



28 **59-12-108**, as last amended by Laws of Utah 2013, Chapter 50  
 29 **59-12-211**, as last amended by Laws of Utah 2012, Chapter 312  
 30 **59-12-211.1**, as last amended by Laws of Utah 2012, Chapter 312  
 31 **76-8-1101**, as last amended by Laws of Utah 2014, Chapter 52  
 32 **78A-3-102**, as last amended by Laws of Utah 2009, Chapter 344

33 ENACTS:

34 **59-12-107.6**, Utah Code Annotated 1953

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

37 Section 1. Section **59-1-401** is amended to read:

38 **59-1-401. Definitions -- Offenses and penalties -- Rulemaking authority -- Statute**  
 39 **of limitations -- Commission authority to waive, reduce, or compromise penalty or**  
 40 **interest.**

41 (1) As used in this section:

42 [~~(a) "Activated tax, fee, or charge" means a tax, fee, or charge with respect to which the~~  
 43 ~~commission:~~]

44 [~~(i) has implemented the commission's GenTax system; and]~~

45 [~~(ii) at least 30 days before implementing the commission's GenTax system as~~  
 46 ~~described in Subsection (1)(a)(i), has provided notice in a conspicuous place on the~~  
 47 ~~commission's website stating:]~~

48 [~~(A) the date the commission will implement the GenTax system with respect to the~~  
 49 ~~tax, fee, or charge; and]~~

50 [~~(B) that, at the time the commission implements the GenTax system with respect to~~  
 51 ~~the tax, fee, or charge:]~~

52 [~~(f) a person that files a return after the due date as described in Subsection (2)(a) is~~  
 53 ~~subject to the penalty described in Subsection (2)(c)(ii); and]~~

54 [~~(H) a person that fails to pay the tax, fee, or charge as described in Subsection (3)(a) is~~  
 55 ~~subject to the penalty described in Subsection (3)(b)(ii).]~~

56 [~~(b) "Activation date for a tax, fee, or charge" means with respect to a tax, fee, or~~  
 57 ~~charge, the later of:]~~

58 [~~(i) the date on which the commission implements the commission's GenTax system~~

59 with respect to the tax, fee, or charge; or]

60 [(ii) 30 days after the date the commission provides the notice described in Subsection

61 (1)(a)(ii) with respect to the tax, fee, or charge.]

62 [~~(c)~~(i)] (a) Except as provided in Subsection (1)[~~(c)~~(ii)](b), "tax, fee, or charge"

63 means:

64 [~~(A)~~] (i) a tax, fee, or charge the commission administers under:

65 [~~(H)~~] (A) this title;

66 [~~(H)~~] (B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

67 [~~(H)~~] (C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

68 [~~(IV)~~] (D) Section 19-6-410.5;

69 [~~(V)~~] (E) Section 19-6-714;

70 [~~(VI)~~] (F) Section 19-6-805;

71 [~~(VII)~~] (G) Section 32B-2-304;

72 [~~(VIII)~~] (H) Section 34A-2-202;

73 [~~(IX)~~] (I) Section 40-6-14;

74 [~~(X)~~] (J) Section 69-2-5;

75 [~~(XI)~~] (K) Section 69-2-5.5; or

76 [~~(XII)~~] (L) Section 69-2-5.6; or

77 [~~(B)~~] (ii) another amount that by statute is subject to a penalty imposed under this

78 section.

79 [~~(i)~~] (b) "Tax, fee, or charge" does not include a tax, fee, or charge imposed under:

80 [~~(A)~~] (i) Title 41, Chapter 1a, Motor Vehicle Act, except for Section 41-1a-301;

81 [~~(B)~~] (ii) Title 41, Chapter 3, Motor Vehicle Business Regulation Act;

82 [~~(C)~~] (iii) Chapter 2, Property Tax Act, except for Section 59-2-1309;

83 [~~(D)~~] (iv) Chapter 3, Tax Equivalent Property Act; or

84 [~~(E)~~] (v) Chapter 4, Privilege Tax.

85 [~~(d)~~] "Unactivated tax, fee, or charge" means a tax, fee, or charge except for an

86 activated tax, fee, or charge.]

87 (2) (a) The due date for filing a return is:

88 (i) if the person filing the return is not allowed by law an extension of time for filing

89 the return, the day on which the return is due as provided by law; or

- 90 (ii) if the person filing the return is allowed by law an extension of time for filing the  
91 return, the earlier of:
- 92 (A) the date the person files the return; or  
93 (B) the last day of that extension of time as allowed by law.
- 94 (b) A penalty in the amount described in Subsection (2)(c) is imposed if a person files a  
95 return after the due date described in Subsection (2)(a).
- 96 (c) For purposes of Subsection (2)(b), the penalty is an amount equal to the greater of:  
97 ~~[(i) if the return described in Subsection (2)(b) is filed with respect to an unactivated~~  
98 ~~tax, fee, or charge:]~~  
99 ~~[(A) \$20; or]~~  
100 ~~[(B) 10% of the unpaid unactivated tax, fee, or charge due on the return; or]~~  
101 ~~[(ii) if the return described in Subsection (2)(b) is filed with respect to an activated tax,~~  
102 ~~fee, or charge, beginning on the activation date for the tax, fee, or charge:]~~  
103 ~~[(A)] (i) \$20; or~~  
104 ~~[(B)] (ii) (A) 2% of the unpaid [activated] tax, fee, or charge due on the return if the~~  
105 ~~return is filed no later than five days after the due date described in Subsection (2)(a);~~  
106 ~~[(B)] (B) 5% of the unpaid [activated] tax, fee, or charge due on the return if the return~~  
107 ~~is filed more than five days after the due date but no later than 15 days after the due date~~  
108 ~~described in Subsection (2)(a); or~~  
109 ~~[(B)] (C) 10% of the unpaid [activated] tax, fee, or charge due on the return if the~~  
110 ~~return is filed more than 15 days after the due date described in Subsection (2)(a).~~
- 111 (d) This Subsection (2) does not apply to:  
112 (i) an amended return; or  
113 (ii) a return with no tax due.
- 114 (3) (a) A person is subject to a penalty for failure to pay a tax, fee, or charge if:  
115 (i) the person files a return on or before the due date for filing a return described in  
116 Subsection (2)(a), but fails to pay the tax, fee, or charge due on the return on or before that due  
117 date;  
118 (ii) the person:  
119 (A) is subject to a penalty under Subsection (2)(b); and  
120 (B) fails to pay the tax, fee, or charge due on a return within a 90-day period after the

121 due date for filing a return described in Subsection (2)(a);

122 (iii) (A) the person is subject to a penalty under Subsection (2)(b); and

123 (B) the commission estimates an amount of tax due for that person in accordance with

124 Subsection 59-1-1406(2);

125 (iv) the person:

126 (A) is mailed a notice of deficiency; and

127 (B) within a 30-day period after the day on which the notice of deficiency described in

128 Subsection (3)(a)(iv)(A) is mailed:

129 (I) does not file a petition for redetermination or a request for agency action; and

130 (II) fails to pay the tax, fee, or charge due on a return;

131 (v) (A) the commission:

132 (I) issues an order constituting final agency action resulting from a timely filed petition

133 for redetermination or a timely filed request for agency action; or

134 (II) is considered to have denied a request for reconsideration under Subsection

135 63G-4-302(3)(b) resulting from a timely filed petition for redetermination or a timely filed

136 request for agency action; and

137 (B) the person fails to pay the tax, fee, or charge due on a return within a 30-day period

138 after the ~~[date]~~ day on which the commission:

139 (I) issues the order constituting final agency action described in Subsection

140 (3)(a)(v)(A)(I); or

141 (II) is considered to have denied the request for reconsideration described in

142 Subsection (3)(a)(v)(A)(II); or

143 (vi) the person fails to pay the tax, fee, or charge within ~~[a 30-day period]~~ 30 days after

144 the ~~[date of]~~ day on which a court issues a final judicial decision resulting from a timely filed

145 petition for judicial review.

146 (b) For purposes of Subsection (3)(a), the penalty is an amount equal to the greater of:

147 ~~[(i) if the failure to pay a tax, fee, or charge as described in Subsection (3)(a) is with~~

148 ~~respect to an unactivated tax, fee, or charge:]~~

149 ~~[(A) \$20; or]~~

150 ~~[(B) 10% of the unpaid unactivated tax, fee, or charge due on the return; or]~~

151 ~~[(ii) if the failure to pay a tax, fee, or charge as described in Subsection (3)(a) is with~~

152 ~~respect to an activated tax, fee, or charge, beginning on the activation date:]~~

153 ~~[(A)]~~ (i) \$20; or

154 ~~[(B)-(F)]~~ (ii) (A) 2% of the unpaid [activated] tax, fee, or charge due on the return if the  
155 [activated] tax, fee, or charge due on the return is paid no later than five days after the due date  
156 for filing a return described in Subsection (2)(a);

157 ~~[(H)]~~ (B) 5% of the unpaid [activated] tax, fee, or charge due on the return if the  
158 [activated] tax, fee, or charge due on the return is paid more than five days after the due date  
159 for filing a return described in Subsection (2)(a) but no later than 15 days after that due date; or

160 ~~[(H)]~~ (C) 10% of the unpaid [activated] tax, fee, or charge due on the return if the  
161 [activated] tax, fee, or charge due on the return is paid more than 15 days after the due date for  
162 filing a return described in Subsection (2)(a).

163 (4) (a) Beginning January 1, 1995, in the case of any underpayment of estimated tax or  
164 quarterly installments required by Sections 59-5-107, 59-5-207, 59-7-504, and 59-9-104, there  
165 shall be added a penalty in an amount determined by applying the interest rate provided under  
166 Section 59-1-402 plus four percentage points to the amount of the underpayment for the period  
167 of the underpayment.

168 (b) (i) For purposes of Subsection (4)(a), the amount of the underpayment shall be the  
169 excess of the required installment over the amount, if any, of the installment paid on or before  
170 the due date for the installment.

171 (ii) The period of the underpayment shall run from the due date for the installment to  
172 whichever of the following dates is the earlier:

173 (A) the original due date of the tax return, without extensions, for the taxable year; or

174 (B) with respect to any portion of the underpayment, the date on which that portion is  
175 paid.

176 (iii) For purposes of this Subsection (4), a payment of estimated tax shall be credited  
177 against unpaid required installments in the order in which the installments are required to be  
178 paid.

