

1                   **LEASED TANGIBLE PERSONAL PROPERTY TAX**

2                                   **AMENDMENTS**

3   2023 GENERAL SESSION

4   STATE OF UTAH

5   **Chief Sponsor: Chris H. Wilson**

6   House Sponsor: Stewart E. Barlow

---

---

8 **LONG TITLE**

9 **General Description:**

10           This bill modifies provisions related to leased tangible personal property.

11 **Highlighted Provisions:**

12           This bill:

- 13           ▶ addresses the requirements for obtaining a temporary permit for a leased vehicle;
- 14           ▶ provides that the sale of leased tangible personal property from the lessor to the
- 15 lessee is subject to sales and use tax; and
- 16           ▶ makes technical and conforming changes.

17 **Money Appropriated in this Bill:**

18           None

19 **Other Special Clauses:**

20           This bill provides a special effective date.

21 **Utah Code Sections Affected:**

22 AMENDS:

23           **41-1a-211**, as last amended by Laws of Utah 1998, Chapter 125

24           **59-12-103**, as last amended by Laws of Utah 2022, Chapters 77, 106 and 433

25           **59-12-104**, as last amended by Laws of Utah 2022, Chapters 228, 275, 280, and 373

---

---

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

28           Section 1. Section **41-1a-211** is amended to read:

29           **41-1a-211. Temporary permits -- Other laws applied.**

30 (1) (a) The division may grant a temporary permit to operate a vehicle for which:

31 (i) application for registration has been made, or, in the case of a newly purchased  
32 vehicle, will be made;

33 (ii) evidence of ownership is provided; and

34 (iii) the proper fees have been paid.

35 (b) The temporary permit allows the vehicle to be operated pending complete  
36 registration by displaying:

37 (i) the temporary permit; or

38 (ii) other evidence of the application under rules made by the commission.

39 (2) If a vehicle is operated on a temporary permit issued under this section or Section  
40 41-3-302, that vehicle is subject to all other statutes, rules, and regulations intended to control  
41 the use and operation of vehicles on the highways.

42 (3) For purposes of Subsection (1), evidence of ownership includes a document  
43 demonstrating that:

44 (a) in exchange for consideration, the vehicle's lessee agreed to transfer the vehicle to  
45 the applicant upon receipt of the vehicle's certificate of title from the vehicle's lessor; and

46 (b) the lessee is the current registered owner of the vehicle.

47 Section 2. Section 59-12-103 is amended to read:

48 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**  
49 **tax revenues.**

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

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

53 (b) amounts paid for:

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

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

58 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or  
59 (iii) an ancillary service associated with a:  
60 (A) telecommunications service described in Subsection (1)(b)(i); or  
61 (B) mobile telecommunications service described in Subsection (1)(b)(ii);  
62 (c) sales of the following for commercial use:  
63 (i) gas;  
64 (ii) electricity;  
65 (iii) heat;  
66 (iv) coal;  
67 (v) fuel oil; or  
68 (vi) other fuels;  
69 (d) sales of the following for residential use:  
70 (i) gas;  
71 (ii) electricity;  
72 (iii) heat;  
73 (iv) coal;  
74 (v) fuel oil; or  
75 (vi) other fuels;  
76 (e) sales of prepared food;  
77 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or  
78 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,  
79 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,  
80 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit  
81 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf  
82 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,  
83 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,  
84 horseback rides, sports activities, or any other amusement, entertainment, recreation,  
85 exhibition, cultural, or athletic activity;

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

88 (i) the tangible personal property; and

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

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

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

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

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

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

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

102 (i) stored;

103 (ii) used; or

104 (iii) otherwise consumed;

105 (l) amounts paid or charged for tangible personal property if within this state the  
106 tangible personal property is:

107 (i) stored;

108 (ii) used; or

109 (iii) consumed; [~~and~~]

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

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

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

113 (ii) regardless of whether the sale provides:

114 (A) a right of permanent use of the product; or  
115 (B) a right to use the product that is less than a permanent use, including a right:  
116 (I) for a definite or specified length of time; and  
117 (II) that terminates upon the occurrence of a condition[-]; and  
118 (n) sales of leased tangible personal property from the lessor to the lessee made in the  
119 state.

120 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax  
121 are imposed on a transaction described in Subsection (1) equal to the sum of:

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

123 (A) 4.70% plus the rate specified in Subsection (12)(a); and

124 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
125 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
126 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional  
127 State Sales and Use Tax Act; and

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

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

134 (b) Except as provided in Subsection (2)(e) or (f) and subject to Subsection (2)(k), a  
135 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to  
136 the sum of:

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

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

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

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

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

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

149 (e) (i) For a bundled transaction that is attributable to food and food ingredients and  
150 tangible personal property other than food and food ingredients, a state tax and a local tax is  
151 imposed on the entire bundled transaction equal to the sum of:

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

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

154 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
155 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
156 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
157 Additional State Sales and Use Tax Act; and

158 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
159 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
160 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
161 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

168 (iii) Subject to Subsection (2)(e)(iv), for a bundled transaction other than a bundled  
169 transaction described in Subsection (2)(e)(i) or (ii):

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

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

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

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

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

185 (II) state or federal law provides otherwise.

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

189 (f) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(f)(ii)  
190 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
191 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
192 of tangible personal property, other property, a product, or a service that is not subject to  
193 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
194 the seller, at the time of the transaction:

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

197 (B) is able to identify by reasonable and verifiable standards, from the books and

198 records the seller keeps in the seller's regular course of business, the portion of the transaction  
199 that is not subject to taxation under this chapter.

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

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

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

208 (iii) For purposes of Subsections (2)(f)(i) and (ii), books and records that a seller keeps  
209 in the seller's regular course of business includes books and records the seller keeps in the  
210 regular course of business for nontax purposes.

