

TAX LEVY AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Derrin R. Owens

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies the time period for refunding a taxpayer following an appeal.

Highlighted Provisions:

This bill:

▶ extends the period of time in which the state or a taxing entity has to pay a taxpayer that receives a reduction in the amount of taxes owed following an appeal.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-2-1330, as last amended by Laws of Utah 2015, Chapter 201

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

Section 1. Section **59-2-1330** is amended to read:

59-2-1330. Payment of property taxes -- Payments to taxpayer by state or taxing entity -- Refund of penalties paid by taxpayer -- Refund of interest paid by taxpayer -- Payment of interest to taxpayer -- Judgment levy -- Objections to assessments by the commission -- Time periods for making payments to taxpayer.



28 (1) Unless otherwise specifically provided by statute, property taxes shall be paid
29 directly to the county assessor or the county treasurer:

- 30 (a) on the date that the property taxes are due; and
- 31 (b) as provided in this chapter.

32 (2) A taxpayer shall receive payment as provided in this section if a reduction in the
33 amount of any tax levied against any property for which the taxpayer paid a tax or any portion
34 of a tax under this chapter for a calendar year is required by a final and unappealable judgment
35 or order described in Subsection (3) issued by:

- 36 (a) a county board of equalization;
- 37 (b) the commission; or
- 38 (c) a court of competent jurisdiction.

39 (3) (a) For purposes of Subsection (2), the state or any taxing entity that has received
40 property taxes or any portion of property taxes from a taxpayer described in Subsection (2)
41 shall pay the taxpayer if:

42 (i) the taxes the taxpayer paid in accordance with Subsection (2) are collected by an
43 authorized officer of the:

- 44 (A) county; or
- 45 (B) state; and

46 (ii) the taxpayer obtains a final and unappealable judgment or order:

47 (A) from:

- 48 (I) a county board of equalization;
- 49 (II) the commission; or
- 50 (III) a court of competent jurisdiction;

51 (B) against:

- 52 (I) the taxing entity or an authorized officer of the taxing entity; or
- 53 (II) the state or an authorized officer of the state; and

54 (C) ordering a reduction in the amount of any tax levied against any property for which
55 a taxpayer paid a tax or any portion of a tax under this chapter for the calendar year.

56 (b) The amount that the state or a taxing entity shall pay a taxpayer shall be determined
57 in accordance with Subsections (4) through (7).

58 (4) For purposes of Subsections (2) and (3), the amount the state shall pay to a taxpayer

59 is equal to the sum of:

60 (a) if the difference described in this Subsection (4)(a) is greater than \$0, the difference
61 between:

- 62 (i) the tax the taxpayer paid to the state in accordance with Subsection (2); and
- 63 (ii) the amount of the taxpayer's tax liability to the state after the reduction in the
64 amount of tax levied against the property in accordance with the final and unappealable
65 judgment or order described in Subsection (3);

66 (b) if the difference described in this Subsection (4)(b) is greater than \$0, the difference
67 between:

68 (i) any penalties the taxpayer paid to the state in accordance with Section 59-2-1331;

69 and

70 (ii) the amount of penalties the taxpayer is liable to pay to the state in accordance with
71 Section 59-2-1331 after the reduction in the amount of tax levied against the property in
72 accordance with the final and unappealable judgment or order described in Subsection (3);

73 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
74 Section 59-2-1331 on the amounts described in Subsections (4)(a) and (4)(b); and

75 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:

- 76 (i) Subsection (4)(a);
- 77 (ii) Subsection (4)(b); and
- 78 (iii) Subsection (4)(c).

79 (5) For purposes of Subsections (2) and (3), the amount a taxing entity shall pay to a
80 taxpayer is equal to the sum of:

81 (a) if the difference described in this Subsection (5)(a) is greater than \$0, the difference
82 between:

- 83 (i) the tax the taxpayer paid to the taxing entity in accordance with Subsection (2); and
- 84 (ii) the amount of the taxpayer's tax liability to the taxing entity after the reduction in
85 the amount of tax levied against the property in accordance with the final and unappealable
86 judgment or order described in Subsection (3);

87 (b) if the difference described in this Subsection (5)(b) is greater than \$0, the difference
88 between:

89 (i) any penalties the taxpayer paid to the taxing entity in accordance with Section

90 59-2-1331; and

91 (ii) the amount of penalties the taxpayer is liable to pay to the taxing entity in
92 accordance with Section 59-2-1331 after the reduction in the amount of tax levied against the
93 property in accordance with the final and unappealable judgment or order described in
94 Subsection (3);

95 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
96 Section 59-2-1331 on the amounts described in Subsections (5)(a) and (5)(b); and

97 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:

98 (i) Subsection (5)(a);

99 (ii) Subsection (5)(b); and

100 (iii) Subsection (5)(c).

