

**ELECTRICAL FACILITY SALES TAX EXEMPTION**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Don L. Ipson**

House Sponsor: Carl R. Albrecht

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**LONG TITLE**

**General Description:**

This bill enacts a sales and use tax exemption.

**Highlighted Provisions:**

This bill:

▶ enacts a sales and use tax exemption for amounts paid or charged in connection with the construction, operation, maintenance, repair, or replacement of facilities owned by a distribution electrical cooperative or a wholesale electrical cooperative; and

▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-12-104**, as last amended by Laws of Utah 2021, Chapters 280 and 367

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

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

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



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

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

31 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political  
32 subdivisions; however, this exemption does not apply to sales of:

33 (a) construction materials except:

34 (i) construction materials purchased by or on behalf of institutions of the public  
35 education system as defined in Utah Constitution, Article X, Section 2, provided the  
36 construction materials are clearly identified and segregated and installed or converted to real  
37 property which is owned by institutions of the public education system; and

38 (ii) construction materials purchased by the state, its institutions, or its political  
39 subdivisions which are installed or converted to real property by employees of the state, its  
40 institutions, or its political subdivisions; or

41 (b) tangible personal property in connection with the construction, operation,  
42 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities  
43 providing additional project capacity, as defined in Section 11-13-103;

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

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

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

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

49 (i) food and food ingredients; or

50 (ii) prepared food;

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

52 (i) alcoholic beverages;

53 (ii) food and food ingredients; or

54 (iii) prepared food;

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

56 (i) to a passenger;

57 (ii) by a commercial airline carrier; and

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

- 59 (c) services related to Subsection (4)(a) or (b);
- 60 (5) sales of parts and equipment for installation in an aircraft operated by a common  
61 carrier in interstate or foreign commerce;
- 62 (6) sales of commercials, motion picture films, prerecorded audio program tapes or  
63 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture  
64 exhibitor, distributor, or commercial television or radio broadcaster;
- 65 (7) (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of  
66 cleaning or washing of tangible personal property if the cleaning or washing of the tangible  
67 personal property is not assisted cleaning or washing of tangible personal property;
- 68 (b) if a seller that sells at the same business location assisted cleaning or washing of  
69 tangible personal property and cleaning or washing of tangible personal property that is not  
70 assisted cleaning or washing of tangible personal property, the exemption described in  
71 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning  
72 or washing of the tangible personal property; and
- 73 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,  
74 Utah Administrative Rulemaking Act, the commission may make rules:
- 75 (i) governing the circumstances under which sales are at the same business location;  
76 and
- 77 (ii) establishing the procedures and requirements for a seller to separately account for  
78 sales of assisted cleaning or washing of tangible personal property;
- 79 (8) sales made to or by religious or charitable institutions in the conduct of their regular  
80 religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are  
81 fulfilled;
- 82 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of  
83 this state if the vehicle is:
- 84 (a) not registered in this state; and
- 85 (b) (i) not used in this state; or
- 86 (ii) used in this state:
- 87 (A) if the vehicle is not used to conduct business, for a time period that does not  
88 exceed the longer of:
- 89 (I) 30 days in any calendar year; or

- 90 (II) the time period necessary to transport the vehicle to the borders of this state; or
- 91 (B) if the vehicle is used to conduct business, for the time period necessary to transport
- 92 the vehicle to the borders of this state;
- 93 (10) (a) amounts paid for an item described in Subsection (10)(b) if:
- 94 (i) the item is intended for human use; and
- 95 (ii) (A) a prescription was issued for the item; or
- 96 (B) the item was purchased by a hospital or other medical facility; and
- 97 (b) (i) Subsection (10)(a) applies to:
- 98 (A) a drug;
- 99 (B) a syringe; or
- 100 (C) a stoma supply; and
- 101 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 102 commission may by rule define the terms:
- 103 (A) "syringe"; or
- 104 (B) "stoma supply";
- 105 (11) purchases or leases exempt under Section [19-12-201](#);
- 106 (12) (a) sales of an item described in Subsection (12)(c) served by:
- 107 (i) the following if the item described in Subsection (12)(c) is not available to the
- 108 general public:
- 109 (A) a church; or
- 110 (B) a charitable institution; or
- 111 (ii) an institution of higher education if:
- 112 (A) the item described in Subsection (12)(c) is not available to the general public; or
- 113 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan
- 114 offered by the institution of higher education; or
- 115 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 116 (i) a medical facility; or
- 117 (ii) a nursing facility; and
- 118 (c) Subsections (12)(a) and (b) apply to:
- 119 (i) food and food ingredients;
- 120 (ii) prepared food; or

