

Senator Ronald Winterton proposes the following substitute bill:

SALES AND USE TAX MODIFICATIONS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ronald Winterton

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies sales and use tax provisions.

Highlighted Provisions:

This bill:

- ▶ enacts a refund of state sales and use tax paid for the purchase or lease of machinery, equipment, normal operating repair or replacement parts, or materials, except for office equipment or office supplies, by an oil and gas extraction establishment or a pipeline transportation establishment;
- ▶ expands the sales and use tax exemption for the state, its institutions, and its political subdivisions to include certain purchases by an electric generation and transmission facility;
- ▶ enacts a refund of state sales and use tax for amounts paid or charged for construction, operation, maintenance, repair, or replacement of facilities owned by an electrical corporation;
- ▶ phases in the refund process for an electrical corporation and an oil and gas extraction or pipeline transportation establishment; and
- ▶ makes technical changes.

Money Appropriated in this Bill:



26 None

27 **Other Special Clauses:**

28 This bill provides a special effective date.

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **59-12-104**, as last amended by Laws of Utah 2019, Chapters 136 and 486

32 ENACTS:

33 **59-12-104.8**, Utah Code Annotated 1953

34 **59-12-104.11**, Utah Code Annotated 1953



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

37 Section 1. Section **59-12-104** is amended to read:

38 **59-12-104. Exemptions.**

39 Exemptions from the taxes imposed by this chapter are as follows:

40 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
41 under Chapter 13, Motor and Special Fuel Tax Act;

42 (2) subject to Section **59-12-104.6**, sales to the state, its institutions, and its political
43 subdivisions[~~; however, this exemption does not apply to sales of:~~] except construction
44 materials unless the construction materials are:

45 [~~(a) construction materials except:~~]

46 [~~(i) construction materials]~~

47 (a) (i) purchased by or on behalf of institutions of the public education system as
48 defined in Utah Constitution, Article X, Section 2[~~; provided the construction materials are~~];
49 and

50 (ii) clearly identified and segregated and installed or converted to real property which
51 is owned by institutions of the public education system; [~~and~~] or

52 [~~(ii) (i) [construction materials]~~] purchased by the state, its institutions, or its
53 political subdivisions [~~which are~~]; and

54 (ii) installed or converted to real property by employees of the state, its institutions, or
55 its political subdivisions; [~~or~~]

56 [~~(b) tangible personal property in connection with the construction, operation,~~

57 maintenance, repair, or replacement of a project, as defined in Section ~~11-13-103~~, or facilities
58 providing additional project capacity, as defined in Section ~~11-13-103~~;

59 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:

60 (i) the proceeds of each sale do not exceed \$1; and

61 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
62 the cost of the item described in Subsection (3)(b) as goods consumed; and

63 (b) Subsection (3)(a) applies to:

64 (i) food and food ingredients; or

65 (ii) prepared food;

66 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:

67 (i) alcoholic beverages;

68 (ii) food and food ingredients; or

69 (iii) prepared food;

70 (b) sales of tangible personal property or a product transferred electronically:

71 (i) to a passenger;

72 (ii) by a commercial airline carrier; and

73 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or

74 (c) services related to Subsection (4)(a) or (b);

75 [~~(5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts
76 and equipment:~~]

77 [~~(A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002
78 North American Industry Classification System of the federal Executive Office of the
79 President, Office of Management and Budget; and]~~

80 [~~(H) for:~~]

81 [~~(Aa) installation in an aircraft, including services relating to the installation of parts or
82 equipment in the aircraft;~~]

83 [~~(Bb) renovation of an aircraft; or]~~

84 [~~(Cc) repair of an aircraft; or]~~

85 [~~(B) for installation in an aircraft operated by a common carrier in interstate or foreign
86 commerce; or]~~

87 [~~(ii) beginning on October 1, 2008, sales of parts and equipment for installation in an~~

88 aircraft operated by a common carrier in interstate or foreign commerce; and]

89 [(b) notwithstanding the time period of Subsection ~~59-1-1410~~(8) for filing for a refund,
90 a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a
91 refund:]

92 [(i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;]

93 [(ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;]

94 [(iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for
95 the sale prior to filing for the refund;]

96 [(iv) for sales and use taxes paid under this chapter on the sale;]

97 [(v) in accordance with Section ~~59-1-1410~~; and]

98 [(vi) subject to any extension allowed for filing for a refund under Section ~~59-1-1410~~,
99 if the person files for the refund on or before September 30, 2011;]

100 (5) sales of parts and equipment for installation in an aircraft operated by a common
101 carrier in interstate or foreign commerce;

102 (6) sales of commercials, motion picture films, prerecorded audio program tapes or
103 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture
104 exhibitor, distributor, or commercial television or radio broadcaster;

105 (7) (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of
106 cleaning or washing of tangible personal property if the cleaning or washing of the tangible
107 personal property is not assisted cleaning or washing of tangible personal property;

108 (b) if a seller that sells at the same business location assisted cleaning or washing of
109 tangible personal property and cleaning or washing of tangible personal property that is not
110 assisted cleaning or washing of tangible personal property, the exemption described in
111 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning
112 or washing of the tangible personal property; and