101 (6) Except as provided in Subsection (7):

102 (a) interest shall be refunded to a taxpayer on the amount described in Subsection
103 (4)(c) or (5)(c) in an amount equal to the amount of interest the taxpayer paid in accordance
104 with Section 59-2-1331; and

105 (b) interest shall be paid to a taxpayer on the amount described in Subsection (4)(d) or
106 (5)(d):

107 (i) beginning on the later of:

108 (A) the day on which the taxpayer paid the tax in accordance with Subsection (2); or

109 (B) January 1 of the calendar year immediately following the calendar year for which
110 the tax was due;

111 (ii) ending on the day on which the state or a taxing entity pays to the taxpayer the
112 amount required by Subsection (4) or (5); and

113 (iii) at the interest rate earned by the state treasurer on public funds transferred to the
114 state treasurer in accordance with Section 51-7-5.

115 (7) Notwithstanding Subsection (6):

116 (a) the state may not pay or refund interest to a taxpayer under Subsection (6) on any
117 tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax levied
118 by the state for that calendar year as stated on the notice required by Section 59-2-1317; and

119 (b) a taxing entity may not pay or refund interest to a taxpayer under Subsection (6) on
120 any tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax

121 levied by the taxing entity for that calendar year as stated on the notice required by Section
122 59-2-1317.

123 (8) (a) Each taxing entity may levy a tax to pay its share of the final and unappealable
124 judgment or order described in Subsection (3) if:

125 (i) the final and unappealable judgment or order is issued no later than 15 days prior to
126 the date the certified tax rate is set under Section 59-2-924;

127 (ii) the amount of the judgment levy is included on the notice under Section
128 59-2-919.1; and

129 (iii) the final and unappealable judgment or order is an eligible judgment, as defined in
130 Section 59-2-102.

131 (b) The levy under Subsection (8)(a) is in addition to, and exempt from, the maximum
132 levy established for the taxing entity.

133 (9) (a) A taxpayer that objects to the assessment of property assessed by the
134 commission shall pay, on or before the property tax due date established under Subsection
135 59-2-1331(1) or Section 59-2-1332, the full amount of taxes stated on the notice required by
136 Section 59-2-1317 if:

137 (i) the taxpayer has applied to the commission for a hearing in accordance with Section
138 59-2-1007 on the objection to the assessment; and

139 (ii) the commission has not issued a written decision on the objection to the assessment
140 in accordance with Section 59-2-1007.

141 (b) A taxpayer that pays the full amount of taxes due under Subsection (9)(a) is not
142 required to pay penalties or interest on an assessment described in Subsection (9)(a) unless:

143 (i) a final and unappealable judgment or order establishing that the property described
144 in Subsection (9)(a) has a value greater than the value stated on the notice required by Section
145 59-2-1317 is issued by:

146 (A) the commission; or

147 (B) a court of competent jurisdiction; and

148 (ii) the taxpayer fails to pay the additional tax liability resulting from the final and
149 unappealable judgment or order described in Subsection (9)(b)(i) within a 45-day period after
150 the county bills the taxpayer for the additional tax liability.

151 (10) (a) Except as provided in Subsection (10)(b), a payment that is required by this

152 section shall be paid to a taxpayer:

153 (i) within [~~60 days~~] 12 months after the day on which the final and unappealable
154 judgment or order is issued in accordance with Subsection (3); or

155 (ii) if a judgment levy is imposed in accordance with Subsection (8):

156 (A) if the payment to the taxpayer required by this section is \$5,000 or more, no later
157 than December 31 of the year in which the judgment levy is imposed; and

158 (B) if the payment to the taxpayer required by this section is less than \$5,000, within
159 60 days after the date the final and unappealable judgment or order is issued in accordance with
160 Subsection (3).

161 (b) Notwithstanding Subsection (10)(a), a taxpayer may enter into an agreement:

162 (i) that establishes a time period other than a time period described in Subsection
163 (10)(a) for making a payment to the taxpayer that is required by this section; and

164 (ii) with:

165 (A) an authorized officer of a taxing entity for a tax imposed by a taxing entity; or

166 (B) an authorized officer of the state for a tax imposed by the state.