

**ENERGY STORAGE AMENDMENTS**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Stephen G. Handy**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends tax provisions and creates a pilot grant program related to the purchase of energy storage equipment.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ creates a sales and use tax exemption for the purchase of energy storage equipment;
- ▶ extends the deadline for sales and use tax exemptions for certain electricity facilities;
- ▶ creates a pilot grant program for the purchase of energy storage assets; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

This bill appropriates to the Office of Energy Development - Energy Storage Asset Pilot Grant Program, as a one-time appropriation:

- ▶ from the General Fund, one-time, \$500,000.

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-12-102**, as last amended by Laws of Utah 2021, Chapters 64, 367, 414 and last



28 amended by Coordination Clause, Laws of Utah 2021, Chapter 367  
 29 **59-12-104**, as last amended by Laws of Utah 2021, Chapters 280 and 367  
 30 **63I-1-279**, as last amended by Laws of Utah 2021, Chapter 280  
 31 **79-6-401**, as renumbered and amended by Laws of Utah 2021, Chapter 280

32 ENACTS:

33 **79-6-403**, Utah Code Annotated 1953



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

36 Section 1. Section **59-12-102** is amended to read:

37 **59-12-102. Definitions.**

38 As used in this chapter:

- 39 (1) "800 service" means a telecommunications service that:
  - 40 (a) allows a caller to dial a toll-free number without incurring a charge for the call; and
  - 41 (b) is typically marketed:
    - 42 (i) under the name 800 toll-free calling;
    - 43 (ii) under the name 855 toll-free calling;
    - 44 (iii) under the name 866 toll-free calling;
    - 45 (iv) under the name 877 toll-free calling;
    - 46 (v) under the name 888 toll-free calling; or
    - 47 (vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the

48 Federal Communications Commission.

49 (2) (a) "900 service" means an inbound toll telecommunications service that:

- 50 (i) a subscriber purchases;
- 51 (ii) allows a customer of the subscriber described in Subsection (2)(a)(i) to call in to

52 the subscriber's:

- 53 (A) prerecorded announcement; or
- 54 (B) live service; and
- 55 (iii) is typically marketed:
  - 56 (A) under the name 900 service; or
  - 57 (B) under a name similar to Subsection (2)(a)(iii)(A) as designated by the Federal

58 Communications Commission.

- 59 (b) "900 service" does not include a charge for:
- 60 (i) a collection service a seller of a telecommunications service provides to a  
61 subscriber; or
- 62 (ii) the following a subscriber sells to the subscriber's customer:
- 63 (A) a product; or
- 64 (B) a service.
- 65 (3) (a) "Admission or user fees" includes season passes.
- 66 (b) "Admission or user fees" does not include:
- 67 (i) annual membership dues to private organizations; or
- 68 (ii) a lesson, including a lesson that involves as part of the lesson equipment or a  
69 facility listed in Subsection 59-12-103(1)(f).
- 70 (4) "Affiliate" or "affiliated person" means a person that, with respect to another  
71 person:
- 72 (a) has an ownership interest of more than 5%, whether direct or indirect, in that other  
73 person; or
- 74 (b) is related to the other person because a third person, or a group of third persons who  
75 are affiliated persons with respect to each other, holds an ownership interest of more than 5%,  
76 whether direct or indirect, in the related persons.
- 77 (5) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on  
78 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax  
79 Agreement after November 12, 2002.
- 80 (6) "Agreement combined tax rate" means the sum of the tax rates:
- 81 (a) listed under Subsection (7); and
- 82 (b) that are imposed within a local taxing jurisdiction.
- 83 (7) "Agreement sales and use tax" means a tax imposed under:
- 84 (a) Subsection 59-12-103(2)(a)(i)(A);
- 85 (b) Subsection 59-12-103(2)(b)(i);
- 86 (c) Subsection 59-12-103(2)(c)(i);
- 87 (d) Subsection 59-12-103(2)(d);
- 88 (e) Subsection 59-12-103(2)(e)(i)(A)(I);
- 89 (f) Section 59-12-204;

- 90 (g) Section 59-12-401;
- 91 (h) Section 59-12-402;
- 92 (i) Section 59-12-402.1;
- 93 (j) Section 59-12-703;
- 94 (k) Section 59-12-802;
- 95 (l) Section 59-12-804;
- 96 (m) Section 59-12-1102;
- 97 (n) Section 59-12-1302;
- 98 (o) Section 59-12-1402;
- 99 (p) Section 59-12-1802;
- 100 (q) Section 59-12-2003;
- 101 (r) Section 59-12-2103;
- 102 (s) Section 59-12-2213;
- 103 (t) Section 59-12-2214;
- 104 (u) Section 59-12-2215;
- 105 (v) Section 59-12-2216;
- 106 (w) Section 59-12-2217;
- 107 (x) Section 59-12-2218;
- 108 (y) Section 59-12-2219; or
- 109 (z) Section 59-12-2220.
- 110 (8) "Aircraft" means the same as that term is defined in Section 72-10-102.
- 111 (9) "Aircraft maintenance, repair, and overhaul provider" means a business entity:
- 112 (a) except for:
- 113 (i) an airline as defined in Section 59-2-102; or
- 114 (ii) an affiliated group, as defined in Section 59-7-101, except that "affiliated group"
- 115 includes a corporation that is qualified to do business but is not otherwise doing business in the
- 116 state, of an airline; and
- 117 (b) that has the workers, expertise, and facilities to perform the following, regardless of
- 118 whether the business entity performs the following in this state:
- 119 (i) check, diagnose, overhaul, and repair:
- 120 (A) an onboard system of a fixed wing turbine powered aircraft; and

- 121 (B) the parts that comprise an onboard system of a fixed wing turbine powered aircraft;
- 122 (ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered aircraft
- 123 engine;
- 124 (iii) perform at least the following maintenance on a fixed wing turbine powered
- 125 aircraft:
- 126 (A) an inspection;
- 127 (B) a repair, including a structural repair or modification;
- 128 (C) changing landing gear; and
- 129 (D) addressing issues related to an aging fixed wing turbine powered aircraft;
- 130 (iv) completely remove the existing paint of a fixed wing turbine powered aircraft and
- 131 completely apply new paint to the fixed wing turbine powered aircraft; and
- 132 (v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that
- 133 results in a change in the fixed wing turbine powered aircraft's certification requirements by the
- 134 authority that certifies the fixed wing turbine powered aircraft.
- 135 (10) "Alcoholic beverage" means a beverage that:
- 136 (a) is suitable for human consumption; and
- 137 (b) contains .5% or more alcohol by volume.
- 138 (11) "Alternative energy" means:
- 139 (a) biomass energy;
- 140 (b) geothermal energy;
- 141 (c) hydroelectric energy;
- 142 (d) solar energy;
- 143 (e) wind energy; or
- 144 (f) energy that is derived from:
- 145 (i) coal-to-liquids;
- 146 (ii) nuclear fuel;
- 147 (iii) oil-impregnated diatomaceous earth;
- 148 (iv) oil sands;
- 149 (v) oil shale;
- 150 (vi) petroleum coke; or
- 151 (vii) waste heat from:

- 152 (A) an industrial facility; or
- 153 (B) a power station in which an electric generator is driven through a process in which
- 154 water is heated, turns into steam, and spins a steam turbine.

155 (12) (a) [~~Subject to Subsection (12)(b), "alternative]~~ "Alternative energy electricity

156 production facility" means a facility that:

- 157 (i) uses alternative energy to produce electricity; and
  - 158 (ii) has a production capacity of two megawatts or greater.
- 159 (b) A facility is an alternative energy electricity production facility regardless of
- 160 whether the facility is:
- 161 (i) connected to an electric grid; or
  - 162 (ii) located on the premises of an electricity consumer.

163 (13) (a) "Ancillary service" means a service associated with, or incidental to, the

164 provision of telecommunications service.

- 165 (b) "Ancillary service" includes:
- 166 (i) a conference bridging service;
  - 167 (ii) a detailed communications billing service;
  - 168 (iii) directory assistance;
  - 169 (iv) a vertical service; or
  - 170 (v) a voice mail service.

171 (14) "Area agency on aging" means the same as that term is defined in Section

172 [62A-3-101](#).

173 (15) "Assisted amusement device" means an amusement device, skill device, or ride

174 device that is started and stopped by an individual:

- 175 (a) who is not the purchaser or renter of the right to use or operate the amusement
- 176 device, skill device, or ride device; and
- 177 (b) at the direction of the seller of the right to use the amusement device, skill device,
- 178 or ride device.

179 (16) "Assisted cleaning or washing of tangible personal property" means cleaning or

180 washing of tangible personal property if the cleaning or washing labor is primarily performed

181 by an individual:

- 182 (a) who is not the purchaser of the cleaning or washing of the tangible personal

183 property; and

184 (b) at the direction of the seller of the cleaning or washing of the tangible personal  
185 property.

186 (17) "Authorized carrier" means:

187 (a) in the case of vehicles operated over public highways, the holder of credentials  
188 indicating that the vehicle is or will be operated pursuant to both the International Registration  
189 Plan and the International Fuel Tax Agreement;

190 (b) in the case of aircraft, the holder of a Federal Aviation Administration operating  
191 certificate or air carrier's operating certificate; or

192 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling  
193 stock, a person who uses locomotives, freight cars, railroad work equipment, or other rolling  
194 stock in more than one state.

195 (18) (a) [~~Except as provided in Subsection (18)(b), "biomass"~~] "Biomass energy" means  
196 any of the following that is used as the primary source of energy to produce fuel or electricity:

197 (i) material from a plant or tree; or

198 (ii) other organic matter that is available on a renewable basis, including:

199 (A) slash and brush from forests and woodlands;

200 (B) animal waste;

201 (C) waste vegetable oil;

202 (D) methane or synthetic gas produced at a landfill, as a byproduct of the treatment of  
203 wastewater residuals, or through the conversion of a waste material through a nonincineration,  
204 thermal conversion process;

205 (E) aquatic plants; and

206 (F) agricultural products.

207 (b) "Biomass energy" does not include:

208 (i) black liquor; or

209 (ii) treated woods.

210 (19) (a) "Bundled transaction" means the sale of two or more items of tangible personal  
211 property, products, or services if the tangible personal property, products, or services are:

212 (i) distinct and identifiable; and

213 (ii) sold for one nonitemized price.

- 214 (b) "Bundled transaction" does not include:
- 215 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on
- 216 the basis of the selection by the purchaser of the items of tangible personal property included in
- 217 the transaction;
- 218 (ii) the sale of real property;
- 219 (iii) the sale of services to real property;
- 220 (iv) the retail sale of tangible personal property and a service if:
- 221 (A) the tangible personal property:
- 222 (I) is essential to the use of the service; and
- 223 (II) is provided exclusively in connection with the service; and
- 224 (B) the service is the true object of the transaction;
- 225 (v) the retail sale of two services if:
- 226 (A) one service is provided that is essential to the use or receipt of a second service;
- 227 (B) the first service is provided exclusively in connection with the second service; and
- 228 (C) the second service is the true object of the transaction;
- 229 (vi) a transaction that includes tangible personal property or a product subject to
- 230 taxation under this chapter and tangible personal property or a product that is not subject to
- 231 taxation under this chapter if the:
- 232 (A) seller's purchase price of the tangible personal property or product subject to
- 233 taxation under this chapter is de minimis; or
- 234 (B) seller's sales price of the tangible personal property or product subject to taxation
- 235 under this chapter is de minimis; and
- 236 (vii) the retail sale of tangible personal property that is not subject to taxation under
- 237 this chapter and tangible personal property that is subject to taxation under this chapter if:
- 238 (A) that retail sale includes:
- 239 (I) food and food ingredients;
- 240 (II) a drug;
- 241 (III) durable medical equipment;
- 242 (IV) mobility enhancing equipment;
- 243 (V) an over-the-counter drug;
- 244 (VI) a prosthetic device; or



- 245 (VII) a medical supply; and
- 246 (B) subject to Subsection (19)(f):
- 247 (I) the seller's purchase price of the tangible personal property subject to taxation under
- 248 this chapter is 50% or less of the seller's total purchase price of that retail sale; or
- 249 (II) the seller's sales price of the tangible personal property subject to taxation under
- 250 this chapter is 50% or less of the seller's total sales price of that retail sale.
- 251 (c) (i) For purposes of Subsection (19)(a)(i), tangible personal property, a product, or a
- 252 service that is distinct and identifiable does not include:
- 253 (A) packaging that:
- 254 (I) accompanies the sale of the tangible personal property, product, or service; and
- 255 (II) is incidental or immaterial to the sale of the tangible personal property, product, or
- 256 service;
- 257 (B) tangible personal property, a product, or a service provided free of charge with the
- 258 purchase of another item of tangible personal property, a product, or a service; or
- 259 (C) an item of tangible personal property, a product, or a service included in the
- 260 definition of "purchase price."
- 261 (ii) For purposes of Subsection (19)(c)(i)(B), an item of tangible personal property, a
- 262 product, or a service is provided free of charge with the purchase of another item of tangible
- 263 personal property, a product, or a service if the sales price of the purchased item of tangible
- 264 personal property, product, or service does not vary depending on the inclusion of the tangible
- 265 personal property, product, or service provided free of charge.
- 266 (d) (i) For purposes of Subsection (19)(a)(ii), property sold for one nonitemized price
- 267 does not include a price that is separately identified by tangible personal property, product, or
- 268 service on the following, regardless of whether the following is in paper format or electronic
- 269 format:
- 270 (A) a binding sales document; or
- 271 (B) another supporting sales-related document that is available to a purchaser.
- 272 (ii) For purposes of Subsection (19)(d)(i), a binding sales document or another
- 273 supporting sales-related document that is available to a purchaser includes:
- 274 (A) a bill of sale;
- 275 (B) a contract;

276 (C) an invoice;

277 (D) a lease agreement;

278 (E) a periodic notice of rates and services;

279 (F) a price list;

280 (G) a rate card;

281 (H) a receipt; or

282 (I) a service agreement.

283 (e) (i) For purposes of Subsection (19)(b)(vi), the sales price of tangible personal  
284 property or a product subject to taxation under this chapter is de minimis if:

285 (A) the seller's purchase price of the tangible personal property or product is 10% or  
286 less of the seller's total purchase price of the bundled transaction; or

287 (B) the seller's sales price of the tangible personal property or product is 10% or less of  
288 the seller's total sales price of the bundled transaction.

289 (ii) For purposes of Subsection (19)(b)(vi), a seller:

290 (A) shall use the seller's purchase price or the seller's sales price to determine if the  
291 purchase price or sales price of the tangible personal property or product subject to taxation  
292 under this chapter is de minimis; and

293 (B) may not use a combination of the seller's purchase price and the seller's sales price  
294 to determine if the purchase price or sales price of the tangible personal property or product  
295 subject to taxation under this chapter is de minimis.

296 (iii) For purposes of Subsection (19)(b)(vi), a seller shall use the full term of a service  
297 contract to determine if the sales price of tangible personal property or a product is de minimis.

298 (f) For purposes of Subsection (19)(b)(vii)(B), a seller may not use a combination of  
299 the seller's purchase price and the seller's sales price to determine if tangible personal property  
300 subject to taxation under this chapter is 50% or less of the seller's total purchase price or sales  
301 price of that retail sale.

302 (20) "Certified automated system" means software certified by the governing board of  
303 the agreement that:

304 (a) calculates the agreement sales and use tax imposed within a local taxing  
305 jurisdiction:

306 (i) on a transaction; and

- 307 (ii) in the states that are members of the agreement;
- 308 (b) determines the amount of agreement sales and use tax to remit to a state that is a  
309 member of the agreement; and
- 310 (c) maintains a record of the transaction described in Subsection (20)(a)(i).
- 311 (21) "Certified service provider" means an agent certified:
- 312 (a) by the governing board of the agreement; and
- 313 (b) to perform a seller's sales and use tax functions for an agreement sales and use tax,  
314 as outlined in the contract between the governing board of the agreement and the certified  
315 service provider, other than the seller's obligation under Section 59-12-124 to remit a tax on the  
316 seller's own purchases.
- 317 (22) (a) [~~Subject to Subsection (22)(b), "clothing"~~] "Clothing" means all human  
318 wearing apparel suitable for general use.
- 319 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
320 commission shall make rules:
- 321 (i) listing the items that constitute "clothing"; and
- 322 (ii) that are consistent with the list of items that constitute "clothing" under the  
323 agreement.
- 324 (23) "Coal-to-liquid" means the process of converting coal into a liquid synthetic fuel.
- 325 (24) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other  
326 fuels that does not constitute industrial use under Subsection [~~(57)~~] (58) or residential use  
327 under Subsection [~~(112)~~] (113).
- 328 (25) (a) "Common carrier" means a person engaged in or transacting the business of  
329 transporting passengers, freight, merchandise, or other property for hire within this state.
- 330 (b) (i) "Common carrier" does not include a person that, at the time the person is  
331 traveling to or from that person's place of employment, transports a passenger to or from the  
332 passenger's place of employment.
- 333 (ii) For purposes of Subsection (25)(b)(i), in accordance with Title 63G, Chapter 3,  
334 Utah Administrative Rulemaking Act, the commission may make rules defining what  
335 constitutes a person's place of employment.
- 336 (c) "Common carrier" does not include a person that provides transportation network  
337 services, as defined in Section 13-51-102.

