

- 30 (i) is required by this section to obtain a license; and
- 31 (ii) submits an application:
 - 32 (A) to the commission; and
 - 33 (B) for a license under this section.
- 34 (b) "Application" means an application for a license under this section.
- 35 (c) "Fiduciary of the applicant" means a person that:
 - 36 (i) is required to collect, truthfully account for, and pay over a tax under this chapter
 - 37 for an applicant; and
 - 38 (ii) (A) is a corporate officer of the applicant described in Subsection (1)(c)(i);
 - 39 (B) is a director of the applicant described in Subsection (1)(c)(i);
 - 40 (C) is an employee of the applicant described in Subsection (1)(c)(i);
 - 41 (D) is a partner of the applicant described in Subsection (1)(c)(i);
 - 42 (E) is a trustee of the applicant described in Subsection (1)(c)(i); or
 - 43 (F) has a relationship to the applicant described in Subsection (1)(c)(i) that is similar to
 - 44 a relationship described in Subsections (1)(c)(ii)(A) through (E) as determined by the
 - 45 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
 - 46 Rulemaking Act.
- 47 (d) "Fiduciary of the licensee" means a person that:
 - 48 (i) is required to collect, truthfully account for, and pay over a tax under this chapter
 - 49 for a licensee; and
 - 50 (ii) (A) is a corporate officer of the licensee described in Subsection (1)(d)(i);
 - 51 (B) is a director of the licensee described in Subsection (1)(d)(i);
 - 52 (C) is an employee of the licensee described in Subsection (1)(d)(i);
 - 53 (D) is a partner of the licensee described in Subsection (1)(d)(i);
 - 54 (E) is a trustee of the licensee described in Subsection (1)(d)(i); or
 - 55 (F) has a relationship to the licensee described in Subsection (1)(d)(i) that is similar to
 - 56 a relationship described in Subsections (1)(d)(ii)(A) through (E) as determined by the
 - 57 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative

58 Rulemaking Act.

59 (e) "License" means a license under this section.

60 (f) "Licensee" means a person that is licensed under this section by the commission.

61 (g) "Special event" means an event that lasts six months or less where taxable sales
62 occur.

63 (2) (a) It is unlawful for any person required to collect a tax under this chapter to
64 engage in business within the state without first having obtained a license to do so.

65 (b) The license described in Subsection (2)(a):

66 (i) shall be granted and issued by the commission;

67 (ii) is not assignable;

68 (iii) is valid only for the person in whose name the license is issued;

69 (iv) is valid until:

70 (A) the person described in Subsection (2)(b)(iii):

71 (I) ceases to do business; or

72 (II) changes that person's business address; or

73 (B) the license is revoked by the commission; and

74 (v) subject to Subsection (2)(d), shall be granted by the commission only upon an
75 application that:

76 (A) states the name and address of the applicant; and

77 (B) provides other information the commission may require.

78 (c) At the time an applicant makes an application under Subsection (2)(b)(v), the
79 commission shall notify the applicant of the responsibilities and liability of a business owner
80 successor under Section [59-12-112](#).

81 (d) The commission shall review an application and determine whether the applicant:

82 (i) meets the requirements of this section to be issued a license; and

83 (ii) is required to post a bond with the commission in accordance with Subsections

84 (2)(e) and (f) before the applicant may be issued a license.

85 (e) (i) Except as provided in Subsection (2)(e)(iii), an applicant shall post a bond with

86 the commission before the commission may issue the applicant a license if:

87 (A) a license under this section was revoked for a delinquency under this chapter for:

88 (I) the applicant;

89 (II) a fiduciary of the applicant; or

90 (III) a person for which the applicant or the fiduciary of the applicant is required to
91 collect, truthfully account for, and pay over a tax under this chapter; or

92 (B) there is a delinquency in paying a tax under this chapter for:

93 (I) the applicant;

94 (II) a fiduciary of the applicant; or

95 (III) a person for which the applicant or the fiduciary of the applicant is required to
96 collect, truthfully account for, and pay over a tax under this chapter.

97 (ii) If the commission determines it is necessary to ensure compliance with this
98 chapter, the commission may require a licensee to:

99 (A) for a licensee that has not posted a bond under this section with the commission,
100 post a bond with the commission in accordance with Subsection (2)(f); or

101 (B) for a licensee that has posted a bond under this section with the commission,
102 increase the amount of the bond posted with the commission.