179 (5) (a) Notwithstanding Subsection (2) and except as provided in Subsection (6), a  
180 person allowed by law an extension of time for filing a corporate franchise or income tax return  
181 under Chapter 7, Corporate Franchise and Income Taxes, or an individual income tax return  
182 under Chapter 10, Individual Income Tax Act, is subject to a penalty in the amount described in

183 Subsection (5)(b) if, on or before the day on which the return is due as provided by law, not  
184 including the extension of time, the person fails to pay:

185 (i) for a person filing a corporate franchise or income tax return under Chapter 7,  
186 Corporate Franchise and Income Taxes, the payment required by Subsection 59-7-507(1)(b); or

187 (ii) for a person filing an individual income tax return under Chapter 10, Individual  
188 Income Tax Act, the payment required by Subsection 59-10-516(2).

189 (b) For purposes of Subsection (5)(a), the penalty per month during the period of the  
190 extension of time for filing the return is an amount equal to 2% of the tax due on the return,  
191 unpaid as of the day on which the return is due as provided by law.

192 (6) If a person does not file a return within an extension of time allowed by Section  
193 59-7-505 or 59-10-516, the person:

194 (a) is not subject to a penalty in the amount described in Subsection (5)(b); and

195 (b) is subject to a penalty in an amount equal to the sum of:

196 (i) a late file penalty in an amount equal to the greater of:

197 (A) \$20; or

198 (B) 10% of the tax due on the return, unpaid as of the day on which the return is due as  
199 provided by law, not including the extension of time; and

200 (ii) a late pay penalty in an amount equal to the greater of:

201 (A) \$20; or

202 (B) 10% of the unpaid tax due on the return, unpaid as of the day on which the return is  
203 due as provided by law, not including the extension of time.

204 (7) (a) Additional penalties for an underpayment of a tax, fee, or charge are as provided  
205 in this Subsection (7)(a).

206 (i) Except as provided in Subsection (7)(c), if any portion of an underpayment of a tax,  
207 fee, or charge is due to negligence, the penalty is 10% of the portion of the underpayment that  
208 is due to negligence.

209 (ii) Except as provided in Subsection (7)(d), if any portion of an underpayment of a  
210 tax, fee, or charge is due to intentional disregard of law or rule, the penalty is 15% of the entire  
211 underpayment.

212 (iii) If any portion of an underpayment is due to an intent to evade a tax, fee, or charge,  
213 the penalty is the greater of \$500 per period or 50% of the entire underpayment.

214 (iv) If any portion of an underpayment is due to fraud with intent to evade a tax, fee, or  
215 charge, the penalty is the greater of \$500 per period or 100% of the entire underpayment.

216 (b) If the commission determines that a person is liable for a penalty imposed under  
217 Subsection (7)(a)(ii), (iii), or (iv), the commission shall notify the person of the proposed  
218 penalty.

219 (i) The notice of proposed penalty shall:

220 (A) set forth the basis of the assessment; and

221 (B) be mailed by certified mail, postage prepaid, to the person's last-known address.

222 (ii) Upon receipt of the notice of proposed penalty, the person against whom the  
223 penalty is proposed may:

224 (A) pay the amount of the proposed penalty at the place and time stated in the notice;

225 or

226 (B) proceed in accordance with the review procedures of Subsection (7)(b)(iii).

227 (iii) A person against whom a penalty is proposed in accordance with this Subsection  
228 (7) may contest the proposed penalty by filing a petition for an adjudicative proceeding with  
229 the commission.

230 (iv) (A) If the commission determines that a person is liable for a penalty under this  
231 Subsection (7), the commission shall assess the penalty and give notice and demand for  
232 payment.

233 (B) The commission shall mail the notice and demand for payment described in  
234 Subsection (7)(b)(iv)(A):

235 (I) to the person's last-known address; and

236 (II) in accordance with Section 59-1-1404.

237 (c) A seller that voluntarily collects a tax under Subsection 59-12-107(2)(~~(d)~~)(e)(i) is  
238 not subject to the penalty under Subsection (7)(a)(i) if on or after July 1, 2001:

239 (i) a court of competent jurisdiction issues a final, unappealable judgment or order  
240 determining that:

241 (A) the seller meets one or more of the criteria described in Subsection 59-12-107(2)(a)  
242 or is a seller required to pay or collect and remit sales and use taxes under Subsection  
243 59-12-107(2)(b) or (d); and

244 (B) the commission or a county, city, or town may require the seller to collect a tax

245 under Subsections 59-12-103(2)(a) through (d); or

246 (ii) the commission issues a final, unappealable administrative order determining that:

247 (A) the seller meets one or more of the criteria described in Subsection 59-12-107(2)(a)

248 or is a seller required to pay or collect and remit sales and use taxes under Subsection

249 59-12-107(2)(b) or (d); and

250 (B) the commission or a county, city, or town may require the seller to collect a tax

251 under Subsections 59-12-103(2)(a) through (d).

252 (d) A seller that voluntarily collects a tax under Subsection 59-12-107(2)(~~d~~)(e)(i) is

253 not subject to the penalty under Subsection (7)(a)(ii) if:

254 (i) (A) a court of competent jurisdiction issues a final, unappealable judgment or order

255 determining that:

256 (I) the seller meets one or more of the criteria described in Subsection 59-12-107(2)(a)

257 or is a seller required to pay or collect and remit sales and use taxes under Subsection

258 59-12-107(2)(b) or (d); and

259 (II) the commission or a county, city, or town may require the seller to collect a tax

260 under Subsections 59-12-103(2)(a) through (d); or

261 (B) the commission issues a final, unappealable administrative order determining that:

262 (I) the seller meets one or more of the criteria described in Subsection 59-12-107(2)(a)

263 or is a seller required to pay or collect and remit sales and use taxes under Subsection

264 59-12-107(2)(b) or (d); and

265 (II) the commission or a county, city, or town may require the seller to collect a tax

266 under Subsections 59-12-103(2)(a) through (d); and

267 (ii) the seller's intentional disregard of law or rule is warranted by existing law or by a

268 nonfrivolous argument for the extension, modification, or reversal of existing law or the

269 establishment of new law.

270 (8) (a) Subject to Subsections (8)(b) and (c), the penalty for failure to file an

271 information return, information report, or a complete supporting schedule is \$50 for each

272 information return, information report, or supporting schedule up to a maximum of \$1,000.

273 (b) If an employer is subject to a penalty under Subsection (13), the employer may not

274 be subject to a penalty under Subsection (8)(a).

275 (c) If an employer is subject to a penalty under this Subsection (8) for failure to file a

276 return in accordance with Subsection 59-10-406(3) on or before the due date described in  
277 Subsection 59-10-406(3)(b)(ii), the commission may not impose a penalty under this  
278 Subsection (8) unless the return is filed more than 14 days after the due date described in  
279 Subsection 59-10-406(3)(b)(ii).

280 (9) If a person, in furtherance of a frivolous position, has a prima facie intent to delay  
281 or impede administration of a law relating to a tax, fee, or charge and files a purported return  
282 that fails to contain information from which the correctness of reported tax, fee, or charge  
283 liability can be determined or that clearly indicates that the tax, fee, or charge liability shown is  
284 substantially incorrect, the penalty is \$500.

285 (10) (a) A seller that fails to remit a tax, fee, or charge monthly as required by  
286 Subsection 59-12-108(1)(a):

287 (i) is subject to a penalty described in Subsection (2); and

288 (ii) may not retain the percentage of sales and use taxes that would otherwise be  
289 allowable under Subsection 59-12-108(2).

290 (b) A seller that fails to remit a tax, fee, or charge by electronic funds transfer as  
291 required by Subsection 59-12-108(1)(a)(ii)(B):

292 (i) is subject to a penalty described in Subsection (2); and

293 (ii) may not retain the percentage of sales and use taxes that would otherwise be  
294 allowable under Subsection 59-12-108(2).

295 (11) (a) A person is subject to the penalty provided in Subsection (11)(c) if that person:

296 (i) commits an act described in Subsection (11)(b) with respect to one or more of the  
297 following documents:

298 (A) a return;

299 (B) an affidavit;

300 (C) a claim; or

301 (D) a document similar to Subsections (11)(a)(i)(A) through (C);

302 (ii) knows or has reason to believe that the document described in Subsection (11)(a)(i)  
303 will be used in connection with any material matter administered by the commission; and

304 (iii) knows that the document described in Subsection (11)(a)(i), if used in connection  
305 with any material matter administered by the commission, would result in an understatement of  
306 another person's liability for a tax, fee, or charge.

- 307 (b) The following acts apply to Subsection (11)(a)(i):
- 308 (i) preparing any portion of a document described in Subsection (11)(a)(i);
- 309 (ii) presenting any portion of a document described in Subsection (11)(a)(i);
- 310 (iii) procuring any portion of a document described in Subsection (11)(a)(i);
- 311 (iv) advising in the preparation or presentation of any portion of a document described
- 312 in Subsection (11)(a)(i);
- 313 (v) aiding in the preparation or presentation of any portion of a document described in
- 314 Subsection (11)(a)(i);
- 315 (vi) assisting in the preparation or presentation of any portion of a document described
- 316 in Subsection (11)(a)(i); or
- 317 (vii) counseling in the preparation or presentation of any portion of a document
- 318 described in Subsection (11)(a)(i).
- 319 (c) For purposes of Subsection (11)(a), the penalty:
- 320 (i) shall be imposed by the commission;
- 321 (ii) is \$500 for each document described in Subsection (11)(a)(i) with respect to which
- 322 the person described in Subsection (11)(a) meets the requirements of Subsection (11)(a); and
- 323 (iii) is in addition to any other penalty provided by law.
- 324 (d) The commission may seek a court order to enjoin a person from engaging in
- 325 conduct that is subject to a penalty under this Subsection (11).
- 326 (e) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 327 commission may make rules prescribing the documents that are similar to Subsections
- 328 (11)(a)(i)(A) through (C).
- 329 (12) (a) As provided in Section 76-8-1101, criminal offenses and penalties are as
- 330 provided in Subsections (12)(b) through (e).
- 331 (b) (i) A person [~~who~~] is guilty of a class B misdemeanor if the person:
- 332 (A) is required by this title or any laws the commission administers or regulates to
- 333 register with or obtain a license or permit from the commission[~~, who~~]; and
- 334 (B) operates without having registered or secured a license or permit[~~;~~] or [~~who~~]
- 335 operates when the registration, license, or permit is expired or not current[~~; is guilty of a class~~
- 336 B misdemeanor].
- 337 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(b)(i), the

338 penalty may not:

339 (A) be less than \$500; or

340 (B) exceed \$1,000.