- 338 (26) "Component part" includes:
- 339 (a) poultry, dairy, and other livestock feed, and their components;
- 340 (b) baling ties and twine used in the baling of hay and straw;
- 341 (c) fuel used for providing temperature control of orchards and commercial
- 342 greenhouses doing a majority of their business in wholesale sales, and for providing power for
- 343 off-highway type farm machinery; and
- 344 (d) feed, seeds, and seedlings.
- 345 (27) "Computer" means an electronic device that accepts information:
- 346 (a) (i) in digital form; or
- 347 (ii) in a form similar to digital form; and
- 348 (b) manipulates that information for a result based on a sequence of instructions.
- 349 (28) "Computer software" means a set of coded instructions designed to cause:
- 350 (a) a computer to perform a task; or
- 351 (b) automatic data processing equipment to perform a task.
- 352 (29) "Computer software maintenance contract" means a contract that obligates a seller
- 353 of computer software to provide a customer with:
- 354 (a) future updates or upgrades to computer software;
- 355 (b) support services with respect to computer software; or
- 356 (c) a combination of Subsections (29)(a) and (b).
- 357 (30) (a) "Conference bridging service" means an ancillary service that links two or
- 358 more participants of an audio conference call or video conference call.
- 359 (b) "Conference bridging service" may include providing a telephone number as part of
- 360 the ancillary service described in Subsection (30)(a).
- 361 (c) "Conference bridging service" does not include a telecommunications service used
- 362 to reach the ancillary service described in Subsection (30)(a).
- 363 (31) "Construction materials" means any tangible personal property that will be
- 364 converted into real property.
- 365 (32) "Delivered electronically" means delivered to a purchaser by means other than
- 366 tangible storage media.
- 367 (33) (a) "Delivery charge" means a charge:
- 368 (i) by a seller of:

369 (A) tangible personal property;  
370 (B) a product transferred electronically; or  
371 (C) a service; and  
372 (ii) for preparation and delivery of the tangible personal property, product transferred  
373 electronically, or services described in Subsection (33)(a)(i) to a location designated by the  
374 purchaser.

375 (b) "Delivery charge" includes a charge for the following:

376 (i) transportation;

377 (ii) shipping;

378 (iii) postage;

379 (iv) handling;

380 (v) crating; or

381 (vi) packing.

382 (34) "Detailed telecommunications billing service" means an ancillary service of  
383 separately stating information pertaining to individual calls on a customer's billing statement.

384 (35) "Dietary supplement" means a product, other than tobacco, that:

385 (a) is intended to supplement the diet;

386 (b) contains one or more of the following dietary ingredients:

387 (i) a vitamin;

388 (ii) a mineral;

389 (iii) an herb or other botanical;

390 (iv) an amino acid;

391 (v) a dietary substance for use by humans to supplement the diet by increasing the total  
392 dietary intake; or

393 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient  
394 described in Subsections (35)(b)(i) through (v);

395 (c) (i) except as provided in Subsection (35)(c)(ii), is intended for ingestion in:

396 (A) tablet form;

397 (B) capsule form;

398 (C) powder form;

399 (D) softgel form;

- 400 (E) gelcap form; or
- 401 (F) liquid form; or
- 402 (ii) if the product is not intended for ingestion in a form described in Subsections
- 403 (35)(c)(i)(A) through (F), is not represented:
  - 404 (A) as conventional food; and
  - 405 (B) for use as a sole item of:
    - 406 (I) a meal; or
    - 407 (II) the diet; and
  - 408 (d) is required to be labeled as a dietary supplement:
    - 409 (i) identifiable by the "Supplemental Facts" box found on the label; and
    - 410 (ii) as required by 21 C.F.R. Sec. 101.36.
- 411 (36) (a) "Digital audio work" means a work that results from the fixation of a series of
- 412 musical, spoken, or other sounds.
- 413 (b) "Digital audio work" includes a ringtone.
- 414 (37) "Digital audio-visual work" means a series of related images which, when shown
- 415 in succession, imparts an impression of motion, together with accompanying sounds, if any.
- 416 (38) "Digital book" means a work that is generally recognized in the ordinary and usual
- 417 sense as a book.
- 418 (39) (a) "Direct mail" means printed material delivered or distributed by United States
- 419 mail or other delivery service:
  - 420 (i) to:
    - 421 (A) a mass audience; or
    - 422 (B) addressees on a mailing list provided:
      - 423 (I) by a purchaser of the mailing list; or
      - 424 (II) at the discretion of the purchaser of the mailing list; and
    - 425 (ii) if the cost of the printed material is not billed directly to the recipients.
  - 426 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a
  - 427 purchaser to a seller of direct mail for inclusion in a package containing the printed material.
  - 428 (c) "Direct mail" does not include multiple items of printed material delivered to a
  - 429 single address.
  - 430 (40) "Directory assistance" means an ancillary service of providing:

- 431 (a) address information; or
- 432 (b) telephone number information.
- 433 (41) (a) "Disposable home medical equipment or supplies" means medical equipment
- 434 or supplies that:
  - 435 (i) cannot withstand repeated use; and
  - 436 (ii) are purchased by, for, or on behalf of a person other than:
    - 437 (A) a health care facility as defined in Section 26-21-2;
    - 438 (B) a health care provider as defined in Section 78B-3-403;
    - 439 (C) an office of a health care provider described in Subsection (41)(a)(ii)(B); or
    - 440 (D) a person similar to a person described in Subsections (41)(a)(ii)(A) through (C).
  - 441 (b) "Disposable home medical equipment or supplies" does not include:
    - 442 (i) a drug;
    - 443 (ii) durable medical equipment;
    - 444 (iii) a hearing aid;
    - 445 (iv) a hearing aid accessory;
    - 446 (v) mobility enhancing equipment; or
    - 447 (vi) tangible personal property used to correct impaired vision, including:
      - 448 (A) eyeglasses; or
      - 449 (B) contact lenses.
    - 450 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
    - 451 commission may by rule define what constitutes medical equipment or supplies.
  - 452 (42) "Drilling equipment manufacturer" means a facility:
    - 453 (a) located in the state;
    - 454 (b) with respect to which 51% or more of the manufacturing activities of the facility
    - 455 consist of manufacturing component parts of drilling equipment;
    - 456 (c) that uses pressure of 800,000 or more pounds per square inch as part of the
    - 457 manufacturing process; and
    - 458 (d) that uses a temperature of 2,000 or more degrees Fahrenheit as part of the
    - 459 manufacturing process.
  - 460 (43) (a) "Drug" means a compound, substance, or preparation, or a component of a
  - 461 compound, substance, or preparation that is:

- 462 (i) recognized in:
- 463 (A) the official United States Pharmacopoeia;
- 464 (B) the official Homeopathic Pharmacopoeia of the United States;
- 465 (C) the official National Formulary; or
- 466 (D) a supplement to a publication listed in Subsections (43)(a)(i)(A) through (C);
- 467 (ii) intended for use in the:
- 468 (A) diagnosis of disease;
- 469 (B) cure of disease;
- 470 (C) mitigation of disease;
- 471 (D) treatment of disease; or
- 472 (E) prevention of disease; or
- 473 (iii) intended to affect:
- 474 (A) the structure of the body; or
- 475 (B) any function of the body.
- 476 (b) "Drug" does not include:
- 477 (i) food and food ingredients;
- 478 (ii) a dietary supplement;
- 479 (iii) an alcoholic beverage; or
- 480 (iv) a prosthetic device.
- 481 (44) (a) [~~Except as provided in Subsection (44)(c), "durable"~~] "Durable medical
- 482 equipment" means equipment that:
- 483 (i) can withstand repeated use;
- 484 (ii) is primarily and customarily used to serve a medical purpose;
- 485 (iii) generally is not useful to a person in the absence of illness or injury; and
- 486 (iv) is not worn in or on the body.
- 487 (b) "Durable medical equipment" includes parts used in the repair or replacement of the
- 488 equipment described in Subsection (44)(a).
- 489 (c) "Durable medical equipment" does not include mobility enhancing equipment.
- 490 (45) (a) "Electricity storage facility" means a facility that:
- 491 (i) stores electricity; and
- 492 (ii) has a storage capacity of two megawatts or greater.



493 (b) A facility is an electricity storage facility regardless of whether the facility is:

494 (i) connected to an electric grid;

495 (ii) part of an alternative energy electricity production facility or other electricity  
496 production facility; or

497 (iii) located on the premises of an electricity consumer.

498 [~~45~~] (46) "Electronic" means:

499 (a) relating to technology; and

500 (b) having:

501 (i) electrical capabilities;

502 (ii) digital capabilities;

503 (iii) magnetic capabilities;

504 (iv) wireless capabilities;

505 (v) optical capabilities;

506 (vi) electromagnetic capabilities; or

507 (vii) capabilities similar to Subsections [~~45~~] (46)(b)(i) through (vi).

508 [~~46~~] (47) "Electronic financial payment service" means an establishment:

509 (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and  
510 Clearinghouse Activities, of the 2012 North American Industry Classification System of the  
511 federal Executive Office of the President, Office of Management and Budget; and

512 (b) that performs electronic financial payment services.

513 [~~47~~] (48) "Employee" means the same as that term is defined in Section [59-10-401](#).

514 [~~48~~] (49) "Fixed guideway" means a public transit facility that uses and occupies:

515 (a) rail for the use of public transit; or

516 (b) a separate right-of-way for the use of public transit.

517 [~~49~~] (50) "Fixed wing turbine powered aircraft" means an aircraft that:

518 (a) is powered by turbine engines;

519 (b) operates on jet fuel; and

520 (c) has wings that are permanently attached to the fuselage of the aircraft.

521 [~~50~~] (51) "Fixed wireless service" means a telecommunications service that provides  
522 radio communication between fixed points.

523 [~~51~~] (52) (a) "Food and food ingredients" means substances:

- 524 (i) regardless of whether the substances are in:
- 525 (A) liquid form;
- 526 (B) concentrated form;
- 527 (C) solid form;
- 528 (D) frozen form;
- 529 (E) dried form; or
- 530 (F) dehydrated form; and
- 531 (ii) that are:
- 532 (A) sold for:
- 533 (I) ingestion by humans; or
- 534 (II) chewing by humans; and
- 535 (B) consumed for the substance's:
- 536 (I) taste; or
- 537 (II) nutritional value.
- 538 (b) "Food and food ingredients" includes an item described in Subsection [~~(96)~~
- 539 (97)(b)(iii).
- 540 (c) "Food and food ingredients" does not include:
- 541 (i) an alcoholic beverage;
- 542 (ii) tobacco; or
- 543 (iii) prepared food.
- 544 [~~(52)~~] (53) (a) "Fundraising sales" means sales:
- 545 (i) (A) made by a school; or
- 546 (B) made by a school student;
- 547 (ii) that are for the purpose of raising funds for the school to purchase equipment,
- 548 materials, or provide transportation; and
- 549 (iii) that are part of an officially sanctioned school activity.
- 550 (b) For purposes of Subsection [~~(52)~~] (53)(a)(iii), "officially sanctioned school activity"
- 551 means a school activity:
- 552 (i) that is conducted in accordance with a formal policy adopted by the school or school
- 553 district governing the authorization and supervision of fundraising activities;
- 554 (ii) that does not directly or indirectly compensate an individual teacher or other

555 educational personnel by direct payment, commissions, or payment in kind; and

556 (iii) the net or gross revenues from which are deposited in a dedicated account

557 controlled by the school or school district.

558 [~~(53)~~] (54) "Geothermal energy" means energy contained in heat that continuously  
559 flows outward from the earth that is used as the sole source of energy to produce electricity.

560 [~~(54)~~] (55) "Governing board of the agreement" means the governing board of the  
561 agreement that is:

562 (a) authorized to administer the agreement; and

563 (b) established in accordance with the agreement.

564 [~~(55)~~] (56) (a) For purposes of Subsection 59-12-104(41), "governmental entity"  
565 means:

566 (i) the executive branch of the state, including all departments, institutions, boards,  
567 divisions, bureaus, offices, commissions, and committees;

568 (ii) the judicial branch of the state, including the courts, the Judicial Council, the  
569 Administrative Office of the Courts, and similar administrative units in the judicial branch;

570 (iii) the legislative branch of the state, including the House of Representatives, the  
571 Senate, the Legislative Printing Office, the Office of Legislative Research and General  
572 Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal  
573 Analyst;

574 (iv) the National Guard;

575 (v) an independent entity as defined in Section 63E-1-102; or

576 (vi) a political subdivision as defined in Section 17B-1-102.

577 (b) "Governmental entity" does not include the state systems of public and higher  
578 education, including:

579 (i) a school;

580 (ii) the State Board of Education;

581 (iii) the Utah Board of Higher Education; or

582 (iv) an institution of higher education described in Section 53B-1-102.

583 [~~(56)~~] (57) "Hydroelectric energy" means water used as the sole source of energy to  
584 produce electricity.

585 [~~(57)~~] (58) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil,

586 or other fuels:

587           (a) in mining or extraction of minerals;

588           (b) in agricultural operations to produce an agricultural product up to the time of

589 harvest or placing the agricultural product into a storage facility, including:

590           (i) commercial greenhouses;

591           (ii) irrigation pumps;

592           (iii) farm machinery;

593           (iv) implements of husbandry as defined in Section [41-1a-102](#) that are not registered

594 under Title 41, Chapter 1a, Part 2, Registration; and

595           (v) other farming activities;

596           (c) in manufacturing tangible personal property at an establishment described in:

597           (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of

598 the federal Executive Office of the President, Office of Management and Budget; or

599           (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North

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

601 Office of Management and Budget;

602           (d) by a scrap recycler if:

603           (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process

604 one or more of the following items into prepared grades of processed materials for use in new

605 products:

606           (A) iron;

607           (B) steel;

608           (C) nonferrous metal;

609           (D) paper;

610           (E) glass;

611           (F) plastic;

612           (G) textile; or

613           (H) rubber; and

614           (ii) the new products under Subsection [~~(57)~~] [\(58\)](#)(d)(i) would otherwise be made with

615 nonrecycled materials; or

616           (e) in producing a form of energy or steam described in Subsection [54-2-1\(3\)\(a\)](#) by a

617 cogeneration facility as defined in Section [54-2-1](#).

618 ~~[(58)]~~ (59) (a) ~~[Except as provided in Subsection (58)(b), "installation]~~ "Installation  
619 charge" means a charge for installing:

620 (i) tangible personal property; or

621 (ii) a product transferred electronically.

622 (b) "Installation charge" does not include a charge for:

623 (i) repairs or renovations of:

624 (A) tangible personal property; or

625 (B) a product transferred electronically; or

626 (ii) attaching tangible personal property or a product transferred electronically:

627 (A) to other tangible personal property; and

628 (B) as part of a manufacturing or fabrication process.

629 ~~[(59)]~~ (60) "Institution of higher education" means an institution of higher education  
630 listed in Section [53B-2-101](#).

631 ~~[(60)]~~ (61) (a) "Lease" or "rental" means a transfer of possession or control of tangible  
632 personal property or a product transferred electronically for:

633 (i) (A) a fixed term; or

634 (B) an indeterminate term; and

635 (ii) consideration.

636 (b) "Lease" or "rental" includes an agreement covering a motor vehicle and trailer if the  
637 amount of consideration may be increased or decreased by reference to the amount realized  
638 upon sale or disposition of the property as defined in Section 7701(h)(1), Internal Revenue  
639 Code.