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

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

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

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

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

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



- 226 (ii) Subsection (2)(b)(i);
- 227 (iii) Subsection (2)(c)(i); or
- 228 (iv) Subsection (2)(e)(i)(A)(I).
- 229 (i) (i) A tax rate increase takes effect on the first day of the first billing period that
- 230 begins on or after the effective date of the tax rate increase if the billing period for the
- 231 transaction begins before the effective date of a tax rate increase imposed under:
  - 232 (A) Subsection (2)(a)(i)(A);
  - 233 (B) Subsection (2)(b)(i);
  - 234 (C) Subsection (2)(c)(i); or
  - 235 (D) Subsection (2)(e)(i)(A)(I).
- 236 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
- 237 statement for the billing period is rendered on or after the effective date of the repeal of the tax
- 238 or the tax rate decrease imposed under:
  - 239 (A) Subsection (2)(a)(i)(A);
  - 240 (B) Subsection (2)(b)(i);
  - 241 (C) Subsection (2)(c)(i); or
  - 242 (D) Subsection (2)(e)(i)(A)(I).
- 243 (j) (i) For a tax rate described in Subsection (2)(j)(ii), if a tax due on a catalogue sale is
- 244 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
- 245 change in a tax rate takes effect:
  - 246 (A) on the first day of a calendar quarter; and
  - 247 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 248 (ii) Subsection (2)(j)(i) applies to the tax rates described in the following:
  - 249 (A) Subsection (2)(a)(i)(A);
  - 250 (B) Subsection (2)(b)(i);
  - 251 (C) Subsection (2)(c)(i); or
  - 252 (D) Subsection (2)(e)(i)(A)(I).
- 253 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

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

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

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

260 (A) a commercial use;

261 (B) an industrial use; or

262 (C) a residential use.

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

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

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

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

267 (iv) the tax imposed by Subsection (2)(e)(i)(A)(I).

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

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

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

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

273 (iv) the tax imposed by Subsection (2)(e)(i)(B).

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

276 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
277 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)  
278 through (g):

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

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

281 (B) for the fiscal year; or

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

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

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

288 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
289 act, to political subdivisions of the state to implement the measures described in Subsections  
290 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

338 (ii) develop underground sources of water, including springs and wells; and  
339 (iii) develop surface water sources.

340 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
341 2006, the difference between the following amounts shall be expended as provided in this  
342 Subsection (5), if that difference is greater than \$1:

343 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the  
344 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and  
345 (ii) \$17,500,000.

346 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:  
347 (A) transferred each fiscal year to the Department of Natural Resources as designated  
348 sales and use tax revenue; and  
349 (B) expended by the Department of Natural Resources for watershed rehabilitation or  
350 restoration.

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

354 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the  
355 remaining difference described in Subsection (5)(a) shall be:  
356 (A) transferred each fiscal year to the Division of Water Resources as designated sales  
357 and use tax revenue; and  
358 (B) expended by the Division of Water Resources for cloud-seeding projects  
359 authorized by Title 73, Chapter 15, Modification of Weather.

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

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

366 Division of Water Resources for:

367 (i) preconstruction costs:

368 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
369 26, Bear River Development Act; and

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

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

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

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

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

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

384 (a) for fiscal year 2020-21 only:

385 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the  
386 Transportation Investment Fund of 2005 created by Section 72-2-124; and

387 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the  
388 Water Infrastructure Restricted Account created by Section 73-10g-103; and

389 (b) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described  
390 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account  
391 created by Section 73-10g-103.

392 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in  
393 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,

394 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
395 created by Section 72-2-124:

396 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of  
397 the revenues collected from the following taxes, which represents a portion of the  
398 approximately 17% of sales and use tax revenues generated annually by the sales and use tax  
399 on vehicles and vehicle-related products:

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

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

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

403 (D) the tax imposed by Subsection (2)(e)(i)(A)(I); plus

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

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

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

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

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

422 Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

423 (iii) Subject to Subsection (7)(b)(iv)(E), in all subsequent fiscal years after a year in  
424 which 17% of the revenues collected from the sales and use taxes described in Subsections  
425 (7)(a)(i)(A) through (D) was deposited under Subsection (7)(a), the Division of Finance shall  
426 annually deposit 17% of the revenues collected from the sales and use taxes described in  
427 Subsections (7)(a)(i)(A) through (D) in the current fiscal year under Subsection (7)(a).

428 (iv) (A) As used in this Subsection (7)(b)(iv), "additional growth revenue" means the  
429 amount of relevant revenue collected in the current fiscal year that exceeds by more than 3%  
430 the relevant revenue collected in the previous fiscal year.

431 (B) As used in this Subsection (7)(b)(iv), "combined amount" means the combined  
432 total amount of money deposited into the Cottonwood Canyons fund under Subsections  
433 (7)(b)(iv)(F) and (8)(d)(vi) in any single fiscal year.

434 (C) As used in this Subsection (7)(b)(iv), "Cottonwood Canyons fund" means the  
435 Cottonwood Canyons Transportation Investment Fund created in Subsection [72-2-124\(10\)](#).

436 (D) As used in this Subsection (7)(b)(iv), "relevant revenue" means the portion of taxes  
437 listed under Subsection (3)(a) that equals 17% of the revenue collected from taxes described in  
438 Subsections (7)(a)(i)(A) through (D).

439 (E) For a fiscal year beginning on or after July 1, 2020, the commission shall annually  
440 reduce the deposit under Subsection (7)(b)(iii) into the Transportation Investment Fund of 2005  
441 by an amount equal to the amount of the deposit under this Subsection (7)(b)(iv) to the  
442 Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue,  
443 subject to the limit in Subsection (7)(b)(iv)(F).

444 (F) The commission shall annually deposit the amount described in Subsection  
445 (7)(b)(iv)(E) into the Cottonwood Canyons fund, subject to an annual maximum combined  
446 amount for any single fiscal year of \$20,000,000.