341 (c) (i) With respect to a tax, fee, or charge, a person [~~who~~] is guilty of a third degree

342 felony if the person:

343 (A) knowingly and intentionally, and without a reasonable good faith basis, fails to  
344 make, render, sign, or verify a return within the time required by law or to supply information  
345 within the time required by law[~~, or who~~];

346 (B) makes, renders, signs, or verifies a false or fraudulent return or statement[~~;~~]; or  
347 [~~who~~]

348 (C) supplies false or fraudulent information[~~, is guilty of a third degree felony~~].

349 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(c)(i), the

350 penalty may not:

351 (A) be less than \$1,000; or

352 (B) exceed \$5,000.

353 (d) (i) A person who intentionally or willfully attempts to evade or defeat a tax, fee, or  
354 charge or the payment of a tax, fee, or charge is, in addition to other penalties provided by law,  
355 guilty of a second degree felony.

356 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(d)(i), the  
357 penalty may not:

358 (A) be less than \$1,500; or

359 (B) exceed \$25,000.

360 (e) (i) A person is guilty of a second degree felony if that person commits an act:

361 (A) described in Subsection (12)(e)(ii) with respect to one or more of the following

362 documents:

363 (I) a return;

364 (II) an affidavit;

365 (III) a claim; or

366 (IV) a document similar to Subsections (12)(e)(i)(A)(I) through (III); and

367 (B) subject to Subsection (12)(e)(iii), with knowledge that the document described in

368 Subsection (12)(e)(i)(A):

- 369 (I) is false or fraudulent as to any material matter; and  
370 (II) could be used in connection with any material matter administered by the  
371 commission.
- 372 (ii) The following acts apply to Subsection (12)(e)(i):  
373 (A) preparing any portion of a document described in Subsection (12)(e)(i)(A);  
374 (B) presenting any portion of a document described in Subsection (12)(e)(i)(A);  
375 (C) procuring any portion of a document described in Subsection (12)(e)(i)(A);  
376 (D) advising in the preparation or presentation of any portion of a document described  
377 in Subsection (12)(e)(i)(A);  
378 (E) aiding in the preparation or presentation of any portion of a document described in  
379 Subsection (12)(e)(i)(A);  
380 (F) assisting in the preparation or presentation of any portion of a document described  
381 in Subsection (12)(e)(i)(A); or  
382 (G) counseling in the preparation or presentation of any portion of a document  
383 described in Subsection (12)(e)(i)(A).
- 384 (iii) This Subsection (12)(e) applies:  
385 (A) regardless of whether the person for which the document described in Subsection  
386 (12)(e)(i)(A) is prepared or presented:  
387 (I) knew of the falsity of the document described in Subsection (12)(e)(i)(A); or  
388 (II) consented to the falsity of the document described in Subsection (12)(e)(i)(A); and  
389 (B) in addition to any other penalty provided by law.
- 390 (iv) Notwithstanding Section [76-3-301](#), for purposes of this Subsection (12)(e), the  
391 penalty may not:  
392 (A) be less than \$1,500; or  
393 (B) exceed \$25,000.
- 394 (v) The commission may seek a court order to enjoin a person from engaging in  
395 conduct that is subject to a penalty under this Subsection (12)(e).
- 396 (vi) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
397 the commission may make rules prescribing the documents that are similar to Subsections  
398 (12)(e)(i)(A)(I) through (III).
- 399 (f) The statute of limitations for prosecution for a violation of this Subsection (12) is

400 the later of six years:

- 401 (i) from the date the tax should have been remitted; or
- 402 (ii) after the day on which the person commits the criminal offense.

403 (13) (a) Subject to Subsection (13)(b), an employer that is required to file a form with  
404 the commission in accordance with Subsection 59-10-406(8) is subject to a penalty described  
405 in Subsection (13)(b) if the employer:

- 406 (i) fails to file the form with the commission in an electronic format approved by the  
407 commission as required by Subsection 59-10-406(8);
- 408 (ii) fails to file the form on or before the due date provided in Subsection 59-10-406(8);
- 409 (iii) fails to provide accurate information on the form; or
- 410 (iv) fails to provide all of the information required by the Internal Revenue Service to  
411 be contained on the form.

412 (b) For purposes of Subsection (13)(a), the penalty is:

- 413 (i) \$30 per form, not to exceed \$75,000 in a calendar year, if the employer files the  
414 form in accordance with Subsection 59-10-406(8), more than 14 days after the due date  
415 provided in Subsection 59-10-406(8) but no later than 30 days after the due date provided in  
416 Subsection 59-10-406(8);
- 417 (ii) \$60 per form, not to exceed \$200,000 in a calendar year, if the employer files the  
418 form in accordance with Subsection 59-10-406(8), more than 30 days after the due date  
419 provided in Subsection 59-10-406(8) but on or before June 1; or
- 420 (iii) \$100 per form, not to exceed \$500,000 in a calendar year, if the employer:  
421 (A) files the form in accordance with Subsection 59-10-406(8) after June 1; or  
422 (B) fails to file the form.

423 (14) Upon making a record of its actions, and upon reasonable cause shown, the  
424 commission may waive, reduce, or compromise any of the penalties or interest imposed under  
425 this part.

426 Section 2. Section 59-12-103.1 is amended to read:

427 **59-12-103.1. Action by Supreme Court of the United States authorizing or action**  
428 **by Congress permitting a state to require certain sellers to collect a sales or use tax --**  
429 **Collection of tax by commission -- Commission report to Revenue and Taxation Interim**  
430 **Committee -- Revenue and Taxation Interim Committee study -- Division of Finance**

431 **requirement to make certain deposits.**

432 (1) Except as provided in Section 59-12-107.1, a seller shall remit a tax to the  
433 commission as provided in Section 59-12-107 if:

434 (a) the Supreme Court of the United States issues a decision authorizing a state to  
435 require the following sellers to collect a sales or use tax:

436 (i) a seller that does not meet one or more of the criteria described in Subsection  
437 59-12-107(2)(a); or

438 (ii) a seller that is not a seller required to pay or collect and remit sales and use taxes  
439 under Subsection 59-12-107(2)(b) or (d); or

440 (b) Congress permits the state to require the following sellers to collect a sales or use  
441 tax:

442 (i) a seller that does not meet one or more of the criteria described in Subsection  
443 59-12-107(2)(a); or

444 (ii) a seller that is not a seller required to pay or collect and remit sales and use taxes  
445 under Subsection 59-12-107(2)(b) or (d).

446 (2) The commission shall:

447 (a) collect the tax described in Subsection (1) from the seller:

448 (i) to the extent:

449 (A) authorized by the Supreme Court of the United States; or

450 (B) permitted by Congress; and

451 (ii) beginning on the first day of a calendar quarter as prescribed by the Revenue and  
452 Taxation Interim Committee; and

453 (b) make a report to the Revenue and Taxation Interim Committee by electronic  
454 means:

455 (i) regarding the actions taken by:

456 (A) the Supreme Court of the United States; or

457 (B) Congress; and

458 (ii) (A) stating the amount of state revenue collected at the time of the report, if any;

459 and

460 (B) estimating the state sales and use tax rate reduction that would offset the amount of  
461 state revenue estimated to be collected for the current fiscal year and the next fiscal year; and

462 (c) report to the Revenue and Taxation Interim Committee at:

463 (i) the Revenue and Taxation Interim Committee meeting immediately following the  
464 day on which the actions of the Supreme Court of the United States or Congress become  
465 effective; and

466 (ii) any other meeting of the Revenue and Taxation Interim Committee as requested by  
467 the chairs of the committee.

468 (3) The Revenue and Taxation Interim Committee shall after receiving the  
469 commission's reports under Subsections (2)(b) and (c):

470 (a) review the actions taken by:

471 (i) the Supreme Court of the United States; or

472 (ii) Congress;

473 (b) direct the commission regarding the day on which the commission is required to  
474 collect the tax described in Subsection (1); and

475 (c) within a one-year period after the day on which the commission makes a report  
476 under Subsection (2)(c), make recommendations to the Legislative Management Committee[  
477 (†)] regarding whether as a result of the actions of the Supreme Court of the United States or  
478 Congress any provisions of this chapter should be amended or repealed[~~and~~].

479 [~~(ii) within a one-year period after the day on which the commission makes a report~~  
480 ~~under Subsection (2)(c).~~]

481 (4) The Division of Finance shall deposit a portion of the revenue collected under this  
482 section into the Remote Sales Restricted Account as required by Section [59-12-103.2](#).

483 Section 3. Section **59-12-107** is amended to read:

484 **59-12-107. Definitions -- Collection, remittance, and payment of tax by sellers or**  
485 **other persons -- Returns -- Reports -- Direct payment by purchaser of vehicle -- Other**  
486 **liability for collection -- Rulemaking authority -- Credits -- Treatment of bad debt --**  
487 **Penalties and interest.**

488 (1) As used in this section:

489 [~~(a) "Ownership" means direct ownership or indirect ownership through a parent,~~  
490 ~~subsidiary, or affiliate.~~]

491 (a) "Noncollecting seller" means a qualified seller that:

492 (i) does not voluntarily collect and remit sales and use tax under this chapter; and

493 (ii) during the 12-month period immediately preceding the current month, makes sales  
 494 totaling \$100,000 or more of tangible personal property, products transferred electronically, or  
 495 services:

496 (A) for storage, use, or consumption in the state; and

497 (B) as a result of an agreement with one or more persons that meet one or more of the  
 498 criteria described in Subsection (2)(a), under which the person or persons, for a commission or  
 499 other consideration, directly or indirectly makes a referral to the noncollecting seller of a  
 500 potential purchaser of tangible personal property, products transferred electronically, or  
 501 services for storage, use, or consumption in the state.

502 (b) "Qualified seller" means a seller that is not required to pay or collect and remit  
 503 sales and use taxes under Subsection (2)(a).

504 (c) "Referral" means the act of sending a potential purchaser in the state to a  
 505 noncollecting seller by:

506 (i) an Internet-based link;

507 (ii) an Internet website;

508 (iii) telemarketing;

509 (iv) catalog;

510 (v) in-person marketing; or

511 (vi) other means similar to the means described in Subsections (1)(c)(i) through (v), as  
 512 the commission may define by rule made in accordance with Title 63G, Chapter 3, Utah  
 513 Administrative Rulemaking Act.

514 (d) "Registered remitter" means a seller that is:

515 (i) registered under the agreement;

516 (ii) not required to pay or collect and remit sales and use tax under Subsection (2)(a),

517 (b), or (d); and

518 (iii) is not a model 1, model 2, or model 3 seller.

