

# Sales Tax

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## 2008 Legislation

### House Bills

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<b>HB 165</b>	<b>Sales and Use Tax Exemptions Relating to Aircraft</b>
Amends	Utah Code §59-12-104
Effective	July 1, 2008
Summary	This bill modifies the sales tax exemption for parts and equipment installed in an aircraft operated by a common carrier to an exemption for parts and equipment sold by an aircraft manufacturer (NAICS 336411 or 336412) for installation in or repair or renovation of, an aircraft.
<b>HB 172</b>	<b>City or Town Option Sales and Use Tax</b>
Amends	Utah Code §59-12-102
Enacts	Utah Code §§ 59-12-1901; 1902; 1903
Effective	January 1, 2009
Summary	This bill authorizes a city or town to impose a .20% city or town option sales tax if the city or town received additional revenues for the 12 consecutive months of fiscal year 2005-06 because the city or town would otherwise have received a distribution less than .75% of the taxable sales within that city or town; this additional tax may be imposed from January 1, 2009 through June 30, 2016.
<b>HB 206</b>	<b>Tax Amendments</b>
Amends	Utah Code §§59-12-102; 103; 104; 104.5; 105; 106; 107; 107.1; 108; 110; 110.1; 205; 208.1; 210; 302; 354; 401; 402; 403; 501; 502; 504; 603; 703; 802; 804; 806; 1001; 1002; 1102; 1201; 1302; 1402; 1503; 1703; 1802; 1803;
Enacts	Utah Code §§59-12-102.3; 123; 124; 125;126;127;128;129;211; 212; 213; 214; 216; 217; 218; 304; 305; 306; 357; 358; 359; 406; 407; 408; 506; 507; 508; 605; 606; 607; 707; 808; 810; 1004; 1005; 1006; 1104; 1005; 1106; 1202; 1203; 1204; 1304; 1305; 1306; 1405; 1406; 1407; 1505; 1506; 1507; 1706; 1707; 1708; 1804; 1805
Note	The SST Agreement was amended to allow states the option of taxing instate sales of tangible personal property at the point-of-sale. This change allows Utah to keep its current rules for instate sales and be in compliance with the Agreement.
Effective	January 1, 2009

Summary This bill brings Utah into compliance with the Streamlined Sales Tax Agreement, as follows:

- Allows certified service providers relief from liability for relying upon Tax Commission certified software or databases.
- Allows amnesty for sellers who voluntarily sign up with the other states that are part of the SST Agreement.
- Provides a monetary allowance for voluntary filers.
- Requires non-nexus out-of-state sales to be taxed using the rate at the point of delivery, rather than the lowest common combined rate.
- Broadens the dental prosthetic exemption.

**HB 248 Amendments to Sales and Use Tax Exemptions for Certain Property Incorporated Into Real Property**

Amends Utah Code §59-12-104

Effective July 1, 2008

Summary This bill re-enacts the sales and use tax exemption for tangible personal property incorporated into real property outside the state that was repealed effective July 1, 2004; provides that a person who would otherwise have been able to claim this exemption for the period it was not in effect (July 1, 2004 through June 30, 2008) may claim the exemption by filing a refund request.

**HB 251 Sales and Use Tax Revisions**

Amends Utah Code §§59-12-103; 104; 107; 501

Effective Retrospective to January 1, 2008

Summary This bill repeals incorrect dates relating to the taxation of food and food ingredients; clarifies that the sales and use tax exemption relating to sales of aircraft manufactured in the state applies to aircraft if title passes in Utah; clarifies that a county, city, or town without a transit district may impose a sales and use tax of up to .30% to fund a public transportation system unless within the county, city, or town a sales and use tax is also imposed under Title 59, Chapter 12, Part 15, County Option Sales and Use Tax for Highways, Fixed Guideways, or Systems for Public Transit (in which case the tax may be imposed only up to .25%).