113 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,
114 Utah Administrative Rulemaking Act, the commission may make rules:

115 (i) governing the circumstances under which sales are at the same business location;
116 and

117 (ii) establishing the procedures and requirements for a seller to separately account for
118 sales of assisted cleaning or washing of tangible personal property;

119 (8) sales made to or by religious or charitable institutions in the conduct of their regular
120 religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are
121 fulfilled;

122 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of
123 this state if the vehicle is:

124 (a) not registered in this state; and

125 (b) (i) not used in this state; or

126 (ii) used in this state:

127 (A) if the vehicle is not used to conduct business, for a time period that does not
128 exceed the longer of:

129 (I) 30 days in any calendar year; or

130 (II) the time period necessary to transport the vehicle to the borders of this state; or

131 (B) if the vehicle is used to conduct business, for the time period necessary to transport
132 the vehicle to the borders of this state;

133 (10) (a) amounts paid for an item described in Subsection (10)(b) if:

134 (i) the item is intended for human use; and

135 (ii) (A) a prescription was issued for the item; or

136 (B) the item was purchased by a hospital or other medical facility; and

137 (b) (i) Subsection (10)(a) applies to:

138 (A) a drug;

139 (B) a syringe; or

140 (C) a stoma supply; and

141 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
142 commission may by rule define the terms:

143 (A) "syringe"; or

144 (B) "stoma supply";

145 (11) purchases or leases exempt under Section 19-12-201;

146 (12) (a) sales of an item described in Subsection (12)(c) served by:

147 (i) the following if the item described in Subsection (12)(c) is not available to the
148 general public:

149 (A) a church; or

- 150 (B) a charitable institution; or
- 151 (ii) an institution of higher education if:
- 152 (A) the item described in Subsection (12)(c) is not available to the general public; or
- 153 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan
- 154 offered by the institution of higher education; or
- 155 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 156 (i) a medical facility; or
- 157 (ii) a nursing facility; and
- 158 (c) Subsections (12)(a) and (b) apply to:
- 159 (i) food and food ingredients;
- 160 (ii) prepared food; or
- 161 (iii) alcoholic beverages;
- 162 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
- 163 or a product transferred electronically by a person:
- 164 (i) regardless of the number of transactions involving the sale of that tangible personal
- 165 property or product transferred electronically by that person; and
- 166 (ii) not regularly engaged in the business of selling that type of tangible personal
- 167 property or product transferred electronically;
- 168 (b) this Subsection (13) does not apply if:
- 169 (i) the sale is one of a series of sales of a character to indicate that the person is
- 170 regularly engaged in the business of selling that type of tangible personal property or product
- 171 transferred electronically;
- 172 (ii) the person holds that person out as regularly engaged in the business of selling that
- 173 type of tangible personal property or product transferred electronically;
- 174 (iii) the person sells an item of tangible personal property or product transferred
- 175 electronically that the person purchased as a sale that is exempt under Subsection (25); or
- 176 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of
- 177 this state in which case the tax is based upon:
- 178 (A) the bill of sale or other written evidence of value of the vehicle or vessel being
- 179 sold; or
- 180 (B) in the absence of a bill of sale or other written evidence of value, the fair market

181 value of the vehicle or vessel being sold at the time of the sale as determined by the
182 commission; and

183 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
184 commission shall make rules establishing the circumstances under which:

185 (i) a person is regularly engaged in the business of selling a type of tangible personal
186 property or product transferred electronically;

187 (ii) a sale of tangible personal property or a product transferred electronically is one of
188 a series of sales of a character to indicate that a person is regularly engaged in the business of
189 selling that type of tangible personal property or product transferred electronically; or

190 (iii) a person holds that person out as regularly engaged in the business of selling a type
191 of tangible personal property or product transferred electronically;

192 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal
193 operating repair or replacement parts, or materials, except for office equipment or office
194 supplies, by:

195 (a) a manufacturing facility that:

196 (i) is located in the state; and

197 (ii) uses or consumes the machinery, equipment, normal operating repair or
198 replacement parts, or materials:

199 (A) in the manufacturing process to manufacture an item sold as tangible personal
200 property, as the commission may define that phrase in accordance with Title 63G, Chapter 3,
201 Utah Administrative Rulemaking Act; or

202 (B) for a scrap recycler, to process an item sold as tangible personal property, as the
203 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
204 Administrative Rulemaking Act;

205 (b) an establishment, as the commission defines that term in accordance with Title
206 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

207 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
208 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal
209 Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the
210 2002 North American Industry Classification System of the federal Executive Office of the
211 President, Office of Management and Budget;

