

**Representative Jeffrey D. Stenquist** proposes the following substitute bill:

**OUTDOOR RECREATION IMPACTS FUND**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jeffrey D. Stenquist**

Senate Sponsor: David P. Hinkins

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**LONG TITLE**

**General Description:**

This bill creates and funds the Outdoor Recreation Impacts Fund.

**Highlighted Provisions:**

This bill:

- ▶ creates the Outdoor Recreation Impacts Fund (the fund);
- ▶ provides the uses of the fund; and
- ▶ directs a portion of the state sales and use tax revenue remitted from sporting goods sellers to the fund.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-12-103 (Contingently Superseded 01/01/25)**, as last amended by Laws of Utah 2023, Chapters 22, 213, 329, 361, and 471

**59-12-103 (Contingently Effective 01/01/25)**, as last amended by Laws of Utah 2023, Chapters 22, 213, 329, 361, 459, and 471



26 ENACTS:

27 **79-7-207**, Utah Code Annotated 1953



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

30 Section 1. Section **59-12-103 (Contingently Superseded 01/01/25)** is amended to  
31 read:

32 **59-12-103 (Contingently Superseded 01/01/25). Sales and use tax base -- Rates --**  
33 **Effective dates -- Use of sales and use tax revenue.**

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

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

37 (b) amounts paid for:

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

40 (ii) mobile telecommunications service that originates and terminates within the  
41 boundaries of one state only to the extent permitted by the Mobile Telecommunications

42 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

43 (iii) an ancillary service associated with a:

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

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

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

47 (i) gas;

48 (ii) electricity;

49 (iii) heat;

50 (iv) coal;

51 (v) fuel oil; or

52 (vi) other fuels;

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

54 (i) gas;

55 (ii) electricity;

56 (iii) heat;

- 57 (iv) coal;
- 58 (v) fuel oil; or
- 59 (vi) other fuels;
- 60 (e) sales of prepared food;
- 61 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 62 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 63 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 64 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 65 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 66 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 67 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 68 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 69 exhibition, cultural, or athletic activity;
- 70 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 71 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 72 (i) the tangible personal property; and
- 73 (ii) parts used in the repairs or renovations of the tangible personal property described
- 74 in Subsection (1)(g)(i), regardless of whether:
- 75 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 76 property; or
- 77 (B) the particular parts used in the repairs or renovations of that tangible personal
- 78 property are exempt from a tax under this chapter;
- 79 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 80 assisted cleaning or washing of tangible personal property;
- 81 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 82 accommodations and services that are regularly rented for less than 30 consecutive days;
- 83 (j) amounts paid or charged for laundry or dry cleaning services;
- 84 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 85 this state the tangible personal property is:
- 86 (i) stored;
- 87 (ii) used; or

- 88 (iii) otherwise consumed;
- 89 (l) amounts paid or charged for tangible personal property if within this state the
- 90 tangible personal property is:
  - 91 (i) stored;
  - 92 (ii) used; or
  - 93 (iii) consumed;
  - 94 (m) amounts paid or charged for a sale:
    - 95 (i) (A) of a product transferred electronically; or
    - 96 (B) of a repair or renovation of a product transferred electronically; and
    - 97 (ii) regardless of whether the sale provides:
      - 98 (A) a right of permanent use of the product; or
      - 99 (B) a right to use the product that is less than a permanent use, including a right:
        - 100 (I) for a definite or specified length of time; and
        - 101 (II) that terminates upon the occurrence of a condition; and
    - 102 (n) sales of leased tangible personal property from the lessor to the lessee made in the
    - 103 state.
- 104 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax
- 105 are imposed on a transaction described in Subsection (1) equal to the sum of:
  - 106 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
    - 107 (A) 4.70% plus the rate specified in Subsection (11)(a); and
    - 108 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
    - 109 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
    - 110 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
    - 111 State Sales and Use Tax Act; and
    - 112 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
    - 113 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
    - 114 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
    - 115 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; 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 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a

119 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to  
120 the sum of:

121 (i) a state tax imposed on the transaction at a tax rate of 2%; and

122 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
123 transaction under this chapter other than this part.

