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HOUSE BILLS

HB 1 MINIMUM SCHOOL PROGRAM BASE BUDGET – Rep. Merlynn Newbold (Effective 7/1/10) Maintains the amount of revenues generated for the minimum basic school levy at \$273,950,764 and estimates the tax rate necessary to generate this revenue will increase from .001303 to .001513.

HB 37 CRIMINAL BACKGROUND CHECKS ON MOTOR VEHICLE DEALERS AND SALESPERSONS – Rep. Rebecca Lockhart (Effective 7/1/10) Requires every new applicant for a motor vehicle salesperson license to submit fingerprints with a completed application to MVED, and every person required to renew a salesperson license on or before June 30, 2010 to submit fingerprints to MVED on or before November 30, 2010; provides that MVED shall submit fingerprints for each applicant to the Bureau of Criminal Identification (BCI); requires BCI to compare motor vehicle salesperson applicant fingerprints with certain criminal databases and inform MVED of its findings, and to maintain a separate file of motor vehicle salesperson fingerprints and notify MVED when a new entry is made concerning a person in the file regarding an arrest for certain offenses; requires MVED to impose the fees that BCI is authorized to collect for the services it provides and remit those fees to BCI; requires MVED to use information received from BCI to determine whether a salesperson license should be denied, suspended, or revoked.

HB 46 MOTOR VEHICLE ACT AMENDMENTS – Rep. Julie Fisher (Effective 5/11/10) Codifies DMV practice by permitting an owner or lessee of a commercial fleet of vehicles that are apportioned and required to be registered in the state to register the vehicles at the same time intrastate fleets are registered; codifies DMV practice by repealing the requirement that an owner of a vehicle record the actual miles on an application for renewal of registration; codifies DMV practice by authorizing the DMV to collect the pollution control fee imposed by counties; provides that the DMV shall publish a notice of a sale of a motor vehicle that has been seized and has not been recovered on the division's and newspapers' websites rather than in a newspaper of general statewide circulation.

HB 49 AMENDMENTS RELATED TO A TAX, FEE, OR CHARGE ADMINISTERED BY THE STATE TAX COMMISSION – Rep. Todd Kiser (Effective 5/11/10) Provides that, for purposes of corporate, income, and withholding taxes, refund interest is allowed after a 45-day period (instead of 90 days) if a return or amended return is filed electronically; refund interest for these taxes will continue to be allowed only after a 90-day period if a return or amended return is not filed electronically.

HB 50 SALES AND USE TAX MODIFICATIONS – Rep. Wayne Harper (Effective 5/11/10) Addresses the determination of the location of a transaction involving a prepaid calling service or prepaid wireless calling service so that the service shall be sourced to the seller's location, or, in the case of a prepaid wireless calling service, sourced at the seller's choice to either the seller's location or the address associated with the mobile telephone number.

HB 54 PROPERTY TAX EXEMPTION FOR WATER FACILITIES – Rep. Patrick Painter (Effective 1/1/11 if HJR 2 passes on the November 2010 ballot) Enacts a property tax exemption for a water right, reservoir, pumping plant, ditch, canal, pipe, flume, or other water infrastructure if owned by a nonprofit entity and used within the state to irrigate land, provide domestic water, or provide water to a public water supplier; enacts a property tax exemption for land occupied by an exempt reservoir, ditch, canal, or pipe if the land is owned by the nonprofit entity that owns the reservoir, ditch, canal, or pipe, and an exemption for land adjacent to an exempt reservoir, ditch, canal, or pipe if owned by the nonprofit entity that owns the reservoir, ditch, canal, or pipe and is reasonably necessary for the maintenance or support of the reservoir, ditch, canal, or pipe; provides that “domestic water” includes the outdoor watering of vegetation.

