

**FUEL SALES TAX AMENDMENTS**

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Rex P. Shipp**

Senate Sponsor: Lincoln Fillmore

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to the taxation of the sale of certain fuels furnished to a location through a single meter.

**Highlighted Provisions:**

This bill:

- ▶ addresses the taxable status of a sale of certain fuels where the fuel is furnished through a single meter for a combination of commercial, industrial, or residential uses; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**59-12-103**, as last amended by Laws of Utah 2019, Chapters 1, 136, and 479

**59-12-104**, as last amended by Laws of Utah 2019, Chapters 136 and 486

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

Section 1. Section **59-12-103** is amended to read:

**59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.**

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

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

33 (b) amounts paid for:

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

36 (ii) mobile telecommunications service that originates and terminates within the  
37 boundaries of one state only to the extent permitted by the Mobile Telecommunications  
38 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

39 (iii) an ancillary service associated with a:

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

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

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

43 (i) gas;

44 (ii) electricity;

45 (iii) heat;

46 (iv) coal;

47 (v) fuel oil; or

48 (vi) other fuels;

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

50 (i) gas;

51 (ii) electricity;

52 (iii) heat;

53 (iv) coal;

54 (v) fuel oil; or

55 (vi) other fuels;

56 (e) sales of prepared food;

57 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or

58 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,  
59 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,  
60 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit  
61 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf  
62 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,  
63 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,  
64 horseback rides, sports activities, or any other amusement, entertainment, recreation,  
65 exhibition, cultural, or athletic activity;

66 (g) amounts paid or charged for services for repairs or renovations of tangible personal  
67 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

68 (i) the tangible personal property; and

69 (ii) parts used in the repairs or renovations of the tangible personal property described  
70 in Subsection (1)(g)(i), regardless of whether:

71 (A) any parts are actually used in the repairs or renovations of that tangible personal  
72 property; or

73 (B) the particular parts used in the repairs or renovations of that tangible personal  
74 property are exempt from a tax under this chapter;

75 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for  
76 assisted cleaning or washing of tangible personal property;

77 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court  
78 accommodations and services that are regularly rented for less than 30 consecutive days;

79 (j) amounts paid or charged for laundry or dry cleaning services;

80 (k) amounts paid or charged for leases or rentals of tangible personal property if within  
81 this state the tangible personal property is:

82 (i) stored;

83 (ii) used; or

84 (iii) otherwise consumed;

85 (l) amounts paid or charged for tangible personal property if within this state the

86 tangible personal property is:

87 (i) stored;

88 (ii) used; or

89 (iii) consumed; and

90 (m) amounts paid or charged for a sale:

91 (i) (A) of a product transferred electronically; or

92 (B) of a repair or renovation of a product transferred electronically; and

93 (ii) regardless of whether the sale provides:

94 (A) a right of permanent use of the product; or

95 (B) a right to use the product that is less than a permanent use, including a right:

96 (I) for a definite or specified length of time; and

97 (II) that terminates upon the occurrence of a condition.

98 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax

99 are imposed on a transaction described in Subsection (1) equal to the sum of:

100 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

101 (A) (I) through March 31, 2019, 4.70%; and

102 (II) beginning on April 1, 2019, 4.70% plus the rate specified in Subsection (13)(a);

103 and

104 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales

105 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

106 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional

107 State Sales and Use Tax Act; and

108 (II) the tax rate the state imposes in accordance with Part 20, Supplemental 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 city, town, or the unincorporated area of a county in which the state

111 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

112 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

113 transaction under this chapter other than this part.

114 (b) Except as provided in Subsection (2)(d) or (e) and subject to Subsection (2)(j), a  
115 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to  
116 the sum of:

- 117 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 118 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
119 transaction under this chapter other than this part.

120 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax are  
121 imposed on amounts paid or charged for food and food ingredients equal to the sum of:

- 122 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at  
123 a tax rate of 1.75%; and
- 124 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
125 amounts paid or charged for food and food ingredients under this chapter other than this part.

126 (d) (i) For a bundled transaction that is attributable to food and food ingredients and  
127 tangible personal property other than food and food ingredients, a state tax and a local tax is  
128 imposed on the entire bundled transaction equal to the sum of:

- 129 (A) a state tax imposed on the entire bundled transaction equal to the sum of:
  - 130 (I) the tax rate described in Subsection (2)(a)(i)(A); and
  - 131 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
132 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
133 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
134 Additional State Sales and Use Tax Act; and

- 135 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
136 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
137 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
138 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

141 (ii) If an optional computer software maintenance contract is a bundled transaction that

142 consists of taxable and nontaxable products that are not separately itemized on an invoice or  
143 similar billing document, the purchase of the optional computer software maintenance contract  
144 is 40% taxable under this chapter and 60% nontaxable under this chapter.

145 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled  
146 transaction described in Subsection (2)(d)(i) or (ii):

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

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

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

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

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

162 (II) state or federal law provides otherwise.

163 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the  
164 seller's regular course of business includes books and records the seller keeps in the regular  
165 course of business for nontax purposes.

166 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)  
167 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
168 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
169 of tangible personal property, other property, a product, or a service that is not subject to

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

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

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

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

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

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

185 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps  
186 in the seller's regular course of business includes books and records the seller keeps in the  
187 regular course of business for nontax purposes.

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

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

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

197 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the

198 seller's regular course of business includes books and records the seller keeps in the regular  
199 course of business for nontax purposes.

200 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax  
201 rate imposed under the following shall take effect on the first day of a calendar quarter:

- 202 (i) Subsection (2)(a)(i)(A);
- 203 (ii) Subsection (2)(b)(i);
- 204 (iii) Subsection (2)(c)(i); or
- 205 (iv) Subsection (2)(d)(i)(A)(I).

206 (h) (i) A tax rate increase takes effect on the first day of the first billing period that  
207 begins on or after the effective date of the tax rate increase if the billing period for the  
208 transaction begins before the effective date of a tax rate increase imposed under:

- 209 (A) Subsection (2)(a)(i)(A);
- 210 (B) Subsection (2)(b)(i);
- 211 (C) Subsection (2)(c)(i); or
- 212 (D) Subsection (2)(d)(i)(A)(I).