121 (iii) alcoholic beverages;

122 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property  
123 or a product transferred electronically by a person:

124 (i) regardless of the number of transactions involving the sale of that tangible personal  
125 property or product transferred electronically by that person; and

126 (ii) not regularly engaged in the business of selling that type of tangible personal  
127 property or product transferred electronically;

128 (b) this Subsection (13) does not apply if:

129 (i) the sale is one of a series of sales of a character to indicate that the person is  
130 regularly engaged in the business of selling that type of tangible personal property or product  
131 transferred electronically;

132 (ii) the person holds that person out as regularly engaged in the business of selling that  
133 type of tangible personal property or product transferred electronically;

134 (iii) the person sells an item of tangible personal property or product transferred  
135 electronically that the person purchased as a sale that is exempt under Subsection (25); or

136 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of  
137 this state in which case the tax is based upon:

138 (A) the bill of sale or other written evidence of value of the vehicle or vessel being  
139 sold; or

140 (B) in the absence of a bill of sale or other written evidence of value, the fair market  
141 value of the vehicle or vessel being sold at the time of the sale as determined by the  
142 commission; and

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

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

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

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

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

155 (a) a manufacturing facility that:

156 (i) is located in the state; and

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

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

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

165 (b) an establishment, as the commission defines that term in accordance with Title  
166 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

167 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS  
168 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal  
169 Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the  
170 2002 North American Industry Classification System of the federal Executive Office of the  
171 President, Office of Management and Budget;

172 (ii) is located in the state; and

173 (iii) uses or consumes the machinery, equipment, normal operating repair or  
174 replacement parts, or materials in:

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

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

180 (C) transporting, storing, or managing tailings, overburden, or similar waste materials  
181 produced from mining;

182 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in

183 mining; or

184 (E) preventing, controlling, or reducing dust or other pollutants from mining; or

185 (c) an establishment, as the commission defines that term in accordance with Title 63G,

186 Chapter 3, Utah Administrative Rulemaking Act, that:

187 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North

188 American Industry Classification System of the federal Executive Office of the President,

189 Office of Management and Budget;

190 (ii) is located in the state; and

191 (iii) uses or consumes the machinery, equipment, normal operating repair or

192 replacement parts, or materials in the operation of the web search portal;

193 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:

194 (i) tooling;

195 (ii) special tooling;

196 (iii) support equipment;

197 (iv) special test equipment; or

198 (v) parts used in the repairs or renovations of tooling or equipment described in

199 Subsections (15)(a)(i) through (iv); and

200 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:

201 (i) the tooling, equipment, or parts are used or consumed exclusively in the

202 performance of any aerospace or electronics industry contract with the United States

203 government or any subcontract under that contract; and

204 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),

205 title to the tooling, equipment, or parts is vested in the United States government as evidenced

206 by:

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

208 (B) listing on a government-approved property record if placing a government

209 identification tag on the tooling, equipment, or parts is impractical;

210 (16) sales of newspapers or newspaper subscriptions;

211 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a

212 product transferred electronically traded in as full or part payment of the purchase price, except

213 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,

214 trade-ins are limited to other vehicles only, and the tax is based upon:

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

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

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

223 (i) money;

224 (ii) electricity;

225 (iii) water;

226 (iv) gas; or

227 (v) steam;

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

232 (A) becomes part of real estate; or

233 (B) is installed by a farmer, contractor, or subcontractor; or

234 (ii) sales of parts used in the repairs or renovations of tangible personal property or a  
235 product transferred electronically if the tangible personal property or product transferred  
236 electronically is exempt under Subsection (18)(a)(i); and