640 (c) "Lease" or "rental" does not include:

641 (i) a transfer of possession or control of property under a security agreement or  
642 deferred payment plan that requires the transfer of title upon completion of the required  
643 payments;

644 (ii) a transfer of possession or control of property under an agreement that requires the  
645 transfer of title:

646 (A) upon completion of required payments; and

647 (B) if the payment of an option price does not exceed the greater of:

- 648 (I) \$100; or
- 649 (II) 1% of the total required payments; or
- 650 (iii) providing tangible personal property along with an operator for a fixed period of
- 651 time or an indeterminate period of time if the operator is necessary for equipment to perform as
- 652 designed.
- 653 (d) For purposes of Subsection [~~(60)~~] (61)(c)(iii), an operator is necessary for
- 654 equipment to perform as designed if the operator's duties exceed the:
  - 655 (i) set-up of tangible personal property;
  - 656 (ii) maintenance of tangible personal property; or
  - 657 (iii) inspection of tangible personal property.
- 658 [~~(61)~~] (62) "Lesson" means a fixed period of time for the duration of which a trained
- 659 instructor:
  - 660 (a) is present with a student in person or by video; and
  - 661 (b) actively instructs the student, including by providing observation or feedback.
- 662 [~~(62)~~] (63) "Life science establishment" means an establishment in this state that is
- 663 classified under the following NAICS codes of the 2007 North American Industry
- 664 Classification System of the federal Executive Office of the President, Office of Management
- 665 and Budget:
  - 666 (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;
  - 667 (b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus
  - 668 Manufacturing; or
  - 669 (c) NAICS Code 334517, Irradiation Apparatus Manufacturing.
- 670 [~~(63)~~] (64) "Life science research and development facility" means a facility owned,
- 671 leased, or rented by a life science establishment if research and development is performed in
- 672 51% or more of the total area of the facility.
- 673 [~~(64)~~] (65) "Load and leave" means delivery to a purchaser by use of a tangible storage
- 674 media if the tangible storage media is not physically transferred to the purchaser.
- 675 [~~(65)~~] (66) "Local taxing jurisdiction" means a:
  - 676 (a) county that is authorized to impose an agreement sales and use tax;
  - 677 (b) city that is authorized to impose an agreement sales and use tax; or
  - 678 (c) town that is authorized to impose an agreement sales and use tax.

679            [(66)] (67) "Manufactured home" means the same as that term is defined in Section  
680 15A-1-302.

681            [(67)] (68) "Manufacturing facility" means:

682            (a) an establishment described in:

683            (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of  
684 the federal Executive Office of the President, Office of Management and Budget; or

685            (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North  
686 American Industry Classification System of the federal Executive Office of the President,  
687 Office of Management and Budget;

688            (b) a scrap recycler if:

689            (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process  
690 one or more of the following items into prepared grades of processed materials for use in new  
691 products:

692            (A) iron;

693            (B) steel;

694            (C) nonferrous metal;

695            (D) paper;

696            (E) glass;

697            (F) plastic;

698            (G) textile; or

699            (H) rubber; and

700            (ii) the new products under Subsection [(67)] (68)(b)(i) would otherwise be made with  
701 nonrecycled materials; or

702            (c) a cogeneration facility as defined in Section 54-2-1 if the cogeneration facility is  
703 placed in service on or after May 1, 2006.

704            [(68)] (69) (a) "Marketplace" means a physical or electronic place, platform, or forum  
705 where tangible personal property, a product transferred electronically, or a service is offered for  
706 sale.

707            (b) "Marketplace" includes a store, a booth, an Internet website, a catalog, or a  
708 dedicated sales software application.

709            [(69)] (70) (a) "Marketplace facilitator" means a person, including an affiliate of the

710 person, that enters into a contract, an agreement, or otherwise with sellers, for consideration, to  
711 facilitate the sale of a seller's product through a marketplace that the person owns, operates, or  
712 controls and that directly or indirectly:

713 (i) does any of the following:

714 (A) lists, makes available, or advertises tangible personal property, a product  
715 transferred electronically, or a service for sale by a marketplace seller on a marketplace that the  
716 person owns, operates, or controls;

717 (B) facilitates the sale of a marketplace seller's tangible personal property, product  
718 transferred electronically, or service by transmitting or otherwise communicating an offer or  
719 acceptance of a retail sale between the marketplace seller and a purchaser using the  
720 marketplace;

721 (C) owns, rents, licenses, makes available, or operates any electronic or physical  
722 infrastructure or any property, process, method, copyright, trademark, or patent that connects a  
723 marketplace seller to a purchaser for the purpose of making a retail sale of tangible personal  
724 property, a product transferred electronically, or a service;

725 (D) provides a marketplace for making, or otherwise facilitates, a retail sale of tangible  
726 personal property, a product transferred electronically, or a service, regardless of ownership or  
727 control of the tangible personal property, the product transferred electronically, or the service  
728 that is the subject of the retail sale;

729 (E) provides software development or research and development activities related to  
730 any activity described in this Subsection [~~(69)~~] (70)(a)(i), if the software development or  
731 research and development activity is directly related to the person's marketplace;

732 (F) provides or offers fulfillment or storage services for a marketplace seller;

733 (G) sets prices for the sale of tangible personal property, a product transferred  
734 electronically, or a service by a marketplace seller;

735 (H) provides or offers customer service to a marketplace seller or a marketplace seller's  
736 purchaser or accepts or assists with taking orders, returns, or exchanges of tangible personal  
737 property, a product transferred electronically, or a service sold by a marketplace seller on the  
738 person's marketplace; or

739 (I) brands or otherwise identifies sales as those of the person; and

740 (ii) does any of the following:



741 (A) collects the sales price or purchase price of a retail sale of tangible personal  
742 property, a product transferred electronically, or a service;

743 (B) provides payment processing services for a retail sale of tangible personal property,  
744 a product transferred electronically, or a service;

745 (C) charges, collects, or otherwise receives a selling fee, listing fee, referral fee, closing  
746 fee, a fee for inserting or making available tangible personal property, a product transferred  
747 electronically, or a service on the person's marketplace, or other consideration for the  
748 facilitation of a retail sale of tangible personal property, a product transferred electronically, or  
749 a service, regardless of ownership or control of the tangible personal property, the product  
750 transferred electronically, or the service that is the subject of the retail sale;

751 (D) through terms and conditions, an agreement, or another arrangement with a third  
752 person, collects payment from a purchase for a retail sale of tangible personal property, a  
753 product transferred electronically, or a service and transmits that payment to the marketplace  
754 seller, regardless of whether the third person receives compensation or other consideration in  
755 exchange for the service; or

756 (E) provides a virtual currency for a purchaser to use to purchase tangible personal  
757 property, a product transferred electronically, or service offered for sale.

758 (b) "Marketplace facilitator" does not include:

759 (i) a person that only provides payment processing services; or

760 (ii) a person described in Subsection [~~(69)~~] (70)(a) to the extent the person is  
761 facilitating a sale for a seller that is a restaurant as defined in Section 59-12-602.

762 [~~(70)~~] (71) "Marketplace seller" means a seller that makes one or more retail sales  
763 through a marketplace that a marketplace facilitator owns, operates, or controls, regardless of  
764 whether the seller is required to be registered to collect and remit the tax under this part.

765 [~~(71)~~] (72) "Member of the immediate family of the producer" means a person who is  
766 related to a producer described in Subsection 59-12-104(20)(a) as a:

767 (a) child or stepchild, regardless of whether the child or stepchild is:

768 (i) an adopted child or adopted stepchild; or

769 (ii) a foster child or foster stepchild;

770 (b) grandchild or stepgrandchild;

771 (c) grandparent or stepgrandparent;

- 772 (d) nephew or stepnephew;
- 773 (e) niece or stepniece;
- 774 (f) parent or stepparent;
- 775 (g) sibling or stepsibling;
- 776 (h) spouse;
- 777 (i) person who is the spouse of a person described in Subsections ~~[(71)]~~ (72)(a) through
- 778 (g); or

779 (j) person similar to a person described in Subsections ~~[(71)]~~ (72)(a) through (i) as  
 780 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah  
 781 Administrative Rulemaking Act.

782 ~~[(72)]~~ (73) "Mobile home" means the same as that term is defined in Section  
 783 15A-1-302.

784 ~~[(73)]~~ (74) "Mobile telecommunications service" means the same as that term is  
 785 defined in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

786 ~~[(74)]~~ (75) (a) "Mobile wireless service" means a telecommunications service,  
 787 regardless of the technology used, if:

- 788 (i) the origination point of the conveyance, routing, or transmission is not fixed;
- 789 (ii) the termination point of the conveyance, routing, or transmission is not fixed; or
- 790 (iii) the origination point described in Subsection ~~[(74)]~~ (75)(a)(i) and the termination  
 791 point described in Subsection ~~[(74)]~~ (75)(a)(ii) are not fixed.

792 (b) "Mobile wireless service" includes a telecommunications service that is provided  
 793 by a commercial mobile radio service provider.

794 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 795 commission may by rule define "commercial mobile radio service provider."

796 ~~[(75)]~~ (76) (a) ~~[Except as provided in Subsection (75)(c), "mobility"]~~ "Mobility  
 797 enhancing equipment" means equipment that is:

- 798 (i) primarily and customarily used to provide or increase the ability to move from one  
 799 place to another;
- 800 (ii) appropriate for use in a:
  - 801 (A) home; or
  - 802 (B) motor vehicle; and

- 803 (iii) not generally used by persons with normal mobility.
- 804 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of  
805 the equipment described in Subsection [~~(75)~~] (76)(a).
- 806 (c) "Mobility enhancing equipment" does not include:
- 807 (i) a motor vehicle;
- 808 (ii) equipment on a motor vehicle if that equipment is normally provided by the motor  
809 vehicle manufacturer;
- 810 (iii) durable medical equipment; or
- 811 (iv) a prosthetic device.
- 812 [~~(76)~~] (77) "Model 1 seller" means a seller registered under the agreement that has  
813 selected a certified service provider as the seller's agent to perform the seller's sales and use tax  
814 functions for agreement sales and use taxes, as outlined in the contract between the governing  
815 board of the agreement and the certified service provider, other than the seller's obligation  
816 under Section 59-12-124 to remit a tax on the seller's own purchases.
- 817 [~~(77)~~] (78) "Model 2 seller" means a seller registered under the agreement that:
- 818 (a) except as provided in Subsection [~~(77)~~] (78)(b), has selected a certified automated  
819 system to perform the seller's sales tax functions for agreement sales and use taxes; and
- 820 (b) retains responsibility for remitting all of the sales tax:
- 821 (i) collected by the seller; and
- 822 (ii) to the appropriate local taxing jurisdiction.
- 823 [~~(78)~~] (79) (a) [~~Subject to Subsection (78)(b), "model~~] "Model 3 seller" means a seller  
824 registered under the agreement that has:
- 825 (i) sales in at least five states that are members of the agreement;
- 826 (ii) total annual sales revenues of at least \$500,000,000;
- 827 (iii) a proprietary system that calculates the amount of tax:
- 828 (A) for an agreement sales and use tax; and
- 829 (B) due to each local taxing jurisdiction; and
- 830 (iv) entered into a performance agreement with the governing board of the agreement.
- 831 (b) For purposes of Subsection [~~(78)~~] (79)(a), "model 3 seller" includes an affiliated  
832 group of sellers using the same proprietary system.
- 833 [~~(79)~~] (80) "Model 4 seller" means a seller that is registered under the agreement and is

834 not a model 1 seller, model 2 seller, or model 3 seller.

835 ~~[(80)]~~ (81) "Modular home" means a modular unit as defined in Section 15A-1-302.

836 ~~[(81)]~~ (82) "Motor vehicle" means the same as that term is defined in Section  
837 41-1a-102.

838 ~~[(82)]~~ (83) "Oil sands" means impregnated bituminous sands that:

839 (a) contain a heavy, thick form of petroleum that is released when heated, mixed with  
840 other hydrocarbons, or otherwise treated;

841 (b) yield mixtures of liquid hydrocarbon; and

842 (c) require further processing other than mechanical blending before becoming finished  
843 petroleum products.

844 ~~[(83)]~~ (84) "Oil shale" means a group of fine black to dark brown shales containing  
845 kerogen material that yields petroleum upon heating and distillation.

846 ~~[(84)]~~ (85) "Optional computer software maintenance contract" means a computer  
847 software maintenance contract that a customer is not obligated to purchase as a condition to the  
848 retail sale of computer software.

849 ~~[(85)]~~ (86) (a) "Other fuels" means products that burn independently to produce heat or  
850 energy.

851 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible  
852 personal property.

853 ~~[(86)]~~ (87) (a) "Paging service" means a telecommunications service that provides  
854 transmission of a coded radio signal for the purpose of activating a specific pager.

855 (b) For purposes of Subsection ~~[(86)]~~ (87)(a), the transmission of a coded radio signal  
856 includes a transmission by message or sound.

857 ~~[(87)]~~ (88) "Pawn transaction" means the same as that term is defined in Section  
858 13-32a-102.

859 ~~[(88)]~~ (89) "Pawnbroker" means the same as that term is defined in Section  
860 13-32a-102.

861 ~~[(89)]~~ (90) (a) "Permanently attached to real property" means that for tangible personal  
862 property attached to real property:

863 (i) the attachment of the tangible personal property to the real property:

864 (A) is essential to the use of the tangible personal property; and

865 (B) suggests that the tangible personal property will remain attached to the real  
866 property in the same place over the useful life of the tangible personal property; or  
867 (ii) if the tangible personal property is detached from the real property, the detachment  
868 would:

869 (A) cause substantial damage to the tangible personal property; or  
870 (B) require substantial alteration or repair of the real property to which the tangible  
871 personal property is attached.

872 (b) "Permanently attached to real property" includes:  
873 (i) the attachment of an accessory to the tangible personal property if the accessory is:  
874 (A) essential to the operation of the tangible personal property; and  
875 (B) attached only to facilitate the operation of the tangible personal property;  
876 (ii) a temporary detachment of tangible personal property from real property for a  
877 repair or renovation if the repair or renovation is performed where the tangible personal  
878 property and real property are located; or  
879 (iii) property attached to oil, gas, or water pipelines, except for the property listed in  
880 Subsection [~~89~~] (90)(c)(iii) or (iv).

881 (c) "Permanently attached to real property" does not include:  
882 (i) the attachment of portable or movable tangible personal property to real property if  
883 that portable or movable tangible personal property is attached to real property only for:  
884 (A) convenience;  
885 (B) stability; or  
886 (C) for an obvious temporary purpose;  
887 (ii) the detachment of tangible personal property from real property except for the  
888 detachment described in Subsection [~~89~~] (90)(b)(ii);  
889 (iii) an attachment of the following tangible personal property to real property if the  
890 attachment to real property is only through a line that supplies water, electricity, gas,  
891 telecommunications, cable, or supplies a similar item as determined by the commission by rule  
892 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:  
893 (A) a computer;  
894 (B) a telephone;  
895 (C) a television; or

896 (D) tangible personal property similar to Subsections ~~[(89)]~~ (90)(c)(iii)(A) through (C)  
897 as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah  
898 Administrative Rulemaking Act; or

899 (iv) an item listed in Subsection ~~[(130)]~~ (131)(c).

900 ~~[(90)]~~ (91) "Person" includes any individual, firm, partnership, joint venture,  
901 association, corporation, estate, trust, business trust, receiver, syndicate, this state, any county,  
902 city, municipality, district, or other local governmental entity of the state, or any group or  
903 combination acting as a unit.

904 ~~[(91)]~~ (92) "Place of primary use":

905 (a) for telecommunications service other than mobile telecommunications service,  
906 means the street address representative of where the customer's use of the telecommunications  
907 service primarily occurs, which shall be:

908 (i) the residential street address of the customer; or

909 (ii) the primary business street address of the customer; or

910 (b) for mobile telecommunications service, means the same as that term is defined in  
911 the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

912 ~~[(92)]~~ (93) (a) "Postpaid calling service" means a telecommunications service a person  
913 obtains by making a payment on a call-by-call basis:

914 (i) through the use of a:

915 (A) bank card;

916 (B) credit card;

917 (C) debit card; or

918 (D) travel card; or

919 (ii) by a charge made to a telephone number that is not associated with the origination  
920 or termination of the telecommunications service.

921 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling  
922 service, that would be a prepaid wireless calling service if the service were exclusively a  
923 telecommunications service.

924 ~~[(93)]~~ (94) "Postproduction" means an activity related to the finishing or duplication of  
925 a medium described in Subsection 59-12-104(54)(a).

926 ~~[(94)]~~ (95) "Prepaid calling service" means a telecommunications service:

- 927 (a) that allows a purchaser access to telecommunications service that is exclusively
- 928 telecommunications service;
- 929 (b) that:
- 930 (i) is paid for in advance; and
- 931 (ii) enables the origination of a call using an:
- 932 (A) access number; or
- 933 (B) authorization code;
- 934 (c) that is dialed:
- 935 (i) manually; or
- 936 (ii) electronically; and
- 937 (d) sold in predetermined units or dollars that decline:
- 938 (i) by a known amount; and
- 939 (ii) with use.
- 940 ~~[(95)]~~ (96) "Prepaid wireless calling service" means a telecommunications service:
- 941 (a) that provides the right to utilize:
- 942 (i) mobile wireless service; and
- 943 (ii) other service that is not a telecommunications service, including:
- 944 (A) the download of a product transferred electronically;
- 945 (B) a content service; or
- 946 (C) an ancillary service;
- 947 (b) that:
- 948 (i) is paid for in advance; and
- 949 (ii) enables the origination of a call using an:
- 950 (A) access number; or
- 951 (B) authorization code;
- 952 (c) that is dialed:
- 953 (i) manually; or
- 954 (ii) electronically; and
- 955 (d) sold in predetermined units or dollars that decline:
- 956 (i) by a known amount; and
- 957 (ii) with use.