519 ~~[(b)]~~ (e) "Related [seller] party" means a [seller that] person:

520 (i) that meets one or more of the criteria described in Subsection (2)(a)[(i)]; and

521 ~~[(ii) delivers tangible personal property, a service, or a product transferred~~  
 522 ~~electronically that is sold:]~~

523 ~~[(A) by a seller that does not meet one or more of the criteria described in Subsection~~

524 ~~(2)(a)(i); and]~~

525 ~~[(B) to a purchaser in the state.]~~

526 ~~[(c) "Substantial ownership interest" means an ownership interest in a business entity if~~

527 ~~that ownership interest is greater than the degree of ownership of equity interest specified in 15~~

528 ~~U.S.C. Sec. 78p, with respect to a person other than a director or an officer.]~~

529 (ii) with whom a qualified seller has one of the relationships described in 26 U.S.C.

530 Sec. 267(b) or (c) or 26 U.S.C. Sec. 707(b)(1).

531 (f) "Solicitation" means a communication directly or indirectly to a specific person

532 within the state in a manner that is intended and calculated to incite the person to purchase

533 tangible personal property, a product transferred electronically, or a service from a specific

534 seller.

535 (2) (a) Except as provided in Subsection (2)~~[(e)]~~[(h)], Section [59-12-107.1](#), or Section

536 [59-12-123](#), and subject to Subsection (2)~~[(f)]~~[(g)], each seller shall pay or collect and remit the

537 sales and use taxes imposed by this chapter if within this state the seller:

538 (i) has or utilizes:

539 (A) an office, including a home office of a resident employee;

540 (B) a distribution house;

541 (C) a sales house;

542 (D) a warehouse or other storage place;

543 (E) a service enterprise; or

544 (F) a place of business similar to Subsections (2)(a)(i)(A) through (E);

545 (ii) maintains a stock of goods;

546 (iii) regularly solicits orders, regardless of whether ~~[or not]~~ the orders are accepted in

547 the state, unless the seller's only activity in the state is:

548 (A) advertising; or

549 (B) solicitation by:

550 (I) direct mail;

551 (II) electronic mail;

552 (III) except as provided in Subsection (2)(d), the Internet;

553 (IV) telecommunications service; or

554 (V) a means similar to Subsection (2)(a)(iii)(A) or (B);

555 (iv) regularly engages in the delivery of property in the state other than by:

556 (A) common carrier; or

557 (B) United States mail; or

558 (v) regularly engages in an activity directly related to the leasing or servicing of

559 property located within the state.

560 (b) ~~[A] There is a rebuttable presumption that a qualified seller [is considered to be~~  
561 ~~engaged in the business of selling tangible personal property, a service, or a product transferred~~  
562 ~~electronically for use in the state, and shall] is required to pay or collect and remit the sales and~~  
563 ~~use taxes imposed by this chapter [if] for a sale within the state if a related party:~~

564 ~~[(i) the seller holds a substantial ownership interest in, or is owned in whole or in~~  
565 ~~substantial part by, a related seller; and (ii) (A) the seller]~~

566 (i) sells the same or a substantially similar line of products or services as the ~~[related]~~  
567 qualified seller and ~~[does so]~~ sells under the same or a substantially similar business name as  
568 the qualified seller; ~~[or]~~

569 ~~[(B) the]~~ (ii) maintains a place of business described in Subsection (2)(a)(i) ~~[of the~~  
570 ~~related seller]~~ or provides an ~~[in-state]~~ in-state employee ~~[of the related seller is used]~~ to  
571 advertise, promote, deliver, or facilitate sales by the qualified seller to a purchaser~~[-];~~

572 (iii) uses, with the qualified seller's knowledge or consent, trademarks, service marks,  
573 or trade names in the state that are the same or substantially similar to those used by the  
574 qualified seller;

575 (iv) delivers, installs, or assembles tangible personal property or performs maintenance  
576 or repair services on tangible personal property or a product delivered electronically that the  
577 qualified seller has sold or will sell to a purchaser within the state;

578 (v) facilitates the qualified seller's delivery of tangible personal property to a purchaser  
579 in the state by allowing the purchaser to pick up tangible personal property sold by the  
580 qualified seller at an in-state office, distribution house, sales house, warehouse or other storage  
581 place, or similar place of business that is maintained by a related party; or

582 (vi) shares management, business systems, or employees with the qualified seller, or  
583 engages in intercompany transactions with a qualified seller, for the purpose of the qualified  
584 seller being able to establish or maintain a market in the state.

585 (c) A qualified seller may rebut the presumption described in Subsection (2)(b) by

586 proving that the in-state activities of the related party are not significantly associated with the  
587 qualified seller's ability to establish and maintain a market in the state for the qualified seller's  
588 sales of tangible personal property, a service, or a product transferred electronically.

589 (d) (i) Subject to the provisions of this Subsection (2)(d), there is a rebuttable  
590 presumption that a noncollecting seller is required to pay or collect and remit the sales and use  
591 tax on any sale the noncollecting seller makes, through an agreement, with a person that meets  
592 one or more of the criteria described in Subsection (2)(a), to a purchaser in the state.

593 (ii) A noncollecting seller may rebut the presumption described in Subsection (2)(d)(i)  
594 by proving, in accordance with Subsection (2)(d)(iii), that any person with which the  
595 noncollecting seller has an agreement has not engaged in a referral within the state on behalf of  
596 the noncollecting seller during the preceding 12 months.

597 (iii) To rebut the presumption described in Subsection (2)(d)(i), a noncollecting seller  
598 shall provide:

599 (A) proof that any agreement, with a person that meets one or more of the criteria  
600 described in Subsection (2)(a), prohibits the person from engaging in solicitation of a potential  
601 purchaser on behalf of the noncollecting seller in the state; and

602 (B) from each person that meets one or more of the criteria described in Subsection  
603 (2)(a) and with which the noncollecting seller has an agreement, an annual, written, sworn  
604 statement that the person did not engage in any prohibited solicitation of a potential purchaser  
605 in the state on behalf of the noncollecting seller.

606 (iv) A noncollecting seller that does not rebut the presumption described in Subsection  
607 (2)(d)(i) shall pay or collect and remit sales and use tax on any sale that the noncollecting seller  
608 makes, though an agreement, to a purchaser in the state.

609 ~~[(c) A seller that does not meet one or more of the criteria provided for in Subsection~~  
610 ~~(2)(a) or is not a seller required to pay or collect and remit sales and use taxes under Subsection~~  
611 ~~(2)(b): (i) except as provided in Subsection (2)(c)(ii), may voluntarily:]~~

612 (e) (i) Except as provided in Subsection (2)(e)(ii), a seller that is not required to pay or  
613 collect and remit sales and use taxes under Subsection (2)(a), (b), or (d) may register as a  
614 registered remitter to voluntarily:

615 (A) collect a tax on a transaction described in Subsection 59-12-103(1); and

616 (B) remit the tax to the commission as provided in this part[; or].

617 (ii) [~~notwithstanding Subsection (2)(c)(i),~~] A seller that is not required to pay or collect  
 618 and remit sales and use tax under Subsection (2)(a), (b), or (d) shall collect a tax on a  
 619 transaction described in Subsection 59-12-103(1) if Section 59-12-103.1 requires the seller to  
 620 collect the tax.

621 [~~(d)~~] (f) The collection and remittance of a tax under this chapter by a seller that is  
 622 registered under the agreement may not be used as a factor in determining whether that seller is  
 623 required by this Subsection (2) to:

624 (i) pay a tax, fee, or charge under:

625 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

626 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

627 (C) Section 19-6-714;

628 (D) Section 19-6-805;

629 (E) Section 69-2-5;

630 (F) Section 69-2-5.5;

631 (G) Section 69-2-5.6; or

632 (H) this title; or

633 (ii) collect and remit a tax, fee, or charge under:

634 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

635 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

636 (C) Section 19-6-714;

637 (D) Section 19-6-805;

638 (E) Section 69-2-5;

639 (F) Section 69-2-5.5;

640 (G) Section 69-2-5.6; or

641 (H) this title.

642 [~~(e) A person shall pay a use tax imposed by this chapter on a transaction described in~~  
 643 ~~Subsection 59-12-103(1) if:]~~

644 [~~(i) the seller did not collect a tax imposed by this chapter on the transaction; and]~~

645 [~~(ii) the person:]~~

646 [~~(A) stores the tangible personal property or product transferred electronically in the~~  
 647 ~~state;]~~

648 ~~[(B) uses the tangible personal property or product transferred electronically in the~~  
649 ~~state; or]~~

650 ~~[(C) consumes the tangible personal property or product transferred electronically in~~  
651 ~~the state.]~~

652 ~~[(F)] (g) The ownership of property that is located at the premises of a printer's facility~~  
653 ~~with which the retailer has contracted for printing and that consists of the final printed product,~~  
654 ~~property that becomes a part of the final printed product, or copy from which the printed~~  
655 ~~product is produced, shall not result in the retailer being considered to have or maintain an~~  
656 ~~office, distribution house, sales house, warehouse, service enterprise, or other place of~~  
657 ~~business, or to maintain a stock of goods, within this state.~~

658 (h) A person shall pay a use tax imposed under this chapter on a transaction described  
659 in Subsection 59-12-103(1) if:

660 (i) the seller did not collect a tax imposed by this chapter on the transaction; and

661 (ii) the person:

662 (A) stores the tangible personal property or product transferred electronically in the  
663 state;

664 (B) uses the tangible personal property or product transferred electronically in the state;

665 or

666 (C) consumes the tangible personal property or product transferred electronically in the  
667 state.

668 (3) (a) Except as provided in Section 59-12-107.1, a seller shall collect a tax due under  
669 this chapter ~~[shall be collected]~~ from a purchaser.

670 (b) A seller may not collect as a tax an amount, without regard to fractional parts of  
671 one cent, in excess of the tax computed at the rates prescribed by this chapter.

672 (c) (i) Each seller shall:

673 (A) give the purchaser a receipt for the tax collected; or

674 (B) bill the tax as a separate item and declare the name of this state and the seller's  
675 sales and use tax license number on the invoice for the sale.

676 (ii) The receipt or invoice is prima facie evidence that the seller has collected the tax  
677 and relieves the purchaser of the liability for reporting the tax to the commission as a  
678 consumer.

679 (d) A seller is not required to maintain a separate account for the tax collected, but is  
680 considered to be a person charged with receipt, safekeeping, and transfer of public money.

681 (e) Taxes collected by a seller pursuant to this chapter shall be held in trust for the  
682 benefit of the state and for payment to the commission in the manner and at the time provided  
683 for in this chapter.

684 (f) If any seller, during any reporting period, collects as a tax an amount in excess of  
685 the lawful state and local percentage of total taxable sales allowed under this chapter, the seller  
686 shall remit to the commission the full amount of the tax imposed under this chapter, plus any  
687 excess.