237 (b) amounts paid or charged for the following are subject to the taxes imposed by this  
238 chapter:

239 (i) (A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or  
240 supplies if used in a manner that is incidental to farming; and

241 (B) tangible personal property that is considered to be used in a manner that is  
242 incidental to farming includes:

243 (I) hand tools; or

244 (II) maintenance and janitorial equipment and supplies;



245 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product  
246 transferred electronically if the tangible personal property or product transferred electronically  
247 is used in an activity other than farming; and

248 (B) tangible personal property or a product transferred electronically that is considered  
249 to be used in an activity other than farming includes:

250 (I) office equipment and supplies; or

251 (II) equipment and supplies used in:

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

253 (Bb) research; or

254 (Cc) transportation; or

255 (iii) a vehicle required to be registered by the laws of this state during the period  
256 ending two years after the date of the vehicle's purchase;

257 (19) sales of hay;

258 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or  
259 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or  
260 garden, farm, or other agricultural produce is sold by:

261 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other  
262 agricultural produce;

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

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

265 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued  
266 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

267 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,  
268 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,  
269 wholesaler, or retailer for use in packaging tangible personal property to be sold by that  
270 manufacturer, processor, wholesaler, or retailer;

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

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

273 (i) the product is:

274 (A) purchased outside of this state;

275 (B) brought into this state:

276 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and  
277 (II) by a nonresident person who is not living or working in this state at the time of the  
278 purchase;

279 (C) used for the personal use or enjoyment of the nonresident person described in  
280 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and  
281 (D) not used in conducting business in this state; and  
282 (ii) for:

283 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of  
284 the product for a purpose for which the product is designed occurs outside of this state;  
285 (B) a boat, the boat is registered outside of this state; or  
286 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered  
287 outside of this state;

288 (b) the exemption provided for in Subsection (24)(a) does not apply to:  
289 (i) a lease or rental of a product; or  
290 (ii) a sale of a vehicle exempt under Subsection (33); and  
291 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
292 purposes of Subsection (24)(a), the commission may by rule define what constitutes the  
293 following:

294 (i) conducting business in this state if that phrase has the same meaning in this  
295 Subsection (24) as in Subsection (63);  
296 (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)  
297 as in Subsection (63); or  
298 (iii) a purpose for which a product is designed if that phrase has the same meaning in  
299 this Subsection (24) as in Subsection (63);  
300 (25) a product purchased for resale in the regular course of business, either in its  
301 original form or as an ingredient or component part of a manufactured or compounded product;  
302 (26) a product upon which a sales or use tax was paid to some other state, or one of its  
303 subdivisions, except that the state shall be paid any difference between the tax paid and the tax  
304 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if  
305 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax  
306 Act;

- 307 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a  
308 person for use in compounding a service taxable under the subsections;
- 309 (28) purchases made in accordance with the special supplemental nutrition program for  
310 women, infants, and children established in 42 U.S.C. Sec. 1786;
- 311 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other  
312 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code  
313 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of  
314 the President, Office of Management and Budget;
- 315 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State  
316 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:
- 317 (a) not registered in this state; and  
318 (b) (i) not used in this state; or  
319 (ii) used in this state:
- 320 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a  
321 time period that does not exceed the longer of:
- 322 (I) 30 days in any calendar year; or  
323 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to  
324 the borders of this state; or
- 325 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time  
326 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this  
327 state;
- 328 (31) sales of aircraft manufactured in Utah;
- 329 (32) amounts paid for the purchase of telecommunications service for purposes of  
330 providing telecommunications service;
- 331 (33) sales, leases, or uses of the following:
- 332 (a) a vehicle by an authorized carrier; or  
333 (b) tangible personal property that is installed on a vehicle:
- 334 (i) sold or leased to or used by an authorized carrier; and  
335 (ii) before the vehicle is placed in service for the first time;
- 336 (34) (a) 45% of the sales price of any new manufactured home; and  
337 (b) 100% of the sales price of any used manufactured home;