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

- 216 (A) Subsection (2)(a)(i)(A);
- 217 (B) Subsection (2)(b)(i);
- 218 (C) Subsection (2)(c)(i); or
- 219 (D) Subsection (2)(d)(i)(A)(I).

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

- 223 (A) on the first day of a calendar quarter; and
  - 224 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 225 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:



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

227 (B) Subsection (2)(b)(i);

228 (C) Subsection (2)(c)(i); or

229 (D) Subsection (2)(d)(i)(A)(I).

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

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

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

237 (A) a commercial use;

238 (B) an industrial use; or

239 (C) a residential use.

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

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

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

243 (iii) the tax imposed by Subsection (2)(c)(i); or

244 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

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

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

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

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

250 (iv) the tax imposed by Subsection (2)(d)(i)(B).

251 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
252 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)  
253 through (g):

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

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

256 (B) for the fiscal year; or

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

258 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount  
259 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the  
260 Department of Natural Resources to:

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

263 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
264 act, to political subdivisions of the state to implement the measures described in Subsections  
265 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

271 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
272 Conservation and Development Fund created in Section 73-10-24;

273 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
274 Program Subaccount created in Section 73-10c-5; and

275 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
276 Program Subaccount created in Section 73-10c-5.

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

280 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
281 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water

282 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of  
283 water rights.

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

285 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
286 Conservation and Development Fund created in Section 73-10-24;

287 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
288 Program Subaccount created in Section 73-10c-5; and

289 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
290 Program Subaccount created in Section 73-10c-5.

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

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

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

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

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

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

308 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
309 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount

310 created in Section 73-10c-5 for use by the Division of Drinking Water to:

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

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

314 (iii) develop surface water sources.

315 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
316 2006, the difference between the following amounts shall be expended as provided in this  
317 Subsection (5), if that difference is greater than \$1:

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

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

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

322 (A) transferred each fiscal year to the Department of Natural Resources as dedicated  
323 credits; and

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

326 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
327 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund  
328 created in Section 73-10-24.

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

331 (A) transferred each fiscal year to the Division of Water Resources as dedicated  
332 credits; and

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

335 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
336 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund  
337 created in Section 73-10-24.

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

342 (i) preconstruction costs:

343 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
344 26, Bear River Development Act; and

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

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

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

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

353 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to  
354 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be  
355 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
356 incurred for employing additional technical staff for the administration of water rights.

357 (f) At the end of each fiscal year, any unexpended dedicated credits described in  
358 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development  
359 Fund created in Section 73-10-24.

360 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the  
361 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection  
362 (1) for the fiscal year shall be deposited as follows:

363 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)  
364 shall be deposited into the Transportation Investment Fund of 2005 created by Section  
365 72-2-124;

- 366 (b) for fiscal year 2017-18 only:
- 367 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the
- 368 Transportation Investment Fund of 2005 created by Section 72-2-124; and
- 369 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the
- 370 Water Infrastructure Restricted Account created by Section 73-10g-103;
- 371 (c) for fiscal year 2018-19 only:
- 372 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the
- 373 Transportation Investment Fund of 2005 created by Section 72-2-124; and
- 374 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the
- 375 Water Infrastructure Restricted Account created by Section 73-10g-103;
- 376 (d) for fiscal year 2019-20 only:
- 377 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the
- 378 Transportation Investment Fund of 2005 created by Section 72-2-124; and
- 379 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the
- 380 Water Infrastructure Restricted Account created by Section 73-10g-103;
- 381 (e) for fiscal year 2020-21 only:
- 382 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the
- 383 Transportation Investment Fund of 2005 created by Section 72-2-124; and
- 384 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the
- 385 Water Infrastructure Restricted Account created by Section 73-10g-103; and
- 386 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described
- 387 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account
- 388 created by Section 73-10g-103.
- 389 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
- 390 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,
- 391 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
- 392 created by Section 72-2-124:
- 393 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of

394 the revenues collected from the following taxes, which represents a portion of the  
395 approximately 17% of sales and use tax revenues generated annually by the sales and use tax  
396 on vehicles and vehicle-related products:

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

398 (B) the tax imposed by Subsection (2)(b)(i);

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

400 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

401 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the  
402 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through  
403 (D) that exceeds the amount collected from the sales and use taxes described in Subsections  
404 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

405 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of  
406 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total  
407 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)  
408 generated in the current fiscal year than the total percentage of sales and use taxes deposited in  
409 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection  
410 (7)(a) equal to the product of:

411 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the  
412 previous fiscal year; and

413 (B) the total sales and use tax revenue generated by the taxes described in Subsections  
414 (7)(a)(i)(A) through (D) in the current fiscal year.

415 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under  
416 Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes  
417 described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of  
418 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in  
419 Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

420 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected  
421 from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited

422 under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues  
423 collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the  
424 current fiscal year under Subsection (7)(a).

425 (8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited  
426 under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall  
427 deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into  
428 the Transportation Investment Fund of 2005 created by Section 72-2-124.

429 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
430 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit  
431 \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the  
432 Transportation Investment Fund of 2005 created by Section 72-2-124.

433 (c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
434 Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or  
435 after July 1, 2018, the commission shall annually deposit into the Transportation Investment  
436 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)  
437 in an amount equal to 3.68% of the revenues collected from the following taxes:

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

439 (B) the tax imposed by Subsection (2)(b)(i);

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

441 (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

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

447 (iii) The commission shall annually deposit the amount described in Subsection  
448 (8)(c)(ii) into the Transit and Transportation Investment Fund created in Section 72-2-124.

449 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year



450 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
451 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

452 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),  
453 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17  
454 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund  
455 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on  
456 the transactions described in Subsection (1).

457 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in  
458 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance  
459 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the  
460 amount of revenue described as follows:

461 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%  
462 tax rate on the transactions described in Subsection (1);

463 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%  
464 tax rate on the transactions described in Subsection (1);

465 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%  
466 tax rate on the transactions described in Subsection (1);

467 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a  
468 .05% tax rate on the transactions described in Subsection (1); and

469 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%  
470 tax rate on the transactions described in Subsection (1).

471 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not  
472 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts  
473 paid or charged for food and food ingredients, except for tax revenue generated by a bundled  
474 transaction attributable to food and food ingredients and tangible personal property other than  
475 food and food ingredients described in Subsection (2)(d).