<b>HB 304</b>	<b>Sales and Use Tax Revenues for Qualified Emergency Food Agencies</b>
Amends	Utah Code §§9-4-1404; 59-12-103
Enacts	Utah Code §9-4-1409
Repeals	Utah Code §§59-12-901; 59-12-902
Effective	July 1, 2008
Summary	This bill repeals the sales tax refund for qualified emergency food donations and replaces that refund with an appropriation.
<b>HB 359</b>	<b>Tax Changes</b>
Amends	Utah Code §§ 9-4-802, 9-4-803, 23-14-13, 23-14-14.1, 26-18a-3, 26-18a-4, 26-48-102, 31A-32a-101, 31A-32a-103, 31A-32a-104, 31A-32a-105, 31A-32a-106, 31A-32a-107, 48-2c117, 53B-8a-106, 59-7-101, 59-7-105, 59-7-106, 59-7-116.5, 59-7-402, 59-7-614, 59-10-103, 59-10-104, 59-10-104.1, 59-10-110, 59-10-114, 59-10-115, 59-10-116, 59-10-117, 59-10-118, 59-10-119, 59-10-120, 59-10-121, 59-10-122, 59-10-123, 59-10-124, 59-10-125, 59-10-126, 59-10-201, 59-10-201.1, 59-10-202, 59-10-204, 59-10-205, 59-10-205, 59-10-207, 59-10-209.1, 59-10-210, 59-10-507, 59-10-1014, 59-10-1106, 59-12-103, 59-12-104, 72-2-107, 72-2-124, and 72-2-125
Enacts	Utah Code §§59-7-614.2, 59-10-1020, 59-10-1021, 59-10-1022, 59-10-1023, 59-10-1024, 59-10-1301, 59-10-1302, 59-10-1303, 59-10-1401, 59-10-1402
Renumbers and Amends	Utah Code §§ 59-10-1002.1, 59-10-1002.2, 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1304, 59-10-1305, 59-10-1306, 59-10-1307, 59-10-1308, 59-10-1309, 59-10-1310, 59-10-1311, 59-10-1311, 59-10-1312, 59-10-1403, 59-10-1404, 59-10-1405.
Repeals	Utah Code §§ 59-10-206, 59-10-801, 59-10-1201, 59-10-1202, 59-10-1203, 59-10-1204, 59-10-1205, 59-10-1206, 59-10-1207
Note	This bill impacts sales tax and income tax. The information below pertains to sales tax only.
Effective	January 1, 2009
Summary	This bill: <ul style="list-style-type: none"> <li>● increases the state sales tax rate from 4.65% to 4.70%;</li> <li>● enacts a sales and use tax exemption for sales of fuel to a railroad for use in a locomotive engine.</li> </ul>

## Senate Bills

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<b>SB 99</b>	<b>Amendments to Sales and Use Tax Exemption for Prosthetic Devices</b>
Amends	Utah Code §59-12-104
Effective	July 1, 2008
Summary	This bill modifies the criteria for the sales and use tax exemption for prosthetic devices to require that a prescription be required for the prosthetic device, or the device is purchased by a hospital or medical facility.
<b>SB 124</b>	<b>Sales and Use Tax – Definitions of Permanently Attached to Real Property and Tangible Personal Property</b>
Amends	Utah Code §59-12-102
Effective	Retrospective to January 1, 2008
Summary	This bill amends the definitions of “permanently attached to real property” and “tangible personal property” to provide that neither of those terms includes a hot water heater, water softener system, or water filtration system, regardless of whether the attachment to real property is only through a line that supplies water, electricity, gas, telephone, or cable.
<b>SB 135</b>	<b>Extending the Sales and Use Tax Exemption for Pollution Control Facilities</b>
Amends	Utah Code §§19-2-124; 125
Effective	May 5, 2008
Summary	This bill makes the sales and use tax exemption for a pollution control facility permanent.
<b>SB 237</b>	<b>Commercial Airline and Airport Taxation</b>
Amends	Utah Code §§59-2-102, 59-2-801, 59-7-302, 59-7-312, 59-7-313, 59-7-314, 59-7-315, 59-7-316, 59-7-317, 59-7-318, 59-7-319, 59-12-104.
Enacts	Utah Code §59-2-804
Note	This bill impacts sales tax and income tax. The information below pertains to sales tax only.
Effective	July 1, 2008
Summary	This bill authorizes a sales tax exemption for sales of construction materials purchased by or on behalf of a new airport located within a county of the second class and owned or operated by a city; authorizes a sales tax exemption, effective July 1, 2010, for sales of

construction materials purchased by or on behalf of an international airport that is located in a county of the first class and has a U.S. customs office on its premises.

**SB 245**

**Funding Related to Airports, Highways, and Public Transit**

Amends

Utah Code §§11-41-102, 17-31-5.5, 41-1a-1222, 59-12-102, 59-12-103, 59-12-104.2, 59-12-108, 59-12-602, 59-12-603, 72-2-117.5, 72-2-121, 72-10-102.

Enacts

Utah Code §§59-12-601.1, 59-12-1901, 59-12-1902, 59-12-1903, 59-12-2001, 59-12-2002, 59-12-2003, 59-12-2004, 72-2-121.2, 72-10-215.

Repeals

Utah Code §59-12-601.

Effective

May 5, 2008

Summary

This bill reallocates a portion of the revenue received from the local corridor preservation fee imposed in a county of the first class beginning July 1, 2008; authorizes a county of the second class to impose a local option sales and use tax at either .10% or .25% to fund airport, highway, or public transit projects or services in the county; authorizes the state to impose a state sales tax, the rate of which is the difference between .30% and the transit tax imposed in the county, in those counties of the first and second class that have a public transit district within any portion of the county and have not imposed the transit tax at .30%; provides that if the additional state tax is imposed, revenues received from the additional state tax shall be distributed to the public transit districts within the county where the tax has been imposed.