338 (35) sales relating to schools and fundraising sales;  
339 (36) sales or rentals of durable medical equipment if:  
340 (a) a person presents a prescription for the durable medical equipment; and  
341 (b) the durable medical equipment is used for home use only;  
342 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in  
343 Section 72-11-102; and  
344 (b) the commission shall by rule determine the method for calculating sales exempt  
345 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;  
346 (38) sales to a ski resort of:  
347 (a) snowmaking equipment;  
348 (b) ski slope grooming equipment;  
349 (c) passenger ropeways as defined in Section 72-11-102; or  
350 (d) parts used in the repairs or renovations of equipment or passenger ropeways  
351 described in Subsections (38)(a) through (c);  
352 (39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal,  
353 fuel oil, or other fuels for industrial use;  
354 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for  
355 amusement, entertainment, or recreation an unassisted amusement device as defined in Section  
356 59-12-102;  
357 (b) if a seller that sells or rents at the same business location the right to use or operate  
358 for amusement, entertainment, or recreation one or more unassisted amusement devices and  
359 one or more assisted amusement devices, the exemption described in Subsection (40)(a)  
360 applies if the seller separately accounts for the sales or rentals of the right to use or operate for  
361 amusement, entertainment, or recreation for the assisted amusement devices; and  
362 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,  
363 Utah Administrative Rulemaking Act, the commission may make rules:  
364 (i) governing the circumstances under which sales are at the same business location;  
365 and  
366 (ii) establishing the procedures and requirements for a seller to separately account for  
367 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for  
368 assisted amusement devices;

- 369 (41) (a) sales of photocopies by:
- 370 (i) a governmental entity; or
- 371 (ii) an entity within the state system of public education, including:
- 372 (A) a school; or
- 373 (B) the State Board of Education; or
- 374 (b) sales of publications by a governmental entity;
- 375 (42) amounts paid for admission to an athletic event at an institution of higher
- 376 education that is subject to the provisions of Title IX of the Education Amendments of 1972,
- 377 20 U.S.C. Sec. 1681 et seq.;
- 378 (43) (a) sales made to or by:
- 379 (i) an area agency on aging; or
- 380 (ii) a senior citizen center owned by a county, city, or town; or
- 381 (b) sales made by a senior citizen center that contracts with an area agency on aging;
- 382 (44) sales or leases of semiconductor fabricating, processing, research, or development
- 383 materials regardless of whether the semiconductor fabricating, processing, research, or
- 384 development materials:
- 385 (a) actually come into contact with a semiconductor; or
- 386 (b) ultimately become incorporated into real property;
- 387 (45) an amount paid by or charged to a purchaser for accommodations and services
- 388 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section
- 389 59-12-104.2;
- 390 (46) the lease or use of a vehicle issued a temporary sports event registration certificate
- 391 in accordance with Section 41-3-306 for the event period specified on the temporary sports
- 392 event registration certificate;
- 393 (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff
- 394 adopted by the Public Service Commission only for purchase of electricity produced from a
- 395 new alternative energy source built after January 1, 2016, as designated in the tariff by the
- 396 Public Service Commission; and
- 397 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
- 398 only to the portion of the tariff rate a customer pays under the tariff described in Subsection
- 399 (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the

400 customer would have paid absent the tariff;

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

403 (49) sales of water in a:

404 (a) pipe;

405 (b) conduit;

406 (c) ditch; or

407 (d) reservoir;

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

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

411 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and

412 (ii) has a gold, silver, or platinum content of 50% or more; and

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

414 (i) ingot;

415 (ii) bar;

416 (iii) medallion; or

417 (iv) decorative coin;

418 (52) amounts paid on a sale-leaseback transaction;

419 (53) sales of a prosthetic device:

420 (a) for use on or in a human; and

421 (b) (i) for which a prescription is required; or

422 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

423 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of  
424 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery  
425 or equipment is primarily used in the production or postproduction of the following media for  
426 commercial distribution:

427 (i) a motion picture;

428 (ii) a television program;

429 (iii) a movie made for television;