958            [~~96~~] (97) (a) "Prepared food" means:  
959            (i) food:  
960            (A) sold in a heated state; or  
961            (B) heated by a seller;  
962            (ii) two or more food ingredients mixed or combined by the seller for sale as a single  
963 item; or  
964            (iii) except as provided in Subsection [~~96~~] (97)(c), food sold with an eating utensil  
965 provided by the seller, including a:  
966            (A) plate;  
967            (B) knife;  
968            (C) fork;  
969            (D) spoon;  
970            (E) glass;  
971            (F) cup;  
972            (G) napkin; or  
973            (H) straw.  
974            (b) "Prepared food" does not include:  
975            (i) food that a seller only:  
976            (A) cuts;  
977            (B) repackages; or  
978            (C) pasteurizes; or  
979            (ii) (A) the following:  
980            (I) raw egg;  
981            (II) raw fish;  
982            (III) raw meat;  
983            (IV) raw poultry; or  
984            (V) a food containing an item described in Subsections [~~96~~] (97)(b)(ii)(A)(I) through  
985 (IV); and  
986            (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the  
987 Food and Drug Administration's Food Code that a consumer cook the items described in  
988 Subsection [~~96~~] (97)(b)(ii)(A) to prevent food borne illness; or



- 989 (iii) the following if sold without eating utensils provided by the seller:
- 990 (A) food and food ingredients sold by a seller if the seller's proper primary
- 991 classification under the 2002 North American Industry Classification System of the federal
- 992 Executive Office of the President, Office of Management and Budget, is manufacturing in
- 993 Sector 311, Food Manufacturing, except for Subsector 3118, Bakeries and Tortilla
- 994 Manufacturing;
- 995 (B) food and food ingredients sold in an unheated state:
- 996 (I) by weight or volume; and
- 997 (II) as a single item; or
- 998 (C) a bakery item, including:
- 999 (I) a bagel;
- 1000 (II) a bar;
- 1001 (III) a biscuit;
- 1002 (IV) bread;
- 1003 (V) a bun;
- 1004 (VI) a cake;
- 1005 (VII) a cookie;
- 1006 (VIII) a croissant;
- 1007 (IX) a danish;
- 1008 (X) a donut;
- 1009 (XI) a muffin;
- 1010 (XII) a pastry;
- 1011 (XIII) a pie;
- 1012 (XIV) a roll;
- 1013 (XV) a tart;
- 1014 (XVI) a torte; or
- 1015 (XVII) a tortilla.
- 1016 (c) An eating utensil provided by the seller does not include the following used to
- 1017 transport the food:
- 1018 (i) a container; or
- 1019 (ii) packaging.

1020            [~~(97)~~] (98) "Prescription" means an order, formula, or recipe that is issued:  
1021            (a) (i) orally;  
1022            (ii) in writing;  
1023            (iii) electronically; or  
1024            (iv) by any other manner of transmission; and  
1025            (b) by a licensed practitioner authorized by the laws of a state.  
1026            [~~(98)~~] (99) (a) [~~Except as provided in Subsection (98)(b)(ii) or (iii), "prewritten]~~  
1027            "Prewritten computer software" means computer software that is not designed and developed:  
1028            (i) by the author or other creator of the computer software; and  
1029            (ii) to the specifications of a specific purchaser.  
1030            (b) "Prewritten computer software" includes:  
1031            (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer  
1032            software is not designed and developed:  
1033            (A) by the author or other creator of the computer software; and  
1034            (B) to the specifications of a specific purchaser;  
1035            (ii) computer software designed and developed by the author or other creator of the  
1036            computer software to the specifications of a specific purchaser if the computer software is sold  
1037            to a person other than the purchaser; or  
1038            (iii) except as provided in Subsection [~~(98)~~] (99)(c), prewritten computer software or a  
1039            prewritten portion of prewritten computer software:  
1040            (A) that is modified or enhanced to any degree; and  
1041            (B) if the modification or enhancement described in Subsection [~~(98)~~] (99)(b)(iii)(A) is  
1042            designed and developed to the specifications of a specific purchaser.  
1043            (c) "Prewritten computer software" does not include a modification or enhancement  
1044            described in Subsection [~~(98)~~] (99)(b)(iii) if the charges for the modification or enhancement  
1045            are:  
1046            (i) reasonable; and  
1047            (ii) subject to Subsections 59-12-103(2)(f)(ii) and (2)(g)(i), separately stated on the  
1048            invoice or other statement of price provided to the purchaser at the time of sale or later, as  
1049            demonstrated by:  
1050            (A) the books and records the seller keeps at the time of the transaction in the regular

1051 course of business, including books and records the seller keeps at the time of the transaction in  
1052 the regular course of business for nontax purposes;

1053 (B) a preponderance of the facts and circumstances at the time of the transaction; and

1054 (C) the understanding of all of the parties to the transaction.

1055 ~~[(99)]~~ (100) (a) "Private communications service" means a telecommunications  
1056 service:

1057 (i) that entitles a customer to exclusive or priority use of one or more communications  
1058 channels between or among termination points; and

1059 (ii) regardless of the manner in which the one or more communications channels are  
1060 connected.

1061 (b) "Private communications service" includes the following provided in connection  
1062 with the use of one or more communications channels:

1063 (i) an extension line;

1064 (ii) a station;

1065 (iii) switching capacity; or

1066 (iv) another associated service that is provided in connection with the use of one or  
1067 more communications channels as defined in Section 59-12-215.

1068 ~~[(100)]~~ (101) (a) ~~[Except as provided in Subsection (100)(b), "product]~~ "Product  
1069 transferred electronically" means a product transferred electronically that would be subject to a  
1070 tax under this chapter if that product was transferred in a manner other than electronically.

1071 (b) "Product transferred electronically" does not include:

1072 (i) an ancillary service;

1073 (ii) computer software; or

1074 (iii) a telecommunications service.

1075 ~~[(101)]~~ (102) (a) "Prosthetic device" means a device that is worn on or in the body to:

1076 (i) artificially replace a missing portion of the body;

1077 (ii) prevent or correct a physical deformity or physical malfunction; or

1078 (iii) support a weak or deformed portion of the body.

1079 (b) "Prosthetic device" includes:

1080 (i) parts used in the repairs or renovation of a prosthetic device;

1081 (ii) replacement parts for a prosthetic device;

- 1082 (iii) a dental prosthesis; or
- 1083 (iv) a hearing aid.
- 1084 (c) "Prosthetic device" does not include:
- 1085 (i) corrective eyeglasses; or
- 1086 (ii) contact lenses.
- 1087 [~~(102)~~] (103) (a) "Protective equipment" means an item:
- 1088 (i) for human wear; and
- 1089 (ii) that is:
- 1090 (A) designed as protection:
- 1091 (I) to the wearer against injury or disease; or
- 1092 (II) against damage or injury of other persons or property; and
- 1093 (B) not suitable for general use.
- 1094 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1095 commission shall make rules:
- 1096 (i) listing the items that constitute "protective equipment"; and
- 1097 (ii) that are consistent with the list of items that constitute "protective equipment"
- 1098 under the agreement.
- 1099 [~~(103)~~] (104) (a) For purposes of Subsection 59-12-104(41), "publication" means any
- 1100 written or printed matter, other than a photocopy:
- 1101 (i) regardless of:
- 1102 (A) characteristics;
- 1103 (B) copyright;
- 1104 (C) form;
- 1105 (D) format;
- 1106 (E) method of reproduction; or
- 1107 (F) source; and
- 1108 (ii) made available in printed or electronic format.
- 1109 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1110 commission may by rule define the term "photocopy."
- 1111 [~~(104)~~] (105) (a) "Purchase price" and "sales price" mean the total amount of
- 1112 consideration:

- 1113 (i) valued in money; and
- 1114 (ii) for which tangible personal property, a product transferred electronically, or
- 1115 services are:
  - 1116 (A) sold;
  - 1117 (B) leased; or
  - 1118 (C) rented.
- 1119 (b) "Purchase price" and "sales price" include:
  - 1120 (i) the seller's cost of the tangible personal property, a product transferred
  - 1121 electronically, or services sold;
  - 1122 (ii) expenses of the seller, including:
    - 1123 (A) the cost of materials used;
    - 1124 (B) a labor cost;
    - 1125 (C) a service cost;
    - 1126 (D) interest;
    - 1127 (E) a loss;
    - 1128 (F) the cost of transportation to the seller; or
    - 1129 (G) a tax imposed on the seller;
  - 1130 (iii) a charge by the seller for any service necessary to complete the sale; or
  - 1131 (iv) consideration a seller receives from a person other than the purchaser if:
    - 1132 (A) (I) the seller actually receives consideration from a person other than the purchaser;
    - 1133 and
    - 1134 (II) the consideration described in Subsection [~~(104)~~] (105)(b)(iv)(A)(I) is directly
    - 1135 related to a price reduction or discount on the sale;
    - 1136 (B) the seller has an obligation to pass the price reduction or discount through to the
    - 1137 purchaser;
    - 1138 (C) the amount of the consideration attributable to the sale is fixed and determinable by
    - 1139 the seller at the time of the sale to the purchaser; and
    - 1140 (D) (I) (Aa) the purchaser presents a certificate, coupon, or other documentation to the
    - 1141 seller to claim a price reduction or discount; and
    - 1142 (Bb) a person other than the seller authorizes, distributes, or grants the certificate,
    - 1143 coupon, or other documentation with the understanding that the person other than the seller

1144 will reimburse any seller to whom the certificate, coupon, or other documentation is presented;

1145 (II) the purchaser identifies that purchaser to the seller as a member of a group or  
1146 organization allowed a price reduction or discount, except that a preferred customer card that is  
1147 available to any patron of a seller does not constitute membership in a group or organization  
1148 allowed a price reduction or discount; or

1149 (III) the price reduction or discount is identified as a third party price reduction or  
1150 discount on the:

1151 (Aa) invoice the purchaser receives; or

1152 (Bb) certificate, coupon, or other documentation the purchaser presents.

1153 (c) "Purchase price" and "sales price" do not include:

1154 (i) a discount:

1155 (A) in a form including:

1156 (I) cash;

1157 (II) term; or

1158 (III) coupon;

1159 (B) that is allowed by a seller;

1160 (C) taken by a purchaser on a sale; and

1161 (D) that is not reimbursed by a third party; or

1162 (ii) subject to Subsections [59-12-103\(2\)\(f\)\(ii\)](#) and [\(2\)\(g\)\(i\)](#), the following if separately  
1163 stated on an invoice, bill of sale, or similar document provided to the purchaser at the time of  
1164 sale or later, as demonstrated by the books and records the seller keeps at the time of the  
1165 transaction in the regular course of business, including books and records the seller keeps at the  
1166 time of the transaction in the regular course of business for nontax purposes, by a  
1167 preponderance of the facts and circumstances at the time of the transaction, and by the  
1168 understanding of all of the parties to the transaction:

1169 (A) the following from credit extended on the sale of tangible personal property or  
1170 services:

1171 (I) a carrying charge;

1172 (II) a financing charge; or

1173 (III) an interest charge;

1174 (B) a delivery charge;

- 1175 (C) an installation charge;
- 1176 (D) a manufacturer rebate on a motor vehicle; or
- 1177 (E) a tax or fee legally imposed directly on the consumer.
- 1178 ~~[(105)]~~ (106) "Purchaser" means a person to whom:
- 1179 (a) a sale of tangible personal property is made;
- 1180 (b) a product is transferred electronically; or
- 1181 (c) a service is furnished.
- 1182 ~~[(106)]~~ (107) "Qualifying data center" means a data center facility that:
- 1183 (a) houses a group of networked server computers in one physical location in order to
- 1184 disseminate, manage, and store data and information;
- 1185 (b) is located in the state;
- 1186 (c) is a new operation constructed on or after July 1, 2016;
- 1187 (d) consists of one or more buildings that total 150,000 or more square feet;
- 1188 (e) is owned or leased by:
- 1189 (i) the operator of the data center facility; or
- 1190 (ii) a person under common ownership, as defined in Section 59-7-101, of the operator
- 1191 of the data center facility; and
- 1192 (f) is located on one or more parcels of land that are owned or leased by:
- 1193 (i) the operator of the data center facility; or
- 1194 (ii) a person under common ownership, as defined in Section 59-7-101, of the operator
- 1195 of the data center facility.
- 1196 ~~[(107)]~~ (108) "Regularly rented" means:
- 1197 (a) rented to a guest for value three or more times during a calendar year; or
- 1198 (b) advertised or held out to the public as a place that is regularly rented to guests for
- 1199 value.
- 1200 ~~[(108)]~~ (109) "Rental" means the same as that term is defined in Subsection ~~[(60)]~~ (61).
- 1201 ~~[(109)]~~ (110) (a) ~~[Except as provided in Subsection (109)(b), "repairs"]~~ "Repairs or
- 1202 renovations of tangible personal property" means:
- 1203 (i) a repair or renovation of tangible personal property that is not permanently attached
- 1204 to real property; or
- 1205 (ii) attaching tangible personal property or a product transferred electronically to other

1206 tangible personal property or detaching tangible personal property or a product transferred  
1207 electronically from other tangible personal property if:

1208 (A) the other tangible personal property to which the tangible personal property or  
1209 product transferred electronically is attached or from which the tangible personal property or  
1210 product transferred electronically is detached is not permanently attached to real property; and

1211 (B) the attachment of tangible personal property or a product transferred electronically  
1212 to other tangible personal property or detachment of tangible personal property or a product  
1213 transferred electronically from other tangible personal property is made in conjunction with a  
1214 repair or replacement of tangible personal property or a product transferred electronically.

1215 (b) "Repairs or renovations of tangible personal property" does not include:

1216 (i) attaching prewritten computer software to other tangible personal property if the  
1217 other tangible personal property to which the prewritten computer software is attached is not  
1218 permanently attached to real property; or

1219 (ii) detaching prewritten computer software from other tangible personal property if the  
1220 other tangible personal property from which the prewritten computer software is detached is  
1221 not permanently attached to real property.

1222 [~~(110)~~] (111) "Research and development" means the process of inquiry or  
1223 experimentation aimed at the discovery of facts, devices, technologies, or applications and the  
1224 process of preparing those devices, technologies, or applications for marketing.

1225 [~~(111)~~] (112) (a) "Residential telecommunications services" means a  
1226 telecommunications service or an ancillary service that is provided to an individual for personal  
1227 use:

1228 (i) at a residential address; or

1229 (ii) at an institution, including a nursing home or a school, if the telecommunications  
1230 service or ancillary service is provided to and paid for by the individual residing at the  
1231 institution rather than the institution.

1232 (b) For purposes of Subsection [~~(111)~~] (112)(a)(i), a residential address includes an:

1233 (i) apartment; or

1234 (ii) other individual dwelling unit.

1235 [~~(112)~~] (113) "Residential use" means the use in or around a home, apartment building,  
1236 sleeping quarters, and similar facilities or accommodations.



1237            [~~(H3)~~] (114) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose  
1238 other than:

- 1239            (a) resale;
- 1240            (b) sublease; or
- 1241            (c) subrent.

1242            [~~(H4)~~] (115) (a) "Retailer" means any person, unless prohibited by the Constitution of  
1243 the United States or federal law, that is engaged in a regularly organized business in tangible  
1244 personal property or any other taxable transaction under Subsection 59-12-103(1), and who is  
1245 selling to the user or consumer and not for resale.

1246            (b) "Retailer" includes commission merchants, auctioneers, and any person regularly  
1247 engaged in the business of selling to users or consumers within the state.

1248            [~~(H5)~~] (116) (a) "Sale" means any transfer of title, exchange, or barter, conditional or  
1249 otherwise, in any manner, of tangible personal property or any other taxable transaction under  
1250 Subsection 59-12-103(1), for consideration.

1251            (b) "Sale" includes:

- 1252            (i) installment and credit sales;
- 1253            (ii) any closed transaction constituting a sale;
- 1254            (iii) any sale of electrical energy, gas, services, or entertainment taxable under this  
1255 chapter;
- 1256            (iv) any transaction if the possession of property is transferred but the seller retains the  
1257 title as security for the payment of the price; and
- 1258            (v) any transaction under which right to possession, operation, or use of any article of  
1259 tangible personal property is granted under a lease or contract and the transfer of possession  
1260 would be taxable if an outright sale were made.

1261            [~~(H6)~~] (117) "Sale at retail" means the same as that term is defined in Subsection  
1262 [~~(H3)~~] (114).