103 (iii) The commission may waive the bond requirement described in Subsection
104 (2)(e)(i), if the applicant is in compliance with a payment agreement that:

105 (A) relates to the delinquency; and

106 (B) is approved by the commission.

107 (f) (i) A bond required by Subsection (2)(e) shall be:

108 (A) executed by:

109 (I) for an applicant, the applicant as principal, with a corporate surety; or

110 (II) for a licensee, the licensee as principal, with a corporate surety; and

111 (B) payable to the commission conditioned upon the faithful performance of all of the
112 requirements of this chapter including:

113 (I) the payment of any tax under this chapter;

- 114 (II) the payment of any:
- 115 (Aa) penalty as provided in Section 59-1-401; or
- 116 (Bb) interest as provided in Section 59-1-402; or
- 117 (III) any other obligation of the:
- 118 (Aa) applicant under this chapter; or
- 119 (Bb) licensee under this chapter.
- 120 (ii) Except as provided in Subsection (2)(f)(iv), the commission shall calculate the
- 121 amount of a bond required by Subsection (2)(e) on the basis of:
- 122 (A) commission estimates of:
- 123 (I) an applicant's tax liability under this chapter; or
- 124 (II) a licensee's tax liability under this chapter; and
- 125 (B) any amount of a delinquency described in Subsection (2)(f)(iii).
- 126 (iii) Except as provided in Subsection (2)(f)(iv), for purposes of Subsection
- 127 (2)(f)(ii)(B):
- 128 (A) for an applicant, the amount of the delinquency is the sum of:
- 129 (I) the amount of any delinquency that served as a basis for revoking the license under
- 130 this section of:
- 131 (Aa) the applicant;
- 132 (Bb) a fiduciary of the applicant; or
- 133 (Cc) a person for which the applicant or the fiduciary of the applicant is required to
- 134 collect, truthfully account for, and pay over a tax under this chapter; or
- 135 (II) the amount of tax that any of the following owe under this chapter:
- 136 (Aa) the applicant;
- 137 (Bb) a fiduciary of the applicant; and
- 138 (Cc) a person for which the applicant or the fiduciary of the applicant is required to
- 139 collect, truthfully account for, and pay over a tax under this chapter; or
- 140 (B) for a licensee, the amount of the delinquency is the sum of:
- 141 (I) the amount of any delinquency that served as a basis for revoking the license under

142 this section of:

143 (Aa) the licensee;

144 (Bb) a fiduciary of the licensee; or

145 (Cc) a person for which the licensee or the fiduciary of the licensee is required to
146 collect, truthfully account for, and pay over a tax under this chapter; or

147 (II) the amount of tax that any of the following owe under this chapter:

148 (Aa) the licensee;

149 (Bb) a fiduciary of the licensee; and

150 (Cc) a person for which the licensee or the fiduciary of the licensee is required to
151 collect, truthfully account for, and pay over a tax under this chapter.

152 (iv) Notwithstanding Subsection (2)(f)(ii) or (2)(f)(iii), a bond required by Subsection
153 (2)(e) may not:

154 (A) be less than \$25,000; or

155 (B) exceed \$500,000.

156 (g) Subject to Subsection (2)(h), if business is transacted at two or more separate places
157 by one person, a separate license for each place of business is required.

158 (h) A license is not required for any person [~~that is~~]:

159 (i) engaged exclusively in the business of selling commodities that are exempt from
160 taxation under this chapter; or

161 (ii) exempt from collecting sales and use tax under Section 59-12-104 and the place of
162 business is a special event.

163 (i) If a person is not required to obtain a license under Subsection (2)(h), a political
164 subdivision, as defined in Subsection 63A-15-102(5), may not require the person to obtain a
165 license as a prerequisite to obtaining a business license or any other right to conduct business.

166 ~~[(i)]~~ (j) (i) The commission shall, on a reasonable notice and after a hearing, revoke the
167 license of any licensee violating any provisions of this chapter.

168 (ii) A license may not be issued to a licensee described in ~~[Subsection (2)(i)(i)]~~
169 Subsection (2)(j)(i) until the licensee has complied with the requirements of this chapter,

170 including:

171 (A) paying any:

172 (I) tax due under this chapter;

173 (II) penalty as provided in Section 59-1-401; or

174 (III) interest as provided in Section 59-1-402; and

175 (B) posting a bond in accordance with Subsections (2)(e) and (f).

176 ~~[(j)]~~ (k) Any person required to collect a tax under this chapter within this state without

177 having secured a license to do so is guilty of a criminal violation as provided in Section

178 59-1-401.