430 (iv) a music video;

- 431 (v) a commercial;
- 432 (vi) a documentary; or
- 433 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
- 434 commission by administrative rule made in accordance with Subsection (54)(d); or
- 435 (b) purchases, leases, or rentals of machinery or equipment by an establishment
- 436 described in Subsection (54)(c) that is used for the production or postproduction of the
- 437 following are subject to the taxes imposed by this chapter:
- 438 (i) a live musical performance;
- 439 (ii) a live news program; or
- 440 (iii) a live sporting event;
- 441 (c) the following establishments listed in the 1997 North American Industry
- 442 Classification System of the federal Executive Office of the President, Office of Management
- 443 and Budget, apply to Subsections (54)(a) and (b):
- 444 (i) NAICS Code 512110; or
- 445 (ii) NAICS Code 51219; and
- 446 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 447 commission may by rule:
- 448 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);
- 449 or
- 450 (ii) define:
- 451 (A) "commercial distribution";
- 452 (B) "live musical performance";
- 453 (C) "live news program"; or
- 454 (D) "live sporting event";
- 455 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but
- 456 on or before June 30, 2027, of tangible personal property that:
- 457 (i) is leased or purchased for or by a facility that:
- 458 (A) is an alternative energy electricity production facility;
- 459 (B) is located in the state; and
- 460 (C) (I) becomes operational on or after July 1, 2004; or
- 461 (II) has its generation capacity increased by one or more megawatts on or after July 1,

462 2004, as a result of the use of the tangible personal property;

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

464       (iii) is used to make the facility or the increase in capacity of the facility described in

465 Subsection (55)(a)(i) operational up to the point of interconnection with an existing

466 transmission grid including:

467       (A) a wind turbine;

468       (B) generating equipment;

469       (C) a control and monitoring system;

470       (D) a power line;

471       (E) substation equipment;

472       (F) lighting;

473       (G) fencing;

474       (H) pipes; or

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

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

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

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

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

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

481 and

482       (iii) unless the tangible personal property is used or acquired for an increase in capacity

483 of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or

484 acquired after:

485       (A) the alternative energy electricity production facility described in Subsection

486 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or

487       (B) the increased capacity described in Subsection (55)(a)(i) is operational as described

488 in Subsection (55)(a)(iii);

489       (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but

490 on or before June 30, 2027, of tangible personal property that:

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

492           (A) is a waste energy production facility;



493 (B) is located in the state; and  
494 (C) (I) becomes operational on or after July 1, 2004; or  
495 (II) has its generation capacity increased by one or more megawatts on or after July 1,  
496 2004, as a result of the use of the tangible personal property;  
497 (ii) has an economic life of five or more years; and  
498 (iii) is used to make the facility or the increase in capacity of the facility described in  
499 Subsection (56)(a)(i) operational up to the point of interconnection with an existing  
500 transmission grid including:  
501 (A) generating equipment;  
502 (B) a control and monitoring system;  
503 (C) a power line;  
504 (D) substation equipment;  
505 (E) lighting;  
506 (F) fencing;  
507 (G) pipes; or  
508 (H) other equipment used for locating a power line or pole; and  
509 (b) this Subsection (56) does not apply to:  
510 (i) tangible personal property used in construction of:  
511 (A) a new waste energy facility; or  
512 (B) the increase in the capacity of a waste energy facility;  
513 (ii) contracted services required for construction and routine maintenance activities;  
514 and  
515 (iii) unless the tangible personal property is used or acquired for an increase in capacity  
516 described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:  
517 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as  
518 described in Subsection (56)(a)(iii); or  
519 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described  
520 in Subsection (56)(a)(iii);  
521 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on  
522 or before June 30, 2027, of tangible personal property that:  
523 (i) is leased or purchased for or by a facility that:

- 524 (A) is located in the state;
- 525 (B) produces fuel from alternative energy, including:
  - 526 (I) methanol; or
  - 527 (II) ethanol; and
- 528 (C) (I) becomes operational on or after July 1, 2004; or
- 529 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as
- 530 a result of the installation of the tangible personal property;
- 531 (ii) has an economic life of five or more years; and
- 532 (iii) is installed on the facility described in Subsection (57)(a)(i);
- 533 (b) this Subsection (57) does not apply to:
  - 534 (i) tangible personal property used in construction of:
    - 535 (A) a new facility described in Subsection (57)(a)(i); or
    - 536 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or
  - 537 (ii) contracted services required for construction and routine maintenance activities;
- 538 and
- 539 (iii) unless the tangible personal property is used or acquired for an increase in capacity
- 540 described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:
  - 541 (A) the facility described in Subsection (57)(a)(i) is operational; or
  - 542 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
- 543 (58) (a) subject to Subsection (58)(b), sales of tangible personal property or a product
- 544 transferred electronically to a person within this state if that tangible personal property or
- 545 product transferred electronically is subsequently shipped outside the state and incorporated
- 546 pursuant to contract into and becomes a part of real property located outside of this state; and
- 547 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
- 548 state or political entity to which the tangible personal property is shipped imposes a sales, use,
- 549 gross receipts, or other similar transaction excise tax on the transaction against which the other
- 550 state or political entity allows a credit for sales and use taxes imposed by this chapter;
- 551 (59) purchases:
  - 552 (a) of one or more of the following items in printed or electronic format:
    - 553 (i) a list containing information that includes one or more:
      - 554 (A) names; or

555 (B) addresses; or  
556 (ii) a database containing information that includes one or more:  
557 (A) names; or  
558 (B) addresses; and  
559 (b) used to send direct mail;  
560 (60) redemptions or repurchases of a product by a person if that product was:  
561 (a) delivered to a pawnbroker as part of a pawn transaction; and  
562 (b) redeemed or repurchased within the time period established in a written agreement  
563 between the person and the pawnbroker for redeeming or repurchasing the product;  
564 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:  
565 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;  
566 and  
567 (ii) has a useful economic life of one or more years; and  
568 (b) the following apply to Subsection (61)(a):  
569 (i) telecommunications enabling or facilitating equipment, machinery, or software;  
570 (ii) telecommunications equipment, machinery, or software required for 911 service;  
571 (iii) telecommunications maintenance or repair equipment, machinery, or software;  
572 (iv) telecommunications switching or routing equipment, machinery, or software; or  
573 (v) telecommunications transmission equipment, machinery, or software;  
574 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible  
575 personal property or a product transferred electronically that are used in the research and  
576 development of alternative energy technology; and  
577 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
578 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes  
579 purchases of tangible personal property or a product transferred electronically that are used in  
580 the research and development of alternative energy technology;  
581 (63) (a) purchases of tangible personal property or a product transferred electronically  
582 if:  
583 (i) the tangible personal property or product transferred electronically is:  
584 (A) purchased outside of this state;  
585 (B) brought into this state at any time after the purchase described in Subsection

586 (63)(a)(i)(A); and  
587 (C) used in conducting business in this state; and  
588 (ii) for:  
589 (A) tangible personal property or a product transferred electronically other than the  
590 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property  
591 for a purpose for which the property is designed occurs outside of this state; or  
592 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered  
593 outside of this state and not required to be registered in this state under Section [41-1a-202](#) or  
594 [73-18-9](#) based on residency;  
595 (b) the exemption provided for in Subsection (63)(a) does not apply to:  
596 (i) a lease or rental of tangible personal property or a product transferred electronically;  
597 or  
598 (ii) a sale of a vehicle exempt under Subsection (33); and  
599 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
600 purposes of Subsection (63)(a), the commission may by rule define what constitutes the  
601 following:  
602 (i) conducting business in this state if that phrase has the same meaning in this  
603 Subsection (63) as in Subsection (24);  
604 (ii) the first use of tangible personal property or a product transferred electronically if  
605 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or  
606 (iii) a purpose for which tangible personal property or a product transferred  
607 electronically is designed if that phrase has the same meaning in this Subsection (63) as in  
608 Subsection (24);  
609 (64) sales of disposable home medical equipment or supplies if:  
610 (a) a person presents a prescription for the disposable home medical equipment or  
611 supplies;  
612 (b) the disposable home medical equipment or supplies are used exclusively by the  
613 person to whom the prescription described in Subsection (64)(a) is issued; and  
614 (c) the disposable home medical equipment and supplies are listed as eligible for  
615 payment under:  
616 (i) Title XVIII, federal Social Security Act; or