688 (g) If the accounting methods regularly employed by the seller in the transaction of the  
689 seller's business are such that reports of sales made during a calendar month or quarterly period  
690 will impose unnecessary hardships, the commission may accept reports at intervals that, in the  
691 commission's opinion, will ~~in the commission's opinion,~~ better suit the convenience of the  
692 taxpayer or seller and will not jeopardize collection of the tax.

693 (h) (i) For a purchase paid with specie legal tender as defined in Section 59-1-1501.1,  
694 and until such time as the commission accepts specie legal tender for the payment of a tax  
695 under this chapter, if the commission requires a seller to remit a tax under this chapter in legal  
696 tender other than specie legal tender, the seller shall state on the seller's books and records and  
697 on an invoice, bill of sale, or similar document provided to the purchaser:

698 (A) the purchase price in specie legal tender and in the legal tender the seller is  
699 required to remit to the commission;

700 (B) subject to Subsection (3)(h)(ii), the amount of tax due under this chapter in specie  
701 legal tender and in the legal tender the seller is required to remit to the commission;

702 (C) the tax rate under this chapter applicable to the purchase; and

703 (D) the date of the purchase.

704 (ii) (A) Subject to Subsection (3)(h)(ii)(B), for purposes of determining the amount of  
705 tax due under Subsection (3)(h)(i), a seller shall use the most recent London fixing price for the  
706 specie legal tender the purchaser paid.

707 (B) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
708 commission may make rules for determining the amount of tax due under Subsection (3)(h)(i)  
709 if the London fixing price is not available for a particular day.

710 (4) (a) Except as provided in Subsections (5) through (7) and Section 59-12-108, the  
711 ~~[sales or use]~~ tax imposed by this chapter is due and payable to the commission quarterly on or  
712 before the last day of the month next succeeding each quarterly calendar ~~[quarterly]~~ period.

713 (b) (i) Each seller shall, on or before the last day of the month next succeeding each  
714 quarterly calendar ~~[quarterly]~~ period, file with the commission a return for the preceding  
715 quarterly period.

716 (ii) The seller shall remit with the return under Subsection (4)(b)(i) the amount of the  
717 tax required under this chapter to be collected or paid for the period covered by the return.

718 (c) Except as provided in Subsection (5)(c), a return shall contain information and be in  
719 a form the commission prescribes by rule.

720 (d) (i) Subject to Subsection (4)(d)(ii), the sales tax as computed in the return shall be  
721 based on the total nonexempt sales made during the period for which the return is filed,  
722 including both cash and charge sales.

723 (ii) For a sale that includes the delivery or installation of tangible personal property at a  
724 location other than a seller's place of business described in Subsection (2)(a)(i), if the delivery  
725 or installation is separately stated on an invoice or receipt, a seller may compute the tax due ~~[on~~  
726 ~~the sale]~~ for purposes of Subsection (4)(d)(i) based on the amount the seller receives for that  
727 sale during each period for which the seller receives payment for the sale.

728 (e) (i) The use tax as computed in the return shall be based on the total amount of  
729 purchases for storage, use, or other consumption in this state made during the period for which  
730 the return is filed, including both cash and charge purchases.

731 (ii) (A) As used in this Subsection (4)(e)(ii), "qualifying purchaser" means a purchaser  
732 ~~[who]~~ that is required to remit taxes under this chapter~~;~~ but is not required to remit taxes  
733 monthly in accordance with Section 59-12-108, and ~~[who]~~ that converts tangible personal  
734 property into real property.

735 (B) Subject to Subsections (4)(e)(ii)(C) and (D), a qualifying purchaser may remit the  
736 taxes due under this chapter on tangible personal property for which the qualifying purchaser  
737 claims an exemption as allowed under Subsection 59-12-104(23) or (25) based on the period in  
738 which the qualifying purchaser receives payment, in accordance with Subsection (4)(e)(ii)(C),  
739 for the conversion of the tangible personal property into real property.

740 (C) A qualifying purchaser remitting taxes due under this chapter in accordance with

741 Subsection (4)(e)(ii)(B) shall remit an amount equal to the total amount of tax due on the  
742 qualifying purchaser's purchase of the tangible personal property that was converted into real  
743 property multiplied by a fraction, the numerator of which is the payment received in the period  
744 for the qualifying purchaser's sale of the tangible personal property that was converted into real  
745 property and the denominator of which is the entire sales price for the qualifying purchaser's  
746 sale of the tangible personal property that was converted into real property.

747 (D) A qualifying purchaser may remit taxes due under this chapter in accordance with  
748 this Subsection (4)(e)(ii) only if the books and records that the qualifying purchaser keeps in  
749 the qualifying purchaser's regular course of business identify by reasonable and verifiable  
750 standards that the tangible personal property was converted into real property.

751 (f) (i) Subject to Subsection (4)(f)(ii) and in accordance with Title 63G, Chapter 3,  
752 Utah Administrative Rulemaking Act, the commission may by rule extend the time for making  
753 returns and paying the taxes.

754 (ii) An extension under Subsection (4)(f)(i) may not be for more than 90 days.

755 (g) The commission may require returns and payment of the tax to be made for other  
756 than quarterly periods if the commission considers it necessary in order to ensure the payment  
757 of the tax imposed by this chapter.

758 (h) (i) The commission may require a seller that files a simplified electronic return with  
759 the commission to file an additional electronic report with the commission.

760 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
761 commission may make rules providing:

762 (A) the information required to be included in the additional electronic report described  
763 in Subsection (4)(h)(i); and

764 (B) one or more due dates for filing the additional electronic report described in  
765 Subsection (4)(h)(i).

766 ~~[(5) (a) As used in this Subsection (5) and Subsection (6)(b), "remote seller" means a~~  
767 ~~seller that is:]~~

768 ~~[(i) registered under the agreement;]~~

769 ~~[(ii) described in Subsection (2)(c); and]~~

770 ~~[(iii) not a:]~~

771 ~~[(A) model 1 seller;]~~

772 ~~[(B) model 2 seller; or]~~

773 ~~[(C) model 3 seller.]~~

774 ~~[(b)]~~ (5) (a) (i) Except as provided in Subsection (5)~~[(b)]~~(a)(ii), a tax a ~~[remote seller]~~  
775 registered remitter collects in accordance with Subsection (2)~~[(c)]~~(e) is due and payable:

776 (A) to the commission;

777 (B) annually; and

778 (C) on or before the last day of the month immediately following the last day of each  
779 calendar year.

780 (ii) The commission may require that a tax a ~~[remote seller]~~ registered remitter collects  
781 in accordance with Subsection (2)~~[(c)]~~(e) be due and payable:

782 (A) to the commission; and

783 (B) on the last day of the month immediately following any month in which the ~~[seller]~~  
784 registered remitter accumulates a total of at least \$1,000 in agreement sales and use tax.

785 ~~[(c)]~~ (b) (i) If a ~~[remote seller]~~ registered remitter remits a tax to the commission in  
786 accordance with Subsection (5)~~[(b)]~~(a), the ~~[remote seller]~~ registered remitter shall file a return:

787 (A) with the commission;

788 (B) with respect to the tax;

789 (C) containing information prescribed by the commission; and

790 (D) on a form prescribed by the commission.

791 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
792 commission shall make rules prescribing:

793 (A) the information required to be contained in a return described in Subsection

794 (5)~~[(c)]~~(b)(i); and

795 (B) the form described in Subsection (5)~~[(c)]~~(b)(i)(D).

796 ~~[(d)]~~ (c) A tax a ~~[remote seller]~~ registered remitter collects in accordance with this  
797 Subsection (5) shall be calculated on the basis of the total amount of taxable transactions under  
798 Subsection 59-12-103(1) the ~~[remote seller]~~ registered remitter completes, including~~[(i) a cash~~  
799 ~~transaction; and (ii) a charge transaction.]~~ cash transactions and charge transactions.

800 (6) (a) Except as provided in Subsection (6)(b), a tax a seller that files a simplified  
801 electronic return collects in accordance with this chapter is due and payable:

802 (i) monthly on or before the last day of the month immediately following the month for

803 which the seller collects a tax under this chapter; and

804 (ii) for the month for which the seller collects a tax under this chapter.

805 (b) A tax a ~~[remote seller]~~ registered remitter that files a simplified electronic return  
806 collects in accordance with this chapter is due and payable as provided in Subsection (5).

807 (7) (a) On each vehicle sale made by other than a regular licensed vehicle dealer, the  
808 purchaser shall pay the sales or use tax directly to the commission if the vehicle is subject to  
809 titling or registration under the laws of this state.

810 (b) The commission shall collect the tax described in Subsection (7)(a) when the  
811 vehicle is titled or registered.

812 (8) If any sale of tangible personal property or any other taxable transaction under  
813 Subsection 59-12-103(1)~~;~~ is made by a wholesaler to a retailer~~;~~:

814 (a) the wholesaler is not responsible for the collection or payment of the tax imposed  
815 on the sale; and

816 (b) the retailer is responsible for the collection or payment of the tax imposed on the  
817 sale if:

818 ~~[(a)]~~ (i) the retailer represents that the ~~[personal property is purchased by the retailer]~~  
819 retailer purchased the tangible personal property, product transferred electronically, or service  
820 for resale; and

821 ~~[(b)]~~ (ii) the retailer does not subsequently resell the tangible personal property ~~[is not~~  
822 subsequently resold], product transferred electronically, or service.

823 (9) If any sale of property or service subject to the tax is made to a person prepaying  
824 sales or use tax in accordance with Title 63M, Chapter 5, Resource Development Act, or to a  
825 contractor or subcontractor of that person~~;~~:

826 (a) the person to whom such payment or consideration is payable is not responsible for  
827 the collection or payment of the sales or use tax; and

828 (b) the person prepaying the sales or use tax is responsible for the collection or  
829 payment of the sales or use tax if the person prepaying the sales or use tax represents that the  
830 amount prepaid as sales or use tax has not been fully credited against sales or use tax due and  
831 payable under the rules promulgated by the commission.

832 (10) (a) For purposes of this Subsection (10):

833 (i) Except as provided in Subsection (10)(a)(ii), "bad debt" ~~[is as]~~ means the same as

834 that term is defined in Section 166, Internal Revenue Code.

835 (ii) [~~Notwithstanding Subsection (10)(a)(i), "bad~~] "Bad debt" does not include:

836 (A) an amount included in the purchase price of tangible personal property, a product  
837 transferred electronically, or a service that is:

838 (I) not a transaction described in Subsection 59-12-103(1); or

839 (II) exempt under Section 59-12-104;

840 (B) a financing charge;

841 (C) interest;

842 (D) a tax imposed under this chapter on the purchase price of tangible personal  
843 property, a product transferred electronically, or a service;

844 (E) an uncollectible amount on tangible personal property or a product transferred  
845 electronically that:

846 (I) is subject to a tax under this chapter; and

847 (II) remains in the possession of a seller until the full purchase price is paid;

848 (F) an expense incurred in attempting to collect any debt; or

849 (G) an amount that a seller does not collect on repossessed property.