124 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are  
125 imposed on amounts paid or charged for food and food ingredients equal to the sum of:

126 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at  
127 a tax rate of 1.75%; and

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

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

133 (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed  
134 by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax  
135 imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a  
136 shared vehicle driver, or a shared vehicle owner.

137 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is  
138 required once during the time that the shared vehicle owner owns the shared vehicle.

139 (C) The commission shall verify that a shared vehicle is an individual-owned shared  
140 vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the  
141 purchase of the shared vehicle.

142 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified  
143 individual-owned shared vehicle shared through a car-sharing program even if non-certified  
144 shared vehicles are also available to be shared through the same car-sharing program.

145 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

146 (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's  
147 representation that the shared vehicle is an individual-owned shared vehicle certified with the  
148 commission as described in Subsection (2)(e)(i).

149 (B) If a car-sharing program relies in good faith on a shared vehicle owner's

150 representation that the shared vehicle is an individual-owned shared vehicle certified with the  
151 commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any  
152 tax, penalty, fee, or other sanction imposed on the shared vehicle owner.

153 (iv) If all shared vehicles shared through a car-sharing program are certified as  
154 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation  
155 to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.

156 (v) [~~(A)~~] A car-sharing program is not required to list or otherwise identify an  
157 individual-owned shared vehicle on a return or an attachment to a return.

158 (vi) A car-sharing program shall:

159 (A) retain tax information for each car-sharing program transaction; and

160 (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at  
161 the commission's request.

162 (f) (i) For a bundled transaction that is attributable to food and food ingredients and  
163 tangible personal property other than food and food ingredients, a state tax and a local tax is  
164 imposed on the entire bundled transaction equal to the sum of:

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

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

167 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
168 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
169 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
170 Additional State Sales and Use Tax Act; and

171 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
172 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
173 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
174 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

181 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled  
182 transaction described in Subsection (2)(f)(i) or (ii):

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

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

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

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

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

198 (II) state or federal law provides otherwise.

199 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the  
200 seller's regular course of business includes books and records the seller keeps in the regular  
201 course of business for nontax purposes.

202 (g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii)  
203 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
204 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
205 of tangible personal property, other property, a product, or a service that is not subject to  
206 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
207 the seller, at the time of the transaction:

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

210 (B) is able to identify by reasonable and verifiable standards, from the books and  
211 records the seller keeps in the seller's regular course of business, the portion of the transaction

212 that is not subject to taxation under this chapter.

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

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

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

221 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps  
222 in the seller's regular course of business includes books and records the seller keeps in the  
223 regular course of business for nontax purposes.

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

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

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

233 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the  
234 seller's regular course of business includes books and records the seller keeps in the regular  
235 course of business for nontax purposes.

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

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

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

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

241 (iv) Subsection (2)(f)(i)(A)(I).

242 (j) (i) A tax rate increase takes effect on the first day of the first billing period that



243 begins on or after the effective date of the tax rate increase if the billing period for the  
244 transaction begins before the effective date of a tax rate increase imposed under:

- 245 (A) Subsection (2)(a)(i)(A);
- 246 (B) Subsection (2)(b)(i);
- 247 (C) Subsection (2)(c)(i); or
- 248 (D) Subsection (2)(f)(i)(A)(I).

249 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
250 statement for the billing period is rendered on or after the effective date of the repeal of the tax  
251 or the tax rate decrease imposed under:

- 252 (A) Subsection (2)(a)(i)(A);
- 253 (B) Subsection (2)(b)(i);
- 254 (C) Subsection (2)(c)(i); or
- 255 (D) Subsection (2)(f)(i)(A)(I).

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

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

261 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:

- 262 (A) Subsection (2)(a)(i)(A);
- 263 (B) Subsection (2)(b)(i);
- 264 (C) Subsection (2)(c)(i); or
- 265 (D) Subsection (2)(f)(i)(A)(I).

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

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

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

- 273 (A) a commercial use;

274 (B) an industrial use; or

275 (C) a residential use.

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

277 (i) the tax imposed by Subsection (2)(a)(i)(A);

278 (ii) the tax imposed by Subsection (2)(b)(i);

279 (iii) the tax imposed by Subsection (2)(c)(i); and

280 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

281 (b) The following local taxes shall be distributed to a county, city, or town as provided

282 in this chapter:

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

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

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

286 (iv) the tax imposed by Subsection (2)(f)(i)(B).

