

**SALES AND USE TAX AMENDMENTS**

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Ronald M. Winterton**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions of the Sale and Use Tax Act.

**Highlighted Provisions:**

This bill:

▶ allows a county legislative body to reauthorize the imposition of a tax that provides funding for botanical, cultural, recreational, and zoological organizations or facilities after the expiration of the initial ten-year period that was authorized by residents of the county.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-12-703**, as last amended by Laws of Utah 2017, Chapters 181, 422

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

Section 1. Section **59-12-703** is amended to read:

**59-12-703. Opinion question election -- Base -- Rate -- Imposition of tax --**

**Expenditure of revenues -- Administration -- Enactment or repeal of tax -- Effective date**



28 -- **Notice requirements.**

29 (1) (a) Subject to the other provisions of this section, a county legislative body may  
30 submit an opinion question to the residents of that county, by majority vote of all members of  
31 the legislative body, so that each resident of the county, except residents in municipalities that  
32 have already imposed a sales and use tax under Part 14, City or Town Option Funding for  
33 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, has an  
34 opportunity to express the resident's opinion on the imposition of a local sales and use tax of  
35 .1% on the transactions described in Subsection 59-12-103(1) located within the county, to:

36 (i) fund cultural facilities, recreational facilities, and zoological facilities, botanical  
37 organizations, cultural organizations, and zoological organizations, and rural radio stations, in  
38 that county; or

39 (ii) provide funding for a botanical organization, cultural organization, or zoological  
40 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in  
41 furtherance of the botanical organization's, cultural organization's, or zoological organization's  
42 primary purpose.

43 (b) The opinion question required by this section shall state:

44 "Shall (insert the name of the county), Utah, be authorized to impose a .1% sales and  
45 use tax for (list the purposes for which the revenue collected from the sales and use tax shall be  
46 expended)?"

47 (c) A county legislative body may not impose a tax under this section on:

48 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses  
49 are exempt from taxation under Section 59-12-104;

50 (ii) sales and uses within a municipality that has already imposed a sales and use tax  
51 under Part 14, City or Town Option Funding for Botanical, Cultural, Recreational, and  
52 Zoological Organizations or Facilities; and

53 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and  
54 food ingredients.

55 (d) For purposes of this Subsection (1), the location of a transaction shall be  
56 determined in accordance with Sections 59-12-211 through 59-12-215.

57 (e) A county legislative body imposing a tax under this section shall impose the tax on  
58 the purchase price or sales price for amounts paid or charged for food and food ingredients if

59 the food and food ingredients are sold as part of a bundled transaction attributable to food and  
60 food ingredients and tangible personal property other than food and food ingredients.

61 (f) The election shall follow the procedures outlined in Title 11, Chapter 14, Local  
62 Government Bonding Act.

63 (2) (a) If the county legislative body determines that a majority of the county's  
64 registered voters voting on the imposition of the tax have voted in favor of the imposition of  
65 the tax as prescribed in Subsection (1), the county legislative body may impose the tax by a  
66 majority vote of all members of the legislative body on the transactions:

67 (i) described in Subsection (1); and

68 (ii) within the county, including the cities and towns located in the county, except those  
69 cities and towns that have already imposed a sales and use tax under Part 14, City or Town  
70 Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or  
71 Facilities.

72 (b) A county legislative body may revise county ordinances to reflect statutory changes  
73 to the distribution formula or eligible recipients of revenue generated from a tax imposed under  
74 Subsection (2)(a) without submitting an opinion question to residents of the county.

75 (3) Subject to Section 59-12-704, revenue collected from a tax imposed under  
76 Subsection (2) shall be expended:

77 (a) to fund cultural facilities, recreational facilities, and zoological facilities located  
78 within the county or a city or town located in the county, except a city or town that has already  
79 imposed a sales and use tax under Part 14, City or Town Option Funding for Botanical,  
80 Cultural, Recreational, and Zoological Organizations or Facilities;

81 (b) to fund ongoing operating expenses of:

82 (i) recreational facilities described in Subsection (3)(a);

83 (ii) botanical organizations, cultural organizations, and zoological organizations within  
84 the county; and

85 (iii) rural radio stations within the county; and

86 (c) as stated in the opinion question described in Subsection (1).

87 (4) (a) A tax authorized under this part shall be:

88 (i) except as provided in Subsection [~~(4)(b)~~] (4)(c), administered, collected, and  
89 enforced in accordance with:

- 90 (A) the same procedures used to administer, collect, and enforce the tax under:
- 91 (I) Part 1, Tax Collection; or
- 92 (II) Part 2, Local Sales and Use Tax Act; and
- 93 (B) Chapter 1, General Taxation Policies; and
- 94 (ii) levied for a period of 10 years ~~[and]~~.
- 95 (b) A tax authorized under this part may be:
- 96 (i) reauthorized at the end of the initial ten-year period [~~in accordance with this~~
- 97 section.] for an additional ten-year period by a majority vote of the members of the county
- 98 legislative body; and
- 99 (ii) reauthorized at the end of any additional ten-year period by a majority vote of the
- 100 members of the county legislative body, for an additional 10 years.
- 101 ~~[(b)]~~ (c) A tax under this part is not subject to Subsections 59-12-205(2) through (6).
- 102 (5) (a) For purposes of this Subsection (5):
- 103 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,
- 104 County Annexation.
- 105 (ii) "Annexing area" means an area that is annexed into a county.
- 106 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
- 107 county enacts or repeals a tax under this part, the enactment or repeal shall take effect:
- 108 (A) on the first day of a calendar quarter; and
- 109 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 110 the requirements of Subsection (5)(b)(ii) from the county.
- 111 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:
- 112 (A) that the county will enact or repeal a tax under this part;
- 113 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);
- 114 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and
- 115 (D) if the county enacts the tax described in Subsection (5)(b)(ii)(A), the rate of the
- 116 tax.
- 117 (c) (i) If the billing period for a transaction begins before the effective date of the
- 118 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
- 119 the first billing period that begins on or after the effective date of the enactment of the tax.
- 120 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing

121 period is produced on or after the effective date of the repeal of the tax imposed under this  
122 section.

123 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
124 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in  
125 Subsection (5)(b)(i) takes effect:

126 (A) on the first day of a calendar quarter; and

127 (B) beginning 60 days after the effective date of the enactment or repeal under  
128 Subsection (5)(b)(i).

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

131 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs  
132 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this  
133 part for an annexing area, the enactment or repeal shall take effect:

134 (A) on the first day of a calendar quarter; and

135 (B) after a 90-day period beginning on the date the commission receives notice meeting  
136 the requirements of Subsection (5)(e)(ii) from the county that annexes the annexing area.

137 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

138 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or  
139 repeal of a tax under this part for the annexing area;

140 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

141 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

142 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

143 (f) (i) If the billing period for a transaction begins before the effective date of the  
144 enactment of the tax under this section, the enactment of the tax takes effect on the first day of  
145 the first billing period that begins on or after the effective date of the enactment of the tax.

146 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing  
147 period is produced on or after the effective date of the repeal of the tax imposed under this  
148 section.

149 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
150 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in  
151 Subsection (5)(e)(i) takes effect:

152 (A) on the first day of a calendar quarter; and

153 (B) beginning 60 days after the effective date of the enactment or repeal under

154 Subsection (5)(e)(i).

155 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

156 commission may by rule define the term "catalogue sale."

157 Section 2. **Effective date.**

158 This bill takes effect on July 1, 2023.