

WATER RELATED SALES AND USE TAX AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David P. Hinkins

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to funding certain agencies through sales and use tax revenue.

Highlighted Provisions:

This bill:

- ▶ replaces certain references to dedicated credits with references to sales and use tax revenue;
- ▶ removes a cap on sales and use tax revenue kept by the Division of Water Rights;
- ▶ addresses uses of money transferred to the Division of Water Rights; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-12-103, as last amended by Laws of Utah 2021, Chapters 367, 387, and 411

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

Section 1. Section **59-12-103** is amended to read:



28 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
29 **tax revenues.**

30 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
31 sales price for amounts paid or charged for the following transactions:

32 (a) retail sales of tangible personal property made within the state;

33 (b) amounts paid for:

34 (i) telecommunications service, other than mobile telecommunications service, that
35 originates and terminates within the boundaries of this state;

36 (ii) mobile telecommunications service that originates and terminates within the
37 boundaries of one state only to the extent permitted by the Mobile Telecommunications
38 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

39 (iii) an ancillary service associated with a:

40 (A) telecommunications service described in Subsection (1)(b)(i); or

41 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

42 (c) sales of the following for commercial use:

43 (i) gas;

44 (ii) electricity;

45 (iii) heat;

46 (iv) coal;

47 (v) fuel oil; or

48 (vi) other fuels;

49 (d) sales of the following for residential use:

50 (i) gas;

51 (ii) electricity;

52 (iii) heat;

53 (iv) coal;

54 (v) fuel oil; or

55 (vi) other fuels;

56 (e) sales of prepared food;

57 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
58 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,

59 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
60 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
61 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
62 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
63 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
64 horseback rides, sports activities, or any other amusement, entertainment, recreation,
65 exhibition, cultural, or athletic activity;

66 (g) amounts paid or charged for services for repairs or renovations of tangible personal
67 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

68 (i) the tangible personal property; and

69 (ii) parts used in the repairs or renovations of the tangible personal property described
70 in Subsection (1)(g)(i), regardless of whether:

71 (A) any parts are actually used in the repairs or renovations of that tangible personal
72 property; or

73 (B) the particular parts used in the repairs or renovations of that tangible personal
74 property are exempt from a tax under this chapter;

75 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
76 assisted cleaning or washing of tangible personal property;

77 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
78 accommodations and services that are regularly rented for less than 30 consecutive days;

79 (j) amounts paid or charged for laundry or dry cleaning services;

80 (k) amounts paid or charged for leases or rentals of tangible personal property if within
81 this state the tangible personal property is:

82 (i) stored;

83 (ii) used; or

84 (iii) otherwise consumed;

85 (l) amounts paid or charged for tangible personal property if within this state the
86 tangible personal property is:

87 (i) stored;

88 (ii) used; or

89 (iii) consumed; and

- 90 (m) amounts paid or charged for a sale:
- 91 (i) (A) of a product transferred electronically; or
- 92 (B) of a repair or renovation of a product transferred electronically; and
- 93 (ii) regardless of whether the sale provides:
- 94 (A) a right of permanent use of the product; or
- 95 (B) a right to use the product that is less than a permanent use, including a right:
- 96 (I) for a definite or specified length of time; and
- 97 (II) that terminates upon the occurrence of a condition.
- 98 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax
- 99 are imposed on a transaction described in Subsection (1) equal to the sum of:
- 100 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 101 (A) 4.70% plus the rate specified in Subsection (12)(a); and
- 102 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
- 103 and Use Tax Act, if the location of the transaction as determined under Sections [59-12-211](#)
- 104 through [59-12-215](#) is in a county in which the state imposes the tax under Part 18, Additional
- 105 State Sales and Use Tax Act; and
- 106 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
- 107 and Use Tax Act, if the location of the transaction as determined under Sections [59-12-211](#)
- 108 through [59-12-215](#) is in a city, town, or the unincorporated area of a county in which the state
- 109 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 110 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 111 transaction under this chapter other than this part.
- 112 (b) Except as provided in Subsection (2)(e) or (f) and subject to Subsection (2)(k), a
- 113 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to
- 114 the sum of:
- 115 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 116 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 117 transaction under this chapter other than this part.
- 118 (c) Except as provided in Subsection (2)(e) or (f), a state tax and a local tax are
- 119 imposed on amounts paid or charged for food and food ingredients equal to the sum of:
- 120 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at

121 a tax rate of 1.75%; and

122 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
123 amounts paid or charged for food and food ingredients under this chapter other than this part.