617 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

618 (65) sales:

619 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit

620 District Act; or

621 (b) of tangible personal property to a subcontractor of a public transit district, if the

622 tangible personal property is:

623 (i) clearly identified; and

624 (ii) installed or converted to real property owned by the public transit district;

625 (66) sales of construction materials:

626 (a) purchased on or after July 1, 2010;

627 (b) purchased by, on behalf of, or for the benefit of an international airport:

628 (i) located within a county of the first class; and

629 (ii) that has a United States customs office on its premises; and

630 (c) if the construction materials are:

631 (i) clearly identified;

632 (ii) segregated; and

633 (iii) installed or converted to real property:

634 (A) owned or operated by the international airport described in Subsection (66)(b); and

635 (B) located at the international airport described in Subsection (66)(b);

636 (67) sales of construction materials:

637 (a) purchased on or after July 1, 2008;

638 (b) purchased by, on behalf of, or for the benefit of a new airport:

639 (i) located within a county of the second class; and

640 (ii) that is owned or operated by a city in which an airline as defined in Section

641 [59-2-102](#) is headquartered; and

642 (c) if the construction materials are:

643 (i) clearly identified;

644 (ii) segregated; and

645 (iii) installed or converted to real property:

646 (A) owned or operated by the new airport described in Subsection (67)(b);

647 (B) located at the new airport described in Subsection (67)(b); and

648 (C) as part of the construction of the new airport described in Subsection (67)(b);  
649 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a  
650 common carrier that is a railroad for use in a locomotive engine;  
651 (69) purchases and sales described in Section 63H-4-111;  
652 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and  
653 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of  
654 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration  
655 lists a state or country other than this state as the location of registry of the fixed wing turbine  
656 powered aircraft; or  
657 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul  
658 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of  
659 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration  
660 lists a state or country other than this state as the location of registry of the fixed wing turbine  
661 powered aircraft;  
662 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:  
663 (a) to a person admitted to an institution of higher education; and  
664 (b) by a seller, other than a bookstore owned by an institution of higher education, if  
665 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a  
666 textbook for a higher education course;  
667 (72) a license fee or tax a municipality imposes in accordance with Subsection  
668 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced  
669 level of municipal services;  
670 (73) amounts paid or charged for construction materials used in the construction of a  
671 new or expanding life science research and development facility in the state, if the construction  
672 materials are:  
673 (a) clearly identified;  
674 (b) segregated; and  
675 (c) installed or converted to real property;  
676 (74) amounts paid or charged for:  
677 (a) a purchase or lease of machinery and equipment that:  
678 (i) are used in performing qualified research:

679 (A) as defined in Section 41(d), Internal Revenue Code; and  
680 (B) in the state; and  
681 (ii) have an economic life of three or more years; and  
682 (b) normal operating repair or replacement parts:  
683 (i) for the machinery and equipment described in Subsection (74)(a); and  
684 (ii) that have an economic life of three or more years;  
685 (75) a sale or lease of tangible personal property used in the preparation of prepared  
686 food if:  
687 (a) for a sale:  
688 (i) the ownership of the seller and the ownership of the purchaser are identical; and  
689 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that  
690 tangible personal property prior to making the sale; or  
691 (b) for a lease:  
692 (i) the ownership of the lessor and the ownership of the lessee are identical; and  
693 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible  
694 personal property prior to making the lease;  
695 (76) (a) purchases of machinery or equipment if:  
696 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,  
697 Gambling, and Recreation Industries, of the 2012 North American Industry Classification  
698 System of the federal Executive Office of the President, Office of Management and Budget;  
699 (ii) the machinery or equipment:  
700 (A) has an economic life of three or more years; and  
701 (B) is used by one or more persons who pay admission or user fees described in  
702 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and  
703 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:  
704 (A) amounts paid or charged as admission or user fees described in Subsection  
705 59-12-103(1)(f); and  
706 (B) subject to taxation under this chapter; and  
707 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
708 commission may make rules for verifying that 51% of a purchaser's sales revenue for the  
709 previous calendar quarter is:

- 710 (i) amounts paid or charged as admission or user fees described in Subsection
- 711 [59-12-103\(1\)\(f\)](#); and
- 712 (ii) subject to taxation under this chapter;
- 713 (77) purchases of a short-term lodging consumable by a business that provides
- 714 accommodations and services described in Subsection [59-12-103\(1\)\(i\)](#);
- 715 (78) amounts paid or charged to access a database:
- 716 (a) if the primary purpose for accessing the database is to view or retrieve information
- 717 from the database; and
- 718 (b) not including amounts paid or charged for a:
- 719 (i) digital audio work;
- 720 (ii) digital audio-visual work; or
- 721 (iii) digital book;
- 722 (79) amounts paid or charged for a purchase or lease made by an electronic financial
- 723 payment service, of:
- 724 (a) machinery and equipment that:
- 725 (i) are used in the operation of the electronic financial payment service; and
- 726 (ii) have an economic life of three or more years; and
- 727 (b) normal operating repair or replacement parts that:
- 728 (i) are used in the operation of the electronic financial payment service; and
- 729 (ii) have an economic life of three or more years;
- 730 (80) sales of a fuel cell as defined in Section [54-15-102](#);
- 731 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
- 732 product transferred electronically if the tangible personal property or product transferred
- 733 electronically:
- 734 (a) is stored, used, or consumed in the state; and
- 735 (b) is temporarily brought into the state from another state:
- 736 (i) during a disaster period as defined in Section [53-2a-1202](#);
- 737 (ii) by an out-of-state business as defined in Section [53-2a-1202](#);
- 738 (iii) for a declared state disaster or emergency as defined in Section [53-2a-1202](#); and
- 739 (iv) for disaster- or emergency-related work as defined in Section [53-2a-1202](#);
- 740 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined



741 in Section [39-9-102](#), made pursuant to Title 39, Chapter 9, State Morale, Welfare, and  
742 Recreation Program;

743 (83) amounts paid or charged for a purchase or lease of molten magnesium;

744 (84) amounts paid or charged for a purchase or lease made by a qualifying data center  
745 or an occupant of a qualifying data center of machinery, equipment, or normal operating repair  
746 or replacement parts, if the machinery, equipment, or normal operating repair or replacement  
747 parts:

748 (a) are used in:

749 (i) the operation of the qualifying data center; or

750 (ii) the occupant's operations in the qualifying data center; and

751 (b) have an economic life of one or more years;

752 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a  
753 vehicle that includes cleaning or washing of the interior of the vehicle;

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

757 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined  
758 in Section [79-6-701](#) located in the state;

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

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

763 (ii) research and development;

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

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

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

770 (c) if the person holds a valid refiner tax exemption certification as defined in Section  
771 [79-6-701](#);

772 (87) amounts paid to or charged by a proprietor for accommodations and services, as  
773 defined in Section [63H-1-205](#), if the proprietor is subject to the MIDA accommodations tax  
774 imposed under Section [63H-1-205](#);

775 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
776 operating repair or replacement parts, or materials, except for office equipment or office  
777 supplies, by an establishment, as the commission defines that term in accordance with Title  
778 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

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

782 (b) is located in this state; and

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

785 (89) amounts paid or charged for an item exempt under Section [59-12-104.10](#)~~[-];~~ and

786 (90) amounts paid or charged in connection with the construction, operation,  
787 maintenance, repair, or replacement of facilities owned by:

788 (a) a distribution electrical cooperative, as defined in Section [54-2-1](#); or

789 (b) a wholesale electrical cooperative, as defined in Section [54-2-1](#).

790 Section 2. **Effective date.**

791 This bill takes effect on July 1, 2022.