287 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General

288 Fund.

289 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,

290 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)

291 through (g):

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

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

294 (B) for the fiscal year; or

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

296 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount

297 described in Subsection (4)(a) shall be transferred each year as designated sales and use tax

298 revenue to the Department of Natural Resources to:

299 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to

300 protect sensitive plant and animal species; or

301 (B) award grants, up to the amount authorized by the Legislature in an appropriations

302 act, to political subdivisions of the state to implement the measures described in Subsections

303 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

304 (ii) Money transferred to the Department of Natural Resources under Subsection

305 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other  
306 person to list or attempt to have listed a species as threatened or endangered under the  
307 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

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

309 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the  
310 Water Resources Conservation and Development Fund created in Section 73-10-24;

311 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
312 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

313 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
314 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

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

318 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
319 in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to  
320 the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for  
321 the adjudication of water rights.

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

323 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the  
324 Water Resources Conservation and Development Fund created in Section 73-10-24;

325 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
326 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

327 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
328 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

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

332 (ii) In addition to the uses allowed of the Water Resources Conservation and  
333 Development Fund under Section 73-10-24, the Water Resources Conservation and  
334 Development Fund may also be used to:

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

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

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

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

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

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

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

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

352 (iii) develop surface water sources.

353 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
354 2006, the difference between the following amounts shall be expended as provided in this  
355 Subsection (5), if that difference is greater than \$1:

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

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

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

360 (A) transferred each fiscal year to the Department of Natural Resources as designated  
361 sales and use tax revenue; and

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

364 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use  
365 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation  
366 and Development Fund created in Section 73-10-24.

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

369 (A) transferred each fiscal year to the Division of Water Resources as designated sales  
370 and use tax revenue; and

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

373 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use  
374 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation  
375 and Development Fund created in Section 73-10-24.

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

380 (i) preconstruction costs:

381 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
382 26, Bear River Development Act; and

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

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

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

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

391 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the  
392 remaining difference described in Subsection (5)(a) shall be deposited each year into the Water  
393 Rights Restricted Account created by Section 73-2-1.6.

394 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a),  
395 each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account  
396 created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the  
397 transactions described in Subsection (1) for the fiscal year.

398 (7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal  
399 year beginning on or after July 1, 2023, the commission shall deposit into the Transportation  
400 Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under  
401 Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

- 402 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 403 (ii) the tax imposed by Subsection (2)(b)(i);
- 404 (iii) the tax imposed by Subsection (2)(c)(i); and
- 405 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

406 (b) (i) As used in this Subsection (7)(b):

407 (A) "Additional growth revenue" means the amount of relevant revenue collected in  
408 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the  
409 previous fiscal year.

410 (B) "Combined amount" means the combined total amount of money deposited into the  
411 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

412 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation  
413 Investment Fund created in Subsection 72-2-124(10).

414 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that  
415 equals 17% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv).

416 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually  
417 reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by  
418 an amount equal to the amount of the deposit under this Subsection (7)(b) to the Cottonwood  
419 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the  
420 limit in Subsection (7)(b)(iii).

421 (iii) The commission shall annually deposit the amount described in Subsection  
422 (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount  
423 for any single fiscal year of \$20,000,000.

424 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous  
425 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood  
426 Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant  
427 revenue.

428 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,

429 2023, the commission shall annually reduce the deposit into the Transportation Investment  
430 Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

431 (A) the amount of revenue generated in the current fiscal year by the portion of taxes  
432 listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described  
433 in Subsections (7)(a)(i) through (iv);

434 (B) the amount of revenue generated in the current fiscal year by registration fees  
435 designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund  
436 of 2005; and

437 (C) [~~revenues~~] revenue transferred by the Division of Finance to the Transportation  
438 Investment Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

439 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a  
440 given fiscal year.

441 (iii) The commission shall annually deposit the amount described in Subsection  
442 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).