212 (ii) is located in the state; and
213 (iii) uses or consumes the machinery, equipment, normal operating repair or
214 replacement parts, or materials in:
215 (A) the production process to produce an item sold as tangible personal property, as the
216 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
217 Administrative Rulemaking Act;
218 (B) research and development, as the commission may define that phrase in accordance
219 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
220 (C) transporting, storing, or managing tailings, overburden, or similar waste materials
221 produced from mining;
222 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in
223 mining; or
224 (E) preventing, controlling, or reducing dust or other pollutants from mining; or
225 (c) an establishment, as the commission defines that term in accordance with Title 63G,
226 Chapter 3, Utah Administrative Rulemaking Act, that:
227 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
228 American Industry Classification System of the federal Executive Office of the President,
229 Office of Management and Budget;
230 (ii) is located in the state; and
231 (iii) uses or consumes the machinery, equipment, normal operating repair or
232 replacement parts, or materials in the operation of the web search portal;
233 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:
234 (i) tooling;
235 (ii) special tooling;
236 (iii) support equipment;
237 (iv) special test equipment; or
238 (v) parts used in the repairs or renovations of tooling or equipment described in
239 Subsections (15)(a)(i) through (iv); and
240 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
241 (i) the tooling, equipment, or parts are used or consumed exclusively in the
242 performance of any aerospace or electronics industry contract with the United States

243 government or any subcontract under that contract; and

244 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
245 title to the tooling, equipment, or parts is vested in the United States government as evidenced
246 by:

247 (A) a government identification tag placed on the tooling, equipment, or parts; or

248 (B) listing on a government-approved property record if placing a government
249 identification tag on the tooling, equipment, or parts is impractical;

250 (16) sales of newspapers or newspaper subscriptions;

251 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a
252 product transferred electronically traded in as full or part payment of the purchase price, except
253 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,
254 trade-ins are limited to other vehicles only, and the tax is based upon:

255 (i) the bill of sale or other written evidence of value of the vehicle being sold and the
256 vehicle being traded in; or

257 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
258 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the
259 commission; and

260 (b) Subsection (17)(a) does not apply to the following items of tangible personal
261 property or products transferred electronically traded in as full or part payment of the purchase
262 price:

263 (i) money;

264 (ii) electricity;

265 (iii) water;

266 (iv) gas; or

267 (v) steam;

268 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property
269 or a product transferred electronically used or consumed primarily and directly in farming
270 operations, regardless of whether the tangible personal property or product transferred
271 electronically:

272 (A) becomes part of real estate; or

273 (B) is installed by a:

274 (I) farmer;

275 (II) contractor; or

276 (III) subcontractor; or

277 (ii) sales of parts used in the repairs or renovations of tangible personal property or a

278 product transferred electronically if the tangible personal property or product transferred

279 electronically is exempt under Subsection (18)(a)(i); and

280 (b) amounts paid or charged for the following are subject to the taxes imposed by this

281 chapter:

282 (i) (A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or

283 supplies if used in a manner that is incidental to farming; and

284 (B) tangible personal property that is considered to be used in a manner that is

285 incidental to farming includes:

286 (I) hand tools; or

287 (II) maintenance and janitorial equipment and supplies;

288 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product

289 transferred electronically if the tangible personal property or product transferred electronically

290 is used in an activity other than farming; and

291 (B) tangible personal property or a product transferred electronically that is considered

292 to be used in an activity other than farming includes:

293 (I) office equipment and supplies; or

294 (II) equipment and supplies used in:

295 (Aa) the sale or distribution of farm products;

296 (Bb) research; or

297 (Cc) transportation; or

298 (iii) a vehicle required to be registered by the laws of this state during the period

299 ending two years after the date of the vehicle's purchase;

300 (19) sales of hay;

301 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or

302 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or

303 garden, farm, or other agricultural produce is sold by:

304 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other

305 agricultural produce;

306 (b) an employee of the producer described in Subsection (20)(a); or

307 (c) a member of the immediate family of the producer described in Subsection (20)(a);

308 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued

309 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

310 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,

311 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,

312 wholesaler, or retailer for use in packaging tangible personal property to be sold by that

313 manufacturer, processor, wholesaler, or retailer;

314 (23) a product stored in the state for resale;

315 (24) (a) purchases of a product if:

316 (i) the product is:

317 (A) purchased outside of this state;

318 (B) brought into this state:

319 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and

320 (II) by a nonresident person who is not living or working in this state at the time of the

321 purchase;

322 (C) used for the personal use or enjoyment of the nonresident person described in

323 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and

324 (D) not used in conducting business in this state; and

325 (ii) for:

326 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of

327 the product for a purpose for which the product is designed occurs outside of this state;

328 (B) a boat, the boat is registered outside of this state; or

329 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered

330 outside of this state;

331 (b) the exemption provided for in Subsection (24)(a) does not apply to:

332 (i) a lease or rental of a product; or

333 (ii) a sale of a vehicle exempt under Subsection (33); and

334 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for

335 purposes of Subsection (24)(a), the commission may by rule define what constitutes the

336 following:

337 (i) conducting business in this state if that phrase has the same meaning in this

338 Subsection (24) as in Subsection (63);

339 (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)

340 as in Subsection (63); or

341 (iii) a purpose for which a product is designed if that phrase has the same meaning in

342 this Subsection (24) as in Subsection (63);

343 (25) a product purchased for resale in the regular course of business, either in its

344 original form or as an ingredient or component part of a manufactured or compounded product;

345 (26) a product upon which a sales or use tax was paid to some other state, or one of its

346 subdivisions, except that the state shall be paid any difference between the tax paid and the tax

347 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if

348 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax

349 Act;

350 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a

351 person for use in compounding a service taxable under the subsections;