850 (b) (i) To the extent an amount remitted in accordance with Subsection (4)(d) later  
851 becomes bad debt, a seller may deduct the bad debt from the total amount from which a tax  
852 under this chapter is calculated on a return.

853 (ii) A qualifying purchaser, as defined in Subsection (4)(e)(ii)(A), may deduct from the  
854 total amount of taxes due under this chapter the amount of tax the qualifying purchaser paid on  
855 the qualifying purchaser's purchase of tangible personal property converted into real property to  
856 the extent that:

857 (A) tax was remitted in accordance with Subsection (4)(e) on that tangible personal  
858 property converted into real property;

859 (B) the qualifying purchaser's sale of that tangible personal property converted into real  
860 property later becomes bad debt; and

861 (C) the books and records that the qualifying purchaser keeps in the qualifying  
862 purchaser's regular course of business identify by reasonable and verifiable standards that the  
863 tangible personal property was converted into real property.

864 (c) A seller may file a refund claim with the commission if:

865 (i) the amount of bad debt for the time period described in Subsection (10)(e) exceeds  
866 the amount of the seller's sales that are subject to a tax under this chapter for that same time  
867 period; and

868 (ii) as provided in Section 59-1-1410.

869 (d) A bad debt deduction under this section may not include interest.

870 (e) A bad debt may be deducted under this Subsection (10) on a return for the time  
871 period during which the bad debt:

872 (i) is written off as uncollectible in the seller's books and records; and

873 (ii) would be eligible for a bad debt deduction[~~-(A)~~], for federal income tax purposes[~~;~~  
874 ~~and (B)~~], if the seller were required to file a federal income tax return.

875 (f) If a seller recovers any portion of bad debt for which the seller makes a deduction or  
876 claims a refund under this Subsection (10), the seller shall report and remit a tax under this  
877 chapter:

878 (i) on the portion of the bad debt the seller recovers; and

879 (ii) on a return filed for the time period for which the portion of the bad debt is  
880 recovered.

881 (g) For purposes of reporting a recovery of a portion of bad debt under Subsection  
882 (10)(f), a seller shall apply amounts received on the bad debt in the following order:

883 (i) in a proportional amount:

884 (A) to the purchase price of the tangible personal property, product transferred  
885 electronically, or service; and

886 (B) to the tax due under this chapter on the tangible personal property, product  
887 transferred electronically, or service; and

888 (ii) to:

889 (A) interest charges;

890 (B) service charges; and

891 (C) other charges.

892 (h) A seller's certified service provider may make a deduction or claim a refund for bad  
893 debt on behalf of the seller[~~-(i)~~] in accordance with this Subsection (10)[~~;~~ ~~and (ii)~~] if the  
894 certified service provider credits or refunds the entire amount of the bad debt deduction or  
895 refund to the seller.

896 (i) A seller may allocate bad debt among the states that are members of the agreement  
897 if the seller's books and records support that allocation.

898 (11) (a) A seller may not, with intent to evade any tax, fail to timely remit the full  
899 amount of tax required by this chapter.

900 (b) A violation of this section is punishable as provided in Section 59-1-401.

901 (c) Each person who fails to pay any tax to the state or any amount of tax required to be  
902 paid to the state, except amounts determined to be due by the commission under Chapter 1,  
903 Part 14, Assessment, Collections, and Refunds Act, or Section 59-12-111, within the time  
904 required by this chapter, or who fails to file any return as required by this chapter, shall pay, in  
905 addition to the tax, penalties and interest as provided in Sections 59-1-401 and 59-1-402.

906 (d) For purposes of prosecution under this section, each quarterly tax period in which a  
907 seller, with intent to evade any tax, collects a tax and fails to timely remit the full amount of the  
908 tax required to be remitted, constitutes a separate offense.

909 Section 4. Section 59-12-107.6 is enacted to read:

910 **59-12-107.6. Expedited judicial review.**

911 (1) Notwithstanding the judicial review procedures described in Chapter 1, Part 6,  
912 Judicial Review, any aggrieved party that wishes to make a facial challenge to the  
913 constitutionality of Section 59-12-107 shall petition the Utah Supreme Court for judicial  
914 review of the commission's final determination of a qualified seller's or a noncollecting seller's  
915 obligation to pay or collect and remit sales and use tax under Section 59-12-107.

916 (2) An aggrieved party shall file the petition for judicial review within 30 days after the  
917 day on which the commission issues the commission's final determination.

918 Section 5. Section 59-12-108 is amended to read:

919 **59-12-108. Monthly payment -- Amount of tax a seller may retain -- Penalty --**  
920 **Certain amounts allocated to local taxing jurisdictions.**

921 (1) (a) Notwithstanding Section 59-12-107, a seller that has a tax liability under this  
922 chapter of \$50,000 or more for the previous calendar year shall:

923 (i) file a return with the commission:

924 (A) monthly on or before the last day of the month immediately following the month  
925 for which the seller collects a tax under this chapter; and

926 (B) for the month for which the seller collects a tax under this chapter; and

927 (ii) except as provided in Subsection (1)(b), remit, with the return required by  
928 Subsection (1)(a)(i), the amount [~~the person is required to remit to the commission for each tax,~~  
929 ~~fee, or charge~~] described in Subsection (1)(c) as follows:

930 (A) if that seller's tax liability under this chapter for the previous calendar year is less  
931 than \$96,000, by any method permitted by the commission; or

932 (B) if that seller's tax liability under this chapter for the previous calendar year is  
933 \$96,000 or more, by electronic funds transfer.

934 (b) A seller shall remit electronically with the return required by Subsection (1)(a)(i)  
935 the amount the seller is required to remit to the commission for each tax, fee, or charge  
936 described in Subsection (1)(c) if that seller:

937 (i) is required by Section 59-12-107 to file the return electronically; or

938 (ii) (A) is required to collect and remit a tax under Section 59-12-107; and

939 (B) files a simplified electronic return.

940 (c) Subsections (1)(a) and (b) apply to the following taxes, fees, or charges:

941 (i) a tax under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

942 (ii) a fee under Section 19-6-714;

943 (iii) a fee under Section 19-6-805;

944 (iv) a charge under Section 69-2-5;

945 (v) a charge under Section 69-2-5.5;

946 (vi) a charge under Section 69-2-5.6; ~~or~~ and

947 (vii) a tax under this chapter.

948 (d) Notwithstanding [~~Subsection~~] Subsections (1)(a)(ii) and (b) and in accordance with  
949 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules  
950 providing for a method for making same-day payments other than by electronic funds transfer  
951 if making payments by electronic funds transfer fails.

952 (e) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
953 commission shall establish by rule procedures and requirements for determining the amount a  
954 seller is required to remit to the commission under this Subsection (1).

955 (2) (a) Except as provided in Subsection (3), a seller subject to Subsection (1) or a  
956 seller described in Subsection (4) may retain each month the amount allowed by this  
957 Subsection (2).

958 (b) A seller subject to Subsection (1) or a seller described in Subsection (4) may retain  
959 each month 1.31% of any amounts the seller is required to remit to the commission:

960 (i) for a transaction described in Subsection 59-12-103(1) that is subject to a state tax  
961 and a local tax imposed in accordance with the following, for the month for which the seller is  
962 filing a return in accordance with Subsection (1):

963 (A) Subsection 59-12-103(2)(a);

964 (B) Subsection 59-12-103(2)(b); and

965 (C) Subsection 59-12-103(2)(d); and

966 (ii) for an agreement sales and use tax.

967 (c) (i) A seller subject to Subsection (1) or a seller described in Subsection (4) may  
968 retain each month the amount calculated under Subsection (2)(c)(ii) for a transaction described  
969 in Subsection 59-12-103(1) that is subject to the state tax and the local tax imposed in  
970 accordance with Subsection 59-12-103(2)(c).

971 (ii) For purposes of Subsection (2)(c)(i), the amount a seller may retain is an amount  
972 equal to the sum of:

973 (A) 1.31% of any amounts the seller is required to remit to the commission for:

974 (I) the state tax and the local tax imposed in accordance with Subsection  
975 59-12-103(2)(c);

976 (II) the month for which the seller is filing a return in accordance with Subsection (1);  
977 and

978 (III) an agreement sales and use tax; and

979 (B) 1.31% of the difference between:

980 (I) the amounts the seller would have been required to remit to the commission:

981 (Aa) in accordance with Subsection 59-12-103(2)(a) if the transaction had been subject  
982 to the state tax and the local tax imposed in accordance with Subsection 59-12-103(2)(a);

983 (Bb) for the month for which the seller is filing a return in accordance with Subsection  
984 (1); and

985 (Cc) for an agreement sales and use tax; and

986 (II) the amounts the seller is required to remit to the commission for:

987 (Aa) the state tax and the local tax imposed in accordance with Subsection  
988 59-12-103(2)(c);

989 (Bb) the month for which the seller is filing a return in accordance with Subsection (1);  
990 and

991 (Cc) an agreement sales and use tax.

992 (d) A seller subject to Subsection (1) or a seller described in Subsection (4) may retain  
993 each month 1% of any amounts the seller is required to remit to the commission:

994 (i) for the month for which the seller is filing a return in accordance with Subsection  
995 (1); and

996 (ii) under:

997 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

998 (B) Subsection 59-12-603(1)(a)(i)(A); or

999 (C) Subsection 59-12-603(1)(a)(i)(B).

1000 (3) A state government entity that is required to remit taxes monthly in accordance  
1001 with Subsection (1) may not retain any amount under Subsection (2).

1002 (4) A seller that has a tax liability under this chapter for the previous calendar year of  
1003 less than \$50,000 may:

1004 (a) voluntarily meet the requirements of Subsection (1); and

1005 (b) if the seller voluntarily meets the requirements of Subsection (1), retain the  
1006 amounts allowed by Subsection (2).

1007 (5) (a) Subject to Subsections (5)(b) through (d), a seller that voluntarily collects and  
1008 remits a tax in accordance with Subsection 59-12-107(2)~~(e)~~(e)(i) may retain an amount equal  
1009 to 18% of any amounts the seller would otherwise remit to the commission:

1010 (i) if the seller obtains a license under Section 59-12-106 for the first time on or after  
1011 January 1, 2014; and

1012 (ii) for:

1013 (A) an agreement sales and use tax; and

1014 (B) the time period for which the seller files a return in accordance with this section.