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

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

449 (ii) the tax imposed by Subsection (2)(b)(i);

450 (iii) the tax imposed by Subsection (2)(c)(i); and

451 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

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

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

459 (d) (i) As used in this Subsection (8)(d):

460 (A) "Additional growth revenue" means the amount of relevant revenue collected in  
461 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the  
462 previous fiscal year.

463 (B) "Combined amount" means the combined total amount of money deposited into the  
464 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

465 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation  
466 Investment Fund created in Subsection [72-2-124](#)(10).

467 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that  
468 equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through  
469 (iv).

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

475 (iii) The commission shall annually deposit the amount described in Subsection  
476 (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount  
477 for any single fiscal year of \$20,000,000.

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

482 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
483 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
484 created by Section [35A-8-1009](#) and expended as provided in Section [35A-8-1009](#).

485 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
486 fiscal year during which the commission receives notice under Section [63N-2-510](#) that  
487 construction on a qualified hotel, as defined in Section [63N-2-502](#), has begun, the commission  
488 shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by  
489 the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in  
490 Section [63N-2-512](#).



491 (11) (a) The rate specified in this subsection is 0.15%.

492 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year  
493 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the  
494 rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax  
495 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.

496 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
497 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit  
498 solely for use of the Search and Rescue Financial Assistance Program created in, and expended  
499 in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

500 (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall  
501 annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund  
502 of 2005 under Subsections (7) and (8) to the General Fund.

503 (b) If the total revenue deposited into the Transportation Investment Fund of 2005  
504 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall  
505 transfer the total revenue deposited into the Transportation Investment Fund of 2005 under  
506 Subsections (7) and (8) during the fiscal year to the General Fund.

507 (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610,  
508 beginning the first day of the calendar quarter one year after the sales and use tax boundary for  
509 a housing and transit reinvestment zone is established, the commission, at least annually, shall  
510 transfer an amount equal to 15% of the sales and use tax increment within an established sales  
511 and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation  
512 Investment Fund created in Section 72-2-124.

513 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year  
514 beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure  
515 Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection  
516 (3)(a) equal to 1% of the ~~[revenues]~~ revenue collected from the following sales and use taxes:

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

518 (b) the tax imposed by Subsection (2)(b)(i);

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

520 (d) the tax imposed by Subsection (2)(f)(i)(A)(I).

521 (16) (a) Notwithstanding Subsection (3)(a), for each fiscal year beginning on or after

522 July 1, 2024, the commission shall calculate the amount that is equal to 10% of the amount of  
523 state sales and use tax revenue that is:

524 (i) imposed under Subsections (2)(a)(i)(A), (2)(c)(i), and (2)(f)(i)(A)(I);

525 (ii) remitted in the previous fiscal year; and

526 (iii) remitted by an establishment that reports a NAICS Code 45911, Sporting Goods

527 Retailers, of the 2022 North American Industrial Classification System of the federal Executive

528 Office of the President, Office of Management and Budget, on the establishment's sales tax

529 account or sales tax outlet.

530 (b) The commission shall report the amount calculated in accordance with Subsection  
531 (16)(a) to the Division of Finance and the Office of the Legislative Fiscal Analyst.

532 (c) The Division of Finance shall deposit the amount calculated in accordance with

533 Subsection (16)(a) into the Outdoor Recreation Impacts Fund created in Section [79-7-207](#).

534 Section 2. Section **59-12-103 (Contingently Effective 01/01/25)** is amended to read:

535 **59-12-103 (Contingently Effective 01/01/25). Sales and use tax base -- Rates --**

536 **Effective dates -- Use of sales and use tax revenue.**

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

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

540 (b) amounts paid for:

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

543 (ii) mobile telecommunications service that originates and terminates within the  
544 boundaries of one state only to the extent permitted by the Mobile Telecommunications

545 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

546 (iii) an ancillary service associated with a:

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

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

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

550 (i) gas;

551 (ii) electricity;

552 (iii) heat;