476 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
477 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that

478 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of  
479 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue  
480 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,  
481 created in Section 63N-2-512.

482 (12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the  
483 Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed  
484 under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

485 (b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of  
486 Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under  
487 Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

488 (13) (a) The rate specified in this subsection is 0.15%.

489 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall:

490 (i) on or before September 30, 2019, transfer the amount of revenue collected from the  
491 rate described in Subsection (13)(a) beginning on April 1, 2019, and ending on June 30, 2019,  
492 on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into  
493 the Medicaid Expansion Fund created in Section 26-36b-208; and

494 (ii) for a fiscal year beginning on or after July 1, 2019, annually transfer the amount of  
495 revenue collected from the rate described in Subsection (13)(a) on the transactions that are  
496 subject to the sales and use tax under Subsection (2)(a)(i)(A) into the Medicaid Expansion  
497 Fund created in Section 26-36b-208.

498 Section 2. Section 59-12-104 is amended to read:

499 **59-12-104. Exemptions.**

500 Exemptions from the taxes imposed by this chapter are as follows:

501 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax  
502 under Chapter 13, Motor and Special Fuel Tax Act;

503 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political  
504 subdivisions; however, this exemption does not apply to sales of:

505 (a) construction materials except:

506 (i) construction materials purchased by or on behalf of institutions of the public  
507 education system as defined in Utah Constitution, Article X, Section 2, provided the  
508 construction materials are clearly identified and segregated and installed or converted to real  
509 property which is owned by institutions of the public education system; and

510 (ii) construction materials purchased by the state, its institutions, or its political  
511 subdivisions which are installed or converted to real property by employees of the state, its  
512 institutions, or its political subdivisions; or

513 (b) tangible personal property in connection with the construction, operation,  
514 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities  
515 providing additional project capacity, as defined in Section 11-13-103;

516 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:

517 (i) the proceeds of each sale do not exceed \$1; and

518 (ii) the seller or operator of the vending machine reports an amount equal to 150% of  
519 the cost of the item described in Subsection (3)(b) as goods consumed; and

520 (b) Subsection (3)(a) applies to:

521 (i) food and food ingredients; or

522 (ii) prepared food;

523 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:

524 (i) alcoholic beverages;

525 (ii) food and food ingredients; or

526 (iii) prepared food;

527 (b) sales of tangible personal property or a product transferred electronically:

528 (i) to a passenger;

529 (ii) by a commercial airline carrier; and

530 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or

531 (c) services related to Subsection (4)(a) or (b);

532 (5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts  
533 and equipment:

534 (A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002  
535 North American Industry Classification System of the federal Executive Office of the  
536 President, Office of Management and Budget; and

537 (II) for:

538 (Aa) installation in an aircraft, including services relating to the installation of parts or  
539 equipment in the aircraft;

540 (Bb) renovation of an aircraft; or

541 (Cc) repair of an aircraft; or

542 (B) for installation in an aircraft operated by a common carrier in interstate or foreign  
543 commerce; or

544 (ii) beginning on October 1, 2008, sales of parts and equipment for installation in an  
545 aircraft operated by a common carrier in interstate or foreign commerce; and

546 (b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,  
547 a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a  
548 refund:

549 (i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;

550 (ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;

551 (iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for  
552 the sale prior to filing for the refund;

553 (iv) for sales and use taxes paid under this chapter on the sale;

554 (v) in accordance with Section 59-1-1410; and

555 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if  
556 the person files for the refund on or before September 30, 2011;

557 (6) sales of commercials, motion picture films, prerecorded audio program tapes or  
558 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture  
559 exhibitor, distributor, or commercial television or radio broadcaster;

560 (7) (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of  
561 cleaning or washing of tangible personal property if the cleaning or washing of the tangible

562 personal property is not assisted cleaning or washing of tangible personal property;

563 (b) if a seller that sells at the same business location assisted cleaning or washing of  
564 tangible personal property and cleaning or washing of tangible personal property that is not  
565 assisted cleaning or washing of tangible personal property, the exemption described in  
566 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning  
567 or washing of the tangible personal property; and

568 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,  
569 Utah Administrative Rulemaking Act, the commission may make rules:

570 (i) governing the circumstances under which sales are at the same business location;  
571 and

572 (ii) establishing the procedures and requirements for a seller to separately account for  
573 sales of assisted cleaning or washing of tangible personal property;

574 (8) sales made to or by religious or charitable institutions in the conduct of their regular  
575 religious or charitable functions and activities, if the requirements of Section [59-12-104.1](#) are  
576 fulfilled;

577 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of  
578 this state if the vehicle is:

579 (a) not registered in this state; and

580 (b) (i) not used in this state; or

581 (ii) used in this state:

582 (A) if the vehicle is not used to conduct business, for a time period that does not  
583 exceed the longer of:

584 (I) 30 days in any calendar year; or

585 (II) the time period necessary to transport the vehicle to the borders of this state; or

586 (B) if the vehicle is used to conduct business, for the time period necessary to transport  
587 the vehicle to the borders of this state;

588 (10) (a) amounts paid for an item described in Subsection (10)(b) if:

589 (i) the item is intended for human use; and

590 (ii) (A) a prescription was issued for the item; or  
591 (B) the item was purchased by a hospital or other medical facility; and  
592 (b) (i) Subsection (10)(a) applies to:  
593 (A) a drug;  
594 (B) a syringe; or  
595 (C) a stoma supply; and  
596 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
597 commission may by rule define the terms:  
598 (A) "syringe"; or  
599 (B) "stoma supply";  
600 (11) purchases or leases exempt under Section [19-12-201](#);  
601 (12) (a) sales of an item described in Subsection (12)(c) served by:  
602 (i) the following if the item described in Subsection (12)(c) is not available to the  
603 general public:  
604 (A) a church; or  
605 (B) a charitable institution; or  
606 (ii) an institution of higher education if:  
607 (A) the item described in Subsection (12)(c) is not available to the general public; or  
608 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan  
609 offered by the institution of higher education; or  
610 (b) sales of an item described in Subsection (12)(c) provided for a patient by:  
611 (i) a medical facility; or  
612 (ii) a nursing facility; and  
613 (c) Subsections (12)(a) and (b) apply to:  
614 (i) food and food ingredients;  
615 (ii) prepared food; or  
616 (iii) alcoholic beverages;  
617 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property

