

TANGIBLE PERSONAL PROPERTY TAX AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Robert M. Spendlove

Senate Sponsor: Daniel McCay

LONG TITLE**General Description:**

This bill modifies the signed statement requirements for claiming a property tax exemption for certain tangible personal property.

Highlighted Provisions:

This bill:

- removes the requirement that a taxpayer file a signed statement after the first calendar year in which a taxpayer qualifies for a property tax exemption for tangible personal property if the taxpayer continues to qualify for the exemption for consecutive subsequent years.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-2-1115, as last amended by Laws of Utah 2021, Chapter 388

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

Section 1. Section **59-2-1115** is amended to read:

59-2-1115. Exemption of certain tangible personal property.



(1) As used in this section:

(a) (i) "Item of taxable tangible personal property" does not include an improvement to real property or a part that will become an improvement.

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the term "item of taxable tangible personal property."

(b) (i) "Taxable tangible personal property" means tangible personal property that is subject to taxation under this chapter.

(ii) "Taxable tangible personal property" does not include:

(A) tangible personal property required by law to be registered with the state before it is used on a public highway, public waterway, or public land or in the air;

(B) a mobile home as defined in Section 41-1a-102; or

(C) a manufactured home as defined in Section 41-1a-102.

(2) (a) In accordance with Utah Constitution, Article XIII, Section 3, Subsection (2)(a)(vi), which provides that the Legislature may by statute exempt tangible personal property that, if subject to property tax, would generate an inconsequential amount of revenue, the Legislature exempts the tangible personal property described in this Subsection (2).

(b) The taxable tangible personal property of a taxpayer is exempt from taxation if the taxable tangible personal property has a total aggregate taxable value per county of \$25,000 or less.

(c) For an item of taxable tangible personal property that is not exempt under Subsection (2)(b), the item is exempt from taxation if:

(i) the item is owned by a business and is not critical to the actual business operation of the business; and

(ii) the acquisition cost of the item is less than \$500.

(3) (a) For a calendar year beginning on or after January 1, 2023, the commission shall increase the dollar amount described in Subsection (2)(b):

(i) by a percentage equal to the percentage difference between the consumer price index for the preceding calendar year and the consumer price index for calendar year 2021; and

(ii) up to the nearest \$100 increment.

(b) For purposes of this Subsection (3), the commission shall calculate the consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

(c) If the percentage difference under Subsection (3)(a)(i) is zero or a negative percentage, the consumer price index increase for the year is zero.

(4) (a) For the first calendar year in which a taxpayer qualifies for an exemption described in Subsection (2)(b), a county assessor may require the taxpayer to file a signed statement described in Section 59-2-306.

~~[(b) Notwithstanding Section 59-2-306 and subject to Subsection (5), for a calendar year in which a taxpayer qualifies for an exemption described in Subsection (2)(b) after the calendar year described in Subsection (4)(a), a signed statement described in Section 59-2-306 with respect to the taxable tangible personal property that is exempt under Subsection (2)(b) may only require the taxpayer to certify, under penalty of perjury, that the taxpayer qualifies for the exemption under Subsection (2)(b).]~~

~~[(c)] (b)~~ If a taxpayer qualifies for an exemption described in Subsection (2)(b) ~~[for five consecutive years]~~ and files a signed statement ~~[for each of those years in accordance with Section 59-2-306 and Subsection (4)(b)]~~ in accordance with Subsection (4)(a), a county assessor may not require the taxpayer to file a signed statement for each continuing consecutive year for which the taxpayer qualifies for the exemption.

~~[(d)] (c)~~ If a taxpayer qualifies for an exemption described in Subsection (2)(c) for an item of tangible taxable personal property, a county assessor may not require the taxpayer to include the item on a signed statement described in Section 59-2-306.

(5) A signed statement with respect to qualifying exempt primary residential rental personal property is as provided in Section 59-2-103.5.

(6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules to administer this section and provide for uniform implementation.

Section 2. Effective date.

This bill takes effect on January 1, 2023.