- 553 (iv) coal;
- 554 (v) fuel oil; or
- 555 (vi) other fuels;
- 556 (d) sales of the following for residential use:
  - 557 (i) gas;
  - 558 (ii) electricity;
  - 559 (iii) heat;
  - 560 (iv) coal;
  - 561 (v) fuel oil; or
  - 562 (vi) other fuels;
  - 563 (e) sales of prepared food;
  - 564 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
  - 565 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
  - 566 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
  - 567 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
  - 568 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
  - 569 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
  - 570 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
  - 571 horseback rides, sports activities, or any other amusement, entertainment, recreation,
  - 572 exhibition, cultural, or athletic activity;
  - 573 (g) amounts paid or charged for services for repairs or renovations of tangible personal
  - 574 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
    - 575 (i) the tangible personal property; and
    - 576 (ii) parts used in the repairs or renovations of the tangible personal property described
    - 577 in Subsection (1)(g)(i), regardless of whether:
      - 578 (A) any parts are actually used in the repairs or renovations of that tangible personal
      - 579 property; or
      - 580 (B) the particular parts used in the repairs or renovations of that tangible personal
      - 581 property are exempt from a tax under this chapter;
      - 582 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
      - 583 assisted cleaning or washing of tangible personal property;

584 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court  
585 accommodations and services that are regularly rented for less than 30 consecutive days;  
586 (j) amounts paid or charged for laundry or dry cleaning services;  
587 (k) amounts paid or charged for leases or rentals of tangible personal property if within  
588 this state the tangible personal property is:  
589 (i) stored;  
590 (ii) used; or  
591 (iii) otherwise consumed;  
592 (l) amounts paid or charged for tangible personal property if within this state the  
593 tangible personal property is:  
594 (i) stored;  
595 (ii) used; or  
596 (iii) consumed;  
597 (m) amounts paid or charged for a sale:  
598 (i) (A) of a product transferred electronically; or  
599 (B) of a repair or renovation of a product transferred electronically; and  
600 (ii) regardless of whether the sale provides:  
601 (A) a right of permanent use of the product; or  
602 (B) a right to use the product that is less than a permanent use, including a right:  
603 (I) for a definite or specified length of time; and  
604 (II) that terminates upon the occurrence of a condition; and  
605 (n) sales of leased tangible personal property from the lessor to the lessee made in the  
606 state.  
607 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax  
608 are imposed on a transaction described in Subsection (1) equal to the sum of:  
609 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:  
610 (A) 4.70% plus the rate specified in Subsection (11)(a); and  
611 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
612 and Use Tax Act, if the location of the transaction as determined under Sections [59-12-211](#)  
613 through [59-12-215](#) is in a county in which the state imposes the tax under Part 18, Additional  
614 State Sales and Use Tax Act; and

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

619 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
620 transaction under this chapter other than this part.

621 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a  
622 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to  
623 the sum of:

624 (i) a state tax imposed on the transaction at a tax rate of 2%; and

625 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
626 transaction under this chapter other than this part.

627 (c) (i) Except as provided in Subsection (2)(f) or (g), a local tax is imposed on amounts  
628 paid or charged for food and food ingredients equal to the sum of the tax rates a county, city, or  
629 town imposes under this chapter on the amounts paid or charged for food or food ingredients.

630 (ii) There is no state tax imposed on amounts paid or charged for food and food  
631 ingredients.

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

635 (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed  
636 by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax  
637 imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a  
638 shared vehicle driver, or a shared vehicle owner.

639 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is  
640 required once during the time that the shared vehicle owner owns the shared vehicle.

641 (C) The commission shall verify that a shared vehicle is an individual-owned shared  
642 vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the  
643 purchase of the shared vehicle.

644 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified  
645 individual-owned shared vehicle shared through a car-sharing program even if non-certified

646 shared vehicles are also available to be shared through the same car-sharing program.

647 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

648 (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's  
649 representation that the shared vehicle is an individual-owned shared vehicle certified with the  
650 commission as described in Subsection (2)(e)(i).

651 (B) If a car-sharing program relies in good faith on a shared vehicle owner's  
652 representation that the shared vehicle is an individual-owned shared vehicle certified with the  
653 commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any  
654 tax, penalty, fee, or other sanction imposed on the shared vehicle owner.

655 (iv) If all shared vehicles shared through a car-sharing program are certified as  
656 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation  
657 to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.

658 (v) [~~(A)~~] A car-sharing program is not required to list or otherwise identify an  
659 individual-owned shared vehicle on a return or an attachment to a return.