618 or a product transferred electronically by a person:

619 (i) regardless of the number of transactions involving the sale of that tangible personal  
620 property or product transferred electronically by that person; and

621 (ii) not regularly engaged in the business of selling that type of tangible personal  
622 property or product transferred electronically;

623 (b) this Subsection (13) does not apply if:

624 (i) the sale is one of a series of sales of a character to indicate that the person is  
625 regularly engaged in the business of selling that type of tangible personal property or product  
626 transferred electronically;

627 (ii) the person holds that person out as regularly engaged in the business of selling that  
628 type of tangible personal property or product transferred electronically;

629 (iii) the person sells an item of tangible personal property or product transferred  
630 electronically that the person purchased as a sale that is exempt under Subsection (25); or

631 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of  
632 this state in which case the tax is based upon:

633 (A) the bill of sale or other written evidence of value of the vehicle or vessel being  
634 sold; or

635 (B) in the absence of a bill of sale or other written evidence of value, the fair market  
636 value of the vehicle or vessel being sold at the time of the sale as determined by the  
637 commission; and

638 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
639 commission shall make rules establishing the circumstances under which:

640 (i) a person is regularly engaged in the business of selling a type of tangible personal  
641 property or product transferred electronically;

642 (ii) a sale of tangible personal property or a product transferred electronically is one of  
643 a series of sales of a character to indicate that a person is regularly engaged in the business of  
644 selling that type of tangible personal property or product transferred electronically; or

645 (iii) a person holds that person out as regularly engaged in the business of selling a type

646 of tangible personal property or product transferred electronically;

647 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
648 operating repair or replacement parts, or materials, except for office equipment or office  
649 supplies, by:

650 (a) a manufacturing facility that:

651 (i) is located in the state; and

652 (ii) uses or consumes the machinery, equipment, normal operating repair or  
653 replacement parts, or materials:

654 (A) in the manufacturing process to manufacture an item sold as tangible personal  
655 property, as the commission may define that phrase in accordance with Title 63G, Chapter 3,  
656 Utah Administrative Rulemaking Act; or

657 (B) for a scrap recycler, to process an item sold as tangible personal property, as the  
658 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah  
659 Administrative Rulemaking Act;

660 (b) an establishment, as the commission defines that term in accordance with Title  
661 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

662 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS  
663 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal  
664 Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the  
665 2002 North American Industry Classification System of the federal Executive Office of the  
666 President, Office of Management and Budget;

667 (ii) is located in the state; and

668 (iii) uses or consumes the machinery, equipment, normal operating repair or  
669 replacement parts, or materials in:

670 (A) the production process to produce an item sold as tangible personal property, as the  
671 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah  
672 Administrative Rulemaking Act;

673 (B) research and development, as the commission may define that phrase in accordance



674 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

675 (C) transporting, storing, or managing tailings, overburden, or similar waste materials

676 produced from mining;

677 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in

678 mining; or

679 (E) preventing, controlling, or reducing dust or other pollutants from mining; or

680 (c) an establishment, as the commission defines that term in accordance with Title 63G,

681 Chapter 3, Utah Administrative Rulemaking Act, that:

682 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North

683 American Industry Classification System of the federal Executive Office of the President,

684 Office of Management and Budget;

685 (ii) is located in the state; and

686 (iii) uses or consumes the machinery, equipment, normal operating repair or

687 replacement parts, or materials in the operation of the web search portal;

688 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:

689 (i) tooling;

690 (ii) special tooling;

691 (iii) support equipment;

692 (iv) special test equipment; or

693 (v) parts used in the repairs or renovations of tooling or equipment described in

694 Subsections (15)(a)(i) through (iv); and

695 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:

696 (i) the tooling, equipment, or parts are used or consumed exclusively in the

697 performance of any aerospace or electronics industry contract with the United States

698 government or any subcontract under that contract; and

699 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),

700 title to the tooling, equipment, or parts is vested in the United States government as evidenced

701 by:

702 (A) a government identification tag placed on the tooling, equipment, or parts; or

703 (B) listing on a government-approved property record if placing a government

704 identification tag on the tooling, equipment, or parts is impractical;

705 (16) sales of newspapers or newspaper subscriptions;

706 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a

707 product transferred electronically traded in as full or part payment of the purchase price, except

708 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,

709 trade-ins are limited to other vehicles only, and the tax is based upon:

710 (i) the bill of sale or other written evidence of value of the vehicle being sold and the

711 vehicle being traded in; or

712 (ii) in the absence of a bill of sale or other written evidence of value, the then existing

713 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the

714 commission; and

715 (b) Subsection (17)(a) does not apply to the following items of tangible personal

716 property or products transferred electronically traded in as full or part payment of the purchase

717 price:

718 (i) money;

719 (ii) electricity;

720 (iii) water;

721 (iv) gas; or

722 (v) steam;

723 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property

724 or a product transferred electronically used or consumed primarily and directly in farming

725 operations, regardless of whether the tangible personal property or product transferred

726 electronically:

727 (A) becomes part of real estate; or

728 (B) is installed by a:

729 (I) farmer;

730 (II) contractor; or  
731 (III) subcontractor; or  
732 (ii) sales of parts used in the repairs or renovations of tangible personal property or a  
733 product transferred electronically if the tangible personal property or product transferred  
734 electronically is exempt under Subsection (18)(a)(i); and  
735 (b) amounts paid or charged for the following are subject to the taxes imposed by this  
736 chapter:  
737 (i) (A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or  
738 supplies if used in a manner that is incidental to farming; and  
739 (B) tangible personal property that is considered to be used in a manner that is  
740 incidental to farming includes:  
741 (I) hand tools; or  
742 (II) maintenance and janitorial equipment and supplies;  
743 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product  
744 transferred electronically if the tangible personal property or product transferred electronically  
745 is used in an activity other than farming; and  
746 (B) tangible personal property or a product transferred electronically that is considered  
747 to be used in an activity other than farming includes:  
748 (I) office equipment and supplies; or  
749 (II) equipment and supplies used in:  
750 (Aa) the sale or distribution of farm products;  
751 (Bb) research; or  
752 (Cc) transportation; or  
753 (iii) a vehicle required to be registered by the laws of this state during the period  
754 ending two years after the date of the vehicle's purchase;  
755 (19) sales of hay;  
756 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or  
757 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or