1015 (b) If a seller retains an amount under this Subsection (5), the seller may not retain any  
1016 other amount under this section.

1017 (c) If a seller retains an amount under this Subsection (5), the commission may require  
1018 the seller to file a return by:

1019 (i) electronic means; or

1020 (ii) a means other than electronic means.

1021 (d) A seller may not retain an amount under this Subsection (5) if the seller is required  
1022 to collect or remit a tax under this section in accordance with Section 59-12-103.1.

1023 (6) Penalties for late payment shall be as provided in Section 59-1-401.

1024 (7) (a) Except as provided in Subsection (7)(c), for any amounts required to be remitted  
1025 to the commission under this part, the commission shall each month calculate an amount equal  
1026 to the difference between:

1027 (i) the total amount retained for that month by all sellers had the percentages listed  
1028 under Subsections (2)(b) and (2)(c)(ii) been 1.5%; and

1029 (ii) the total amount retained for that month by all sellers at the percentages listed  
1030 under Subsections (2)(b) and (2)(c)(ii).

1031 (b) The commission shall each month allocate the amount calculated under Subsection  
1032 (7)(a) to each county, city, and town on the basis of the proportion of agreement sales and use  
1033 tax that the commission distributes to each county, city, and town for that month compared to  
1034 the total agreement sales and use tax that the commission distributes for that month to all  
1035 counties, cities, and towns.

1036 (c) The amount the commission calculates under Subsection (7)(a) may not include an  
1037 amount collected from a tax that:

1038 (i) the state imposes within a county, city, or town, including the unincorporated area  
1039 of a county; and

1040 (ii) is not imposed within the entire state.

1041 Section 6. Section 59-12-211 is amended to read:

1042 **59-12-211. Definitions -- Location of certain transactions -- Reports to**  
1043 **commission -- Direct payment provision for a seller making certain purchases --**  
1044 **Exceptions.**

1045 (1) As used in this section:

1046 (a) (i) "Receipt" and "receive" mean:

1047 (A) taking possession of tangible personal property;

1048 (B) making first use of a service; or

1049 (C) for a product transferred electronically, the earlier of:

1050 (I) taking possession of the product transferred electronically; or

- 1051 (II) making first use of the product transferred electronically.
- 1052 (ii) "Receipt" and "receive" do not include possession by a shipping company on behalf  
1053 of a purchaser.
- 1054 (b) "Transportation equipment" means:
- 1055 (i) a locomotive or rail car that is used to carry a person or property in interstate  
1056 commerce;
- 1057 (ii) a truck or truck-tractor:
- 1058 (A) with a gross vehicle weight rating of 10,001 pounds or ~~more~~ greater;
- 1059 (B) registered under Section 41-1a-301; and
- 1060 (C) operated under the authority of a carrier authorized and certificated:
- 1061 (I) by the United States Department of Transportation or another federal authority; and
- 1062 (II) to engage in carrying a person or property in interstate commerce;
- 1063 (iii) a trailer, semitrailer, or passenger bus that is:
- 1064 (A) registered under Section 41-1a-301; and
- 1065 (B) operated under the authority of a carrier authorized and certificated:
- 1066 (I) by the United States Department of Transportation or another federal authority; and
- 1067 (II) to engage in carrying a person or property in interstate commerce;
- 1068 (iv) an aircraft that is operated by an air carrier authorized and certificated:
- 1069 (A) by the United States Department of Transportation or another federal or foreign  
1070 authority; and
- 1071 (B) to engage in carrying a person or property in interstate commerce; or
- 1072 (v) a container designed for use on, or a component part attached or secured on, an  
1073 item of equipment listed in Subsections (1)(b)(i) through (iv).
- 1074 (2) Except as provided in Subsections (8) and (14), if tangible personal property, a  
1075 product transferred electronically, or a service that is subject to taxation under this chapter is  
1076 received by a purchaser at a business location of a seller, the location of the transaction is the  
1077 business location of the seller.
- 1078 (3) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9), (11),  
1079 and (14), if tangible personal property, a product transferred electronically, or a service that is  
1080 subject to taxation under this chapter is not received by a purchaser at a business location of a  
1081 seller, the location of the transaction is the location where the purchaser takes receipt of the

1082 tangible personal property or service.

1083 (4) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9), (11),  
1084 and (14), if Subsection (2) or (3) does not apply, the location of the transaction is the location  
1085 indicated by an address for or other information on the purchaser if:

- 1086 (a) the address or other information is available from the seller's business records; and
- 1087 (b) use of the address or other information from the seller's records does not constitute  
1088 bad faith.

1089 (5) (a) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9),  
1090 (11), and (14), if Subsection (2), (3), or (4) does not apply, the location of the transaction is the  
1091 location indicated by an address for the purchaser if:

- 1092 (i) the address is obtained during the consummation of the transaction; and
- 1093 (ii) use of the address described in Subsection (5)(a)(i) does not constitute bad faith.
- 1094 (b) An address used under Subsection (5)(a) includes the address of a purchaser's  
1095 payment instrument if no other address is available.

1096 (6) Subject to Subsection (10), and except as provided in Subsections (7), (8), (9), (11),  
1097 and (14), if Subsection (2), (3), (4), or (5) does not apply or if a seller does not have sufficient  
1098 information to apply Subsection (2), (3), (4), or (5), the location of the transaction is the  
1099 location:

- 1100 (a) indicated by the address from which:
  - 1101 (i) except as provided in Subsection (6)(a)(ii), for tangible personal property that is  
1102 subject to taxation under this chapter, the tangible personal property is shipped;
  - 1103 (ii) for computer software delivered electronically or for a product transferred  
1104 electronically that is subject to taxation under this chapter, the computer software or product  
1105 transferred electronically is first available for transmission by the seller; or
  - 1106 (iii) for a service that is subject to taxation under this chapter, the service is provided;
- 1107 or

1108 (b) as determined by the seller with respect to a prepaid wireless calling service:

- 1109 (i) provided in Subsection (6)(a)(iii); or
- 1110 (ii) associated with the mobile telephone number.

1111 (7) (a) For purposes of this Subsection (7), "shared ZIP Code" means a nine-digit ZIP  
1112 Code that is located within two or more local taxing jurisdictions.

1113 (b) If the location of a transaction determined under Subsections (3) through (6) is in a  
1114 shared ZIP Code, the location of the transaction is:

1115 (i) if there is only one local taxing jurisdiction that imposes the lowest agreement  
1116 combined tax rate for the shared ZIP Code, the local taxing jurisdiction that imposes the lowest  
1117 agreement combined tax rate; or

1118 (ii) if two or more local taxing jurisdictions impose the lowest agreement combined tax  
1119 rate for the shared ZIP Code, the local taxing jurisdiction that:

1120 (A) imposes the lowest agreement combined tax rate for the shared ZIP Code; and

1121 (B) has located within the local taxing jurisdiction the largest number of street  
1122 addresses within the shared ZIP Code.

1123 (c) Notwithstanding any provision under this chapter authorizing or requiring the  
1124 imposition of a sales and use tax, for purposes of Subsection (7)(b), a seller shall collect a sales  
1125 and use tax imposed under this chapter at the lowest agreement combined tax rate imposed  
1126 within the local taxing jurisdiction in which the transaction is located under Subsection (7)(b).

1127 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1128 commission may make rules:

1129 (i) providing for the circumstances under which a seller has exercised due diligence in  
1130 determining the nine-digit ZIP Code for an address; or

1131 (ii) notwithstanding Subsection (7)(b), for determining the local taxing jurisdiction  
1132 within which a transaction is located if a seller is unable to determine the local taxing  
1133 jurisdiction within which the transaction is located under Subsection (7)(b).

1134 (8) The location of a transaction made with a direct payment permit described in  
1135 Section [59-12-107.1](#) is the location where receipt of the tangible personal property, product  
1136 transferred electronically, or service by the purchaser occurs.

1137 (9) The location of a purchase of direct mail is the location determined in accordance  
1138 with Section [59-12-123](#).

1139 (10) (a) Except as provided in Subsection (10)(b), the location of a transaction  
1140 determined under Subsections (3) through (6), (8), or (9), is the local taxing jurisdiction within  
1141 which:

1142 (i) the nine-digit ZIP Code assigned to the location determined under Subsections (3)  
1143 through (6), (8), or (9) is located; or

1144 (ii) the five-digit ZIP Code assigned to the location determined under Subsections (3)  
1145 through (6), (8), or (9) is located if:

1146 (A) a nine-digit ZIP Code is not available for the location determined under  
1147 Subsections (3) through (6), (8), or (9); or

1148 (B) after exercising due diligence, a seller or certified service provider is unable to  
1149 determine a nine-digit ZIP Code for the location determined under Subsections (3) through (6),  
1150 (8), or (9).

1151 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1152 commission may make rules for determining the local taxing jurisdiction within which a  
1153 transaction is located if a seller or certified service provider is unable to determine the local  
1154 taxing jurisdiction within which the transaction is located under Subsection (10)(a).

1155 (11) (a) As used in this Subsection (11), "florist delivery transaction" means a  
1156 transaction commenced by a florist that transmits an order:

1157 (i) by:

1158 (A) telegraph;

1159 (B) telephone; or

1160 (C) a means of communication similar to Subsection (11)(a)(i)(A) or (B); and

1161 (ii) for delivery to another place:

1162 (A) in this state; or

1163 (B) outside this state.

1164 [~~(b) Notwithstanding Subsections (3) through (6), beginning on January 1, 2009, and~~  
1165 ~~ending on December 31, 2009, the location of a florist delivery transaction is the business~~  
1166 ~~location of the florist that commences the florist delivery transaction.]~~

1167 [(c)] (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
1168 Act, the commission may by rule:

1169 (i) define:

1170 (A) "business location"; and

1171 (B) "florist";

1172 (ii) define what constitutes a means of communication similar to Subsection  
1173 (11)(a)(i)(A) or (B); and

1174 (iii) provide procedures for determining when a transaction is commenced.

1175 (12) (a) Notwithstanding any other provision of this section and except as provided in  
1176 Subsection (12)(b), if a purchaser uses computer software and there is not a transfer of a copy  
1177 of that software to the purchaser, the location of the transaction is determined in accordance  
1178 with Subsections (4) and (5).

1179 (b) If a purchaser uses computer software described in Subsection (12)(a) at more than  
1180 one location, the location of the transaction shall be determined in accordance with rules made  
1181 by the commission in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
1182 Act.

1183 (13) (a) A tax collected under this chapter shall be reported to the commission on a  
1184 form that identifies the location of each transaction that occurs during the return filing period.