660 (vi) A car-sharing program shall:

661 (A) retain tax information for each car-sharing program transaction; and

662 (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at  
663 the commission's request.

664 (f) (i) For a bundled transaction that is attributable to food and food ingredients and  
665 tangible personal property other than food and food ingredients, a state tax and a local tax is  
666 imposed on the entire bundled transaction equal to the sum of:

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

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

669 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
670 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
671 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
672 Additional State Sales and Use Tax Act; and

673 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
674 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
675 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
676 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

683 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled  
684 transaction described in Subsection (2)(f)(i) or (ii):

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

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

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

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

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

700 (II) state or federal law provides otherwise.

701 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the  
702 seller's regular course of business includes books and records the seller keeps in the regular  
703 course of business for nontax purposes.

704 (g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii)  
705 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
706 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
707 of tangible personal property, other property, a product, or a service that is not subject to

708 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
709 the seller, at the time of the transaction:

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

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

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

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

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

723 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps  
724 in the seller's regular course of business includes books and records the seller keeps in the  
725 regular course of business for nontax purposes.

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

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

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

735 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the  
736 seller's regular course of business includes books and records the seller keeps in the regular  
737 course of business for nontax purposes.

738 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax



739 rate imposed under the following shall take effect on the first day of a calendar quarter:

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

741 (ii) Subsection (2)(b)(i); or

742 (iii) Subsection (2)(f)(i)(A)(I).

743 (j) (i) A tax rate increase takes effect on the first day of the first billing period that

744 begins on or after the effective date of the tax rate increase if the billing period for the

745 transaction begins before the effective date of a tax rate increase imposed under:

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

747 (B) Subsection (2)(b)(i); or

748 (C) Subsection (2)(f)(i)(A)(I).

749 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing

750 statement for the billing period is rendered on or after the effective date of the repeal of the tax

751 or the tax rate decrease imposed under:

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

753 (B) Subsection (2)(b)(i); or

754 (C) Subsection (2)(f)(i)(A)(I).

755 (k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale

756 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal

757 or change in a tax rate takes effect:

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

759 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

760 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:

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

762 (B) Subsection (2)(b)(i); or

763 (C) Subsection (2)(f)(i)(A)(I).

764 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

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

766 (l) (i) For a location described in Subsection (2)(l)(ii), the commission shall determine

767 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the

768 predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

769 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,

770 or other fuel is furnished through a single meter for two or more of the following uses:

771 (A) a commercial use;

772 (B) an industrial use; or

773 (C) a residential use.

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

775 (i) the tax imposed by Subsection (2)(a)(i)(A);

776 (ii) the tax imposed by Subsection (2)(b)(i); and

777 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

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

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

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

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

783 (iv) the tax imposed by Subsection (2)(f)(i)(B).

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

786 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
787 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)  
788 through (g):

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

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

791 (B) for the fiscal year; or

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

793 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount  
794 described in Subsection (4)(a) shall be transferred each year as designated sales and use tax  
795 revenue to the Department of Natural Resources to:

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

798 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
799 act, to political subdivisions of the state to implement the measures described in Subsections  
800 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

806 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the  
807 Water Resources Conservation and Development Fund created in Section 73-10-24;

808 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
809 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

810 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
811 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

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

815 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
816 in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to  
817 the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for  
818 the adjudication of water rights.

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

820 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the  
821 Water Resources Conservation and Development Fund created in Section 73-10-24;

822 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
823 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

824 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
825 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

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

829 (ii) In addition to the uses allowed of the Water Resources Conservation and  
830 Development Fund under Section 73-10-24, the Water Resources Conservation and  
831 Development Fund may also be used to:

832 (A) conduct hydrologic and geotechnical investigations by the Division of Water  
833 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of  
834 quantifying surface and ground water resources and describing the hydrologic systems of an  
835 area in sufficient detail so as to enable local and state resource managers to plan for and  
836 accommodate growth in water use without jeopardizing the resource;

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

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

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

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

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

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

849 (iii) develop surface water sources.