124 (d) Except as provided in Subsection (2)(e) or (f), a state tax is imposed on amounts
125 paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at
126 a rate of 4.85%.

127 (e) (i) For a bundled transaction that is attributable to food and food ingredients and
128 tangible personal property other than food and food ingredients, a state tax and a local tax is
129 imposed on the entire bundled transaction equal to the sum of:

130 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

131 (I) the tax rate described in Subsection (2)(a)(i)(A); and

132 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
133 Sales and Use Tax Act, if the location of the transaction as determined under Sections
134 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
135 Additional State Sales and Use Tax Act; and

136 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
137 Sales and Use Tax Act, if the location of the transaction as determined under Sections
138 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
139 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

140 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
141 described in Subsection (2)(a)(ii).

142 (ii) If an optional computer software maintenance contract is a bundled transaction that
143 consists of taxable and nontaxable products that are not separately itemized on an invoice or
144 similar billing document, the purchase of the optional computer software maintenance contract
145 is 40% taxable under this chapter and 60% nontaxable under this chapter.

146 (iii) Subject to Subsection (2)(e)(iv), for a bundled transaction other than a bundled
147 transaction described in Subsection (2)(e)(i) or (ii):

148 (A) if the sales price of the bundled transaction is attributable to tangible personal
149 property, a product, or a service that is subject to taxation under this chapter and tangible
150 personal property, a product, or service that is not subject to taxation under this chapter, the
151 entire bundled transaction is subject to taxation under this chapter unless:

152 (I) the seller is able to identify by reasonable and verifiable standards the tangible
153 personal property, product, or service that is not subject to taxation under this chapter from the
154 books and records the seller keeps in the seller's regular course of business; or

155 (II) state or federal law provides otherwise; or

156 (B) if the sales price of a bundled transaction is attributable to two or more items of
157 tangible personal property, products, or services that are subject to taxation under this chapter
158 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
159 higher tax rate unless:

160 (I) the seller is able to identify by reasonable and verifiable standards the tangible
161 personal property, product, or service that is subject to taxation under this chapter at the lower
162 tax rate from the books and records the seller keeps in the seller's regular course of business; or

163 (II) state or federal law provides otherwise.

164 (iv) For purposes of Subsection (2)(e)(iii), books and records that a seller keeps in the
165 seller's regular course of business includes books and records the seller keeps in the regular
166 course of business for nontax purposes.

167 (f) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(f)(ii)
168 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
169 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
170 of tangible personal property, other property, a product, or a service that is not subject to
171 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
172 the seller, at the time of the transaction:

173 (A) separately states the portion of the transaction that is not subject to taxation under
174 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

175 (B) is able to identify by reasonable and verifiable standards, from the books and
176 records the seller keeps in the seller's regular course of business, the portion of the transaction
177 that is not subject to taxation under this chapter.

178 (ii) A purchaser and a seller may correct the taxability of a transaction if:

179 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
180 the transaction that is not subject to taxation under this chapter was not separately stated on an
181 invoice, bill of sale, or similar document provided to the purchaser because of an error or
182 ignorance of the law; and

183 (B) the seller is able to identify by reasonable and verifiable standards, from the books
184 and records the seller keeps in the seller's regular course of business, the portion of the
185 transaction that is not subject to taxation under this chapter.

186 (iii) For purposes of Subsections (2)(f)(i) and (ii), books and records that a seller keeps
187 in the seller's regular course of business includes books and records the seller keeps in the
188 regular course of business for nontax purposes.

189 (g) (i) If the sales price of a transaction is attributable to two or more items of tangible
190 personal property, products, or services that are subject to taxation under this chapter at
191 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
192 unless the seller, at the time of the transaction:

193 (A) separately states the items subject to taxation under this chapter at each of the
194 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

195 (B) is able to identify by reasonable and verifiable standards the tangible personal
196 property, product, or service that is subject to taxation under this chapter at the lower tax rate
197 from the books and records the seller keeps in the seller's regular course of business.