447 (G) If the amount of relevant revenue declines in a fiscal year compared to the previous  
448 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood  
449 Canyons fund under this Subsection (7)(b)(iv) in the same proportion as the decline in relevant



450 revenue.

451 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
452 Subsections (6) and (7), and subject to Subsections (8)(b) and (d)(v), for a fiscal year beginning  
453 on or after July 1, 2018, the commission shall annually deposit into the Transportation  
454 Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under  
455 Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the following  
456 taxes:

- 457 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 458 (ii) the tax imposed by Subsection (2)(b)(i);
- 459 (iii) the tax imposed by Subsection (2)(c)(i); and
- 460 (iv) the tax imposed by Subsection (2)(e)(i)(A)(I).

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

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

468 (d) (i) As used in this Subsection (8)(d), "additional growth revenue" means the  
469 amount of relevant revenue collected in the current fiscal year that exceeds by more than 3%  
470 the relevant revenue collected in the previous fiscal year.

471 (ii) As used in this Subsection (8)(d), "combined amount" means the combined total  
472 amount of money deposited into the Cottonwood Canyons fund under Subsections (7)(b)(iv)(F)  
473 and (8)(d)(vi) in any single fiscal year.

474 (iii) As used in this Subsection (8)(d), "Cottonwood Canyons fund" means the  
475 Cottonwood Canyons Transportation Investment Fund created in Subsection 72-2-124(10).

476 (iv) As used in this Subsection (8)(d), "relevant revenue" means the portion of taxes  
477 listed under Subsection (3)(a) that equals 3.68% of the revenue collected from taxes described

478 in Subsections (8)(a)(i) through (iv).

479 (v) For a fiscal year beginning on or after July 1, 2020, the commission shall annually  
480 reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by  
481 an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood  
482 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the  
483 limit in Subsection (8)(d)(vi).

484 (vi) The commission shall annually deposit the amount described in Subsection  
485 (8)(d)(v) into the Cottonwood Canyons fund, subject to an annual maximum combined amount  
486 for any single fiscal year of \$20,000,000.

487 (vii) If the amount of relevant revenue declines in a fiscal year compared to the  
488 previous fiscal year, the commission shall decrease the amount of the contribution to the  
489 Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as the decline in  
490 relevant revenue.

491 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
492 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
493 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

494 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(b),  
495 and in addition to any amounts deposited under Subsections (6), (7), and (8), the Division of  
496 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section  
497 72-2-124 the amount of revenue described as follows:

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

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

502 (b) For purposes of Subsection (10)(a), the Division of Finance may not deposit into  
503 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or  
504 charged for food and food ingredients, except for tax revenue generated by a bundled  
505 transaction attributable to food and food ingredients and tangible personal property other than

506 food and food ingredients described in Subsection (2)(e).

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

513 (12) (a) The rate specified in this subsection is 0.15%.

514 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall, for a fiscal year  
515 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the  
516 rate described in Subsection (12)(a) on the transactions that are subject to the sales and use tax  
517 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section  
518 26-36b-208.

519 (13) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
520 2020-21, the Division of Finance shall deposit \$200,000 into the General Fund as a dedicated  
521 credit solely for use of the Search and Rescue Financial Assistance Program created in, and  
522 expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

523 (14) (a) For each fiscal year beginning with fiscal year 2020-21, the Division of  
524 Finance shall annually transfer \$1,813,400 of the revenue deposited into the Transportation  
525 Investment Fund of 2005 under Subsections (6) through (8) to the General Fund.

526 (b) If the total revenue deposited into the Transportation Investment Fund of 2005  
527 under Subsections (6) through (8) is less than \$1,813,400 for a fiscal year, the Division of  
528 Finance shall transfer the total revenue deposited into the Transportation Investment Fund of  
529 2005 under Subsections (6) through (8) during the fiscal year to the General Fund.

530 (15) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610,  
531 beginning the first day of the calendar quarter one year after the sales and use tax boundary for  
532 a housing and transit reinvestment zone is established, the commission, at least annually, shall  
533 transfer an amount equal to 15% of the sales and use tax increment within an established sales

534 and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation  
535 Investment Fund created in Section 72-2-124.

536 (16) Notwithstanding Subsection (3)(a), the Division of Finance shall, for a fiscal year  
537 beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure  
538 Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection  
539 (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:

- 540 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 541 (b) the tax imposed by Subsection (2)(b)(i);
- 542 (c) the tax imposed by Subsection (2)(c)(i); and
- 543 (d) the tax imposed by Subsection (2)(e)(i)(A)(I).

544 Section 3. Section 59-12-104 is amended to read:

545 **59-12-104. Exemptions.**

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

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

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

551 (a) construction materials except:

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

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

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

- 562 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:
- 563 (i) the proceeds of each sale do not exceed \$1; and
- 564 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
- 565 the cost of the item described in Subsection (3)(b) as goods consumed; and
- 566 (b) Subsection (3)(a) applies to:
- 567 (i) food and food ingredients; or
- 568 (ii) prepared food;
- 569 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:
- 570 (i) alcoholic beverages;
- 571 (ii) food and food ingredients; or
- 572 (iii) prepared food;
- 573 (b) sales of tangible personal property or a product transferred electronically:
- 574 (i) to a passenger;
- 575 (ii) by a commercial airline carrier; and
- 576 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 577 (c) services related to Subsection (4)(a) or (b);
- 578 (5) sales of parts and equipment for installation in an aircraft operated by a common
- 579 carrier in interstate or foreign commerce;
- 580 (6) sales of commercials, motion picture films, prerecorded audio program tapes or
- 581 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture
- 582 exhibitor, distributor, or commercial television or radio broadcaster;
- 583 (7) (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of
- 584 cleaning or washing of tangible personal property if the cleaning or washing of the tangible
- 585 personal property is not assisted cleaning or washing of tangible personal property;
- 586 (b) if a seller that sells at the same business location assisted cleaning or washing of
- 587 tangible personal property and cleaning or washing of tangible personal property that is not
- 588 assisted cleaning or washing of tangible personal property, the exemption described in
- 589 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning

590 or washing of the tangible personal property; and

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

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

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

597 (8) sales made to or by religious or charitable institutions in the conduct of their regular  
598 religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are  
599 fulfilled;

600 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of  
601 this state if [~~the vehicle is~~]:

602 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;

603 (b) the vehicle is not registered in this state; and

604 [~~(b)~~] (c) (i) the vehicle is not used in this state; or

605 (ii) the vehicle is used in this state:

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

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

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

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

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

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

614 (ii) (A) a prescription was issued for the item; or

615 (B) the item was purchased by a hospital or other medical facility; and

616 (b) (i) Subsection (10)(a) applies to:

617 (A) a drug;

- 618 (B) a syringe; or
- 619 (C) a stoma supply; and
- 620 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 621 commission may by rule define the terms:
- 622 (A) "syringe"; or
- 623 (B) "stoma supply";
- 624 (11) purchases or leases exempt under Section [19-12-201](#);
- 625 (12) (a) sales of an item described in Subsection (12)(c) served by:
- 626 (i) the following if the item described in Subsection (12)(c) is not available to the
- 627 general public:
- 628 (A) a church; or
- 629 (B) a charitable institution; or
- 630 (ii) an institution of higher education if:
- 631 (A) the item described in Subsection (12)(c) is not available to the general public; or
- 632 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan
- 633 offered by the institution of higher education; or
- 634 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 635 (i) a medical facility; or
- 636 (ii) a nursing facility; and
- 637 (c) Subsections (12)(a) and (b) apply to:
- 638 (i) food and food ingredients;
- 639 (ii) prepared food; or
- 640 (iii) alcoholic beverages;
- 641 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
- 642 or a product transferred electronically by a person:
- 643 (i) regardless of the number of transactions involving the sale of that tangible personal
- 644 property or product transferred electronically by that person; and
- 645 (ii) not regularly engaged in the business of selling that type of tangible personal

646 property or product transferred electronically;

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

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

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

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

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

657 (A) the bill of sale, lease agreement, or other written evidence of value of the vehicle or  
658 vessel being sold; or

659 (B) in the absence of a bill of sale, lease agreement, or other written evidence of value,  
660 the fair market value of the vehicle or vessel being sold at the time of the sale as determined by  
661 the commission; and

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

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

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

669 (iii) a person holds that person out as regularly engaged in the business of selling a type  
670 of tangible personal property or product transferred electronically;

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



- 674 (a) a manufacturing facility that:
- 675 (i) is located in the state; and
- 676 (ii) uses or consumes the machinery, equipment, normal operating repair or
- 677 replacement parts, or materials:
- 678 (A) in the manufacturing process to manufacture an item sold as tangible personal
- 679 property, as the commission may define that phrase in accordance with Title 63G, Chapter 3,
- 680 Utah Administrative Rulemaking Act; or
- 681 (B) for a scrap recycler, to process an item sold as tangible personal property, as the
- 682 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
- 683 Administrative Rulemaking Act;
- 684 (b) an establishment, as the commission defines that term in accordance with Title
- 685 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 686 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
- 687 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal
- 688 Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the
- 689 2002 North American Industry Classification System of the federal Executive Office of the
- 690 President, Office of Management and Budget;
- 691 (ii) is located in the state; and
- 692 (iii) uses or consumes the machinery, equipment, normal operating repair or
- 693 replacement parts, or materials in:
- 694 (A) the production process to produce an item sold as tangible personal property, as the
- 695 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
- 696 Administrative Rulemaking Act;
- 697 (B) research and development, as the commission may define that phrase in accordance
- 698 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 699 (C) transporting, storing, or managing tailings, overburden, or similar waste materials
- 700 produced from mining;
- 701 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in

702 mining; or

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

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

705 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

706 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North  
707 American Industry Classification System of the federal Executive Office of the President,  
708 Office of Management and Budget;

709 (ii) is located in the state; and

710 (iii) uses or consumes the machinery, equipment, normal operating repair or  
711 replacement parts, or materials in the operation of the web search portal;

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

713 (i) tooling;

714 (ii) special tooling;

715 (iii) support equipment;

716 (iv) special test equipment; or

717 (v) parts used in the repairs or renovations of tooling or equipment described in  
718 Subsections (15)(a)(i) through (iv); and

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

720 (i) the tooling, equipment, or parts are used or consumed exclusively in the  
721 performance of any aerospace or electronics industry contract with the United States  
722 government or any subcontract under that contract; and

723 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),  
724 title to the tooling, equipment, or parts is vested in the United States government as evidenced  
725 by:

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

727 (B) listing on a government-approved property record if placing a government  
728 identification tag on the tooling, equipment, or parts is impractical;

729 (16) sales of newspapers or newspaper subscriptions;

730 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a  
731 product transferred electronically traded in as full or part payment of the purchase price, except  
732 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,  
733 trade-ins are limited to other vehicles only, and the tax is based upon:

734 (i) the bill of sale or other written evidence of value of the vehicle being sold and the  
735 vehicle being traded in; or

736 (ii) in the absence of a bill of sale or other written evidence of value, the then existing  
737 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the  
738 commission; and

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

742 (i) money;

743 (ii) electricity;

744 (iii) water;

745 (iv) gas; or

746 (v) steam;