758 garden, farm, or other agricultural produce is sold by:

759       (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other  
760 agricultural produce;

761       (b) an employee of the producer described in Subsection (20)(a); or

762       (c) a member of the immediate family of the producer described in Subsection (20)(a);

763       (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued  
764 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

765       (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,  
766 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,  
767 wholesaler, or retailer for use in packaging tangible personal property to be sold by that  
768 manufacturer, processor, wholesaler, or retailer;

769       (23) a product stored in the state for resale;

770       (24) (a) purchases of a product if:

771           (i) the product is:

772               (A) purchased outside of this state;

773               (B) brought into this state:

774                   (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and

775                   (II) by a nonresident person who is not living or working in this state at the time of the  
776 purchase;

777               (C) used for the personal use or enjoyment of the nonresident person described in  
778 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and

779               (D) not used in conducting business in this state; and

780           (ii) for:

781               (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of  
782 the product for a purpose for which the product is designed occurs outside of this state;

783               (B) a boat, the boat is registered outside of this state; or

784               (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered  
785 outside of this state;

786 (b) the exemption provided for in Subsection (24)(a) does not apply to:  
787 (i) a lease or rental of a product; or  
788 (ii) a sale of a vehicle exempt under Subsection (33); and  
789 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
790 purposes of Subsection (24)(a), the commission may by rule define what constitutes the  
791 following:  
792 (i) conducting business in this state if that phrase has the same meaning in this  
793 Subsection (24) as in Subsection (63);  
794 (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)  
795 as in Subsection (63); or  
796 (iii) a purpose for which a product is designed if that phrase has the same meaning in  
797 this Subsection (24) as in Subsection (63);  
798 (25) a product purchased for resale in the regular course of business, either in its  
799 original form or as an ingredient or component part of a manufactured or compounded product;  
800 (26) a product upon which a sales or use tax was paid to some other state, or one of its  
801 subdivisions, except that the state shall be paid any difference between the tax paid and the tax  
802 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if  
803 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax  
804 Act;  
805 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a  
806 person for use in compounding a service taxable under the subsections;  
807 (28) purchases made in accordance with the special supplemental nutrition program for  
808 women, infants, and children established in 42 U.S.C. Sec. 1786;  
809 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other  
810 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code  
811 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of  
812 the President, Office of Management and Budget;  
813 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State

814 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:

815 (a) not registered in this state; and

816 (b) (i) not used in this state; or

817 (ii) used in this state:

818 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a  
819 time period that does not exceed the longer of:

820 (I) 30 days in any calendar year; or

821 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to  
822 the borders of this state; or

823 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time  
824 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this  
825 state;

826 (31) sales of aircraft manufactured in Utah;

827 (32) amounts paid for the purchase of telecommunications service for purposes of  
828 providing telecommunications service;

829 (33) sales, leases, or uses of the following:

830 (a) a vehicle by an authorized carrier; or

831 (b) tangible personal property that is installed on a vehicle:

832 (i) sold or leased to or used by an authorized carrier; and

833 (ii) before the vehicle is placed in service for the first time;

834 (34) (a) 45% of the sales price of any new manufactured home; and

835 (b) 100% of the sales price of any used manufactured home;

836 (35) sales relating to schools and fundraising sales;

837 (36) sales or rentals of durable medical equipment if:

838 (a) a person presents a prescription for the durable medical equipment; and

839 (b) the durable medical equipment is used for home use only;

840 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in

841 Section [72-11-102](#); and

842 (b) the commission shall by rule determine the method for calculating sales exempt  
843 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;

844 (38) sales to a ski resort of:

845 (a) snowmaking equipment;

846 (b) ski slope grooming equipment;

847 (c) passenger ropeways as defined in Section 72-11-102; or

848 (d) parts used in the repairs or renovations of equipment or passenger ropeways

849 described in Subsections (38)(a) through (c);

850 (39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal,  
851 fuel oil, or other fuels for industrial use;

852 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for  
853 amusement, entertainment, or recreation an unassisted amusement device as defined in Section  
854 59-12-102;

855 (b) if a seller that sells or rents at the same business location the right to use or operate  
856 for amusement, entertainment, or recreation one or more unassisted amusement devices and  
857 one or more assisted amusement devices, the exemption described in Subsection (40)(a)  
858 applies if the seller separately accounts for the sales or rentals of the right to use or operate for  
859 amusement, entertainment, or recreation for the assisted amusement devices; and

860 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,  
861 Utah Administrative Rulemaking Act, the commission may make rules:

862 (i) governing the circumstances under which sales are at the same business location;  
863 and

864 (ii) establishing the procedures and requirements for a seller to separately account for  
865 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for  
866 assisted amusement devices;

867 (41) (a) sales of photocopies by:

868 (i) a governmental entity; or

869 (ii) an entity within the state system of public education, including:

- 870 (A) a school; or
- 871 (B) the State Board of Education; or
- 872 (b) sales of publications by a governmental entity;
- 873 (42) amounts paid for admission to an athletic event at an institution of higher
- 874 education that is subject to the provisions of Title IX of the Education Amendments of 1972,
- 875 20 U.S.C. Sec. 1681 et seq.;
- 876 (43) (a) sales made to or by:
- 877 (i) an area agency on aging; or
- 878 (ii) a senior citizen center owned by a county, city, or town; or
- 879 (b) sales made by a senior citizen center that contracts with an area agency on aging;
- 880 (44) sales or leases of semiconductor fabricating, processing, research, or development
- 881 materials regardless of whether the semiconductor fabricating, processing, research, or
- 882 development materials:
- 883 (a) actually come into contact with a semiconductor; or
- 884 (b) ultimately become incorporated into real property;
- 885 (45) an amount paid by or charged to a purchaser for accommodations and services
- 886 described in Subsection [59-12-103\(1\)\(i\)](#) to the extent the amount is exempt under Section
- 887 [59-12-104.2](#);
- 888 (46) beginning on September 1, 2001, the lease or use of a vehicle issued a temporary
- 889 sports event registration certificate in accordance with Section [41-3-306](#) for the event period
- 890 specified on the temporary sports event registration certificate;
- 891 (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff
- 892 adopted by the Public Service Commission only for purchase of electricity produced from a
- 893 new alternative energy source built after January 1, 2016, as designated in the tariff by the
- 894 Public Service Commission; and
- 895 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
- 896 only to the portion of the tariff rate a customer pays under the tariff described in Subsection
- 897 (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the