352 (28) purchases made in accordance with the special supplemental nutrition program for

353 women, infants, and children established in 42 U.S.C. Sec. 1786;

354 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other

355 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code

356 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of

357 the President, Office of Management and Budget;

358 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State

359 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:

360 (a) not registered in this state; and

361 (b) (i) not used in this state; or

362 (ii) used in this state:

363 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a

364 time period that does not exceed the longer of:

365 (I) 30 days in any calendar year; or

366 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to

367 the borders of this state; or

368 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time
369 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this
370 state;

371 (31) sales of aircraft manufactured in Utah;

372 (32) amounts paid for the purchase of telecommunications service for purposes of
373 providing telecommunications service;

374 (33) sales, leases, or uses of the following:

375 (a) a vehicle by an authorized carrier; or

376 (b) tangible personal property that is installed on a vehicle:

377 (i) sold or leased to or used by an authorized carrier; and

378 (ii) before the vehicle is placed in service for the first time;

379 (34) (a) 45% of the sales price of any new manufactured home; and

380 (b) 100% of the sales price of any used manufactured home;

381 (35) sales relating to schools and fundraising sales;

382 (36) sales or rentals of durable medical equipment if:

383 (a) a person presents a prescription for the durable medical equipment; and

384 (b) the durable medical equipment is used for home use only;

385 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
386 Section [72-11-102](#); and

387 (b) the commission shall by rule determine the method for calculating sales exempt
388 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;

389 (38) sales to a ski resort of:

390 (a) snowmaking equipment;

391 (b) ski slope grooming equipment;

392 (c) passenger ropeways as defined in Section [72-11-102](#); or

393 (d) parts used in the repairs or renovations of equipment or passenger ropeways
394 described in Subsections (38)(a) through (c);

395 (39) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;

396 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
397 amusement, entertainment, or recreation an unassisted amusement device as defined in Section

398 59-12-102;

399 (b) if a seller that sells or rents at the same business location the right to use or operate
400 for amusement, entertainment, or recreation one or more unassisted amusement devices and
401 one or more assisted amusement devices, the exemption described in Subsection (40)(a)
402 applies if the seller separately accounts for the sales or rentals of the right to use or operate for
403 amusement, entertainment, or recreation for the assisted amusement devices; and

404 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,
405 Utah Administrative Rulemaking Act, the commission may make rules:

406 (i) governing the circumstances under which sales are at the same business location;
407 and

408 (ii) establishing the procedures and requirements for a seller to separately account for
409 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for
410 assisted amusement devices;

411 (41) (a) sales of photocopies by:

412 (i) a governmental entity; or

413 (ii) an entity within the state system of public education, including:

414 (A) a school; or

415 (B) the State Board of Education; or

416 (b) sales of publications by a governmental entity;

417 (42) amounts paid for admission to an athletic event at an institution of higher
418 education that is subject to the provisions of Title IX of the Education Amendments of 1972,
419 20 U.S.C. Sec. 1681 et seq.;

420 (43) (a) sales made to or by:

421 (i) an area agency on aging; or

422 (ii) a senior citizen center owned by a county, city, or town; or

423 (b) sales made by a senior citizen center that contracts with an area agency on aging;

424 (44) sales or leases of semiconductor fabricating, processing, research, or development
425 materials regardless of whether the semiconductor fabricating, processing, research, or
426 development materials:

427 (a) actually come into contact with a semiconductor; or

428 (b) ultimately become incorporated into real property;

429 (45) an amount paid by or charged to a purchaser for accommodations and services
430 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section
431 59-12-104.2;

432 (46) [~~beginning on September 1, 2001,~~] the lease or use of a vehicle issued a temporary
433 sports event registration certificate in accordance with Section 41-3-306 for the event period
434 specified on the temporary sports event registration certificate;

435 (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff
436 adopted by the Public Service Commission only for purchase of electricity produced from a
437 new alternative energy source built after January 1, 2016, as designated in the tariff by the
438 Public Service Commission; and

439 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
440 only to the portion of the tariff rate a customer pays under the tariff described in Subsection
441 (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the
442 customer would have paid absent the tariff;

443 (48) sales or rentals of mobility enhancing equipment if a person presents a
444 prescription for the mobility enhancing equipment;

445 (49) sales of water in a:

- 446 (a) pipe;
- 447 (b) conduit;
- 448 (c) ditch; or
- 449 (d) reservoir;

450 (50) sales of currency or coins that constitute legal tender of a state, the United States,
451 or a foreign nation;

452 (51) (a) sales of an item described in Subsection (51)(b) if the item:

- 453 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 454 (ii) has a gold, silver, or platinum content of 50% or more; and

455 (b) Subsection (51)(a) applies to a gold, silver, or platinum:

- 456 (i) ingot;
- 457 (ii) bar;
- 458 (iii) medallion; or
- 459 (iv) decorative coin;