198 (ii) For purposes of Subsection (2)(g)(i), books and records that a seller keeps in the
199 seller's regular course of business includes books and records the seller keeps in the regular
200 course of business for nontax purposes.

201 (h) Subject to Subsections (2)(i) and (j), a tax rate repeal or tax rate change for a tax
202 rate imposed under the following shall take effect on the first day of a calendar quarter:

203 (i) Subsection (2)(a)(i)(A);

204 (ii) Subsection (2)(b)(i);

205 (iii) Subsection (2)(c)(i); or

206 (iv) Subsection (2)(e)(i)(A)(I).

207 (i) (i) A tax rate increase takes effect on the first day of the first billing period that
208 begins on or after the effective date of the tax rate increase if the billing period for the
209 transaction begins before the effective date of a tax rate increase imposed under:

210 (A) Subsection (2)(a)(i)(A);

211 (B) Subsection (2)(b)(i);

212 (C) Subsection (2)(c)(i); or

213 (D) Subsection (2)(e)(i)(A)(I).

214 (ii) The repeal of a tax or a tax rate decrease applies to a billing
215 statement for the billing period is rendered on or after the effective date of the repeal of the tax
216 or the tax rate decrease imposed under:

- 217 (A) Subsection (2)(a)(i)(A);
- 218 (B) Subsection (2)(b)(i);
- 219 (C) Subsection (2)(c)(i); or
- 220 (D) Subsection (2)(e)(i)(A)(I).

221 (j) (i) For a tax rate described in Subsection (2)(j)(ii), if a tax due on a catalogue sale is
222 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
223 change in a tax rate takes effect:

- 224 (A) on the first day of a calendar quarter; and
- 225 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

226 (ii) Subsection (2)(j)(i) applies to the tax rates described in the following:

- 227 (A) Subsection (2)(a)(i)(A);
- 228 (B) Subsection (2)(b)(i);
- 229 (C) Subsection (2)(c)(i); or
- 230 (D) Subsection (2)(e)(i)(A)(I).

231 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
232 the commission may by rule define the term "catalogue sale."

233 (k) (i) For a location described in Subsection (2)(k)(ii), the commission shall determine
234 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the
235 predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

236 (ii) Subsection (2)(k)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
237 or other fuel is furnished through a single meter for two or more of the following uses:

- 238 (A) a commercial use;
- 239 (B) an industrial use; or
- 240 (C) a residential use.

241 (3) (a) The following state taxes shall be deposited into the General Fund:

- 242 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 243 (ii) the tax imposed by Subsection (2)(b)(i);
- 244 (iii) the tax imposed by Subsection (2)(c)(i); and

245 (iv) the tax imposed by Subsection (2)(e)(i)(A)(I).

246 (b) The following local taxes shall be distributed to a county, city, or town as provided
247 in this chapter:

248 (i) the tax imposed by Subsection (2)(a)(ii);

249 (ii) the tax imposed by Subsection (2)(b)(ii);

250 (iii) the tax imposed by Subsection (2)(c)(ii); and

251 (iv) the tax imposed by Subsection (2)(e)(i)(B).

252 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General
253 Fund.

254 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
255 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
256 through (g):

257 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

258 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

259 (B) for the fiscal year; or

260 (ii) \$17,500,000.

261 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
262 described in Subsection (4)(a) shall be transferred each year as [~~dedicated credits~~] sales and use
263 tax revenue to the Department of Natural Resources to:

264 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
265 protect sensitive plant and animal species; or

266 (B) award grants, up to the amount authorized by the Legislature in an appropriations
267 act, to political subdivisions of the state to implement the measures described in Subsections
268 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

269 (ii) Money transferred to the Department of Natural Resources under Subsection
270 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
271 person to list or attempt to have listed a species as threatened or endangered under the
272 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

273 (iii) At the end of each fiscal year:

274 (A) 50% of any unexpended [~~dedicated credits~~] sales and use tax revenue described in
275 Subsection (4)(b)(i) shall lapse to the Water Resources Conservation and Development Fund

276 created in Section [73-10-24](#);

277 (B) 25% of any unexpended [~~dedicated credits~~] sales and use tax revenue described in
278 Subsection (4)(b)(i) shall lapse to the Utah Wastewater Loan Program Subaccount created in
279 Section [73-10c-5](#); and

280 (C) 25% of any unexpended [~~dedicated credits~~] sales and use tax revenue described in
281 Subsection (4)(b)(i) shall lapse to the Drinking Water Loan Program Subaccount created in
282 Section [73-10c-5](#).