1185 (b) The form described in Subsection (13)(a) shall be filed with the commission as  
1186 required under this chapter.

1187 (14) This section does not apply to:

1188 (a) amounts charged by a seller for:

1189 (i) telecommunications service except for a prepaid calling service or a prepaid  
1190 wireless calling service as provided in Subsection (6)(b) or Section 59-12-215; or

1191 (ii) the retail sale or transfer of:

1192 (A) a motor vehicle other than a motor vehicle that is transportation equipment;

1193 (B) an aircraft other than an aircraft that is transportation equipment;

1194 (C) a watercraft;

1195 (D) a modular home;

1196 (E) a manufactured home; or

1197 (F) a mobile home; or

1198 (iii) except as provided in Section 59-12-214, the lease or rental of tangible personal  
1199 property other than tangible personal property that is transportation equipment;

1200 (b) a tax a person pays in accordance with Subsection 59-12-107(2)[(e)](h); or

1201 (c) a retail sale of tangible personal property or a product transferred electronically if:

1202 (i) the seller receives the order for the tangible personal property or product transferred  
1203 electronically in this state;

1204 (ii) receipt of the tangible personal property or product transferred electronically by the  
1205 purchaser or the purchaser's donee occurs in this state;

1206 (iii) the location where receipt of the tangible personal property or product transferred  
 1207 electronically by the purchaser occurs is determined in accordance with Subsections (3)  
 1208 through (5); and

1209 (iv) at the time the seller receives the order, the record keeping system that the seller  
 1210 uses to calculate the proper amount of tax imposed under this chapter captures the location  
 1211 where the order is received.

1212 Section 7. Section **59-12-211.1** is amended to read:

1213 **59-12-211.1. Location of a transaction that is subject to a use tax.**

1214 (1) Subject to Subsection (2), a person that is required by Subsection  
 1215 **59-12-107(2)(e)(h)** to pay a use tax on a transaction shall report the location of that  
 1216 transaction at the person's location.

1217 (2) For purposes of Subsection (1), if a person has more than one location in this state,  
 1218 the person shall report the location of the transaction at the location at which tangible personal  
 1219 property, a product transferred electronically, or a service is received.

1220 Section 8. Section **76-8-1101** is amended to read:

1221 **76-8-1101. Criminal offenses and penalties relating to revenue and taxation --**  
 1222 **Rulemaking authority -- Statute of limitations.**

1223 (1) (a) As provided in Section **59-1-401**, criminal offenses and penalties are as  
 1224 provided in Subsections (1)(b) through (e).

1225 (b) (i) ~~Any~~ A person [who] is guilty of a class B misdemeanor if the person:

1226 (A) is required by Title 59, Revenue and Taxation, or any laws the State Tax  
 1227 Commission administers or regulates, to register with or obtain a license or permit from the  
 1228 State Tax Commission[~~;~~ who]; and

1229 (B) operates without having registered or secured a license or permit[~~;~~ or [who]  
 1230 operates when the registration, license, or permit is expired or not current[~~;~~ is guilty of a class  
 1231 B misdemeanor].

1232 (ii) Notwithstanding Section **76-3-301**, for purposes of Subsection (1)(b)(i), the  
 1233 penalty may not:

1234 (A) be less than \$500; or

1235 (B) exceed \$1,000.

1236 (c) (i) With respect to a tax, fee, or charge as defined in Section **59-1-401**, ~~any~~ a

1237 person ~~[who]~~ is guilty of a third degree felony if the person:

1238 (A) knowingly and intentionally, and without a reasonable good faith basis, fails to  
1239 make, render, sign, or verify any return within the time required by law or to supply any  
1240 information within the time required by law~~[-or who]~~;

1241 (B) makes, renders, signs, or verifies any false or fraudulent return or statement~~[-]~~; or  
1242 ~~[who]~~

1243 (C) supplies any false or fraudulent information~~[- is guilty of a third degree felony]~~.

1244 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (1)(c)(i), the penalty  
1245 may not:

1246 (A) be less than \$1,000; or

1247 (B) exceed \$5,000.

1248 (d) (i) Any person who intentionally or willfully attempts to evade or defeat any tax,  
1249 fee, or charge as defined in Section 59-1-401 or the payment of a tax, fee, or charge as defined  
1250 in Section 59-1-401 is, in addition to other penalties provided by law, guilty of a second degree  
1251 felony.

1252 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (1)(d)(i), the penalty  
1253 may not:

1254 (A) be less than \$1,500; or

1255 (B) exceed \$25,000.

1256 (e) (i) A person is guilty of a second degree felony if that person commits an act:

1257 (A) described in Subsection (1)(e)(ii) with respect to one or more of the following  
1258 documents:

1259 (I) a return;

1260 (II) an affidavit;

1261 (III) a claim; or

1262 (IV) a document similar to Subsections (1)(e)(i)(A)(I) through (III); and

1263 (B) subject to Subsection (1)(e)(iii), with knowledge that the document described in  
1264 Subsection (1)(e)(i)(A):

1265 (I) is false or fraudulent as to any material matter; and

1266 (II) could be used in connection with any material matter administered by the State Tax  
1267 Commission.

- 1268 (ii) The following acts apply to Subsection (1)(e)(i):
- 1269 (A) preparing any portion of a document described in Subsection (1)(e)(i)(A);
- 1270 (B) presenting any portion of a document described in Subsection (1)(e)(i)(A);
- 1271 (C) procuring any portion of a document described in Subsection (1)(e)(i)(A);
- 1272 (D) advising in the preparation or presentation of any portion of a document described
- 1273 in Subsection (1)(e)(i)(A);
- 1274 (E) aiding in the preparation or presentation of any portion of a document described in
- 1275 Subsection (1)(e)(i)(A);
- 1276 (F) assisting in the preparation or presentation of any portion of a document described
- 1277 in Subsection (1)(e)(i)(A); or
- 1278 (G) counseling in the preparation or presentation of any portion of a document
- 1279 described in Subsection (1)(e)(i)(A).
- 1280 (iii) This Subsection (1)(e) applies:
- 1281 (A) regardless of whether the person for which the document described in Subsection
- 1282 (1)(e)(i)(A) is prepared or presented:
- 1283 (I) knew of the falsity of the document described in Subsection (1)(e)(i)(A); or
- 1284 (II) consented to the falsity of the document described in Subsection (1)(e)(i)(A); and
- 1285 (B) in addition to any other penalty provided by law.
- 1286 (iv) Notwithstanding Section [76-3-301](#), for purposes of this Subsection (1)(e), the
- 1287 penalty may not:
- 1288 (A) be less than \$1,500; or
- 1289 (B) exceed \$25,000.
- 1290 (v) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1291 State Tax Commission may make rules prescribing the documents that are similar to
- 1292 Subsections (1)(e)(i)(A)(I) through (III).
- 1293 (2) The statute of limitations for prosecution for a violation of this section is the later
- 1294 of six years:
- 1295 (a) from the date the tax should have been remitted; or
- 1296 (b) after the day on which the person commits the criminal offense.
- 1297 Section 9. Section **78A-3-102** is amended to read:
- 1298 **78A-3-102. Supreme Court jurisdiction.**

- 1299 (1) The Supreme Court has original jurisdiction to answer questions of state law  
1300 certified by a court of the United States.
- 1301 (2) The Supreme Court has original jurisdiction to issue all extraordinary writs and  
1302 authority to issue all writs and process necessary to carry into effect its orders, judgments, and  
1303 decrees or in aid of its jurisdiction.
- 1304 (3) The Supreme Court has appellate jurisdiction, including jurisdiction of  
1305 interlocutory appeals, over:
- 1306 (a) a judgment of the Court of Appeals;
- 1307 (b) cases certified to the Supreme Court by the Court of Appeals prior to final  
1308 judgment by the Court of Appeals;
- 1309 (c) discipline of lawyers;
- 1310 (d) final orders of the Judicial Conduct Commission;
- 1311 (e) final orders and decrees in formal adjudicative proceedings originating with:
- 1312 (i) the Public Service Commission;
- 1313 (ii) the State Tax Commission;
- 1314 (iii) the School and Institutional Trust Lands Board of Trustees;
- 1315 (iv) the Board of Oil, Gas, and Mining;
- 1316 (v) the state engineer; or
- 1317 (vi) the executive director of the Department of Natural Resources reviewing actions of  
1318 the Division of Forestry, Fire, and State Lands;
- 1319 (f) final orders and decrees of the district court review of informal adjudicative  
1320 proceedings of agencies under Subsection (3)(e);
- 1321 (g) a final judgment or decree of any court of record holding a statute of the United  
1322 States or this state unconstitutional on its face under the Constitution of the United States or the  
1323 Utah Constitution;
- 1324 (h) interlocutory appeals from any court of record involving a charge of a first degree  
1325 or capital felony;
- 1326 (i) appeals from the district court involving a conviction or charge of a first degree  
1327 felony or capital felony;
- 1328 (j) orders, judgments, and decrees of any court of record over which the Court of  
1329 Appeals does not have original appellate jurisdiction; [~~and~~]

1330 (k) appeals from the district court of orders, judgments, or decrees ruling on legislative  
1331 subpoenas[-]; and

1332 (l) a challenge to the facial constitutionality of Section 59-12-107 made in accordance  
1333 with Section 59-12-107.6.

1334 (4) The Supreme Court may transfer to the Court of Appeals any of the matters over  
1335 which the Supreme Court has original appellate jurisdiction, except:

1336 (a) capital felony convictions or an appeal of an interlocutory order of a court of record  
1337 involving a charge of a capital felony;

1338 (b) election and voting contests;

1339 (c) reapportionment of election districts;

1340 (d) retention or removal of public officers;

1341 (e) matters involving legislative subpoenas; and

1342 (f) those matters described in Subsections (3)(a) through (d) and (l).

1343 (5) The Supreme Court has sole discretion in granting or denying a petition for writ of  
1344 certiorari for the review of a Court of Appeals adjudication, but the Supreme Court shall  
1345 review those cases certified to it by the Court of Appeals under Subsection (3)(b).

1346 (6) The Supreme Court shall comply with the requirements of Title 63G, Chapter 4,  
1347 Administrative Procedures Act, in its review of agency adjudicative proceedings.

1348 Section 10. **Severability clause.**

1349 The provisions of this bill are severable. If any provision of this bill, or the application  
1350 of any provision to any person or circumstance, is held invalid by a final decision of a court of  
1351 competent jurisdiction, the remainder of this bill shall be given effect without the invalid  
1352 provision or application.

1353 Section 11. **Effective date.**

1354 This bill takes effect on July 1, 2017.