460 (52) amounts paid on a sale-leaseback transaction;
461 (53) sales of a prosthetic device:
462 (a) for use on or in a human; and
463 (b) (i) for which a prescription is required; or
464 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
465 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
466 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery
467 or equipment is primarily used in the production or postproduction of the following media for
468 commercial distribution:
469 (i) a motion picture;
470 (ii) a television program;
471 (iii) a movie made for television;
472 (iv) a music video;
473 (v) a commercial;
474 (vi) a documentary; or
475 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
476 commission by administrative rule made in accordance with Subsection (54)(d); or
477 (b) purchases, leases, or rentals of machinery or equipment by an establishment
478 described in Subsection (54)(c) that is used for the production or postproduction of the
479 following are subject to the taxes imposed by this chapter:
480 (i) a live musical performance;
481 (ii) a live news program; or
482 (iii) a live sporting event;
483 (c) the following establishments listed in the 1997 North American Industry
484 Classification System of the federal Executive Office of the President, Office of Management
485 and Budget, apply to Subsections (54)(a) and (b):
486 (i) NAICS Code 512110; or
487 (ii) NAICS Code 51219; and
488 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
489 commission may by rule:
490 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);

491 or

492 (ii) define:

493 (A) "commercial distribution";

494 (B) "live musical performance";

495 (C) "live news program"; or

496 (D) "live sporting event";

497 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but
498 on or before June 30, 2027, of tangible personal property that:

499 (i) is leased or purchased for or by a facility that:

500 (A) is an alternative energy electricity production facility;

501 (B) is located in the state; and

502 (C) (I) becomes operational on or after July 1, 2004; or

503 (II) has its generation capacity increased by one or more megawatts on or after July 1,
504 2004, as a result of the use of the tangible personal property;

505 (ii) has an economic life of five or more years; and

506 (iii) is used to make the facility or the increase in capacity of the facility described in
507 Subsection (55)(a)(i) operational up to the point of interconnection with an existing
508 transmission grid including:

509 (A) a wind turbine;

510 (B) generating equipment;

511 (C) a control and monitoring system;

512 (D) a power line;

513 (E) substation equipment;

514 (F) lighting;

515 (G) fencing;

516 (H) pipes; or

517 (I) other equipment used for locating a power line or pole; and

518 (b) this Subsection (55) does not apply to:

519 (i) tangible personal property used in construction of:

520 (A) a new alternative energy electricity production facility; or

521 (B) the increase in the capacity of an alternative energy electricity production facility;

522 (ii) contracted services required for construction and routine maintenance activities;
523 and

524 (iii) unless the tangible personal property is used or acquired for an increase in capacity
525 of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or
526 acquired after:

527 (A) the alternative energy electricity production facility described in Subsection
528 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or

529 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described
530 in Subsection (55)(a)(iii);

531 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but
532 on or before June 30, 2027, of tangible personal property that:

533 (i) is leased or purchased for or by a facility that:

534 (A) is a waste energy production facility;

535 (B) is located in the state; and

536 (C) (I) becomes operational on or after July 1, 2004; or

537 (II) has its generation capacity increased by one or more megawatts on or after July 1,
538 2004, as a result of the use of the tangible personal property;

539 (ii) has an economic life of five or more years; and

540 (iii) is used to make the facility or the increase in capacity of the facility described in
541 Subsection (56)(a)(i) operational up to the point of interconnection with an existing

542 transmission grid including:

543 (A) generating equipment;

544 (B) a control and monitoring system;

545 (C) a power line;

546 (D) substation equipment;

547 (E) lighting;

548 (F) fencing;

549 (G) pipes; or

550 (H) other equipment used for locating a power line or pole; and

551 (b) this Subsection (56) does not apply to:

552 (i) tangible personal property used in construction of:

553 (A) a new waste energy facility; or
554 (B) the increase in the capacity of a waste energy facility;
555 (ii) contracted services required for construction and routine maintenance activities;
556 and
557 (iii) unless the tangible personal property is used or acquired for an increase in capacity
558 described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:
559 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as
560 described in Subsection (56)(a)(iii); or
561 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described
562 in Subsection (56)(a)(iii);
563 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on
564 or before June 30, 2027, of tangible personal property that:
565 (i) is leased or purchased for or by a facility that:
566 (A) is located in the state;
567 (B) produces fuel from alternative energy, including:
568 (I) methanol; or
569 (II) ethanol; and
570 (C) (I) becomes operational on or after July 1, 2004; or
571 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as
572 a result of the installation of the tangible personal property;
573 (ii) has an economic life of five or more years; and
574 (iii) is installed on the facility described in Subsection (57)(a)(i);
575 (b) this Subsection (57) does not apply to:
576 (i) tangible personal property used in construction of:
577 (A) a new facility described in Subsection (57)(a)(i); or
578 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or
579 (ii) contracted services required for construction and routine maintenance activities;
580 and
581 (iii) unless the tangible personal property is used or acquired for an increase in capacity
582 described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:
583 (A) the facility described in Subsection (57)(a)(i) is operational; or

584 (B) the increased capacity described in Subsection (57)(a)(i) is operational;

585 (58) (a) subject to Subsection (58)(b) [~~or (c);~~] sales of tangible personal property or a
586 product transferred electronically to a person within this state if that tangible personal property
587 or product transferred electronically is subsequently shipped outside the state and incorporated
588 pursuant to contract into and becomes a part of real property located outside of this state; and