850 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
851 2006, the difference between the following amounts shall be expended as provided in this  
852 Subsection (5), if that difference is greater than \$1:

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

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

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

857 (A) transferred each fiscal year to the Department of Natural Resources as designated  
858 sales and use tax revenue; and

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

861 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use  
862 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation

863 and Development Fund created in Section 73-10-24.

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

866 (A) transferred each fiscal year to the Division of Water Resources as designated sales  
867 and use tax revenue; and

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

870 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use  
871 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation  
872 and Development Fund created in Section 73-10-24.

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

877 (i) preconstruction costs:

878 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
879 26, Bear River Development Act; and

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

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

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

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

888 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the  
889 remaining difference described in Subsection (5)(a) shall be deposited each year into the Water  
890 Rights Restricted Account created by Section 73-2-1.6.

891 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a),  
892 each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account  
893 created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the

894 transactions described in Subsection (1) for the fiscal year.

895 (7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal  
896 year beginning on or after July 1, 2023, the commission shall deposit into the Transportation  
897 Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under  
898 Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

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

900 (ii) the tax imposed by Subsection (2)(b)(i); and

901 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

902 (b) (i) As used in this Subsection (7)(b):

903 (A) "Additional growth revenue" means the amount of relevant revenue collected in  
904 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the  
905 previous fiscal year.

906 (B) "Combined amount" means the combined total amount of money deposited into the  
907 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

908 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation  
909 Investment Fund created in Subsection 72-2-124(10).

910 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that  
911 equals 17% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iii).

912 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually  
913 reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by  
914 an amount equal to the amount of the deposit under this Subsection (7)(b) to the Cottonwood  
915 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the  
916 limit in Subsection (7)(b)(iii).

917 (iii) The commission shall annually deposit the amount described in Subsection  
918 (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount  
919 for any single fiscal year of \$20,000,000.

920 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous  
921 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood  
922 Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant  
923 revenue.

924 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,

925 2023, the commission shall annually reduce the deposit into the Transportation Investment  
926 Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

927 (A) the amount of revenue generated in the current fiscal year by the portion of taxes  
928 listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described  
929 in Subsections (7)(a)(i) through (iv);

930 (B) the amount of revenue generated in the current fiscal year by registration fees  
931 designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund  
932 of 2005; and

933 (C) [~~revenues~~] revenue transferred by the Division of Finance to the Transportation  
934 Investment Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

935 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a  
936 given fiscal year.

937 (iii) The commission shall annually deposit the amount described in Subsection  
938 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).

939 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
940 Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or  
941 after July 1, 2018, the commission shall annually deposit into the Transportation Investment  
942 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)  
943 in an amount equal to 3.68% of the [~~revenues~~] revenue collected from the following taxes:

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

945 (ii) the tax imposed by Subsection (2)(b)(i); and

946 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

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

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

954 (d) (i) As used in this Subsection (8)(d):

955 (A) "Additional growth revenue" means the amount of relevant revenue collected in

956 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the  
957 previous fiscal year.

958 (B) "Combined amount" means the combined total amount of money deposited into the  
959 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

960 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation  
961 Investment Fund created in Subsection 72-2-124(10).

962 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that  
963 equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through  
964 (iii).

965 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually  
966 reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by  
967 an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood  
968 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the  
969 limit in Subsection (8)(d)(iii).

970 (iii) The commission shall annually deposit the amount described in Subsection  
971 (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount  
972 for any single fiscal year of \$20,000,000.

973 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous  
974 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood  
975 Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant  
976 revenue.

977 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
978 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
979 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

980 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
981 fiscal year during which the commission receives notice under Section 63N-2-510 that  
982 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission  
983 shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by  
984 the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in  
985 Section 63N-2-512.

986 (11) (a) The rate specified in this subsection is 0.15%.



987 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year  
988 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the  
989 rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax  
990 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.

991 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
992 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit  
993 solely for use of the Search and Rescue Financial Assistance Program created in, and expended  
994 in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

995 (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall  
996 annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund  
997 of 2005 under Subsections (7) and (8) to the General Fund.

998 (b) If the total revenue deposited into the Transportation Investment Fund of 2005  
999 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall  
1000 transfer the total revenue deposited into the Transportation Investment Fund of 2005 under  
1001 Subsections (7) and (8) during the fiscal year to the General Fund.