179 ~~[(k)]~~ (l) A license shall be issued to the person by the commission without a license

180 fee.

181 ~~[(h)]~~ (m) (i) The commission shall include on an application for a temporary sales tax

182 license and special event sales tax return the following statement:

183 "You are not required to complete or return this form or to collect sales and use tax if

184 you are not regularly engaged in the business of selling the items you are offering at this event

185 or all of the items that you are selling at this event are exempt from sales and use tax under

186 Section 59-12-104."

187 (ii) The notice described in ~~[Subsection (2)(l)(i)]~~ Subsection (2)(m)(i) shall be in bold

188 font no smaller than the font of the main content and shall appear at the top of the application

189 form.

190 (3) (a) For the purpose of the proper administration of this chapter and to prevent

191 evasion of the tax and the duty to collect the tax, it shall be presumed that tangible personal

192 property or any other taxable transaction under Subsection 59-12-103(1) sold by any person for

193 delivery in this state is sold for storage, use, or other consumption in this state unless the

194 person selling the property, item, or service has taken from the purchaser an exemption

195 certificate:

196 (i) bearing the name and address of the purchaser; and

197 (ii) providing that the property, item, or service was exempted under Section

198 59-12-104.

199 (b) An exemption certificate described in Subsection (3)(a):

200 (i) shall contain information as prescribed by the commission; and

201 (ii) if a paper exemption certificate is used, shall be signed by the purchaser.

202 (c) (i) Subject to Subsection (3)(c)(ii), a seller or certified service provider is not liable
203 to collect a tax under this chapter if the seller or certified service provider obtains within 90
204 days after a transaction is complete:

205 (A) an exemption certificate containing the information required by Subsections (3)(a)
206 and (b); or

207 (B) the information required by Subsections (3)(a) and (b).

208 (ii) A seller or certified service provider that does not obtain the exemption certificate
209 or information described in Subsection (3)(c)(i) with respect to a transaction is allowed 120
210 days after the commission requests the seller or certified service provider to substantiate the
211 exemption to:

212 (A) establish that the transaction is not subject to taxation under this chapter by a
213 means other than providing an exemption certificate containing the information required by
214 Subsections (3)(a) and (b); or

215 (B) subject to Subsection (3)(c)(iii), obtain an exemption certificate containing the
216 information required by Subsections (3)(a) and (b), taken in good faith.

217 (iii) For purposes of Subsection (3)(c)(ii)(B), an exemption certificate is taken in good
218 faith if the exemption certificate claims an exemption that:

219 (A) was allowed by statute on the date of the transaction in the jurisdiction of the
220 location of the transaction;

221 (B) could be applicable to that transaction; and

222 (C) is reasonable for the purchaser's type of business.

223 (d) Except as provided in Subsection (3)(e), a seller or certified service provider that
224 takes an exemption certificate from a purchaser in accordance with this Subsection (3) with
225 respect to a transaction is not liable to collect a tax under this chapter on that transaction.

226 (e) Subsection (3)(d) does not apply to a seller or certified service provider if the
227 commission establishes through an audit that the seller or certified service provider:

228 (i) knew or had reason to know at the time the purchaser provided the seller or certified
229 service provider the information described in Subsection (3)(a) or (b) that the information
230 related to the exemption claimed was materially false; or

231 (ii) otherwise knowingly participated in activity intended to purposefully evade the tax
232 due on the transaction.

233 (f) (i) Subject to Subsection (3)(f)(ii) and except as provided in Subsection (3)(f)(iii), if
234 there is a recurring business relationship between a seller or certified service provider and a
235 purchaser, the commission may not require the seller or certified service provider to:

236 (A) renew an exemption certificate;

237 (B) update an exemption certificate; or

238 (C) update a data element of an exemption certificate.

239 (ii) For purposes of Subsection (3)(f)(i), a recurring business relationship exists if no
240 more than a 12-month period elapses between transactions between a seller or certified service
241 provider and a purchaser.

242 (iii) If there is a recurring business relationship between a seller or certified service
243 provider and a purchaser, the commission shall require an exemption certificate the seller or
244 certified service provider takes from the purchaser to meet the requirements of Subsections
245 (3)(a) and (b).

246 (4) A person filing a contract bid with the state or a political subdivision of the state for
247 the sale of tangible personal property or any other taxable transaction under Subsection
248 [59-12-103](#)(1) shall include with the bid the number of the license issued to that person under
249 Subsection (2).