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

751 (A) becomes part of real estate; or

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

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

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

758 (i) (A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or  
759 supplies if used in a manner that is incidental to farming; and  
760 (B) tangible personal property that is considered to be used in a manner that is  
761 incidental to farming includes:  
762 (I) hand tools; or  
763 (II) maintenance and janitorial equipment and supplies;  
764 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product  
765 transferred electronically if the tangible personal property or product transferred electronically  
766 is used in an activity other than farming; and  
767 (B) tangible personal property or a product transferred electronically that is considered  
768 to be used in an activity other than farming includes:  
769 (I) office equipment and supplies; or  
770 (II) equipment and supplies used in:  
771 (Aa) the sale or distribution of farm products;  
772 (Bb) research; or  
773 (Cc) transportation; or  
774 (iii) a vehicle required to be registered by the laws of this state during the period  
775 ending two years after the date of the vehicle's purchase;  
776 (19) sales of hay;  
777 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or  
778 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or  
779 garden, farm, or other agricultural produce is sold by:  
780 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other  
781 agricultural produce;  
782 (b) an employee of the producer described in Subsection (20)(a); or  
783 (c) a member of the immediate family of the producer described in Subsection (20)(a);  
784 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued  
785 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

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

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

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

792           (i) the product is:

793           (A) purchased outside of this state;

794           (B) brought into this state:

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

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

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

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

801           (ii) for:

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

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

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

807           (b) the exemption provided for in Subsection (24)(a) does not apply to:

808           (i) a lease or rental of a product; or

809           (ii) a sale of a vehicle exempt under Subsection (33); and

810           (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
811 purposes of Subsection (24)(a), the commission may by rule define what constitutes the  
812 following:

813           (i) conducting business in this state if that phrase has the same meaning in this

814 Subsection (24) as in Subsection (63);  
815       (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)  
816 as in Subsection (63); or  
817       (iii) a purpose for which a product is designed if that phrase has the same meaning in  
818 this Subsection (24) as in Subsection (63);  
819       (25) a product purchased for resale in the regular course of business, either in its  
820 original form or as an ingredient or component part of a manufactured or compounded product;  
821       (26) a product upon which a sales or use tax was paid to some other state, or one of its  
822 subdivisions, except that the state shall be paid any difference between the tax paid and the tax  
823 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if  
824 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax  
825 Act;  
826       (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a  
827 person for use in compounding a service taxable under the subsections;  
828       (28) purchases made in accordance with the special supplemental nutrition program for  
829 women, infants, and children established in 42 U.S.C. Sec. 1786;  
830       (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other  
831 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code  
832 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of  
833 the President, Office of Management and Budget;  
834       (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State  
835 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:  
836       (a) not registered in this state; and  
837       (b) (i) not used in this state; or  
838       (ii) used in this state:  
839       (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a  
840 time period that does not exceed the longer of:  
841       (I) 30 days in any calendar year; or

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

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

847 (31) sales of aircraft manufactured in Utah;

848 (32) amounts paid for the purchase of telecommunications service for purposes of  
849 providing telecommunications service;

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

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

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

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

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

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

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

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

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

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

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

861 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in  
862 Section [72-11-102](#); and

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

865 (38) sales to a ski resort of:

866 (a) snowmaking equipment;

867 (b) ski slope grooming equipment;

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

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

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

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

873 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for  
874 amusement, entertainment, or recreation an unassisted amusement device as defined in Section  
875 59-12-102;

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

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

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

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

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

889 (i) a governmental entity; or

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

891 (A) a school; or

892 (B) the State Board of Education; or

893 (b) sales of publications by a governmental entity;

894 (42) amounts paid for admission to an athletic event at an institution of higher  
895 education that is subject to the provisions of Title IX of the Education Amendments of 1972,  
896 20 U.S.C. Sec. 1681 et seq.;

897 (43) (a) sales made to or by:



- 898 (i) an area agency on aging; or
- 899 (ii) a senior citizen center owned by a county, city, or town; or
- 900 (b) sales made by a senior citizen center that contracts with an area agency on aging;
- 901 (44) sales or leases of semiconductor fabricating, processing, research, or development
- 902 materials regardless of whether the semiconductor fabricating, processing, research, or
- 903 development materials:
  - 904 (a) actually come into contact with a semiconductor; or
  - 905 (b) ultimately become incorporated into real property;
- 906 (45) an amount paid by or charged to a purchaser for accommodations and services
- 907 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section
- 908 59-12-104.2;
- 909 (46) the lease or use of a vehicle issued a temporary sports event registration certificate
- 910 in accordance with Section 41-3-306 for the event period specified on the temporary sports
- 911 event registration certificate;
- 912 (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff
- 913 adopted by the Public Service Commission only for purchase of electricity produced from a
- 914 new alternative energy source built after January 1, 2016, as designated in the tariff by the
- 915 Public Service Commission; and
  - 916 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
  - 917 only to the portion of the tariff rate a customer pays under the tariff described in Subsection
  - 918 (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the
  - 919 customer would have paid absent the tariff;
- 920 (48) sales or rentals of mobility enhancing equipment if a person presents a
- 921 prescription for the mobility enhancing equipment;
- 922 (49) sales of water in a:
  - 923 (a) pipe;
  - 924 (b) conduit;
  - 925 (c) ditch; or

926 (d) reservoir;

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

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

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

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

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

933 (i) ingot;

934 (ii) bar;

935 (iii) medallion; or

936 (iv) decorative coin;

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

938 (53) sales of a prosthetic device:

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

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

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

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

946 (i) a motion picture;

947 (ii) a television program;

948 (iii) a movie made for television;

949 (iv) a music video;

950 (v) a commercial;

951 (vi) a documentary; or

952 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the  
953 commission by administrative rule made in accordance with Subsection (54)(d); or

954 (b) purchases, leases, or rentals of machinery or equipment by an establishment  
955 described in Subsection (54)(c) that is used for the production or postproduction of the  
956 following are subject to the taxes imposed by this chapter:

- 957 (i) a live musical performance;
- 958 (ii) a live news program; or
- 959 (iii) a live sporting event;

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

- 963 (i) NAICS Code 512110; or
- 964 (ii) NAICS Code 51219; and

965 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
966 commission may by rule:

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

968 or

969 (ii) define:

- 970 (A) "commercial distribution";
- 971 (B) "live musical performance";
- 972 (C) "live news program"; or
- 973 (D) "live sporting event";

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

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

- 977 (A) is an alternative energy electricity production facility;
- 978 (B) is located in the state; and

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

980 (II) has its generation capacity increased by one or more megawatts on or after July 1,  
981 2004, as a result of the use of the tangible personal property;

982 (ii) has an economic life of five or more years; and  
983 (iii) is used to make the facility or the increase in capacity of the facility described in  
984 Subsection (55)(a)(i) operational up to the point of interconnection with an existing  
985 transmission grid including:

- 986 (A) a wind turbine;
- 987 (B) generating equipment;
- 988 (C) a control and monitoring system;
- 989 (D) a power line;
- 990 (E) substation equipment;
- 991 (F) lighting;
- 992 (G) fencing;
- 993 (H) pipes; or
- 994 (I) other equipment used for locating a power line or pole; and

995 (b) this Subsection (55) does not apply to:  
996 (i) tangible personal property used in construction of:  
997 (A) a new alternative energy electricity production facility; or  
998 (B) the increase in the capacity of an alternative energy electricity production facility;  
999 (ii) contracted services required for construction and routine maintenance activities;

1000 and

1001 (iii) unless the tangible personal property is used or acquired for an increase in capacity  
1002 of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or  
1003 acquired after:

- 1004 (A) the alternative energy electricity production facility described in Subsection  
1005 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
- 1006 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described  
1007 in Subsection (55)(a)(iii);

1008 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but  
1009 on or before June 30, 2027, of tangible personal property that:

1010 (i) is leased or purchased for or by a facility that:  
1011 (A) is a waste energy production facility;  
1012 (B) is located in the state; and  
1013 (C) (I) becomes operational on or after July 1, 2004; or  
1014 (II) has its generation capacity increased by one or more megawatts on or after July 1,  
1015 2004, as a result of the use of the tangible personal property;  
1016 (ii) has an economic life of five or more years; and  
1017 (iii) is used to make the facility or the increase in capacity of the facility described in  
1018 Subsection (56)(a)(i) operational up to the point of interconnection with an existing  
1019 transmission grid including:  
1020 (A) generating equipment;  
1021 (B) a control and monitoring system;  
1022 (C) a power line;  
1023 (D) substation equipment;  
1024 (E) lighting;  
1025 (F) fencing;  
1026 (G) pipes; or  
1027 (H) other equipment used for locating a power line or pole; and  
1028 (b) this Subsection (56) does not apply to:  
1029 (i) tangible personal property used in construction of:  
1030 (A) a new waste energy facility; or  
1031 (B) the increase in the capacity of a waste energy facility;  
1032 (ii) contracted services required for construction and routine maintenance activities;  
1033 and  
1034 (iii) unless the tangible personal property is used or acquired for an increase in capacity  
1035 described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:  
1036 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as  
1037 described in Subsection (56)(a)(iii); or

1038 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described  
1039 in Subsection (56)(a)(iii);

1040 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on  
1041 or before June 30, 2027, of tangible personal property that:

1042 (i) is leased or purchased for or by a facility that:

1043 (A) is located in the state;

1044 (B) produces fuel from alternative energy, including:

1045 (I) methanol; or

1046 (II) ethanol; and

1047 (C) (I) becomes operational on or after July 1, 2004; or

1048 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as  
1049 a result of the installation of the tangible personal property;

1050 (ii) has an economic life of five or more years; and

1051 (iii) is installed on the facility described in Subsection (57)(a)(i);

1052 (b) this Subsection (57) does not apply to:

1053 (i) tangible personal property used in construction of:

1054 (A) a new facility described in Subsection (57)(a)(i); or

1055 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or

1056 (ii) contracted services required for construction and routine maintenance activities;

1057 and

1058 (iii) unless the tangible personal property is used or acquired for an increase in capacity  
1059 described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:

1060 (A) the facility described in Subsection (57)(a)(i) is operational; or

1061 (B) the increased capacity described in Subsection (57)(a)(i) is operational;

1062 (58) (a) subject to Subsection (58)(b), sales of tangible personal property or a product  
1063 transferred electronically to a person within this state if that tangible personal property or  
1064 product transferred electronically is subsequently shipped outside the state and incorporated  
1065 pursuant to contract into and becomes a part of real property located outside of this state; and

1066 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other  
1067 state or political entity to which the tangible personal property is shipped imposes a sales, use,  
1068 gross receipts, or other similar transaction excise tax on the transaction against which the other  
1069 state or political entity allows a credit for sales and use taxes imposed by this chapter;

1070 (59) purchases:

1071 (a) of one or more of the following items in printed or electronic format:

1072 (i) a list containing information that includes one or more:

1073 (A) names; or

1074 (B) addresses; or

1075 (ii) a database containing information that includes one or more:

1076 (A) names; or

1077 (B) addresses; and

1078 (b) used to send direct mail;

1079 (60) redemptions or repurchases of a product by a person if that product was:

1080 (a) delivered to a pawnbroker as part of a pawn transaction; and

1081 (b) redeemed or repurchased within the time period established in a written agreement  
1082 between the person and the pawnbroker for redeeming or repurchasing the product;

1083 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:

1084 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;

1085 and

1086 (ii) has a useful economic life of one or more years; and

1087 (b) the following apply to Subsection (61)(a):

1088 (i) telecommunications enabling or facilitating equipment, machinery, or software;

1089 (ii) telecommunications equipment, machinery, or software required for 911 service;

1090 (iii) telecommunications maintenance or repair equipment, machinery, or software;

1091 (iv) telecommunications switching or routing equipment, machinery, or software; or

1092 (v) telecommunications transmission equipment, machinery, or software;

1093 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible

1094 personal property or a product transferred electronically that are used in the research and  
1095 development of alternative energy technology; and