HB 92 MOIST SNUFF TAXATION REVISIONS – Rep. Bradley Daw (Effective 5/11/10) Amends the definition of moist snuff to require the tobacco have at least 45% moisture content, and provides that, except for single-use pouches of loose tobacco, moist snuff does not include single-use units such as: tablets, lozenges, strips, sticks, or packages containing multiple single-use units; requires a manufacturer that distributes a tobacco product in Utah to maintain valid evidence of the moisture content of the tobacco and provide a document certifying the moisture content of the tobacco product to the person selling the tobacco product in Utah; provides penalties for a manufacturer that fails to maintain the required evidence or provide the required documentation to the seller of the tobacco product.

HB 100 HEBER VALLEY HISTORIC RAILROAD AUTHORITY – Rep. Kraig Powell (Retrospective to 7/1/09) Provides that the Heber Valley Historic Railroad Authority and its operators are exempt from sales and use tax for their purchases and sales related to the operation and maintenance of the railroad.

HB 130 CANCER RESEARCH SPECIAL GROUP LICENSE PLATE – Rep. Brad Dee (Effective 10/1/10) Creates a cancer research support special group license plate for programs that conduct or support cancer research programs; requires applicants for the plate to make a \$35 annual donation to the Cancer Research Restricted Account.

HB 179 OFF-HIGHWAY VEHICLE AND STREET-LEGAL ALL-TERRAIN VEHICLE REVISIONS – Rep. Michael Noel (Effective 5/11/10) Repeals the requirement that a street-legal all-terrain vehicle only be operated on a highway with one lane in each direction; provides that a street-legal all-terrain vehicle may not be operated on an interstate freeway or a limited access highway; provides that an all-terrain type II vehicle is eligible for an off-highway implement of husbandry sticker; repeals the sunset on the refund of the motor fuel tax revenues that are deposited into the Off-highway Vehicle Account.

HB 196 TOBACCO TAX REVISIONS – Rep. Paul Ray (Effective 7/1/10) See SB 259.

HB 219 DELINQUENT PROPERTY TAX AMENDMENTS – Rep. Gage Froerer (Effective 7/1/10) Increases the penalty on delinquent property taxes from 2% to 2.5%, and provides that the penalty is only 1% if the

delinquent property taxes and penalty are paid by the January 31 immediately following the delinquency date; provides that the interest rate for delinquent taxes and the penalty be no less than 7% but no more than 10%.

HB 221 SUNSET ACT AND REPEALERS REAUTHORIZATION – **Rep. Kevin Garn** (Effective 5/11/10) Allows the corporate and individual income tax credits for the recycling market development zone to sunset for taxable years beginning on or after 1/1/11, and for purchases of machinery or equipment for these credits made on or after 7/1/10.

HB 259 PROPERTY TAX AMENDMENTS – **Rep. Wayne Harper** (Effective 5/11/10) Requires a county assessor to conduct the annual update of property values by using a mass appraisal system: on or before 1/1/14 for a county of the third class, and by 1/1/15 for a county of the fourth, fifth, or sixth class; amends the Notice of Property Valuation and Tax Changes by requiring the notice to indicate for an entity going through truth in taxation both the dollar impact if the proposed increase is adopted as well as the percentage increase; modifies the time period within which a taxpayer may appeal the value of personal property from no later than 30 days after the mailing of the tax notice to no later than : (1) the expiration of the time for filing a personal property signed statement if the county requires a signed statement; or (2) 60 days after the mailing of the tax notice for all other taxpayers; alters the maximum and minimum amounts a county may contribute to the multicounty assessing and collecting levy; and adjusts the rate of the multicounty assessing and collecting levy imposed by the counties.

HB 260 CHILDREN’S HEALTH INSURANCE PLAN SIMPLIFIED RENEWAL – **Rep. Merlynn Newbold** (Effective 5/11/10) Allows the Tax Commission to provide adjusted gross income information to the Children’s Health Insurance Program if the applicant for the insurance provides consent for the Tax Commission to release that information to the Children’s Health Insurance Program.