283 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
284 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
285 created in Section [4-18-106](#).

286 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
287 in Subsection (4)(a) shall be transferred each year as [~~dedicated credits~~] sales and use tax
288 revenue to the Division of Water Rights to cover the costs incurred in hiring legal and technical
289 staff for the adjudication of water rights.

290 (ii) At the end of each fiscal year:

291 (A) 50% of any unexpended [~~dedicated credits~~] sales and use tax revenue described in
292 Subsection (4)(d)(i) shall lapse to the Water Resources Conservation and Development Fund
293 created in Section [73-10-24](#);

294 (B) 25% of any unexpended [~~dedicated credits~~] sales and use tax revenue described in
295 Subsection (4)(d)(i) shall lapse to the Utah Wastewater Loan Program Subaccount created in
296 Section [73-10c-5](#); and

297 (C) 25% of any unexpended [~~dedicated credits~~] sales and use tax revenue described in
298 Subsection (4)(d)(i) shall lapse to the Drinking Water Loan Program Subaccount created in
299 Section [73-10c-5](#).

300 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
301 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and
302 Development Fund created in Section [73-10-24](#) for use by the Division of Water Resources.

303 (ii) In addition to the uses allowed of the Water Resources Conservation and
304 Development Fund under Section [73-10-24](#), the Water Resources Conservation and
305 Development Fund may also be used to:

306 (A) conduct hydrologic and geotechnical investigations by the Division of Water

307 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
308 quantifying surface and ground water resources and describing the hydrologic systems of an
309 area in sufficient detail so as to enable local and state resource managers to plan for and
310 accommodate growth in water use without jeopardizing the resource;

311 (B) fund state required dam safety improvements; and

312 (C) protect the state's interest in interstate water compact allocations, including the
313 hiring of technical and legal staff.

314 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
315 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
316 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

317 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
318 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
319 created in Section 73-10c-5 for use by the Division of Drinking Water to:

320 (i) provide for the installation and repair of collection, treatment, storage, and
321 distribution facilities for any public water system, as defined in Section 19-4-102;

322 (ii) develop underground sources of water, including springs and wells; and

323 (iii) develop surface water sources.

324 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
325 2006, the difference between the following amounts shall be expended as provided in this
326 Subsection (5), if that difference is greater than \$1:

327 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
328 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

329 (ii) \$17,500,000.

330 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

331 (A) transferred each fiscal year to the Department of Natural Resources as [~~dedicated~~
332 credits] sales and use tax revenue; and

333 (B) expended by the Department of Natural Resources for watershed rehabilitation or
334 restoration.

335 (ii) At the end of each fiscal year, 100% of any unexpended [~~dedicated credits~~] sales
336 and use tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources

337 Conservation and Development Fund created in Section 73-10-24.

338 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
339 remaining difference described in Subsection (5)(a) shall be:

340 (A) transferred each fiscal year to the Division of Water Resources as [~~dedicated~~
341 ~~credits~~] sales and use tax revenue; and

342 (B) expended by the Division of Water Resources for cloud-seeding projects
343 authorized by Title 73, Chapter 15, Modification of Weather.

344 (ii) At the end of each fiscal year, 100% of any unexpended [~~dedicated credits~~] sales
345 and use tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources
346 Conservation and Development Fund created in Section 73-10-24.

347 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
348 remaining difference described in Subsection (5)(a) shall be deposited into the Water
349 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
350 Division of Water Resources for:

351 (i) preconstruction costs:

352 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
353 26, Bear River Development Act; and

354 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
355 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

356 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
357 Chapter 26, Bear River Development Act;

358 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
359 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

360 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
361 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

362 (e) After making the transfers required by Subsections (5)(b) and (c) [~~and subject to~~
363 ~~Subsection (5)(f)~~], 15% of the remaining difference described in Subsection (5)(a) shall be
364 [~~transferred each year as dedicated credits to the Division of Water Rights to cover the costs~~
365 ~~incurred for employing additional technical staff for the administration of water rights.~~]
366 transferred each year to the Division of Water Rights for the benefit of water rights
367 adjudications, including:

368 (i) employing technical staff;

369 (ii) acquiring equipment;

370 (iii) legal support; and

371 (iv) conducting studies.