1263            [~~(H7)~~] (118) "Sale-leaseback transaction" means a transaction by which title to  
1264 tangible personal property or a product transferred electronically that is subject to a tax under  
1265 this chapter is transferred:

- 1266            (a) by a purchaser-lessee;
- 1267            (b) to a lessor;

1268 (c) for consideration; and  
1269 (d) if:  
1270 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase  
1271 of the tangible personal property or product transferred electronically;  
1272 (ii) the sale of the tangible personal property or product transferred electronically to the  
1273 lessor is intended as a form of financing:  
1274 (A) for the tangible personal property or product transferred electronically; and  
1275 (B) to the purchaser-lessee; and  
1276 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee  
1277 is required to:  
1278 (A) capitalize the tangible personal property or product transferred electronically for  
1279 financial reporting purposes; and  
1280 (B) account for the lease payments as payments made under a financing arrangement.  
1281 [~~(118)~~] (119) "Sales price" means the same as that term is defined in Subsection  
1282 [~~(104)~~] (105).  
1283 [~~(119)~~] (120) (a) "Sales relating to schools" means the following sales by, amounts  
1284 paid to, or amounts charged by a school:  
1285 (i) sales that are directly related to the school's educational functions or activities  
1286 including:  
1287 (A) the sale of:  
1288 (I) textbooks;  
1289 (II) textbook fees;  
1290 (III) laboratory fees;  
1291 (IV) laboratory supplies; or  
1292 (V) safety equipment;  
1293 (B) the sale of a uniform, protective equipment, or sports or recreational equipment  
1294 that:  
1295 (I) a student is specifically required to wear as a condition of participation in a  
1296 school-related event or school-related activity; and  
1297 (II) is not readily adaptable to general or continued usage to the extent that it takes the  
1298 place of ordinary clothing;

- 1299 (C) sales of the following if the net or gross revenues generated by the sales are  
1300 deposited into a school district fund or school fund dedicated to school meals:
- 1301 (I) food and food ingredients; or  
1302 (II) prepared food; or  
1303 (D) transportation charges for official school activities; or  
1304 (ii) amounts paid to or amounts charged by a school for admission to a school-related  
1305 event or school-related activity.
- 1306 (b) "Sales relating to schools" does not include:  
1307 (i) bookstore sales of items that are not educational materials or supplies;  
1308 (ii) except as provided in Subsection [~~(119)~~] (120)(a)(i)(B):  
1309 (A) clothing;  
1310 (B) clothing accessories or equipment;  
1311 (C) protective equipment; or  
1312 (D) sports or recreational equipment; or  
1313 (iii) amounts paid to or amounts charged by a school for admission to a school-related  
1314 event or school-related activity if the amounts paid or charged are passed through to a person:  
1315 (A) other than a:  
1316 (I) school;  
1317 (II) nonprofit organization authorized by a school board or a governing body of a  
1318 private school to organize and direct a competitive secondary school activity; or  
1319 (III) nonprofit association authorized by a school board or a governing body of a  
1320 private school to organize and direct a competitive secondary school activity; and  
1321 (B) that is required to collect sales and use taxes under this chapter.  
1322 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1323 commission may make rules defining the term "passed through."  
1324 [~~(120)~~] (121) For purposes of this section and Section [59-12-104](#), "school" means:  
1325 (a) an elementary school or a secondary school that:  
1326 (i) is a:  
1327 (A) public school; or  
1328 (B) private school; and  
1329 (ii) provides instruction for one or more grades kindergarten through 12; or

- 1330 (b) a public school district.
- 1331 [~~(121)~~] (122) (a) "Seller" means a person that makes a sale, lease, or rental of:
- 1332 (i) tangible personal property;
- 1333 (ii) a product transferred electronically; or
- 1334 (iii) a service.
- 1335 (b) "Seller" includes a marketplace facilitator.
- 1336 [~~(122)~~] (123) (a) "Semiconductor fabricating, processing, research, or development
- 1337 materials" means tangible personal property or a product transferred electronically if the
- 1338 tangible personal property or product transferred electronically is:
- 1339 (i) used primarily in the process of:
- 1340 (A) (I) manufacturing a semiconductor;
- 1341 (II) fabricating a semiconductor; or
- 1342 (III) research or development of a:
- 1343 (Aa) semiconductor; or
- 1344 (Bb) semiconductor manufacturing process; or
- 1345 (B) maintaining an environment suitable for a semiconductor; or
- 1346 (ii) consumed primarily in the process of:
- 1347 (A) (I) manufacturing a semiconductor;
- 1348 (II) fabricating a semiconductor; or
- 1349 (III) research or development of a:
- 1350 (Aa) semiconductor; or
- 1351 (Bb) semiconductor manufacturing process; or
- 1352 (B) maintaining an environment suitable for a semiconductor.
- 1353 (b) "Semiconductor fabricating, processing, research, or development materials"
- 1354 includes:
- 1355 (i) parts used in the repairs or renovations of tangible personal property or a product
- 1356 transferred electronically described in Subsection [~~(122)~~] (123)(a); or
- 1357 (ii) a chemical, catalyst, or other material used to:
- 1358 (A) produce or induce in a semiconductor a:
- 1359 (I) chemical change; or
- 1360 (II) physical change;

- 1361 (B) remove impurities from a semiconductor; or
- 1362 (C) improve the marketable condition of a semiconductor.
- 1363 [~~(123)~~] (124) "Senior citizen center" means a facility having the primary purpose of
- 1364 providing services to the aged as defined in Section 62A-3-101.
- 1365 [~~(124)~~] (125) (a) Subject to Subsections [~~(124)~~] (125)(b) and (c), "short-term lodging
- 1366 consumable" means tangible personal property that:
- 1367 (i) a business that provides accommodations and services described in Subsection
- 1368 59-12-103(1)(i) purchases as part of a transaction to provide the accommodations and services
- 1369 to a purchaser;
- 1370 (ii) is intended to be consumed by the purchaser; and
- 1371 (iii) is:
- 1372 (A) included in the purchase price of the accommodations and services; and
- 1373 (B) not separately stated on an invoice, bill of sale, or other similar document provided
- 1374 to the purchaser.
- 1375 (b) "Short-term lodging consumable" includes:
- 1376 (i) a beverage;
- 1377 (ii) a brush or comb;
- 1378 (iii) a cosmetic;
- 1379 (iv) a hair care product;
- 1380 (v) lotion;
- 1381 (vi) a magazine;
- 1382 (vii) makeup;
- 1383 (viii) a meal;
- 1384 (ix) mouthwash;
- 1385 (x) nail polish remover;
- 1386 (xi) a newspaper;
- 1387 (xii) a notepad;
- 1388 (xiii) a pen;
- 1389 (xiv) a pencil;
- 1390 (xv) a razor;
- 1391 (xvi) saline solution;

- 1392 (xvii) a sewing kit;
- 1393 (xviii) shaving cream;
- 1394 (xix) a shoe shine kit;
- 1395 (xx) a shower cap;
- 1396 (xxi) a snack item;
- 1397 (xxii) soap;
- 1398 (xxiii) toilet paper;
- 1399 (xxiv) a toothbrush;
- 1400 (xxv) toothpaste; or
- 1401 (xxvi) an item similar to Subsections [~~(124)~~] (125)(b)(i) through (xxv) as the
- 1402 commission may provide by rule made in accordance with Title 63G, Chapter 3, Utah
- 1403 Administrative Rulemaking Act.
- 1404 (c) "Short-term lodging consumable" does not include:
- 1405 (i) tangible personal property that is cleaned or washed to allow the tangible personal
- 1406 property to be reused; or
- 1407 (ii) a product transferred electronically.
- 1408 [~~(125)~~] (126) "Simplified electronic return" means the electronic return:
- 1409 (a) described in Section 318(C) of the agreement; and
- 1410 (b) approved by the governing board of the agreement.
- 1411 [~~(126)~~] (127) "Solar energy" means the sun used as the sole source of energy for
- 1412 producing electricity.
- 1413 [~~(127)~~] (128) (a) "Sports or recreational equipment" means an item:
- 1414 (i) designed for human use; and
- 1415 (ii) that is:
- 1416 (A) worn in conjunction with:
- 1417 (I) an athletic activity; or
- 1418 (II) a recreational activity; and
- 1419 (B) not suitable for general use.
- 1420 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1421 commission shall make rules:
- 1422 (i) listing the items that constitute "sports or recreational equipment"; and

1423 (ii) that are consistent with the list of items that constitute "sports or recreational  
1424 equipment" under the agreement.

1425 [~~(128)~~] (129) "State" means the state of Utah, its departments, and agencies.

1426 [~~(129)~~] (130) "Storage" means any keeping or retention of tangible personal property or  
1427 any other taxable transaction under Subsection 59-12-103(1), in this state for any purpose  
1428 except sale in the regular course of business.

1429 [~~(130)~~] (131) (a) [~~Except as provided in Subsection (130)(d) or (e), "tangible]~~  
1430 "Tangible personal property" means personal property that:

1431 (i) may be:

1432 (A) seen;

1433 (B) weighed;

1434 (C) measured;

1435 (D) felt; or

1436 (E) touched; or

1437 (ii) is in any manner perceptible to the senses.

1438 (b) "Tangible personal property" includes:

1439 (i) electricity;

1440 (ii) water;

1441 (iii) gas;

1442 (iv) steam; or

1443 (v) prewritten computer software, regardless of the manner in which the prewritten  
1444 computer software is transferred.

1445 (c) "Tangible personal property" includes the following regardless of whether the item  
1446 is attached to real property:

1447 (i) a dishwasher;

1448 (ii) a dryer;

1449 (iii) a freezer;

1450 (iv) a microwave;

1451 (v) a refrigerator;

1452 (vi) a stove;

1453 (vii) a washer; or

1454 (viii) an item similar to Subsections [~~(130)~~] (131)(c)(i) through (vii) as determined by  
1455 the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative  
1456 Rulemaking Act.

1457 (d) "Tangible personal property" does not include a product that is transferred  
1458 electronically.

1459 (e) "Tangible personal property" does not include the following if attached to real  
1460 property, regardless of whether the attachment to real property is only through a line that  
1461 supplies water, electricity, gas, telephone, cable, or supplies a similar item as determined by the  
1462 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative  
1463 Rulemaking Act:

- 1464 (i) a hot water heater;
- 1465 (ii) a water filtration system; or
- 1466 (iii) a water softener system.

1467 [~~(131)~~] (132) (a) "Telecommunications enabling or facilitating equipment, machinery,  
1468 or software" means an item listed in Subsection [~~(131)~~] (132)(b) if that item is purchased or  
1469 leased primarily to enable or facilitate one or more of the following to function:

- 1470 (i) telecommunications switching or routing equipment, machinery, or software; or
- 1471 (ii) telecommunications transmission equipment, machinery, or software.

1472 (b) The following apply to Subsection [~~(131)~~] (132)(a):

- 1473 (i) a pole;
- 1474 (ii) software;
- 1475 (iii) a supplementary power supply;
- 1476 (iv) temperature or environmental equipment or machinery;
- 1477 (v) test equipment;
- 1478 (vi) a tower; or

1479 (vii) equipment, machinery, or software that functions similarly to an item listed in  
1480 Subsections [~~(131)~~] (132)(b)(i) through (vi) as determined by the commission by rule made in  
1481 accordance with Subsection [~~(131)~~] (132)(c).

1482 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1483 commission may by rule define what constitutes equipment, machinery, or software that  
1484 functions similarly to an item listed in Subsections [~~(131)~~] (132)(b)(i) through (vi).



1485            [~~(132)~~] (133) "Telecommunications equipment, machinery, or software required for  
1486 911 service" means equipment, machinery, or software that is required to comply with 47  
1487 C.F.R. Sec. 20.18.

1488            [~~(133)~~] (134) "Telecommunications maintenance or repair equipment, machinery, or  
1489 software" means equipment, machinery, or software purchased or leased primarily to maintain  
1490 or repair one or more of the following, regardless of whether the equipment, machinery, or  
1491 software is purchased or leased as a spare part or as an upgrade or modification to one or more  
1492 of the following:

- 1493            (a) telecommunications enabling or facilitating equipment, machinery, or software;
- 1494            (b) telecommunications switching or routing equipment, machinery, or software; or
- 1495            (c) telecommunications transmission equipment, machinery, or software.

1496            [~~(134)~~] (135) (a) "Telecommunications service" means the electronic conveyance,  
1497 routing, or transmission of audio, data, video, voice, or any other information or signal to a  
1498 point, or among or between points.

1499            (b) "Telecommunications service" includes:

1500            (i) an electronic conveyance, routing, or transmission with respect to which a computer  
1501 processing application is used to act:

1502            (A) on the code, form, or protocol of the content;

1503            (B) for the purpose of electronic conveyance, routing, or transmission; and

1504            (C) regardless of whether the service:

1505            (I) is referred to as voice over Internet protocol service; or

1506            (II) is classified by the Federal Communications Commission as enhanced or value  
1507 added;

1508            (ii) an 800 service;

1509            (iii) a 900 service;

1510            (iv) a fixed wireless service;

1511            (v) a mobile wireless service;

1512            (vi) a postpaid calling service;

1513            (vii) a prepaid calling service;

1514            (viii) a prepaid wireless calling service; or

1515            (ix) a private communications service.

- 1516 (c) "Telecommunications service" does not include:
- 1517 (i) advertising, including directory advertising;
- 1518 (ii) an ancillary service;
- 1519 (iii) a billing and collection service provided to a third party;
- 1520 (iv) a data processing and information service if:
- 1521 (A) the data processing and information service allows data to be:
- 1522 (I) (Aa) acquired;
- 1523 (Bb) generated;
- 1524 (Cc) processed;
- 1525 (Dd) retrieved; or
- 1526 (Ee) stored; and
- 1527 (II) delivered by an electronic transmission to a purchaser; and
- 1528 (B) the purchaser's primary purpose for the underlying transaction is the processed data
- 1529 or information;
- 1530 (v) installation or maintenance of the following on a customer's premises:
- 1531 (A) equipment; or
- 1532 (B) wiring;
- 1533 (vi) Internet access service;
- 1534 (vii) a paging service;
- 1535 (viii) a product transferred electronically, including:
- 1536 (A) music;
- 1537 (B) reading material;
- 1538 (C) a ring tone;
- 1539 (D) software; or
- 1540 (E) video;
- 1541 (ix) a radio and television audio and video programming service:
- 1542 (A) regardless of the medium; and
- 1543 (B) including:
- 1544 (I) furnishing conveyance, routing, or transmission of a television audio and video
- 1545 programming service by a programming service provider;
- 1546 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or

1547 (III) audio and video programming services delivered by a commercial mobile radio  
1548 service provider as defined in 47 C.F.R. Sec. 20.3;

1549 (x) a value-added nonvoice data service; or

1550 (xi) tangible personal property.

1551 [~~(135)~~] (136) (a) "Telecommunications service provider" means a person that:

1552 (i) owns, controls, operates, or manages a telecommunications service; and

1553 (ii) engages in an activity described in Subsection [~~(135)~~] (136)(a)(i) for the shared use  
1554 with or resale to any person of the telecommunications service.

1555 (b) A person described in Subsection [~~(135)~~] (136)(a) is a telecommunications service  
1556 provider whether or not the Public Service Commission of Utah regulates:

1557 (i) that person; or

1558 (ii) the telecommunications service that the person owns, controls, operates, or  
1559 manages.

1560 [~~(136)~~] (137) (a) "Telecommunications switching or routing equipment, machinery, or  
1561 software" means an item listed in Subsection [~~(136)~~] (137)(b) if that item is purchased or  
1562 leased primarily for switching or routing:

1563 (i) an ancillary service;

1564 (ii) data communications;

1565 (iii) voice communications; or

1566 (iv) telecommunications service.

1567 (b) The following apply to Subsection [~~(136)~~] (137)(a):

1568 (i) a bridge;

1569 (ii) a computer;

1570 (iii) a cross connect;

1571 (iv) a modem;

1572 (v) a multiplexer;

1573 (vi) plug in circuitry;

1574 (vii) a router;

1575 (viii) software;

1576 (ix) a switch; or

1577 (x) equipment, machinery, or software that functions similarly to an item listed in

1578 Subsections [~~(136)~~] (137)(b)(i) through (ix) as determined by the commission by rule made in  
1579 accordance with Subsection [~~(136)~~] (137)(c).

1580 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1581 commission may by rule define what constitutes equipment, machinery, or software that  
1582 functions similarly to an item listed in Subsections [~~(136)~~] (137)(b)(i) through (ix).

1583 [~~(137)~~] (138) (a) "Telecommunications transmission equipment, machinery, or  
1584 software" means an item listed in Subsection [~~(137)~~] (138)(b) if that item is purchased or  
1585 leased primarily for sending, receiving, or transporting:

- 1586 (i) an ancillary service;
- 1587 (ii) data communications;
- 1588 (iii) voice communications; or
- 1589 (iv) telecommunications service.