898 customer would have paid absent the tariff;

899 (48) sales or rentals of mobility enhancing equipment if a person presents a  
900 prescription for the mobility enhancing equipment;

901 (49) sales of water in a:

902 (a) pipe;

903 (b) conduit;

904 (c) ditch; or

905 (d) reservoir;

906 (50) sales of currency or coins that constitute legal tender of a state, the United States,  
907 or a foreign nation;

908 (51) (a) sales of an item described in Subsection (51)(b) if the item:

909 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and

910 (ii) has a gold, silver, or platinum content of 50% or more; and

911 (b) Subsection (51)(a) applies to a gold, silver, or platinum:

912 (i) ingot;

913 (ii) bar;

914 (iii) medallion; or

915 (iv) decorative coin;

916 (52) amounts paid on a sale-leaseback transaction;

917 (53) sales of a prosthetic device:

918 (a) for use on or in a human; and

919 (b) (i) for which a prescription is required; or

920 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

921 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of  
922 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery  
923 or equipment is primarily used in the production or postproduction of the following media for  
924 commercial distribution:

925 (i) a motion picture;

926 (ii) a television program;  
927 (iii) a movie made for television;  
928 (iv) a music video;  
929 (v) a commercial;  
930 (vi) a documentary; or  
931 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the  
932 commission by administrative rule made in accordance with Subsection (54)(d); or  
933 (b) purchases, leases, or rentals of machinery or equipment by an establishment  
934 described in Subsection (54)(c) that is used for the production or postproduction of the  
935 following are subject to the taxes imposed by this chapter:  
936 (i) a live musical performance;  
937 (ii) a live news program; or  
938 (iii) a live sporting event;  
939 (c) the following establishments listed in the 1997 North American Industry  
940 Classification System of the federal Executive Office of the President, Office of Management  
941 and Budget, apply to Subsections (54)(a) and (b):  
942 (i) NAICS Code 512110; or  
943 (ii) NAICS Code 51219; and  
944 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
945 commission may by rule:  
946 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);  
947 or  
948 (ii) define:  
949 (A) "commercial distribution";  
950 (B) "live musical performance";  
951 (C) "live news program"; or  
952 (D) "live sporting event";  
953 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but

954 on or before June 30, 2027, of tangible personal property that:

955 (i) is leased or purchased for or by a facility that:

956 (A) is an alternative energy electricity production facility;

957 (B) is located in the state; and

958 (C) (I) becomes operational on or after July 1, 2004; or

959 (II) has its generation capacity increased by one or more megawatts on or after July 1,

960 2004, as a result of the use of the tangible personal property;

961 (ii) has an economic life of five or more years; and

962 (iii) is used to make the facility or the increase in capacity of the facility described in

963 Subsection (55)(a)(i) operational up to the point of interconnection with an existing

964 transmission grid including:

965 (A) a wind turbine;

966 (B) generating equipment;

967 (C) a control and monitoring system;

968 (D) a power line;

969 (E) substation equipment;

970 (F) lighting;

971 (G) fencing;

972 (H) pipes; or

973 (I) other equipment used for locating a power line or pole; and

974 (b) this Subsection (55) does not apply to:

975 (i) tangible personal property used in construction of:

976 (A) a new alternative energy electricity production facility; or

977 (B) the increase in the capacity of an alternative energy electricity production facility;

978 (ii) contracted services required for construction and routine maintenance activities;

979 and

980 (iii) unless the tangible personal property is used or acquired for an increase in capacity

981 of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or

982 acquired after:

983 (A) the alternative energy electricity production facility described in Subsection  
984 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or

985 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described  
986 in Subsection (55)(a)(iii);

987 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but  
988 on or before June 30, 2027, of tangible personal property that:

989 (i) is leased or purchased for or by a facility that:

990 (A) is a waste energy production facility;

991 (B) is located in the state; and

992 (C) (I) becomes operational on or after July 1, 2004; or

993 (II) has its generation capacity increased by one or more megawatts on or after July 1,  
994 2004, as a result of the use of the tangible personal property;

995 (ii) has an economic life of five or more years; and

996 (iii) is used to make the facility or the increase in capacity of the facility described in  
997 Subsection (56)(a)(i) operational up to the point of interconnection with an existing  
998 transmission grid including:

999 (A) generating equipment;

1000 (B) a control and monitoring system;

1001 (C) a power line;

1002 (D) substation equipment;

1003 (E) lighting;

1004 (F) fencing;

1005 (G) pipes; or

1006 (H) other equipment used for locating a power line or pole; and

1007 (b) this Subsection (56) does not apply to:

1008 (i) tangible personal property used in construction of:

1009 (A) a new waste energy facility; or

1010 (B) the increase in the capacity of a waste energy facility;

1011 (ii) contracted services required for construction and routine maintenance activities;

1012 and

1013 (iii) unless the tangible personal property is used or acquired for an increase in capacity

1014 described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:

1015 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as

1016 described in Subsection (56)(a)(iii); or

1017 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described

1018 in Subsection (56)(a)(iii);

1019 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on

1020 or before June 30, 2027, of tangible personal property that:

1021 (i) is leased or purchased for or by a facility that:

1022 (A) is located in the state;

1023 (B) produces fuel from alternative energy, including:

1024 (I) methanol; or

1025 (II) ethanol; and

1026 (C) (I) becomes operational on or after July 1, 2004; or

1027 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as

1028 a result of the installation of the tangible personal property;

1029 (ii) has an economic life of five or more years; and

1030 (iii) is installed on the facility described in Subsection (57)(a)(i);

1031 (b) this Subsection (57) does not apply to:

1032 (i) tangible personal property used in construction of:

1033 (A) a new facility described in Subsection (57)(a)(i); or

1034 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or

1035 (ii) contracted services required for construction and routine maintenance activities;

1036 and

1037 (iii) unless the tangible personal property is used or acquired for an increase in capacity

1038 described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:

1039 (A) the facility described in Subsection (57)(a)(i) is operational; or

1040 (B) the increased capacity described in Subsection (57)(a)(i) is operational;

1041 (58) (a) subject to Subsection (58)(b) or (c), sales of tangible personal property or a