1096 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1097 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes  
1098 purchases of tangible personal property or a product transferred electronically that are used in  
1099 the research and development of alternative energy technology;

1100 (63) (a) purchases of tangible personal property or a product transferred electronically  
1101 if:

1102 (i) the tangible personal property or product transferred electronically is:

1103 (A) purchased outside of this state;

1104 (B) brought into this state at any time after the purchase described in Subsection  
1105 (63)(a)(i)(A); and

1106 (C) used in conducting business in this state; and

1107 (ii) for:

1108 (A) tangible personal property or a product transferred electronically other than the  
1109 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property  
1110 for a purpose for which the property is designed occurs outside of this state; or

1111 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered  
1112 outside of this state and not required to be registered in this state under Section [41-1a-202](#) or  
1113 [73-18-9](#) based on residency;

1114 (b) the exemption provided for in Subsection (63)(a) does not apply to:

1115 (i) a lease or rental of tangible personal property or a product transferred electronically;

1116 or

1117 (ii) a sale of a vehicle exempt under Subsection (33); and

1118 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
1119 purposes of Subsection (63)(a), the commission may by rule define what constitutes the  
1120 following:

1121 (i) conducting business in this state if that phrase has the same meaning in this



1122 Subsection (63) as in Subsection (24);

1123       (ii) the first use of tangible personal property or a product transferred electronically if

1124 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or

1125       (iii) a purpose for which tangible personal property or a product transferred

1126 electronically is designed if that phrase has the same meaning in this Subsection (63) as in

1127 Subsection (24);

1128       (64) sales of disposable home medical equipment or supplies if:

1129       (a) a person presents a prescription for the disposable home medical equipment or

1130 supplies;

1131       (b) the disposable home medical equipment or supplies are used exclusively by the

1132 person to whom the prescription described in Subsection (64)(a) is issued; and

1133       (c) the disposable home medical equipment and supplies are listed as eligible for

1134 payment under:

1135       (i) Title XVIII, federal Social Security Act; or

1136       (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

1137       (65) sales:

1138       (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit

1139 District Act; or

1140       (b) of tangible personal property to a subcontractor of a public transit district, if the

1141 tangible personal property is:

1142       (i) clearly identified; and

1143       (ii) installed or converted to real property owned by the public transit district;

1144       (66) sales of construction materials:

1145       (a) purchased on or after July 1, 2010;

1146       (b) purchased by, on behalf of, or for the benefit of an international airport:

1147       (i) located within a county of the first class; and

1148       (ii) that has a United States customs office on its premises; and

1149       (c) if the construction materials are:

- 1150 (i) clearly identified;
- 1151 (ii) segregated; and
- 1152 (iii) installed or converted to real property:
  - 1153 (A) owned or operated by the international airport described in Subsection (66)(b); and
  - 1154 (B) located at the international airport described in Subsection (66)(b);
- 1155 (67) sales of construction materials:
  - 1156 (a) purchased on or after July 1, 2008;
  - 1157 (b) purchased by, on behalf of, or for the benefit of a new airport:
    - 1158 (i) located within a county of the second class; and
    - 1159 (ii) that is owned or operated by a city in which an airline as defined in Section
    - 1160 [59-2-102](#) is headquartered; and
    - 1161 (c) if the construction materials are:
      - 1162 (i) clearly identified;
      - 1163 (ii) segregated; and
      - 1164 (iii) installed or converted to real property:
        - 1165 (A) owned or operated by the new airport described in Subsection (67)(b);
        - 1166 (B) located at the new airport described in Subsection (67)(b); and
        - 1167 (C) as part of the construction of the new airport described in Subsection (67)(b);
    - 1168 (68) except for the tax imposed by Subsection [59-12-103\(2\)\(d\)](#), sales of fuel to a
    - 1169 common carrier that is a railroad for use in a locomotive engine;
    - 1170 (69) purchases and sales described in Section [63H-4-111](#);
    - 1171 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and
    - 1172 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of
    - 1173 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
    - 1174 lists a state or country other than this state as the location of registry of the fixed wing turbine
    - 1175 powered aircraft; or
    - 1176 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
    - 1177 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of

1178 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration  
1179 lists a state or country other than this state as the location of registry of the fixed wing turbine  
1180 powered aircraft;

1181 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:

1182 (a) to a person admitted to an institution of higher education; and

1183 (b) by a seller, other than a bookstore owned by an institution of higher education, if  
1184 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a  
1185 textbook for a higher education course;

1186 (72) a license fee or tax a municipality imposes in accordance with Subsection  
1187 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced  
1188 level of municipal services;

1189 (73) amounts paid or charged for construction materials used in the construction of a  
1190 new or expanding life science research and development facility in the state, if the construction  
1191 materials are:

1192 (a) clearly identified;

1193 (b) segregated; and

1194 (c) installed or converted to real property;

1195 (74) amounts paid or charged for:

1196 (a) a purchase or lease of machinery and equipment that:

1197 (i) are used in performing qualified research:

1198 (A) as defined in Section 41(d), Internal Revenue Code; and

1199 (B) in the state; and

1200 (ii) have an economic life of three or more years; and

1201 (b) normal operating repair or replacement parts:

1202 (i) for the machinery and equipment described in Subsection (74)(a); and

1203 (ii) that have an economic life of three or more years;

1204 (75) a sale or lease of tangible personal property used in the preparation of prepared  
1205 food if:

