6779 General Fund, Education Fund, or Uniform School Fund must be authorized by an
 6780 appropriation.

6781 ITEM 26782 To General Fund, One-time6783 From Education Fund Restricted --6784 Underage Drinking Prevention Program Restricted Account \$1,750,0006785 Schedule of Programs:6786 General Fund, One-time \$1,750,000

6787 The Legislature intends that, after satisfying all prior appropriations from the Underage
 6788 Drinking Prevention Program Restricted Account, the State Division of Finance transfer all
 6789 remaining balances in the Underage Drinking Prevention Program Restricted Account to the
 6790 General Fund at the close of fiscal year 2020 and close the account.

6791 Subsection 65 (b). **Fiscal Year 2021 Appropriations -- Operating and Capital**

6792 **Budgets.**

6793 The following sums of money are appropriated for the fiscal year beginning July 1,
 6794 2020, and ending June 30, 2021. These are additions to amounts otherwise appropriated for
 6795 fiscal year 2021. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
 6796 Act, the Legislature appropriates the following sums of money from the funds or accounts
 6797 indicated for the use and support of the government of the state of Utah.

6798 ITEM 3

6799 To State Board of Education -- Child Nutrition

6800 From Education Fund \$55,500,000

6801 From Dedicated Credits -- Liquor Tax (\$39,275,700)

6802 Schedule of Programs:

6803 Child Nutrition \$16,224,300

6804 ITEM 4

6805 To State Board of Education -- State Administrative Office

6806 From Education Fund \$2,850,000

6807 From Education Fund Restricted --

6808 Underage Drinking Prevention Program Restricted Account (\$1,751,000)

6809 Schedule of Programs:

6810 Student Advocacy Services \$1,099,000

6811 ITEM 5

6812 To University of Utah -- Education and General

6813 From General Fund \$101,608,900

6814 From Education Fund (\$101,608,900)

6815 ITEM 6

6816 To University of Utah -- School of Medicine

6817 From General Fund \$35,899,500

6818 From Education Fund (\$35,899,500)

6819 ITEM 7

6820 To University of Utah -- University Hospital

6821 From General Fund \$1,533,000

| | | |
|------|--|-----------------------|
| 6822 | <u>From Education Fund</u> | <u>(\$1,533,000)</u> |
| 6823 | <u>ITEM 8</u> | |
| 6824 | <u>To University of Utah -- School of Dentistry</u> | |
| 6825 | <u>From General Fund</u> | <u>\$2,324,700</u> |
| 6826 | <u>From Education Fund</u> | <u>(\$2,324,700)</u> |
| 6827 | <u>ITEM 9</u> | |
| 6828 | <u>To Utah State University -- Education and General</u> | |
| 6829 | <u>From General Fund</u> | <u>\$73,521,400</u> |
| 6830 | <u>From Education Fund</u> | <u>(\$73,521,400)</u> |
| 6831 | <u>ITEM 10</u> | |
| 6832 | <u>To Utah State University -- USU-Eastern Education and General</u> | |
| 6833 | <u>From General Fund</u> | <u>\$12,503,400</u> |
| 6834 | <u>From Education Fund</u> | <u>(\$12,503,400)</u> |
| 6835 | <u>ITEM 11</u> | |
| 6836 | <u>To Weber State University -- Education and General</u> | |
| 6837 | <u>From General Fund</u> | <u>\$94,098,000</u> |
| 6838 | <u>From Education Fund</u> | <u>(\$94,098,000)</u> |
| 6839 | <u>ITEM 12</u> | |
| 6840 | <u>To Southern Utah University -- Education and General</u> | |
| 6841 | <u>From General Fund</u> | <u>\$47,444,900</u> |
| 6842 | <u>From Education Fund</u> | <u>(\$47,444,900)</u> |
| 6843 | <u>ITEM 13</u> | |
| 6844 | <u>To Utah Valley University -- Education and General</u> | |
| 6845 | <u>From General Fund</u> | <u>\$22,092,900</u> |
| 6846 | <u>From Education Fund</u> | <u>(\$22,092,900)</u> |
| 6847 | Section 68. Effective date. | |
| 6848 | <u>(1) Except as provided in Subsections (2) through (6), if approved by two-thirds of all</u> | |
| 6849 | <u>the members elected to each house, this bill takes effect on January 1, 2020.</u> | |
| 6850 | <u>(2) If approved by two-thirds of all the members elected to each house, the following</u> | |
| 6851 | <u>sections take effect for a taxable year beginning on or after January 1, 2020:</u> | |
| 6852 | <u>(a) Section 35A-9-214;</u> | |