372 ~~[(f) At the end of each fiscal year, any unexpended dedicated credits described in~~
373 ~~Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development~~
374 ~~Fund created in Section 73-10-24.]~~

375 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the
376 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
377 (1) for the fiscal year shall be deposited as follows:

378 (a) for fiscal year 2020-21 only:

379 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the
380 Transportation Investment Fund of 2005 created by Section 72-2-124; and

381 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the
382 Water Infrastructure Restricted Account created by Section 73-10g-103; and

383 (b) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described
384 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account
385 created by Section 73-10g-103.

386 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
387 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,
388 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
389 created by Section 72-2-124:

390 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
391 the revenues collected from the following taxes, which represents a portion of the
392 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
393 on vehicles and vehicle-related products:

394 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

395 (B) the tax imposed by Subsection (2)(b)(i);

396 (C) the tax imposed by Subsection (2)(c)(i); and

397 (D) the tax imposed by Subsection (2)(e)(i)(A)(I); plus

398 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
399 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through

400 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
401 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

402 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of
403 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total
404 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)
405 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
406 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
407 (7)(a) equal to the product of:

408 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the
409 previous fiscal year; and

410 (B) the total sales and use tax revenue generated by the taxes described in Subsections
411 (7)(a)(i)(A) through (D) in the current fiscal year.

412 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
413 Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes
414 described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of
415 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
416 Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

417 (iii) Subject to Subsection (7)(b)(iv)(E), in all subsequent fiscal years after a year in
418 which 17% of the revenues collected from the sales and use taxes described in Subsections
419 (7)(a)(i)(A) through (D) was deposited under Subsection (7)(a), the Division of Finance shall
420 annually deposit 17% of the revenues collected from the sales and use taxes described in
421 Subsections (7)(a)(i)(A) through (D) in the current fiscal year under Subsection (7)(a).

422 (iv) (A) As used in this Subsection (7)(b)(iv), "additional growth revenue" means the
423 amount of relevant revenue collected in the current fiscal year that exceeds by more than 3%
424 the relevant revenue collected in the previous fiscal year.

425 (B) As used in this Subsection (7)(b)(iv), "combined amount" means the combined
426 total amount of money deposited into the Cottonwood Canyons fund under Subsections
427 (7)(b)(iv)(F) and (8)~~(c)(iv)(F)~~(d)(vi) in any single fiscal year.

428 (C) As used in this Subsection (7)(b)(iv), "Cottonwood Canyons fund" means the
429 Cottonwood Canyons Transportation Investment Fund created in Subsection [72-2-124\(10\)](#).

430 (D) As used in this Subsection (7)(b)(iv), "relevant revenue" means the portion of taxes

431 listed under Subsection (3)(a) that equals 17% of the revenue collected from taxes described in
432 Subsections (7)(a)(i)(A) through (D).

433 (E) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
434 reduce the deposit under Subsection (7)(c)(iii) into the Transportation Investment Fund of 2005
435 by an amount equal to the amount of the deposit under this Subsection (7)(b)(iv) to the
436 Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue,
437 subject to the limit in Subsection (7)(b)(iv)(F).

438 (F) The commission shall annually deposit the amount described in Subsection
439 (7)(b)(iv)(E) into the Cottonwood Canyons fund, subject to an annual maximum combined
440 amount for any single fiscal year of \$20,000,000.

441 (G) If the amount of relevant revenue declines in a fiscal year compared to the previous
442 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood
443 Canyons fund under this Subsection (7)(b)(iv) in the same proportion as the decline in relevant
444 revenue.