1590 (b) The following apply to Subsection [~~(137)~~] (138)(a):

- 1591 (i) an amplifier;
- 1592 (ii) a cable;
- 1593 (iii) a closure;
- 1594 (iv) a conduit;
- 1595 (v) a controller;
- 1596 (vi) a duplexer;
- 1597 (vii) a filter;
- 1598 (viii) an input device;
- 1599 (ix) an input/output device;
- 1600 (x) an insulator;
- 1601 (xi) microwave machinery or equipment;
- 1602 (xii) an oscillator;
- 1603 (xiii) an output device;
- 1604 (xiv) a pedestal;
- 1605 (xv) a power converter;
- 1606 (xvi) a power supply;
- 1607 (xvii) a radio channel;
- 1608 (xviii) a radio receiver;

1609 (xix) a radio transmitter;  
 1610 (xx) a repeater;  
 1611 (xxi) software;  
 1612 (xxii) a terminal;  
 1613 (xxiii) a timing unit;  
 1614 (xxiv) a transformer;  
 1615 (xxv) a wire; or  
 1616 (xxvi) equipment, machinery, or software that functions similarly to an item listed in  
 1617 Subsections [~~(137)~~] (138)(b)(i) through (xxv) as determined by the commission by rule made in  
 1618 accordance with Subsection [~~(137)~~] (138)(c).

1619 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 1620 commission may by rule define what constitutes equipment, machinery, or software that  
 1621 functions similarly to an item listed in Subsections [~~(137)~~] (138)(b)(i) through (xxv).

1622 [~~(138)~~] (139) (a) "Textbook for a higher education course" means a textbook or other  
 1623 printed material that is required for a course:

1624 (i) offered by an institution of higher education; and  
 1625 (ii) that the purchaser of the textbook or other printed material attends or will attend.  
 1626 (b) "Textbook for a higher education course" includes a textbook in electronic format.

1627 [~~(139)~~] (140) "Tobacco" means:

1628 (a) a cigarette;  
 1629 (b) a cigar;  
 1630 (c) chewing tobacco;  
 1631 (d) pipe tobacco; or  
 1632 (e) any other item that contains tobacco.

1633 [~~(140)~~] (141) "Unassisted amusement device" means an amusement device, skill  
 1634 device, or ride device that is started and stopped by the purchaser or renter of the right to use or  
 1635 operate the amusement device, skill device, or ride device.

1636 [~~(141)~~] (142) (a) "Use" means the exercise of any right or power over tangible personal  
 1637 property, a product transferred electronically, or a service under Subsection 59-12-103(1),  
 1638 incident to the ownership or the leasing of that tangible personal property, product transferred  
 1639 electronically, or service.

1640 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal  
1641 property, a product transferred electronically, or a service in the regular course of business and  
1642 held for resale.

1643 ~~[(142)]~~ (143) "Value-added nonvoice data service" means a service:

1644 (a) that otherwise meets the definition of a telecommunications service except that a  
1645 computer processing application is used to act primarily for a purpose other than conveyance,  
1646 routing, or transmission; and

1647 (b) with respect to which a computer processing application is used to act on data or  
1648 information:

- 1649 (i) code;
- 1650 (ii) content;
- 1651 (iii) form; or
- 1652 (iv) protocol.

1653 ~~[(143)]~~ (144) (a) ~~[Subject to Subsection (143)(b), "vehicle"]~~ "Vehicle" means the  
1654 following that are required to be titled, registered, or titled and registered:

- 1655 (i) an aircraft as defined in Section 72-10-102;
- 1656 (ii) a vehicle as defined in Section 41-1a-102;
- 1657 (iii) an off-highway vehicle as defined in Section 41-22-2; or
- 1658 (iv) a vessel as defined in Section 41-1a-102.

1659 (b) For purposes of Subsection 59-12-104(33) only, "vehicle" includes:

- 1660 (i) a vehicle described in Subsection ~~[(143)]~~ (144)(a); or
- 1661 (ii) (A) a locomotive;
- 1662 (B) a freight car;
- 1663 (C) railroad work equipment; or
- 1664 (D) other railroad rolling stock.

1665 ~~[(144)]~~ (145) "Vehicle dealer" means a person engaged in the business of buying,  
1666 selling, or exchanging a vehicle as defined in Subsection ~~[(143)]~~ (144).

1667 ~~[(145)]~~ (146) (a) "Vertical service" means an ancillary service that:

- 1668 (i) is offered in connection with one or more telecommunications services; and
- 1669 (ii) offers an advanced calling feature that allows a customer to:  
1670 (A) identify a caller; and

1671 (B) manage multiple calls and call connections.

1672 (b) "Vertical service" includes an ancillary service that allows a customer to manage a  
1673 conference bridging service.

1674 ~~[(146)]~~ (147) (a) "Voice mail service" means an ancillary service that enables a  
1675 customer to receive, send, or store a recorded message.

1676 (b) "Voice mail service" does not include a vertical service that a customer is required  
1677 to have in order to utilize a voice mail service.

1678 ~~[(147)]~~ (148) (a) ~~[Except as provided in Subsection (147)(b), "waste]~~ "Waste energy  
1679 facility" means a facility that generates electricity:

1680 (i) using as the primary source of energy waste materials that would be placed in a  
1681 landfill or refuse pit if it were not used to generate electricity, including:

1682 (A) tires;

1683 (B) waste coal;

1684 (C) oil shale; or

1685 (D) municipal solid waste; and

1686 (ii) in amounts greater than actually required for the operation of the facility.

1687 (b) "Waste energy facility" does not include a facility that incinerates:

1688 (i) hospital waste as defined in 40 C.F.R. 60.51c; or

1689 (ii) medical/infectious waste as defined in 40 C.F.R. 60.51c.

1690 ~~[(148)]~~ (149) "Watercraft" means a vessel as defined in Section 73-18-2.

1691 ~~[(149)]~~ (150) "Wind energy" means wind used as the sole source of energy to produce  
1692 electricity.

1693 ~~[(150)]~~ (151) "ZIP Code" means a Zoning Improvement Plan Code assigned to a  
1694 geographic location by the United States Postal Service.

1695 Section 2. Section **59-12-104** is amended to read:

1696 **59-12-104. Exemptions.**

1697 Exemptions from the taxes imposed by this chapter are as follows:

1698 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax  
1699 under Chapter 13, Motor and Special Fuel Tax Act;

1700 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political  
1701 subdivisions; however, this exemption does not apply to sales of:

- 1702 (a) construction materials except:
- 1703 (i) construction materials purchased by or on behalf of institutions of the public
- 1704 education system as defined in Utah Constitution, Article X, Section 2, provided the
- 1705 construction materials are clearly identified and segregated and installed or converted to real
- 1706 property which is owned by institutions of the public education system; and
- 1707 (ii) construction materials purchased by the state, its institutions, or its political
- 1708 subdivisions which are installed or converted to real property by employees of the state, its
- 1709 institutions, or its political subdivisions; or
- 1710 (b) tangible personal property in connection with the construction, operation,
- 1711 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities
- 1712 providing additional project capacity, as defined in Section 11-13-103;
- 1713 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:
- 1714 (i) the proceeds of each sale do not exceed \$1; and
- 1715 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
- 1716 the cost of the item described in Subsection (3)(b) as goods consumed; and
- 1717 (b) Subsection (3)(a) applies to:
- 1718 (i) food and food ingredients; or
- 1719 (ii) prepared food;
- 1720 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:
- 1721 (i) alcoholic beverages;
- 1722 (ii) food and food ingredients; or
- 1723 (iii) prepared food;
- 1724 (b) sales of tangible personal property or a product transferred electronically:
- 1725 (i) to a passenger;
- 1726 (ii) by a commercial airline carrier; and
- 1727 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 1728 (c) services related to Subsection (4)(a) or (b);
- 1729 (5) sales of parts and equipment for installation in an aircraft operated by a common
- 1730 carrier in interstate or foreign commerce;
- 1731 (6) sales of commercials, motion picture films, prerecorded audio program tapes or
- 1732 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture



1733 exhibitor, distributor, or commercial television or radio broadcaster;

1734 (7) (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of  
1735 cleaning or washing of tangible personal property if the cleaning or washing of the tangible  
1736 personal property is not assisted cleaning or washing of tangible personal property;

1737 (b) if a seller that sells at the same business location assisted cleaning or washing of  
1738 tangible personal property and cleaning or washing of tangible personal property that is not  
1739 assisted cleaning or washing of tangible personal property, the exemption described in  
1740 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning  
1741 or washing of the tangible personal property; and

1742 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,  
1743 Utah Administrative Rulemaking Act, the commission may make rules:

1744 (i) governing the circumstances under which sales are at the same business location;  
1745 and

1746 (ii) establishing the procedures and requirements for a seller to separately account for  
1747 sales of assisted cleaning or washing of tangible personal property;

1748 (8) sales made to or by religious or charitable institutions in the conduct of their regular  
1749 religious or charitable functions and activities, if the requirements of Section [59-12-104.1](#) are  
1750 fulfilled;

1751 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of  
1752 this state if the vehicle is:

1753 (a) not registered in this state; and

1754 (b) (i) not used in this state; or

1755 (ii) used in this state:

1756 (A) if the vehicle is not used to conduct business, for a time period that does not  
1757 exceed the longer of:

1758 (I) 30 days in any calendar year; or

1759 (II) the time period necessary to transport the vehicle to the borders of this state; or

1760 (B) if the vehicle is used to conduct business, for the time period necessary to transport  
1761 the vehicle to the borders of this state;

1762 (10) (a) amounts paid for an item described in Subsection (10)(b) if:

1763 (i) the item is intended for human use; and

1764 (ii) (A) a prescription was issued for the item; or  
1765 (B) the item was purchased by a hospital or other medical facility; and  
1766 (b) (i) Subsection (10)(a) applies to:  
1767 (A) a drug;  
1768 (B) a syringe; or  
1769 (C) a stoma supply; and  
1770 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1771 commission may by rule define the terms:  
1772 (A) "syringe"; or  
1773 (B) "stoma supply";  
1774 (11) purchases or leases exempt under Section [19-12-201](#);  
1775 (12) (a) sales of an item described in Subsection (12)(c) served by:  
1776 (i) the following if the item described in Subsection (12)(c) is not available to the  
1777 general public:  
1778 (A) a church; or  
1779 (B) a charitable institution; or  
1780 (ii) an institution of higher education if:  
1781 (A) the item described in Subsection (12)(c) is not available to the general public; or  
1782 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan  
1783 offered by the institution of higher education; or  
1784 (b) sales of an item described in Subsection (12)(c) provided for a patient by:  
1785 (i) a medical facility; or  
1786 (ii) a nursing facility; and  
1787 (c) Subsections (12)(a) and (b) apply to:  
1788 (i) food and food ingredients;  
1789 (ii) prepared food; or  
1790 (iii) alcoholic beverages;  
1791 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property  
1792 or a product transferred electronically by a person:  
1793 (i) regardless of the number of transactions involving the sale of that tangible personal  
1794 property or product transferred electronically by that person; and

- 1795 (ii) not regularly engaged in the business of selling that type of tangible personal  
1796 property or product transferred electronically;
- 1797 (b) this Subsection (13) does not apply if:
  - 1798 (i) the sale is one of a series of sales of a character to indicate that the person is  
1799 regularly engaged in the business of selling that type of tangible personal property or product  
1800 transferred electronically;
  - 1801 (ii) the person holds that person out as regularly engaged in the business of selling that  
1802 type of tangible personal property or product transferred electronically;
  - 1803 (iii) the person sells an item of tangible personal property or product transferred  
1804 electronically that the person purchased as a sale that is exempt under Subsection (25); or
  - 1805 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of  
1806 this state in which case the tax is based upon:
    - 1807 (A) the bill of sale or other written evidence of value of the vehicle or vessel being  
1808 sold; or
    - 1809 (B) in the absence of a bill of sale or other written evidence of value, the fair market  
1810 value of the vehicle or vessel being sold at the time of the sale as determined by the  
1811 commission; and
  - 1812 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1813 commission shall make rules establishing the circumstances under which:
    - 1814 (i) a person is regularly engaged in the business of selling a type of tangible personal  
1815 property or product transferred electronically;
    - 1816 (ii) a sale of tangible personal property or a product transferred electronically is one of  
1817 a series of sales of a character to indicate that a person is regularly engaged in the business of  
1818 selling that type of tangible personal property or product transferred electronically; or
    - 1819 (iii) a person holds that person out as regularly engaged in the business of selling a type  
1820 of tangible personal property or product transferred electronically;
- 1821 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
1822 operating repair or replacement parts, or materials, except for office equipment or office  
1823 supplies, by:
  - 1824 (a) a manufacturing facility that:
    - 1825 (i) is located in the state; and

1826           (ii) uses or consumes the machinery, equipment, normal operating repair or  
1827 replacement parts, or materials:

1828           (A) in the manufacturing process to manufacture an item sold as tangible personal  
1829 property, as the commission may define that phrase in accordance with Title 63G, Chapter 3,  
1830 Utah Administrative Rulemaking Act; or

1831           (B) for a scrap recycler, to process an item sold as tangible personal property, as the  
1832 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah  
1833 Administrative Rulemaking Act;

1834           (b) an establishment, as the commission defines that term in accordance with Title  
1835 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

1836           (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS  
1837 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal  
1838 Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the  
1839 2002 North American Industry Classification System of the federal Executive Office of the  
1840 President, Office of Management and Budget;

1841           (ii) is located in the state; and

1842           (iii) uses or consumes the machinery, equipment, normal operating repair or  
1843 replacement parts, or materials in:

1844           (A) the production process to produce an item sold as tangible personal property, as the  
1845 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah  
1846 Administrative Rulemaking Act;

1847           (B) research and development, as the commission may define that phrase in accordance  
1848 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

1849           (C) transporting, storing, or managing tailings, overburden, or similar waste materials  
1850 produced from mining;

1851           (D) developing or maintaining a road, tunnel, excavation, or similar feature used in  
1852 mining; or

1853           (E) preventing, controlling, or reducing dust or other pollutants from mining; or

1854           (c) an establishment, as the commission defines that term in accordance with Title 63G,  
1855 Chapter 3, Utah Administrative Rulemaking Act, that:

1856           (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North

1857 American Industry Classification System of the federal Executive Office of the President,  
1858 Office of Management and Budget;  
1859 (ii) is located in the state; and  
1860 (iii) uses or consumes the machinery, equipment, normal operating repair or  
1861 replacement parts, or materials in the operation of the web search portal;  
1862 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:  
1863 (i) tooling;  
1864 (ii) special tooling;  
1865 (iii) support equipment;  
1866 (iv) special test equipment; or  
1867 (v) parts used in the repairs or renovations of tooling or equipment described in  
1868 Subsections (15)(a)(i) through (iv); and  
1869 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:  
1870 (i) the tooling, equipment, or parts are used or consumed exclusively in the  
1871 performance of any aerospace or electronics industry contract with the United States  
1872 government or any subcontract under that contract; and  
1873 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),  
1874 title to the tooling, equipment, or parts is vested in the United States government as evidenced  
1875 by:  
1876 (A) a government identification tag placed on the tooling, equipment, or parts; or  
1877 (B) listing on a government-approved property record if placing a government  
1878 identification tag on the tooling, equipment, or parts is impractical;  
1879 (16) sales of newspapers or newspaper subscriptions;  
1880 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a  
1881 product transferred electronically traded in as full or part payment of the purchase price, except  
1882 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,  
1883 trade-ins are limited to other vehicles only, and the tax is based upon:  
1884 (i) the bill of sale or other written evidence of value of the vehicle being sold and the  
1885 vehicle being traded in; or  
1886 (ii) in the absence of a bill of sale or other written evidence of value, the then existing  
1887 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the

1888 commission; and

1889 (b) Subsection (17)(a) does not apply to the following items of tangible personal  
1890 property or products transferred electronically traded in as full or part payment of the purchase  
1891 price:

1892 (i) money;

1893 (ii) electricity;

1894 (iii) water;

1895 (iv) gas; or

1896 (v) steam;

1897 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property  
1898 or a product transferred electronically used or consumed primarily and directly in farming  
1899 operations, regardless of whether the tangible personal property or product transferred  
1900 electronically:

1901 (A) becomes part of real estate; or

1902 (B) is installed by a farmer, contractor, or subcontractor; or

1903 (ii) sales of parts used in the repairs or renovations of tangible personal property or a  
1904 product transferred electronically if the tangible personal property or product transferred  
1905 electronically is exempt under Subsection (18)(a)(i); and

1906 (b) amounts paid or charged for the following are subject to the taxes imposed by this  
1907 chapter:

1908 (i) (A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or  
1909 supplies if used in a manner that is incidental to farming; and

1910 (B) tangible personal property that is considered to be used in a manner that is  
1911 incidental to farming includes:

1912 (I) hand tools; or

1913 (II) maintenance and janitorial equipment and supplies;

1914 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product  
1915 transferred electronically if the tangible personal property or product transferred electronically  
1916 is used in an activity other than farming; and

1917 (B) tangible personal property or a product transferred electronically that is considered  
1918 to be used in an activity other than farming includes:

- 1919 (I) office equipment and supplies; or  
1920 (II) equipment and supplies used in:  
1921 (Aa) the sale or distribution of farm products;  
1922 (Bb) research; or  
1923 (Cc) transportation; or  
1924 (iii) a vehicle required to be registered by the laws of this state during the period  
1925 ending two years after the date of the vehicle's purchase;  
1926 (19) sales of hay;  
1927 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or  
1928 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or  
1929 garden, farm, or other agricultural produce is sold by:  
1930 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other  
1931 agricultural produce;  
1932 (b) an employee of the producer described in Subsection (20)(a); or  
1933 (c) a member of the immediate family of the producer described in Subsection (20)(a);  
1934 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued  
1935 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
- 1936 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,  
1937 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,  
1938 wholesaler, or retailer for use in packaging tangible personal property to be sold by that  
1939 manufacturer, processor, wholesaler, or retailer;
- 1940 (23) a product stored in the state for resale;  
1941 (24) (a) purchases of a product if:  
1942 (i) the product is:  
1943 (A) purchased outside of this state;  
1944 (B) brought into this state:  
1945 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and  
1946 (II) by a nonresident person who is not living or working in this state at the time of the  
1947 purchase;  
1948 (C) used for the personal use or enjoyment of the nonresident person described in  
1949 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and

- 1950 (D) not used in conducting business in this state; and  
1951 (ii) for:  
1952 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of  
1953 the product for a purpose for which the product is designed occurs outside of this state;  
1954 (B) a boat, the boat is registered outside of this state; or  
1955 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered  
1956 outside of this state;  
1957 (b) the exemption provided for in Subsection (24)(a) does not apply to:  
1958 (i) a lease or rental of a product; or  
1959 (ii) a sale of a vehicle exempt under Subsection (33); and  
1960 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
1961 purposes of Subsection (24)(a), the commission may by rule define what constitutes the  
1962 following:  
1963 (i) conducting business in this state if that phrase has the same meaning in this  
1964 Subsection (24) as in Subsection (63);  
1965 (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)  
1966 as in Subsection (63); or  
1967 (iii) a purpose for which a product is designed if that phrase has the same meaning in  
1968 this Subsection (24) as in Subsection (63);  
1969 (25) a product purchased for resale in the regular course of business, either in its  
1970 original form or as an ingredient or component part of a manufactured or compounded product;  
1971 (26) a product upon which a sales or use tax was paid to some other state, or one of its  
1972 subdivisions, except that the state shall be paid any difference between the tax paid and the tax  
1973 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if  
1974 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax  
1975 Act;  
1976 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a  
1977 person for use in compounding a service taxable under the subsections;  
1978 (28) purchases made in accordance with the special supplemental nutrition program for  
1979 women, infants, and children established in 42 U.S.C. Sec. 1786;  
1980 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other



1981 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code  
1982 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of  
1983 the President, Office of Management and Budget;

1984 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State  
1985 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:  
1986 (a) not registered in this state; and  
1987 (b) (i) not used in this state; or  
1988 (ii) used in this state:  
1989 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a  
1990 time period that does not exceed the longer of:  
1991 (I) 30 days in any calendar year; or  
1992 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to  
1993 the borders of this state; or  
1994 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time  
1995 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this  
1996 state;

1997 (31) sales of aircraft manufactured in Utah;

1998 (32) amounts paid for the purchase of telecommunications service for purposes of  
1999 providing telecommunications service;

2000 (33) sales, leases, or uses of the following:  
2001 (a) a vehicle by an authorized carrier; or  
2002 (b) tangible personal property that is installed on a vehicle:  
2003 (i) sold or leased to or used by an authorized carrier; and  
2004 (ii) before the vehicle is placed in service for the first time;

2005 (34) (a) 45% of the sales price of any new manufactured home; and  
2006 (b) 100% of the sales price of any used manufactured home;

2007 (35) sales relating to schools and fundraising sales;

2008 (36) sales or rentals of durable medical equipment if:  
2009 (a) a person presents a prescription for the durable medical equipment; and  
2010 (b) the durable medical equipment is used for home use only;

2011 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in

2012 Section [72-11-102](#); and

2013 (b) the commission shall by rule determine the method for calculating sales exempt

2014 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;

2015 (38) sales to a ski resort of:

2016 (a) snowmaking equipment;

2017 (b) ski slope grooming equipment;

2018 (c) passenger ropeways as defined in Section [72-11-102](#); or

2019 (d) parts used in the repairs or renovations of equipment or passenger ropeways

2020 described in Subsections (38)(a) through (c);

2021 (39) subject to Subsection [59-12-103\(2\)\(j\)](#), sales of natural gas, electricity, heat, coal,

2022 fuel oil, or other fuels for industrial use;

2023 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for

2024 amusement, entertainment, or recreation an unassisted amusement device as defined in Section

2025 [59-12-102](#);

2026 (b) if a seller that sells or rents at the same business location the right to use or operate

2027 for amusement, entertainment, or recreation one or more unassisted amusement devices and

2028 one or more assisted amusement devices, the exemption described in Subsection (40)(a)

2029 applies if the seller separately accounts for the sales or rentals of the right to use or operate for

2030 amusement, entertainment, or recreation for the assisted amusement devices; and

2031 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,

2032 Utah Administrative Rulemaking Act, the commission may make rules:

2033 (i) governing the circumstances under which sales are at the same business location;

2034 and

2035 (ii) establishing the procedures and requirements for a seller to separately account for

2036 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for

2037 assisted amusement devices;

2038 (41) (a) sales of photocopies by:

2039 (i) a governmental entity; or

2040 (ii) an entity within the state system of public education, including:

2041 (A) a school; or

2042 (B) the State Board of Education; or

- 2043 (b) sales of publications by a governmental entity;
- 2044 (42) amounts paid for admission to an athletic event at an institution of higher  
2045 education that is subject to the provisions of Title IX of the Education Amendments of 1972,  
2046 20 U.S.C. Sec. 1681 et seq.;
- 2047 (43) (a) sales made to or by:
- 2048 (i) an area agency on aging; or
- 2049 (ii) a senior citizen center owned by a county, city, or town; or
- 2050 (b) sales made by a senior citizen center that contracts with an area agency on aging;
- 2051 (44) sales or leases of semiconductor fabricating, processing, research, or development  
2052 materials regardless of whether the semiconductor fabricating, processing, research, or  
2053 development materials:
- 2054 (a) actually come into contact with a semiconductor; or
- 2055 (b) ultimately become incorporated into real property;
- 2056 (45) an amount paid by or charged to a purchaser for accommodations and services  
2057 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section  
2058 59-12-104.2;
- 2059 (46) the lease or use of a vehicle issued a temporary sports event registration certificate  
2060 in accordance with Section 41-3-306 for the event period specified on the temporary sports  
2061 event registration certificate;
- 2062 (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff  
2063 adopted by the Public Service Commission only for purchase of electricity produced from a  
2064 new alternative energy source built after January 1, 2016, as designated in the tariff by the  
2065 Public Service Commission; and
- 2066 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies  
2067 only to the portion of the tariff rate a customer pays under the tariff described in Subsection  
2068 (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the  
2069 customer would have paid absent the tariff;
- 2070 (48) sales or rentals of mobility enhancing equipment if a person presents a  
2071 prescription for the mobility enhancing equipment;
- 2072 (49) sales of water in a:
- 2073 (a) pipe;

- 2074 (b) conduit;
- 2075 (c) ditch; or
- 2076 (d) reservoir;
- 2077 (50) sales of currency or coins that constitute legal tender of a state, the United States,
- 2078 or a foreign nation;
- 2079 (51) (a) sales of an item described in Subsection (51)(b) if the item:
- 2080 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 2081 (ii) has a gold, silver, or platinum content of 50% or more; and
- 2082 (b) Subsection (51)(a) applies to a gold, silver, or platinum:
- 2083 (i) ingot;
- 2084 (ii) bar;
- 2085 (iii) medallion; or
- 2086 (iv) decorative coin;
- 2087 (52) amounts paid on a sale-leaseback transaction;
- 2088 (53) sales of a prosthetic device:
- 2089 (a) for use on or in a human; and
- 2090 (b) (i) for which a prescription is required; or
- 2091 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
- 2092 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
- 2093 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery
- 2094 or equipment is primarily used in the production or postproduction of the following media for
- 2095 commercial distribution:
- 2096 (i) a motion picture;
- 2097 (ii) a television program;
- 2098 (iii) a movie made for television;
- 2099 (iv) a music video;
- 2100 (v) a commercial;
- 2101 (vi) a documentary; or
- 2102 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
- 2103 commission by administrative rule made in accordance with Subsection (54)(d); or
- 2104 (b) purchases, leases, or rentals of machinery or equipment by an establishment

2105 described in Subsection (54)(c) that is used for the production or postproduction of the  
 2106 following are subject to the taxes imposed by this chapter:

- 2107 (i) a live musical performance;
- 2108 (ii) a live news program; or
- 2109 (iii) a live sporting event;

2110 (c) the following establishments listed in the 1997 North American Industry  
 2111 Classification System of the federal Executive Office of the President, Office of Management  
 2112 and Budget, apply to Subsections (54)(a) and (b):

- 2113 (i) NAICS Code 512110; or
- 2114 (ii) NAICS Code 51219; and
- 2115 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 2116 commission may by rule:

- 2117 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);

2118 or

- 2119 (ii) define:

- 2120 (A) "commercial distribution";
- 2121 (B) "live musical performance";
- 2122 (C) "live news program"; or
- 2123 (D) "live sporting event";

2124 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but  
 2125 on or before June 30, [~~2027~~] 2040, of tangible personal property that:

- 2126 (i) is leased or purchased for or by a facility that:

- 2127 (A) is an alternative energy electricity production facility or an electricity storage  
 2128 facility;
- 2129 (B) is located in the state; and
- 2130 (C) (I) becomes operational on or after July 1, 2004; or
- 2131 (II) has its generation or storage capacity increased by one or more megawatts on or  
 2132 after July 1, 2004, as a result of the use of the tangible personal property;
- 2133 (ii) has an economic life of five or more years; and
- 2134 (iii) is used to make the facility or the increase in capacity of the facility described in  
 2135 Subsection (55)(a)(i) operational up to the point of interconnection with an existing

- 2136 transmission grid including:
- 2137 (A) a wind turbine;
  - 2138 (B) generating equipment;
  - 2139 (C) a control and monitoring system;
  - 2140 (D) a power line;
  - 2141 (E) substation equipment;
  - 2142 (F) lighting;
  - 2143 (G) fencing;
  - 2144 (H) pipes; [or]
  - 2145 (I) other equipment used for locating a power line or pole; or
  - 2146 (J) electricity storage equipment; and
- 2147 (b) this Subsection (55) does not apply to:
- 2148 (i) tangible personal property used in construction of:
    - 2149 (A) a new alternative energy electricity production facility;
    - 2150 (B) a new electricity storage facility; or
    - 2151 [~~B~~] (C) the increase in the capacity of an alternative energy electricity production
    - 2152 facility or an electricity storage facility;
    - 2153 (ii) contracted services required for construction and routine maintenance activities;
    - 2154 and
    - 2155 (iii) unless the tangible personal property is used or acquired for an increase in capacity
    - 2156 of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or
    - 2157 acquired after:
      - 2158 (A) the alternative energy electricity production facility or an electricity storage facility
      - 2159 described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
      - 2160 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described
      - 2161 in Subsection (55)(a)(iii);
- 2162 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but
- 2163 on or before June 30, 2027, of tangible personal property that:
- 2164 (i) is leased or purchased for or by a facility that:
    - 2165 (A) is a waste energy production facility;
    - 2166 (B) is located in the state; and

2167 (C) (I) becomes operational on or after July 1, 2004; or  
2168 (II) has its generation capacity increased by one or more megawatts on or after July 1,  
2169 2004, as a result of the use of the tangible personal property;  
2170 (ii) has an economic life of five or more years; and  
2171 (iii) is used to make the facility or the increase in capacity of the facility described in  
2172 Subsection (56)(a)(i) operational up to the point of interconnection with an existing  
2173 transmission grid including:  
2174 (A) generating equipment;  
2175 (B) a control and monitoring system;  
2176 (C) a power line;  
2177 (D) substation equipment;  
2178 (E) lighting;  
2179 (F) fencing;  
2180 (G) pipes; or  
2181 (H) other equipment used for locating a power line or pole; and  
2182 (b) this Subsection (56) does not apply to:  
2183 (i) tangible personal property used in construction of:  
2184 (A) a new waste energy facility; or  
2185 (B) the increase in the capacity of a waste energy facility;  
2186 (ii) contracted services required for construction and routine maintenance activities;  
2187 and  
2188 (iii) unless the tangible personal property is used or acquired for an increase in capacity  
2189 described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:  
2190 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as  
2191 described in Subsection (56)(a)(iii); or  
2192 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described  
2193 in Subsection (56)(a)(iii);  
2194 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on  
2195 or before June 30, 2027, of tangible personal property that:  
2196 (i) is leased or purchased for or by a facility that:  
2197 (A) is located in the state;

2198 (B) produces fuel from alternative energy, including:  
2199 (I) methanol; or  
2200 (II) ethanol; and  
2201 (C) (I) becomes operational on or after July 1, 2004; or  
2202 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as  
2203 a result of the installation of the tangible personal property;  
2204 (ii) has an economic life of five or more years; and  
2205 (iii) is installed on the facility described in Subsection (57)(a)(i);  
2206 (b) this Subsection (57) does not apply to:  
2207 (i) tangible personal property used in construction of:  
2208 (A) a new facility described in Subsection (57)(a)(i); or  
2209 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or  
2210 (ii) contracted services required for construction and routine maintenance activities;  
2211 and  
2212 (iii) unless the tangible personal property is used or acquired for an increase in capacity  
2213 described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:  
2214 (A) the facility described in Subsection (57)(a)(i) is operational; or  
2215 (B) the increased capacity described in Subsection (57)(a)(i) is operational;  
2216 (58) (a) subject to Subsection (58)(b), sales of tangible personal property or a product  
2217 transferred electronically to a person within this state if that tangible personal property or  
2218 product transferred electronically is subsequently shipped outside the state and incorporated  
2219 pursuant to contract into and becomes a part of real property located outside of this state; and  
2220 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other  
2221 state or political entity to which the tangible personal property is shipped imposes a sales, use,  
2222 gross receipts, or other similar transaction excise tax on the transaction against which the other  
2223 state or political entity allows a credit for sales and use taxes imposed by this chapter;  
2224 (59) purchases:  
2225 (a) of one or more of the following items in printed or electronic format:  
2226 (i) a list containing information that includes one or more:  
2227 (A) names; or  
2228 (B) addresses; or



- 2229 (ii) a database containing information that includes one or more:
- 2230 (A) names; or
- 2231 (B) addresses; and
- 2232 (b) used to send direct mail;
- 2233 (60) redemptions or repurchases of a product by a person if that product was:
- 2234 (a) delivered to a pawnbroker as part of a pawn transaction; and
- 2235 (b) redeemed or repurchased within the time period established in a written agreement
- 2236 between the person and the pawnbroker for redeeming or repurchasing the product;
- 2237 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:
- 2238 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
- 2239 and
- 2240 (ii) has a useful economic life of one or more years; and
- 2241 (b) the following apply to Subsection (61)(a):
- 2242 (i) telecommunications enabling or facilitating equipment, machinery, or software;
- 2243 (ii) telecommunications equipment, machinery, or software required for 911 service;
- 2244 (iii) telecommunications maintenance or repair equipment, machinery, or software;
- 2245 (iv) telecommunications switching or routing equipment, machinery, or software; or
- 2246 (v) telecommunications transmission equipment, machinery, or software;
- 2247 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
- 2248 personal property or a product transferred electronically that are used in the research and
- 2249 development of alternative energy technology; and
- 2250 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2251 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes
- 2252 purchases of tangible personal property or a product transferred electronically that are used in
- 2253 the research and development of alternative energy technology;
- 2254 (63) (a) purchases of tangible personal property or a product transferred electronically
- 2255 if:
- 2256 (i) the tangible personal property or product transferred electronically is:
- 2257 (A) purchased outside of this state;
- 2258 (B) brought into this state at any time after the purchase described in Subsection
- 2259 (63)(a)(i)(A); and