1042 product transferred electronically to a person within this state if that tangible personal property

1043 or product transferred electronically is subsequently shipped outside the state and incorporated

1044 pursuant to contract into and becomes a part of real property located outside of this state;

1045 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other

1046 state or political entity to which the tangible personal property is shipped imposes a sales, use,

1047 gross receipts, or other similar transaction excise tax on the transaction against which the other

1048 state or political entity allows a credit for sales and use taxes imposed by this chapter; and

1049 (c) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,

1050 a person may claim the exemption allowed by this Subsection (58) for a sale by filing for a

1051 refund:

1052 (i) if the sale is made on or after July 1, 2004, but on or before June 30, 2008;

1053 (ii) as if this Subsection (58) as in effect on July 1, 2008, were in effect on the day on

1054 which the sale is made;

1055 (iii) if the person did not claim the exemption allowed by this Subsection (58) for the

1056 sale prior to filing for the refund;

1057 (iv) for sales and use taxes paid under this chapter on the sale;

1058 (v) in accordance with Section 59-1-1410; and

1059 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if

1060 the person files for the refund on or before June 30, 2011;

1061 (59) purchases:

1062 (a) of one or more of the following items in printed or electronic format:

1063 (i) a list containing information that includes one or more:

1064 (A) names; or

1065 (B) addresses; or

- 1066 (ii) a database containing information that includes one or more:
- 1067 (A) names; or
- 1068 (B) addresses; and
- 1069 (b) used to send direct mail;
- 1070 (60) redemptions or repurchases of a product by a person if that product was:
- 1071 (a) delivered to a pawnbroker as part of a pawn transaction; and
- 1072 (b) redeemed or repurchased within the time period established in a written agreement
- 1073 between the person and the pawnbroker for redeeming or repurchasing the product;
- 1074 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:
- 1075 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
- 1076 and
- 1077 (ii) has a useful economic life of one or more years; and
- 1078 (b) the following apply to Subsection (61)(a):
- 1079 (i) telecommunications enabling or facilitating equipment, machinery, or software;
- 1080 (ii) telecommunications equipment, machinery, or software required for 911 service;
- 1081 (iii) telecommunications maintenance or repair equipment, machinery, or software;
- 1082 (iv) telecommunications switching or routing equipment, machinery, or software; or
- 1083 (v) telecommunications transmission equipment, machinery, or software;
- 1084 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
- 1085 personal property or a product transferred electronically that are used in the research and
- 1086 development of alternative energy technology; and
- 1087 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1088 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes
- 1089 purchases of tangible personal property or a product transferred electronically that are used in
- 1090 the research and development of alternative energy technology;
- 1091 (63) (a) purchases of tangible personal property or a product transferred electronically
- 1092 if:
- 1093 (i) the tangible personal property or product transferred electronically is:

- 1094 (A) purchased outside of this state;
- 1095 (B) brought into this state at any time after the purchase described in Subsection
- 1096 (63)(a)(i)(A); and
- 1097 (C) used in conducting business in this state; and
- 1098 (ii) for:
- 1099 (A) tangible personal property or a product transferred electronically other than the
- 1100 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property
- 1101 for a purpose for which the property is designed occurs outside of this state; or
- 1102 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered
- 1103 outside of this state;
- 1104 (b) the exemption provided for in Subsection (63)(a) does not apply to:
- 1105 (i) a lease or rental of tangible personal property or a product transferred electronically;
- 1106 or
- 1107 (ii) a sale of a vehicle exempt under Subsection (33); and
- 1108 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
- 1109 purposes of Subsection (63)(a), the commission may by rule define what constitutes the
- 1110 following:
- 1111 (i) conducting business in this state if that phrase has the same meaning in this
- 1112 Subsection (63) as in Subsection (24);
- 1113 (ii) the first use of tangible personal property or a product transferred electronically if
- 1114 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or
- 1115 (iii) a purpose for which tangible personal property or a product transferred
- 1116 electronically is designed if that phrase has the same meaning in this Subsection (63) as in
- 1117 Subsection (24);
- 1118 (64) sales of disposable home medical equipment or supplies if:
- 1119 (a) a person presents a prescription for the disposable home medical equipment or
- 1120 supplies;
- 1121 (b) the disposable home medical equipment or supplies are used exclusively by the



1122 person to whom the prescription described in Subsection (64)(a) is issued; and  
1123 (c) the disposable home medical equipment and supplies are listed as eligible for  
1124 payment under:  
1125 (i) Title XVIII, federal Social Security Act; or  
1126 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;  
1127 (65) sales:  
1128 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit  
1129 District Act; or  
1130 (b) of tangible personal property to a subcontractor of a public transit district, if the  
1131 tangible personal property is:  
1132 (i) clearly identified; and  
1133 (ii) installed or converted to real property owned by the public transit district;  
1134 (66) sales of construction materials:  
1135 (a) purchased on or after July 1, 2010;  
1136 (b) purchased by, on behalf of, or for the benefit of an international airport:  
1137 (i) located within a county of the first class; and  
1138 (ii) that has a United States customs office on its premises; and  
1139 (c) if the construction materials are:  
1140 (i) clearly identified;  
1141 (ii) segregated; and  
1142 (iii) installed or converted to real property:  
1143 (A) owned or operated by the international airport described in Subsection (66)(b); and  
1144 (B) located at the international airport described in Subsection (66)(b);  
1145 (67) sales of construction materials:  
1146 (a) purchased on or after July 1, 2008;  
1147 (b) purchased by, on behalf of, or for the benefit of a new airport:  
1148 (i) located within a county of the second class; and  
1149 (ii) that is owned or operated by a city in which an airline as defined in Section

1150 [59-2-102](#) is headquartered; and

1151 (c) if the construction materials are:

1152 (i) clearly identified;

1153 (ii) segregated; and

1154 (iii) installed or converted to real property:

1155 (A) owned or operated by the new airport described in Subsection (67)(b);

1156 (B) located at the new airport described in Subsection (67)(b); and

1157 (C) as part of the construction of the new airport described in Subsection (67)(b);

1158 (68) sales of fuel to a common carrier that is a railroad for use in a locomotive engine;

1159 (69) purchases and sales described in Section [63H-4-111](#);

1160 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and

1161 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of

1162 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration

1163 lists a state or country other than this state as the location of registry of the fixed wing turbine