1002 (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610,  
1003 beginning the first day of the calendar quarter one year after the sales and use tax boundary for  
1004 a housing and transit reinvestment zone is established, the commission, at least annually, shall  
1005 transfer an amount equal to 15% of the sales and use tax increment within an established sales  
1006 and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation  
1007 Investment Fund created in Section 72-2-124.

1008 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year  
1009 beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure  
1010 Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection  
1011 (3)(a) equal to 1% of the ~~revenues~~ revenue collected from the following sales and use taxes:

1012 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

1013 (b) the tax imposed by Subsection (2)(b)(i); and

1014 (c) the tax imposed by Subsection (2)(f)(i)(A)(I).

1015 (16) (a) Notwithstanding Subsection (3)(a), for each fiscal year beginning on or after  
1016 July 1, 2024, the commission shall calculate the amount that is equal to 10% of the amount of  
1017 state sales and use tax revenue that is:

- 1018 (i) imposed under Subsections (2)(a)(i)(A) and (2)(f)(i)(A)(I);  
1019 (ii) remitted in the previous fiscal year; and  
1020 (iii) remitted by an establishment that reports a NAICS Code 45911, Sporting Goods  
1021 Retailers, of the 2022 North American Industrial Classification System of the federal Executive  
1022 Office of the President, Office of Management and Budget, on the establishment's sales tax  
1023 account or sales tax outlet.
- 1024 (b) The commission shall report the amount calculated in accordance with Subsection  
1025 (16)(a) to the Division of Finance and the Office of the Legislative Fiscal Analyst.
- 1026 (c) The Division of Finance shall deposit the amount calculated in accordance with  
1027 Subsection (16)(a) into the Outdoor Recreation Impacts Fund created in Section [79-7-207](#).  
1028 Section 3. Section **79-7-207** is enacted to read:
- 1029 **79-7-207. Outdoor Recreation Impacts Fund.**
- 1030 (1) There is created an expendable special revenue fund known as the "Outdoor  
1031 Recreation Impacts Fund."
- 1032 (2) The fund consists of:
- 1033 (a) revenue deposited in accordance with Section [59-12-103](#);  
1034 (b) gifts, grants, donations, or any other conveyance of money made by private sources  
1035 or appropriations; and
- 1036 (c) interest earned on the fund.
- 1037 (3) (a) The fund shall earn interest.
- 1038 (b) Interest earned on the money in the fund shall be deposited into the fund.
- 1039 (4) The division shall distribute revenue from the fund as follows:
- 1040 (a) Beaver County, 2.78%;  
1041 (b) Carbon County, 2.86%;  
1042 (c) Daggett County, 2.78%;  
1043 (d) Duchesne County, 3.08%;  
1044 (e) Emery County, 6.44%;  
1045 (f) Garfield County, 12.16%;  
1046 (g) Grand County, 9.69%;  
1047 (h) Juab County, 3.04%;  
1048 (i) Kane County, 17.62%;

- 1049            (j) Millard County, 2.80%;
- 1050            (k) Morgan County, 3.19%;
- 1051            (l) Piute County, 2.87%;
- 1052            (m) Rich County, 3.83%;
- 1053            (n) San Juan County, 4.65%;
- 1054            (o) Sanpete County, 3.19%;
- 1055            (p) Sevier County, 5.38%;
- 1056            (q) Wasatch County, 6.80%; and
- 1057            (r) Wayne County, 6.87%.
- 1058            (5) The county may use a distribution:
- 1059            (a) for avalanche forecasting; or
- 1060            (b) to mitigate the impacts of outdoor recreation, including:
- 1061            (i) solid waste disposal;
- 1062            (ii) search and rescue activities;
- 1063            (iii) law enforcement activities;
- 1064            (iv) emergency medical services; or
- 1065            (v) fire protection services.
- 1066            **Section 4. Effective date.**
- 1067            (1) Except as provided in Subsection (2), this bill takes effect on May 1, 2024.
- 1068            (2) The actions affecting Section [59-12-103](#) (Contingently Effective 01/01/25)
- 1069            contingently take effect on January 1, 2025.