445 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
446 Subsections (6) and (7), and subject to Subsections (8)(b) and (d)(v), for a fiscal year beginning
447 on or after July 1, 2018, the commission shall annually deposit into the Transportation
448 Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under
449 Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the following
450 taxes:

- 451 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 452 (ii) the tax imposed by Subsection (2)(b)(i);
- 453 (iii) the tax imposed by Subsection (2)(c)(i); and
- 454 (iv) the tax imposed by Subsection (2)(e)(i)(A)(I).

455 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
456 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by
457 an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by
458 the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale
459 or use in this state that exceeds 29.4 cents per gallon.

460 (c) The commission shall annually deposit the amount described in Subsection (8)(b)
461 into the Transit Transportation Investment Fund created in Section 72-2-124.

462 (d) (i) As used in this Subsection (8)(d), "additional growth revenue" means the
463 amount of relevant revenue collected in the current fiscal year that exceeds by more than 3%
464 the relevant revenue collected in the previous fiscal year.

465 (ii) As used in this Subsection (8)(d), "combined amount" means the combined total
466 amount of money deposited into the Cottonwood Canyons fund under Subsections (7)(b)(iv)(F)
467 and (8)(d)(vi) in any single fiscal year.

468 (iii) As used in this Subsection (8)(d), "Cottonwood Canyons fund" means the
469 Cottonwood Canyons Transportation Investment Fund created in Subsection 72-2-124(10).

470 (iv) As used in this Subsection (8)(d), "relevant revenue" means the portion of taxes
471 listed under Subsection (3)(a) that equals 3.68% of the revenue collected from taxes described
472 in Subsections (8)(a)(i) through (iv).

473 (v) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
474 reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by
475 an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood
476 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the
477 limit in Subsection (8)(d)(vi).

478 (vi) The commission shall annually deposit the amount described in Subsection
479 (8)(d)(v) into the Cottonwood Canyons fund, subject to an annual maximum combined amount
480 for any single fiscal year of \$20,000,000.

481 (vii) If the amount of relevant revenue declines in a fiscal year compared to the
482 previous fiscal year, the commission shall decrease the amount of the contribution to the
483 Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as the decline in
484 relevant revenue.

485 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
486 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
487 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

488 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(b),
489 and in addition to any amounts deposited under Subsections (6), (7), and (8), the Division of
490 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
491 72-2-124 the amount of revenue described as follows:

492 (i) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a .05%

493 tax rate on the transactions described in Subsection (1); and

494 (ii) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%
495 tax rate on the transactions described in Subsection (1).

496 (b) For purposes of Subsection (10)(a), the Division of Finance may not deposit into
497 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
498 charged for food and food ingredients, except for tax revenue generated by a bundled
499 transaction attributable to food and food ingredients and tangible personal property other than
500 food and food ingredients described in Subsection (2)(e).

501 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
502 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that
503 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of
504 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue
505 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,
506 created in Section 63N-2-512.

507 (12) (a) The rate specified in this subsection is 0.15%.

508 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall, for a fiscal year
509 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the
510 rate described in Subsection (12)(a) on the transactions that are subject to the sales and use tax
511 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section
512 26-36b-208.

513 (13) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
514 2020-21, the Division of Finance shall deposit \$200,000 into the General Fund as a dedicated
515 credit solely for use of the Search and Rescue Financial Assistance Program created in, and
516 expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

517 (14) (a) For each fiscal year beginning with fiscal year 2020-21, the Division of
518 Finance shall annually transfer \$1,813,400 of the revenue deposited into the Transportation
519 Investment Fund of 2005 under Subsections (6) through (8) to the General Fund.

520 (b) If the total revenue deposited into the Transportation Investment Fund of 2005
521 under Subsections (6) through (8) is less than \$1,813,400 for a fiscal year, the Division of
522 Finance shall transfer the total revenue deposited into the Transportation Investment Fund of
523 2005 under Subsections (6) through (8) during the fiscal year to the General Fund.

524 (15) Notwithstanding Subsection (3)(a), and as described in Section [63N-3-610](#),
525 beginning one year after the sales and use tax boundary for a housing and transit reinvestment
526 zone is established, the commission, at least annually, shall transfer an amount equal to 15% of
527 the sales and use tax increment within an established sales and use tax boundary, as defined in
528 Section [63N-3-602](#), into the Transit Transportation Investment Fund created in Section
529 [72-2-124](#).