- 1206 (a) for a sale:
- 1207 (i) the ownership of the seller and the ownership of the purchaser are identical; and
- 1208 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
- 1209 tangible personal property prior to making the sale; or
- 1210 (b) for a lease:
- 1211 (i) the ownership of the lessor and the ownership of the lessee are identical; and
- 1212 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible
- 1213 personal property prior to making the lease;
- 1214 (76) (a) purchases of machinery or equipment if:
- 1215 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
- 1216 Gambling, and Recreation Industries, of the 2012 North American Industry Classification
- 1217 System of the federal Executive Office of the President, Office of Management and Budget;
- 1218 (ii) the machinery or equipment:
- 1219 (A) has an economic life of three or more years; and
- 1220 (B) is used by one or more persons who pay admission or user fees described in
- 1221 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and
- 1222 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
- 1223 (A) amounts paid or charged as admission or user fees described in Subsection
- 1224 59-12-103(1)(f); and
- 1225 (B) subject to taxation under this chapter; and
- 1226 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1227 commission may make rules for verifying that 51% of a purchaser's sales revenue for the
- 1228 previous calendar quarter is:
- 1229 (i) amounts paid or charged as admission or user fees described in Subsection
- 1230 59-12-103(1)(f); and
- 1231 (ii) subject to taxation under this chapter;
- 1232 (77) purchases of a short-term lodging consumable by a business that provides
- 1233 accommodations and services described in Subsection 59-12-103(1)(i);

- 1234 (78) amounts paid or charged to access a database:
- 1235 (a) if the primary purpose for accessing the database is to view or retrieve information
- 1236 from the database; and
- 1237 (b) not including amounts paid or charged for a:
- 1238 (i) digital audio work;
- 1239 (ii) digital audio-visual work; or
- 1240 (iii) digital book;
- 1241 (79) amounts paid or charged for a purchase or lease made by an electronic financial
- 1242 payment service, of:
- 1243 (a) machinery and equipment that:
- 1244 (i) are used in the operation of the electronic financial payment service; and
- 1245 (ii) have an economic life of three or more years; and
- 1246 (b) normal operating repair or replacement parts that:
- 1247 (i) are used in the operation of the electronic financial payment service; and
- 1248 (ii) have an economic life of three or more years;
- 1249 (80) sales of a fuel cell as defined in Section [54-15-102](#);
- 1250 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
- 1251 product transferred electronically if the tangible personal property or product transferred
- 1252 electronically:
- 1253 (a) is stored, used, or consumed in the state; and
- 1254 (b) is temporarily brought into the state from another state:
- 1255 (i) during a disaster period as defined in Section [53-2a-1202](#);
- 1256 (ii) by an out-of-state business as defined in Section [53-2a-1202](#);
- 1257 (iii) for a declared state disaster or emergency as defined in Section [53-2a-1202](#); and
- 1258 (iv) for disaster- or emergency-related work as defined in Section [53-2a-1202](#);
- 1259 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined
- 1260 in Section [39A-7-102](#), made pursuant to Title 39A, Chapter 7, Morale, Welfare, and Recreation
- 1261 Program;

- 1262 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 1263 (84) amounts paid or charged for a purchase or lease made by a qualifying data center
- 1264 or an occupant of a qualifying data center of machinery, equipment, or normal operating repair
- 1265 or replacement parts, if the machinery, equipment, or normal operating repair or replacement
- 1266 parts:
- 1267 (a) are used in:
- 1268 (i) the operation of the qualifying data center; or
- 1269 (ii) the occupant's operations in the qualifying data center; and
- 1270 (b) have an economic life of one or more years;
- 1271 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a
- 1272 vehicle that includes cleaning or washing of the interior of the vehicle;
- 1273 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
- 1274 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used
- 1275 or consumed:
- 1276 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
- 1277 in Section [79-6-701](#) located in the state;
- 1278 (b) if the machinery, equipment, normal operating repair or replacement parts,
- 1279 catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:
- 1280 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
- 1281 added to gasoline or diesel fuel;
- 1282 (ii) research and development;
- 1283 (iii) transporting, storing, or managing raw materials, work in process, finished
- 1284 products, and waste materials produced from refining gasoline or diesel fuel, or adding
- 1285 blendstock to gasoline or diesel fuel;
- 1286 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
- 1287 refining; or
- 1288 (v) preventing, controlling, or reducing pollutants from refining; and
- 1289 (c) if the person holds a valid refiner tax exemption certification as defined in Section

1290 79-6-701;

1291 (87) amounts paid to or charged by a proprietor for accommodations and services, as  
1292 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations tax  
1293 imposed under Section 63H-1-205;

1294 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
1295 operating repair or replacement parts, or materials, except for office equipment or office  
1296 supplies, by an establishment, as the commission defines that term in accordance with Title  
1297 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

1298 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North  
1299 American Industry Classification System of the federal Executive Office of the President,  
1300 Office of Management and Budget;

1301 (b) is located in this state; and

1302 (c) uses the machinery, equipment, normal operating repair or replacement parts, or  
1303 materials in the operation of the establishment;

1304 (89) amounts paid or charged for an item exempt under Section 59-12-104.10;

1305 (90) sales of a note, leaf, foil, or film, if the item:

1306 (a) is used as currency;

1307 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and

1308 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any  
1309 transparent polymer holder, coating, or encasement;

1310 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or  
1311 surfing facility, if a trained instructor:

1312 (a) is present with the participant, in person or by video, for the duration of the activity;

1313 and

1314 (b) actively instructs the participant, including providing observation or feedback;

1315 (92) amounts paid or charged in connection with the construction, operation,  
1316 maintenance, repair, or replacement of facilities owned by or constructed for:

1317 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or

1318 (b) a wholesale electrical cooperative, as defined in Section 54-2-1; and  
1319 (93) amounts paid by the service provider for tangible personal property, other than  
1320 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels, that:  
1321 (a) is consumed in the performance of a service that is subject to tax under Subsection  
1322 59-12-103(1)(b), (f), (g), (h), (i), or (j);  
1323 (b) has to be consumed for the service provider to provide the service described in  
1324 Subsection (93)(a); and  
1325 (c) will be consumed in the performance of the service described in Subsection (93)(a),  
1326 to one or more customers, to the point that the tangible personal property disappears or cannot  
1327 be used for any other purpose.

1328 Section 4. **Effective date.**  
1329 This bill takes effect on July 1, 2023.