

MOTOR VEHICLE RENTAL TAX AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Chris H. Wilson

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies the motor vehicle rental tax.

Highlighted Provisions:

This bill:

- ▶ increases the tax rate imposed on rentals of motor vehicles from 2.5% to 5%.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-12-1201, as last amended by Laws of Utah 2023, Chapters 361, 471

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

Section 1. Section **59-12-1201** is amended to read:

59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration, collection, and enforcement of tax -- Administrative charge -- Deposits.

(1) (a) Except as provided in Subsections (3) and (4), there is imposed a tax of [~~2.5~~] 5% on all short-term leases and rentals of motor vehicles not exceeding 30 days.

(b) The tax imposed in this section is in addition to all other state, county, or municipal



28 fees and taxes imposed on rentals of motor vehicles.

29 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax
30 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

31 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall
32 take effect on the first day of the first billing period:

33 (A) that begins after the effective date of the tax rate increase; and

34 (B) if the billing period for the transaction begins before the effective date of a tax rate
35 increase imposed under Subsection (1).

36 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax
37 rate decrease shall take effect on the first day of the last billing period:

38 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
39 and

40 (B) if the billing period for the transaction begins before the effective date of the repeal
41 of the tax or the tax rate decrease imposed under Subsection (1).

42 (3) Beginning on July 1, 2023, a tax imposed under Subsection (1) applies at the same
43 rate to car sharing, except for:

44 (a) car sharing for the purpose of temporarily replacing a person's motor vehicle that is
45 being repaired pursuant to a repair or an insurance agreement; and

46 (b) car sharing for more than 30 days.

47 (4) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

48 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

49 (b) the motor vehicle is rented as a personal household goods moving van; or

50 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
51 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an
52 insurance agreement.

53 (5) (a) (i) The tax authorized under this section shall be administered, collected, and
54 enforced in accordance with:

55 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,
56 Tax Collection; and

57 (B) Chapter 1, General Taxation Policies.

58 (ii) Notwithstanding Subsection (5)(a)(i), a tax under this part is not subject to

59 Subsections 59-12-103(4) through (9) or Section 59-12-107.1 or 59-12-123.

60 (b) The commission shall retain and deposit an administrative charge in accordance
61 with Section 59-1-306 from the revenues the commission collects from a tax under this part.

62 (c) Except as provided under Subsection (5)(b), all revenue received by the
63 commission under this section shall be deposited daily with the state treasurer and credited
64 monthly to the Marda Dillree Corridor Preservation Fund under Section 72-2-117.

65 Section 2. **Effective date.**

66 This bill takes effect on July 1, 2024.