589 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
590 state or political entity to which the tangible personal property is shipped imposes a sales, use,
591 gross receipts, or other similar transaction excise tax on the transaction against which the other
592 state or political entity allows a credit for sales and use taxes imposed by this chapter; [~~and]~~

593 [~~(c) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,~~
594 ~~a person may claim the exemption allowed by this Subsection (58) for a sale by filing for a~~
595 ~~refund;]~~

596 [(i) if the sale is made on or after July 1, 2004, but on or before June 30, 2008;]
597 [(ii) as if this Subsection (58) as in effect on July 1, 2008, were in effect on the day on
598 which the sale is made;]

599 [(iii) if the person did not claim the exemption allowed by this Subsection (58) for the
600 sale prior to filing for the refund;]

601 [(iv) for sales and use taxes paid under this chapter on the sale;]
602 [(v) in accordance with Section 59-1-1410; and]
603 [(vi) subject to any extension allowed for filing for a refund under Section 59-1-1410,
604 if the person files for the refund on or before June 30, 2011;]

605 (59) purchases:

606 (a) of one or more of the following items in printed or electronic format:

607 (i) a list containing information that includes one or more [~~:(A) names; or (B)~~
608 ~~addresses; or] names or addresses; or~~

609 (ii) a database containing information that includes one or more [~~:(A) names; or (B)~~
610 ~~addresses; and] names or addresses; and~~

611 (b) used to send direct mail;

612 (60) redemptions or repurchases of a product by a person if that product was:

613 (a) delivered to a pawnbroker as part of a pawn transaction; and
614 (b) redeemed or repurchased within the time period established in a written agreement

615 between the person and the pawnbroker for redeeming or repurchasing the product;

616 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:

617 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;

618 and

619 (ii) has a useful economic life of one or more years; and

620 (b) the following apply to Subsection (61)(a):

621 (i) telecommunications enabling or facilitating equipment, machinery, or software;

622 (ii) telecommunications equipment, machinery, or software required for 911 service;

623 (iii) telecommunications maintenance or repair equipment, machinery, or software;

624 (iv) telecommunications switching or routing equipment, machinery, or software; or

625 (v) telecommunications transmission equipment, machinery, or software;

626 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible

627 personal property or a product transferred electronically that are used in the research and

628 development of alternative energy technology; and

629 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

630 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes

631 purchases of tangible personal property or a product transferred electronically that are used in

632 the research and development of alternative energy technology;

633 (63) (a) purchases of tangible personal property or a product transferred electronically

634 if:

635 (i) the tangible personal property or product transferred electronically is:

636 (A) purchased outside of this state;

637 (B) brought into this state at any time after the purchase described in Subsection

638 (63)(a)(i)(A); and

639 (C) used in conducting business in this state; and

640 (ii) for:

641 (A) tangible personal property or a product transferred electronically other than the

642 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property

643 for a purpose for which the property is designed occurs outside of this state; or

644 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered

645 outside of this state;

646 (b) the exemption provided for in Subsection (63)(a) does not apply to:
647 (i) a lease or rental of tangible personal property or a product transferred electronically;
648 or
649 (ii) a sale of a vehicle exempt under Subsection (33); and
650 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
651 purposes of Subsection (63)(a), the commission may by rule define what constitutes the
652 following:
653 (i) conducting business in this state if that phrase has the same meaning in this
654 Subsection (63) as in Subsection (24);
655 (ii) the first use of tangible personal property or a product transferred electronically if
656 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or
657 (iii) a purpose for which tangible personal property or a product transferred
658 electronically is designed if that phrase has the same meaning in this Subsection (63) as in
659 Subsection (24);
660 (64) sales of disposable home medical equipment or supplies if:
661 (a) a person presents a prescription for the disposable home medical equipment or
662 supplies;
663 (b) the disposable home medical equipment or supplies are used exclusively by the
664 person to whom the prescription described in Subsection (64)(a) is issued; and
665 (c) the disposable home medical equipment and supplies are listed as eligible for
666 payment under:
667 (i) Title XVIII, federal Social Security Act; or
668 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;
669 (65) sales:
670 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit
671 District Act; or
672 (b) of tangible personal property to a subcontractor of a public transit district, if the
673 tangible personal property is:
674 (i) clearly identified; and
675 (ii) installed or converted to real property owned by the public transit district;
676 (66) sales of construction materials:

- 677 (a) purchased on or after July 1, 2010;
- 678 (b) purchased by, on behalf of, or for the benefit of an international airport:
- 679 (i) located within a county of the first class; and
- 680 (ii) that has a United States customs office on its premises; and
- 681 (c) if the construction materials are:
- 682 (i) clearly identified;
- 683 (ii) segregated; and
- 684 (iii) installed or converted to real property:
- 685 (A) owned or operated by the international airport described in Subsection (66)(b); and
- 686 (B) located at the international airport described in Subsection (66)(b);
- 687 (67) sales of construction materials:
- 688 (a) purchased on or after July 1, 2008;
- 689 (b) purchased by, on behalf of, or for the benefit of a new airport:
- 690 (i) located within a county of the second class; and
- 691 (ii) that is owned or operated by a city in which an airline as defined in Section
- 692 [59-2-102](#) is headquartered; and
- 693 (c) if the construction materials are:
- 694 (i) clearly identified;
- 695 (ii) segregated; and
- 696 (iii) installed or converted to real property:
- 697 (A) owned or operated by the new airport described in Subsection (67)(b);
- 698 (B) located at the new airport described in Subsection (67)(b); and
- 699 (C) as part of the construction of the new airport described in Subsection (67)(b);
- 700 (68) sales of fuel to a common carrier that is a railroad for use in a locomotive engine;
- 701 (69) purchases and sales described in Section [63H-4-111](#);
- 702 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and
- 703 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of
- 704 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
- 705 lists a state or country other than this state as the location of registry of the fixed wing turbine
- 706 powered aircraft; or
- 707 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul

708 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of
709 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
710 lists a state or country other than this state as the location of registry of the fixed wing turbine
711 powered aircraft;

712 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:

713 (a) to a person admitted to an institution of higher education; and

714 (b) by a seller, other than a bookstore owned by an institution of higher education, if

715 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a

716 textbook for a higher education course;

717 (72) a license fee or tax a municipality imposes in accordance with Subsection

718 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced

719 level of municipal services;

720 (73) amounts paid or charged for construction materials used in the construction of a

721 new or expanding life science research and development facility in the state, if the construction

722 materials are:

723 (a) clearly identified;

724 (b) segregated; and

725 (c) installed or converted to real property;

726 (74) amounts paid or charged for:

727 (a) a purchase or lease of machinery and equipment that:

728 (i) are used in performing qualified research:

729 (A) as defined in Section 41(d), Internal Revenue Code; and

730 (B) in the state; and

731 (ii) have an economic life of three or more years; and

732 (b) normal operating repair or replacement parts:

733 (i) for the machinery and equipment described in Subsection (74)(a); and

734 (ii) that have an economic life of three or more years;

735 (75) a sale or lease of tangible personal property used in the preparation of prepared

736 food if:

737 (a) for a sale:

738 (i) the ownership of the seller and the ownership of the purchaser are identical; and

739 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
740 tangible personal property prior to making the sale; or
741 (b) for a lease:
742 (i) the ownership of the lessor and the ownership of the lessee are identical; and
743 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible
744 personal property prior to making the lease;
745 (76) (a) purchases of machinery or equipment if:
746 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
747 Gambling, and Recreation Industries, of the 2012 North American Industry Classification
748 System of the federal Executive Office of the President, Office of Management and Budget;
749 (ii) the machinery or equipment:
750 (A) has an economic life of three or more years; and
751 (B) is used by one or more persons who pay admission or user fees described in
752 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and
753 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
754 (A) amounts paid or charged as admission or user fees described in Subsection
755 59-12-103(1)(f); and
756 (B) subject to taxation under this chapter; and
757 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
758 commission may make rules for verifying that 51% of a purchaser's sales revenue for the
759 previous calendar quarter is:
760 (i) amounts paid or charged as admission or user fees described in Subsection
761 59-12-103(1)(f); and
762 (ii) subject to taxation under this chapter;
763 (77) purchases of a short-term lodging consumable by a business that provides
764 accommodations and services described in Subsection 59-12-103(1)(i);
765 (78) amounts paid or charged to access a database:
766 (a) if the primary purpose for accessing the database is to view or retrieve information
767 from the database; and
768 (b) not including amounts paid or charged for a:
769 (i) digital audiowork;

- 770 (ii) digital audio-visual work; or
- 771 (iii) digital book;
- 772 (79) amounts paid or charged for a purchase or lease made by an electronic financial
- 773 payment service, of:
 - 774 (a) machinery and equipment that:
 - 775 (i) are used in the operation of the electronic financial payment service; and
 - 776 (ii) have an economic life of three or more years; and
 - 777 (b) normal operating repair or replacement parts that:
 - 778 (i) are used in the operation of the electronic financial payment service; and
 - 779 (ii) have an economic life of three or more years;
 - 780 (80) [~~beginning on April 1, 2013,~~] sales of a fuel cell as defined in Section 54-15-102;
 - 781 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
 - 782 product transferred electronically if the tangible personal property or product transferred
 - 783 electronically:
 - 784 (a) is stored, used, or consumed in the state; and
 - 785 (b) is temporarily brought into the state from another state:
 - 786 (i) during a disaster period as defined in Section 53-2a-1202;
 - 787 (ii) by an out-of-state business as defined in Section 53-2a-1202;
 - 788 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
 - 789 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
 - 790 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined
 - 791 in Section 39-9-102, made pursuant to Title 39, Chapter 9, State Morale, Welfare, and
 - 792 Recreation Program;
 - 793 (83) amounts paid or charged for a purchase or lease of molten magnesium;
 - 794 (84) amounts paid or charged for a purchase or lease made by a qualifying enterprise
 - 795 data center of machinery, equipment, or normal operating repair or replacement parts, if the
 - 796 machinery, equipment, or normal operating repair or replacement parts:
 - 797 (a) are used in the operation of the establishment; and
 - 798 (b) have an economic life of one or more years;
 - 799 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a
 - 800 vehicle that includes cleaning or washing of the interior of the vehicle;