1164 powered aircraft; or

1165 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul

1166 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of

1167 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration

1168 lists a state or country other than this state as the location of registry of the fixed wing turbine

1169 powered aircraft;

1170 (71) subject to Section [59-12-104.4](#), sales of a textbook for a higher education course:

1171 (a) to a person admitted to an institution of higher education; and

1172 (b) by a seller, other than a bookstore owned by an institution of higher education, if

1173 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a

1174 textbook for a higher education course;

1175 (72) a license fee or tax a municipality imposes in accordance with Subsection

1176 [10-1-203\(5\)](#) on a purchaser from a business for which the municipality provides an enhanced

1177 level of municipal services;

1178 (73) amounts paid or charged for construction materials used in the construction of a  
1179 new or expanding life science research and development facility in the state, if the construction  
1180 materials are:

- 1181 (a) clearly identified;
- 1182 (b) segregated; and
- 1183 (c) installed or converted to real property;

1184 (74) amounts paid or charged for:

1185 (a) a purchase or lease of machinery and equipment that:

1186 (i) are used in performing qualified research:

1187 (A) as defined in Section 41(d), Internal Revenue Code; and

1188 (B) in the state; and

1189 (ii) have an economic life of three or more years; and

1190 (b) normal operating repair or replacement parts:

1191 (i) for the machinery and equipment described in Subsection (74)(a); and

1192 (ii) that have an economic life of three or more years;

1193 (75) a sale or lease of tangible personal property used in the preparation of prepared  
1194 food if:

1195 (a) for a sale:

1196 (i) the ownership of the seller and the ownership of the purchaser are identical; and

1197 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that

1198 tangible personal property prior to making the sale; or

1199 (b) for a lease:

1200 (i) the ownership of the lessor and the ownership of the lessee are identical; and

1201 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible  
1202 personal property prior to making the lease;

1203 (76) (a) purchases of machinery or equipment if:

1204 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,  
1205 Gambling, and Recreation Industries, of the 2012 North American Industry Classification

1206 System of the federal Executive Office of the President, Office of Management and Budget;

1207 (ii) the machinery or equipment:

1208 (A) has an economic life of three or more years; and

1209 (B) is used by one or more persons who pay admission or user fees described in

1210 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and

1211 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:

1212 (A) amounts paid or charged as admission or user fees described in Subsection

1213 59-12-103(1)(f); and

1214 (B) subject to taxation under this chapter; and

1215 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

1216 commission may make rules for verifying that 51% of a purchaser's sales revenue for the

1217 previous calendar quarter is:

1218 (i) amounts paid or charged as admission or user fees described in Subsection

1219 59-12-103(1)(f); and

1220 (ii) subject to taxation under this chapter;

1221 (77) purchases of a short-term lodging consumable by a business that provides

1222 accommodations and services described in Subsection 59-12-103(1)(i);

1223 (78) amounts paid or charged to access a database:

1224 (a) if the primary purpose for accessing the database is to view or retrieve information

1225 from the database; and

1226 (b) not including amounts paid or charged for a:

1227 (i) digital audiowork;

1228 (ii) digital audio-visual work; or

1229 (iii) digital book;

1230 (79) amounts paid or charged for a purchase or lease made by an electronic financial

1231 payment service, of:

1232 (a) machinery and equipment that:

1233 (i) are used in the operation of the electronic financial payment service; and

1234 (ii) have an economic life of three or more years; and  
1235 (b) normal operating repair or replacement parts that:  
1236 (i) are used in the operation of the electronic financial payment service; and  
1237 (ii) have an economic life of three or more years;  
1238 (80) beginning on April 1, 2013, sales of a fuel cell as defined in Section 54-15-102;  
1239 (81) amounts paid or charged for a purchase or lease of tangible personal property or a  
1240 product transferred electronically if the tangible personal property or product transferred  
1241 electronically:  
1242 (a) is stored, used, or consumed in the state; and  
1243 (b) is temporarily brought into the state from another state:  
1244 (i) during a disaster period as defined in Section 53-2a-1202;  
1245 (ii) by an out-of-state business as defined in Section 53-2a-1202;  
1246 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and  
1247 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;  
1248 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined  
1249 in Section 39-9-102, made pursuant to Title 39, Chapter 9, State Morale, Welfare, and  
1250 Recreation Program;  
1251 (83) amounts paid or charged for a purchase or lease of molten magnesium;  
1252 (84) amounts paid or charged for a purchase or lease made by a qualifying enterprise  
1253 data center of machinery, equipment, or normal operating repair or replacement parts, if the  
1254 machinery, equipment, or normal operating repair or replacement parts:  
1255 (a) are used in the operation of the establishment; and  
1256 (b) have an economic life of one or more years;  
1257 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a  
1258 vehicle that includes cleaning or washing of the interior of the vehicle;  
1259 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
1260 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used  
1261 or consumed:

1262 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined  
1263 in Section 63M-4-701 located in the state;

1264 (b) if the machinery, equipment, normal operating repair or replacement parts,  
1265 catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:

1266 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is  
1267 added to gasoline or diesel fuel;

1268 (ii) research and development;

1269 (iii) transporting, storing, or managing raw materials, work in process, finished  
1270 products, and waste materials produced from refining gasoline or diesel fuel, or adding  
1271 blendstock to gasoline or diesel fuel;

1272 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in  
1273 refining; or

1274 (v) preventing, controlling, or reducing pollutants from refining; and

1275 (c) beginning on July 1, 2021, if the person has obtained a form certified by the Office  
1276 of Energy Development under Subsection 63M-4-702(2);

1277 (87) amounts paid to or charged by a proprietor for accommodations and services, as  
1278 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations tax  
1279 imposed under Section 63H-1-205;

1280 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
1281 operating repair or replacement parts, or materials, except for office equipment or office  
1282 supplies, by an establishment, as the commission defines that term in accordance with Title  
1283 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

1284 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North  
1285 American Industry Classification System of the federal Executive Office of the President,  
1286 Office of Management and Budget;

1287 (b) is located in this state; and

1288 (c) uses the machinery, equipment, normal operating repair or replacement parts, or  
1289 materials in the operation of the establishment; and

1290

(89) amounts paid or charged for an item exempt under Section [59-12-104.10](#).