2260 (C) used in conducting business in this state; and  
2261 (ii) for:  
2262 (A) tangible personal property or a product transferred electronically other than the  
2263 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property  
2264 for a purpose for which the property is designed occurs outside of this state; or  
2265 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered  
2266 outside of this state and not required to be registered in this state under Section [41-1a-202](#) or  
2267 [73-18-9](#) based on residency;  
2268 (b) the exemption provided for in Subsection (63)(a) does not apply to:  
2269 (i) a lease or rental of tangible personal property or a product transferred electronically;  
2270 or  
2271 (ii) a sale of a vehicle exempt under Subsection (33); and  
2272 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
2273 purposes of Subsection (63)(a), the commission may by rule define what constitutes the  
2274 following:  
2275 (i) conducting business in this state if that phrase has the same meaning in this  
2276 Subsection (63) as in Subsection (24);  
2277 (ii) the first use of tangible personal property or a product transferred electronically if  
2278 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or  
2279 (iii) a purpose for which tangible personal property or a product transferred  
2280 electronically is designed if that phrase has the same meaning in this Subsection (63) as in  
2281 Subsection (24);  
2282 (64) sales of disposable home medical equipment or supplies if:  
2283 (a) a person presents a prescription for the disposable home medical equipment or  
2284 supplies;  
2285 (b) the disposable home medical equipment or supplies are used exclusively by the  
2286 person to whom the prescription described in Subsection (64)(a) is issued; and  
2287 (c) the disposable home medical equipment and supplies are listed as eligible for  
2288 payment under:  
2289 (i) Title XVIII, federal Social Security Act; or  
2290 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

- 2291 (65) sales:
- 2292 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit
- 2293 District Act; or
- 2294 (b) of tangible personal property to a subcontractor of a public transit district, if the
- 2295 tangible personal property is:
  - 2296 (i) clearly identified; and
  - 2297 (ii) installed or converted to real property owned by the public transit district;
- 2298 (66) sales of construction materials:
  - 2299 (a) purchased on or after July 1, 2010;
  - 2300 (b) purchased by, on behalf of, or for the benefit of an international airport:
    - 2301 (i) located within a county of the first class; and
    - 2302 (ii) that has a United States customs office on its premises; and
  - 2303 (c) if the construction materials are:
    - 2304 (i) clearly identified;
    - 2305 (ii) segregated; and
    - 2306 (iii) installed or converted to real property:
      - 2307 (A) owned or operated by the international airport described in Subsection (66)(b); and
      - 2308 (B) located at the international airport described in Subsection (66)(b);
- 2309 (67) sales of construction materials:
  - 2310 (a) purchased on or after July 1, 2008;
  - 2311 (b) purchased by, on behalf of, or for the benefit of a new airport:
    - 2312 (i) located within a county of the second class; and
    - 2313 (ii) that is owned or operated by a city in which an airline as defined in Section
    - 2314 [59-2-102](#) is headquartered; and
  - 2315 (c) if the construction materials are:
    - 2316 (i) clearly identified;
    - 2317 (ii) segregated; and
    - 2318 (iii) installed or converted to real property:
      - 2319 (A) owned or operated by the new airport described in Subsection (67)(b);
      - 2320 (B) located at the new airport described in Subsection (67)(b); and
      - 2321 (C) as part of the construction of the new airport described in Subsection (67)(b);

- 2322 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a  
2323 common carrier that is a railroad for use in a locomotive engine;
- 2324 (69) purchases and sales described in Section 63H-4-111;
- 2325 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and  
2326 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of  
2327 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration  
2328 lists a state or country other than this state as the location of registry of the fixed wing turbine  
2329 powered aircraft; or
- 2330 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul  
2331 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of  
2332 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration  
2333 lists a state or country other than this state as the location of registry of the fixed wing turbine  
2334 powered aircraft;
- 2335 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
- 2336 (a) to a person admitted to an institution of higher education; and
- 2337 (b) by a seller, other than a bookstore owned by an institution of higher education, if  
2338 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a  
2339 textbook for a higher education course;
- 2340 (72) a license fee or tax a municipality imposes in accordance with Subsection  
2341 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced  
2342 level of municipal services;
- 2343 (73) amounts paid or charged for construction materials used in the construction of a  
2344 new or expanding life science research and development facility in the state, if the construction  
2345 materials are:
- 2346 (a) clearly identified;
- 2347 (b) segregated; and
- 2348 (c) installed or converted to real property;
- 2349 (74) amounts paid or charged for:
- 2350 (a) a purchase or lease of machinery and equipment that:
- 2351 (i) are used in performing qualified research:
- 2352 (A) as defined in Section 41(d), Internal Revenue Code; and

- 2353 (B) in the state; and
- 2354 (ii) have an economic life of three or more years; and
- 2355 (b) normal operating repair or replacement parts:
- 2356 (i) for the machinery and equipment described in Subsection (74)(a); and
- 2357 (ii) that have an economic life of three or more years;
- 2358 (75) a sale or lease of tangible personal property used in the preparation of prepared
- 2359 food if:
- 2360 (a) for a sale:
- 2361 (i) the ownership of the seller and the ownership of the purchaser are identical; and
- 2362 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
- 2363 tangible personal property prior to making the sale; or
- 2364 (b) for a lease:
- 2365 (i) the ownership of the lessor and the ownership of the lessee are identical; and
- 2366 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible
- 2367 personal property prior to making the lease;
- 2368 (76) (a) purchases of machinery or equipment if:
- 2369 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
- 2370 Gambling, and Recreation Industries, of the 2012 North American Industry Classification
- 2371 System of the federal Executive Office of the President, Office of Management and Budget;
- 2372 (ii) the machinery or equipment:
- 2373 (A) has an economic life of three or more years; and
- 2374 (B) is used by one or more persons who pay admission or user fees described in
- 2375 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and
- 2376 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
- 2377 (A) amounts paid or charged as admission or user fees described in Subsection
- 2378 59-12-103(1)(f); and
- 2379 (B) subject to taxation under this chapter; and
- 2380 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2381 commission may make rules for verifying that 51% of a purchaser's sales revenue for the
- 2382 previous calendar quarter is:
- 2383 (i) amounts paid or charged as admission or user fees described in Subsection

2384 59-12-103(1)(f); and  
2385 (ii) subject to taxation under this chapter;  
2386 (77) purchases of a short-term lodging consumable by a business that provides  
2387 accommodations and services described in Subsection 59-12-103(1)(i);  
2388 (78) amounts paid or charged to access a database:  
2389 (a) if the primary purpose for accessing the database is to view or retrieve information  
2390 from the database; and  
2391 (b) not including amounts paid or charged for a:  
2392 (i) digital audio work;  
2393 (ii) digital audio-visual work; or  
2394 (iii) digital book;  
2395 (79) amounts paid or charged for a purchase or lease made by an electronic financial  
2396 payment service, of:  
2397 (a) machinery and equipment that:  
2398 (i) are used in the operation of the electronic financial payment service; and  
2399 (ii) have an economic life of three or more years; and  
2400 (b) normal operating repair or replacement parts that:  
2401 (i) are used in the operation of the electronic financial payment service; and  
2402 (ii) have an economic life of three or more years;  
2403 (80) sales of a fuel cell as defined in Section 54-15-102;  
2404 (81) amounts paid or charged for a purchase or lease of tangible personal property or a  
2405 product transferred electronically if the tangible personal property or product transferred  
2406 electronically:  
2407 (a) is stored, used, or consumed in the state; and  
2408 (b) is temporarily brought into the state from another state:  
2409 (i) during a disaster period as defined in Section 53-2a-1202;  
2410 (ii) by an out-of-state business as defined in Section 53-2a-1202;  
2411 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and  
2412 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;  
2413 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined  
2414 in Section 39-9-102, made pursuant to Title 39, Chapter 9, State Morale, Welfare, and

- 2415 Recreation Program;
- 2416 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 2417 (84) amounts paid or charged for a purchase or lease made by a qualifying data center
- 2418 or an occupant of a qualifying data center of machinery, equipment, or normal operating repair
- 2419 or replacement parts, if the machinery, equipment, or normal operating repair or replacement
- 2420 parts:
- 2421 (a) are used in:
- 2422 (i) the operation of the qualifying data center; or
- 2423 (ii) the occupant's operations in the qualifying data center; and
- 2424 (b) have an economic life of one or more years;
- 2425 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a
- 2426 vehicle that includes cleaning or washing of the interior of the vehicle;
- 2427 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
- 2428 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used
- 2429 or consumed:
- 2430 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
- 2431 in Section 79-6-701 located in the state;
- 2432 (b) if the machinery, equipment, normal operating repair or replacement parts,
- 2433 catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:
- 2434 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
- 2435 added to gasoline or diesel fuel;
- 2436 (ii) research and development;
- 2437 (iii) transporting, storing, or managing raw materials, work in process, finished
- 2438 products, and waste materials produced from refining gasoline or diesel fuel, or adding
- 2439 blendstock to gasoline or diesel fuel;
- 2440 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
- 2441 refining; or
- 2442 (v) preventing, controlling, or reducing pollutants from refining; and
- 2443 (c) if the person holds a valid refiner tax exemption certification as defined in Section
- 2444 [79-6-701](#);
- 2445 (87) amounts paid to or charged by a proprietor for accommodations and services, as

2446 defined in Section [63H-1-205](#), if the proprietor is subject to the MIDA accommodations tax  
2447 imposed under Section [63H-1-205](#);

2448 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
2449 operating repair or replacement parts, or materials, except for office equipment or office  
2450 supplies, by an establishment, as the commission defines that term in accordance with Title  
2451 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

2452 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North  
2453 American Industry Classification System of the federal Executive Office of the President,  
2454 Office of Management and Budget;

2455 (b) is located in this state; and

2456 (c) uses the machinery, equipment, normal operating repair or replacement parts, or  
2457 materials in the operation of the establishment; and

2458 (89) amounts paid or charged for an item exempt under Section [59-12-104.10](#).

2459 Section 3. Section **63I-1-279** is amended to read:

2460 **63I-1-279. Repeal dates, Title 79.**

2461 (1) Subsection [79-2-201\(2\)\(r\)](#), related to the Heritage Trees Advisory Committee, is  
2462 repealed July 1, 2026.

2463 (2) Subsection [79-2-201\(2\)\(s\)](#), related to the Recreational Trails Advisory Council, is  
2464 repealed July 1, 2027.

2465 (3) Subsection [79-2-201\(2\)\(t\)](#), related to the Boating Advisory Council, is repealed July  
2466 1, 2024.

2467 (4) Subsection [79-2-201\(2\)\(u\)](#), related to the Wildlife Board Nominating Committee, is  
2468 repealed July 1, 2023.

2469 (5) Subsection [79-2-201\(2\)\(v\)](#), related to regional advisory councils for the Wildlife  
2470 Board, is repealed July 1, 2023.

2471 (6) Title 79, Chapter 5, Part 2, Advisory Council, which creates the Recreational Trails  
2472 Advisory Council, is repealed July 1, 2027.

2473 (7) In relation to the Energy Storage Asset Pilot Grant Program, on July 1, 2025:

2474 (a) in Subsection [79-6-401\(5\)](#), the language that states "79-6-403," is repealed; and

2475 (b) Section [79-6-403](#) is repealed.

2476 Section 4. Section **79-6-401** is amended to read:



2477           **79-6-401. Office of Energy Development -- Creation -- Director -- Purpose --**  
2478 **Rulemaking regarding confidential information -- Fees -- Transition for employees.**

2479           (1) There is created an Office of Energy Development in the Department of Natural  
2480 Resources.

2481           (2) (a) The energy advisor shall serve as the director of the office or, on or before June  
2482 30, 2029, appoint a director of the office.

2483           (b) The director:

2484           (i) shall, if the energy advisor appoints a director under Subsection (2)(a), report to the  
2485 energy advisor; and

2486           (ii) may appoint staff as funding within existing budgets allows.

2487           (c) The office may consolidate energy staff and functions existing in the state energy  
2488 program.

2489           (3) The purposes of the office are to:

2490           (a) serve as the primary resource for advancing energy and mineral development in the  
2491 state;

2492           (b) implement:

2493           (i) the state energy policy under Section [79-6-301](#); and

2494           (ii) the governor's energy and mineral development goals and objectives;

2495           (c) advance energy education, outreach, and research, including the creation of  
2496 elementary, higher education, and technical college energy education programs;

2497           (d) promote energy and mineral development workforce initiatives; and

2498           (e) support collaborative research initiatives targeted at Utah-specific energy and  
2499 mineral development.

2500           (4) By following the procedures and requirements of Title 63J, Chapter 5, Federal  
2501 Funds Procedures Act, the office may:

2502           (a) seek federal grants or loans;

2503           (b) seek to participate in federal programs; and

2504           (c) in accordance with applicable federal program guidelines, administer federally  
2505 funded state energy programs.

2506           (5) The office shall perform the duties required by Sections [11-42a-106](#), [59-5-102](#),  
2507 [59-7-614.7](#), [59-10-1029](#), [79-6-403](#), Part 5, Alternative Energy Development Tax Credit Act,

2508 and Part 6, High Cost Infrastructure Development Tax Credit Act.

2509 (6) (a) For purposes of administering this section, the office may make rules, by  
2510 following Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to maintain as  
2511 confidential, and not as a public record, information that the office receives from any source.

2512 (b) The office shall maintain information the office receives from any source at the  
2513 level of confidentiality assigned by the source.

2514 (7) The office may charge application, filing, and processing fees in amounts  
2515 determined by the office in accordance with Section 63J-1-504 as dedicated credits for  
2516 performing office duties described in this part.

2517 (8) (a) An employee of the office is an at-will employee.

2518 (b) For an employee of the office on July 1, 2021, the employee shall have the same  
2519 salary and benefit options the employee had when the office was part of the office of the  
2520 governor.

2521 Section 5. Section 79-6-403 is enacted to read:

2522 **79-6-403. Energy storage assets -- Pilot grant program.**

2523 (1) As used in this section:

2524 (a) "Energy storage asset" means property that stores energy generated by mechanical,  
2525 thermal, or photovoltaic means for use at a later time.

2526 (b) "Office" means the Office of Energy Development created in Section 79-6-401.

2527 (c) "Pilot program" means the Energy Storage Asset Pilot Grant Program created in  
2528 Subsection (2).

2529 (2) There is created the "Energy Storage Asset Pilot Grant Program" administered by  
2530 the office.

2531 (3) Subject to legislative appropriations, the office may award a grant to an applicant to  
2532 be used for the purchase of an energy storage asset.

2533 (4) The pilot program shall operate for three years, beginning on the first day of fiscal  
2534 year 2023.

2535 (5) The office may not award a grant to an eligible applicant unless the applicant  
2536 provides matching funds equal to the amount of the grant.

2537 (6) Consistent with this section and in accordance with Title 63G, Chapter 3, Utah  
2538 Administrative Rulemaking Act, the office shall make rules establishing the eligibility and

2539 reporting criteria for an applicant to receive a grant under this part, including:

2540 (a) the form and process of submitting a grant application to the office;

2541 (b) who is eligible to apply for a grant;

2542 (c) specific categories of energy storage assets that are eligible for a grant;

2543 (d) the method and formula for determining grant amounts; and

2544 (e) reporting requirements for grant recipients.

2545 (7) Receipt of a grant through the pilot program does not preclude a grant recipient  
2546 from claiming a renewable energy system tax credit.

2547 (8) The office shall provide a report on the pilot program to the Natural Resources,  
2548 Agriculture, and Environment Interim Committee and the Public Utilities, Energy, and  
2549 Technology Interim Committee at or before the September interim meeting in 2024.

2550 **Section 6. Appropriation.**

2551 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for  
2552 the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following sums of money  
2553 are appropriated from resources not otherwise appropriated, or reduced from amounts  
2554 previously appropriated, out of the funds or accounts indicated. These sums of money are in  
2555 addition to any amounts previously appropriated for fiscal year 2023.

2556 ITEM 1

2557 To Office of Energy Development - Energy Storage Asset Pilot Grant Program

2558 From General Fund, One-time \$500,000

2559 Schedule of Programs:

2560 Energy Storage Asset Pilot Grant Program \$500,000

2561 The Legislature intends that:

2562 (1) the Office of Energy Development expend appropriations under this section for the  
2563 Energy Storage Asset Pilot Grant Program described in Section 79-6-403 in fiscal years 2023,  
2564 2024, and 2025;

2565 (2) under Section 63J-1-603, the appropriations provided under this section not lapse at  
2566 the close of fiscal years 2023 and 2024; and

2567 (3) the use of any nonlapsing funds is limited to the Energy Storage Asset Pilot Grant  
2568 Program described in Section 79-6-403.

2569 **Section 7. Effective date.**

- 2570            (1) Except as provided in Subsection (2), this bill takes effect on May 4, 2022.
- 2571            (2) The amendments to the following sections take effect on July 1, 2022:
- 2572            (a) Section [59-12-102](#); and
- 2573            (b) Section [59-12-104](#).