- 6853 (b) Section 59-7-104;
- 6854 (c) Section 59-7-201;
- 6855 (d) Section 59-7-610;
- 6856 (e) Section 59-7-614.1;
- 6857 (f) Section 59-7-618;
- 6858 (g) Section 59-7-620;
- 6859 (h) Section 59-10-104;
- 6860 (i) Section 59-10-529.1;
- 6861 (j) Section 59-10-1005;
- 6862 (k) Section 59-10-1007;
- 6863 (l) Section 59-10-1017;
- 6864 (m) Section 59-10-1017.1;
- 6865 (n) Section 59-10-1018;
- 6866 (o) Section 59-10-1019;
- 6867 (p) Section 59-10-1022;
- 6868 (q) Section 59-10-1023;
- 6869 (r) Section 59-10-1028;
- 6870 (s) Section 59-10-1033;
- 6871 (t) Section 59-10-1035;
- 6872 (u) Section 59-10-1036;
- 6873 (v) Section 59-10-1041;
- 6874 (w) Section 59-10-1102.1;
- 6875 (x) Section 59-10-1105;
- 6876 (y) Section 59-10-1113;
- 6877 (z) Section 59-10-1114;
- 6878 (aa) Section 59-10-1403.3; and
- 6879 (bb) Section 59-13-202.
- 6880 (3) The following sections take effect on April 1, 2020:
- 6881 (a) Section 15A-1-204;
- 6882 (b) Section 26-36b-208;
- 6883 (c) Section 59-1-1503;

6884 (d) Section 59-12-102;

6885 (e) Section 59-12-103;

6886 (f) Section 59-12-104;

6887 (g) Section 59-12-104.5;

6888 (h) Section 59-12-1201;

6889 (i) Section 59-13-323;

6890 (j) Section 63I-2-259;

6891 (k) Section 63M-4-702; and

6892 (l) Section 72-2-124.

6893 (4) If approved by two-thirds of all the members elected to each house, Subsection
6894 62(a) of this bill takes effect upon approval by the governor, or the day following the
6895 constitutional time limit of Utah Constitution, Article VII, Section 8, without the governor's
6896 signature, or in the case of veto, the date of veto override.

6897 (5) Subsection 62(b) of this bill takes effect on July 1, 2020.

6898 (6) The following sections take effect on January 1, 2021:

6899 (a) Section 46-6a-1642; and

6900 (b) Section 72-1-213.2.

6901 **Section 69. Contingent retrospective operation.**

6902 If this bill is approved by less than two-thirds of all the members elected to each house,
6903 the following sections have retrospective operation for a taxable year beginning on or after
6904 January 1, 2020:

6905 (1) Section 35A-9-214;

6906 (2) Section 59-7-104;

6907 (3) Section 59-7-201;

6908 (4) Section 59-7-610;

6909 (5) Section 59-7-614.1;

6910 (6) Section 59-7-618;

6911 (7) Section 59-7-620;

6912 (8) Section 59-10-104;

6913 (9) Section 59-10-529.1;

6914 (10) Section 59-10-1005;

- 6915 (11) Section 59-10-1007;
- 6916 (12) Section 59-10-1017;
- 6917 (13) Section 59-10-1017.1;
- 6918 (14) Section 59-10-1018;
- 6919 (15) Section 59-10-1019;
- 6920 (16) Section 59-10-1022;
- 6921 (17) Section 59-10-1023;
- 6922 (18) Section 59-10-1028;
- 6923 (19) Section 59-10-1033;
- 6924 (20) Section 59-10-1035;
- 6925 (21) Section 59-10-1036;
- 6926 (22) Section 59-10-1041;
- 6927 (23) Section 59-10-1102.1;
- 6928 (24) Section 59-10-1105;
- 6929 (25) Section 59-10-1113;
- 6930 (26) Section 59-10-1403.3; and
- 6931 (27) Section 59-13-202.