801 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
802 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used
803 or consumed:

804 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
805 in Section 63M-4-701 located in the state;

806 (b) if the machinery, equipment, normal operating repair or replacement parts,
807 catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:

808 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
809 added to gasoline or diesel fuel;

810 (ii) research and development;

811 (iii) transporting, storing, or managing raw materials, work in process, finished
812 products, and waste materials produced from refining gasoline or diesel fuel, or adding
813 blendstock to gasoline or diesel fuel;

814 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
815 refining; or

816 (v) preventing, controlling, or reducing pollutants from refining; and

817 (c) beginning on July 1, 2021, if the person has obtained a form certified by the Office
818 of Energy Development under Subsection 63M-4-702(2);

819 (87) amounts paid to or charged by a proprietor for accommodations and services, as
820 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations tax
821 imposed under Section 63H-1-205;

822 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal
823 operating repair or replacement parts, or materials, except for office equipment or office
824 supplies, by an establishment, as the commission defines that term in accordance with Title
825 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

826 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North
827 American Industry Classification System of the federal Executive Office of the President,
828 Office of Management and Budget;

829 (b) is located in this state; and

830 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
831 materials in the operation of the establishment; and

832 (89) amounts paid or charged for an item exempt under Section [59-12-104.10](#).

833 Section 2. Section **59-12-104.8** is enacted to read:

834 **59-12-104.8. Refund for state sales and use tax on purchases or lease of**
835 **machinery, equipment, normal operating repair or replacement parts, and materials by**
836 **oil and gas extraction or pipeline transportation establishment.**

837 (1) This section applies to amounts paid or charged for a purchase or lease of
838 machinery, equipment, normal operating repair or replacement parts, or materials, except for
839 office equipment or office supplies, by an establishment, as the commission defines that term
840 in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

841 (a) is described in NAICS Subsector 211, Oil and Gas Extraction, NAICS Code
842 213111, Drilling Oil and Gas Wells, NAICS Code 213112, Support Activities for Oil and Gas
843 Operations, NAICS Code 486110, Pipeline Transportation of Crude Oil, NAICS Code 486210,
844 Pipeline Transportation of Natural Gas, or NAICS Code 486910, Pipeline Transportation of
845 Refined Petroleum Products, of the 2017 North American Industry Classification System of the
846 federal Executive Office of the President, Office of Management and Budget;

847 (b) is located in the state; and

848 (c) uses or consumes the machinery, equipment, normal operating repair or
849 replacement parts, or materials in:

850 (i) the production process to produce an item sold as tangible personal property, as the
851 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
852 Administrative Rulemaking Act;

853 (ii) research and development, as the commission may define that phrase in accordance
854 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

855 (iii) transporting, storing, or managing crude oil, natural gas, or refined petroleum
856 products;

857 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in oil
858 or gas extraction or pipeline transportation; or

859 (v) preventing, controlling, or reducing dust or other pollutants from oil or gas
860 extraction or pipeline transportation.

861 (2) (a) A person may request a refund from the commission for the sales and use tax
862 paid on the purchases or leases described in Subsection (1).

863 (b) The amount of the refund is as follows:

864 (i) for a purchase or lease made on or after January 1, 2021, but on or before December
865 31, 2021, 33% of sales and use tax paid under Subsection 59-12-103(2)(a)(i);

866 (ii) for a purchase or lease made on or after January 1, 2022, but on or before
867 December 31, 2022, 66% of the sales and use tax paid under Subsection 59-12-103(2)(a)(i);
868 and

869 (iii) for a purchase or lease made on or after January 1, 2023, 100% of the sales and use
870 tax paid under Subsection 59-12-103(2)(a)(i).

871 (c) A person shall file for a refund under this Subsection (2):

872 (i) in an electronic format prescribed by the commission; and

873 (ii) no more frequently than once per month.

874 Section 3. Section **59-12-104.11** is enacted to read:

875 **59-12-104.11. Refund for state sales and use tax on purchases by an electrical**
876 **corporation.**

877 (1) This section applies to amounts paid or charged in connection with construction,
878 operation, maintenance, repair, or replacement of facilities owned by an electrical corporation
879 as defined in Section 54-2-1.

880 (2) (a) A person may request a refund from the commission for the sales and use tax
881 paid on the amounts described in Subsection (1).

882 (b) The amount of the refund is as follows:

883 (i) for a purchase or lease made on or after January 1, 2021, but on or before December
884 31, 2021, 33% of sales and use tax paid under Subsection 59-12-103(2)(a)(i);

885 (ii) for a purchase or lease made on or after January 1, 2022, but on or before
886 December 31, 2022, 66% of the sales and use tax paid under Subsection 59-12-103(2)(a)(i);
887 and

888 (iii) for a purchase or lease made on or after January 1, 2023, 100% of the sales and use
889 tax paid under Subsection 59-12-103(2)(a)(i).

890 (c) A person shall file for a refund under this Subsection (2):

891 (i) in an electronic format prescribed by the commission; and

892 (ii) no more frequently than once per month.

893 Section 4. **Effective date.**

894

This bill takes effect on January 1, 2021.