HB 261 FINANCIAL RESPONSIBILITY OF MOTOR VEHICLE OWNERS AND OPERATORS ACT AMENDMENTS – **Rep. Richard Greenwood** (Effective 5/11/10) Provides that a renewal notice or a card issued by an insurance company may be used as an affirmative defense if a person has been charged with operating a vehicle without owner’s or operator’s security in effect for the vehicle the person had been driving at the time of the arrest; provides that a peace officer may not cite or arrest a person for violating the requirement to have evidence of owner’s or operator’s security for the vehicle in the person’s immediate possession if the Uninsured Motorist Identification Database Program information indicates that the vehicle or driver is insured; increases the number of months from 2 to 3 consecutive months that a motor vehicle must show as not insured in the Uninsured Motorist Identification Database Program before the designated agent provides notice to the owner of the motor vehicle.

HB 265 REAL PROPERTY AMENDMENTS – **Rep. Gage Froerer** (Effective 5/11/10) Requires that when assessing the fair market value of a golf course or hunting club, a county assessor shall consider factors relating to the golf course or hunting club and neighboring property that affect the fair market value of the golf course or

hunting club, including the value that transfers to the neighboring property because of the golf course or hunting club, practical and legal restrictions on the development potential of the golf course or hunting club, and the history of operation of the golf course or hunting club and the likelihood that the present use will continue into the future; provides that the valuation method a county assessor may use in determining the fair market value of a golf course or hunting club includes the cost approach, income capitalization approach, and sales comparison approach.

HB 278 GOVERNMENT RECORDS ACCESS AND MANAGEMENT ACT AMENDMENTS – Rep. Christopher Herrod (Effective 5/11/10) Requires a record to be produced in an electronic format if the governmental entity currently maintains the record in an electronic format that does not disclose records exempt from disclosure, or that may be segregated to protect nondisclosable information without undue expenditure of public resources or funds; provides a five business day deadline for a governmental entity to inform a person who requests an expedited response that the governmental entity has determined that the request does not qualify for an expedited response.

HB 316 DISABLED VETERANS PROPERTY TAX EXEMPTION AMENDMENTS – Rep. Gregory Hughes (Effective 5/11/10) Provides that for purposes of the veterans' property tax exemption: (1) a disabled veteran is considered to be 100% disabled, regardless of the actual percentage of disability, if the Dept. of Veterans' Affairs classifies the veteran as unemployable; and (2) an honorably discharged veteran is presumed to be a U.S. citizen and is not required to provide additional proof of citizenship.

HB 327 AUTISM AWARENESS SUPPORT SPECIAL GROUP LICENSE PLATE – Rep. Rebecca Edwards (Effective 10/1/10) Creates an Autism Awareness support special group license plate for programs that create or support autism awareness programs; requires applicants for the plate to make a \$25 annual contribution to the Autism Awareness Restricted Account.

HB 349 SALES AND USE TAX AMENDMENTS – Rep. Wayne Harper (Effective 7/1/10) Indicates how direct mail transactions and transactions subject to use tax shall be sourced.

HB 366 MOTOR VEHICLE BUSINESS REGULATION ACT AMENDMENTS – Rep. Bradley Daw (Effective 5/11/10) Provides that a pawnbroker engaged in selling, exchanging or pawning motor vehicles is considered as coming into possession of the motor vehicles incident to the person's regular business and shall be licensed as a used motor vehicle dealer; provides that a person engaged in a title lending, check cashing, or similar business that comes into possession of motor vehicles incident to the person's business is not a used motor vehicle dealer; provides that each license application shall contain at least 5 years of business history, the federal tax identification number issued to the dealer, and the dealer's sales and use tax license number; provides that a person may not, for a fee, commission, or other form of compensation, arrange, offer to arrange, or broker a transaction involving the sale or lease of more than two used motor vehicles in a 12 consecutive month period unless the person is licensed as a motor vehicle dealer; provides that a supplemental license for a permanent

additional place of business may only be issued to a used motor vehicle dealer if the dealer independently satisfies the bond requirements for the permanent additional place of business and the permanent additional place of business meets all the requirements for a principal place of business; specifies additional materials that a provider of an orientation class must include in the orientation materials.

HB 404 MOTOR VEHICLE BUSINESS AMENDMENTS – Rep. Don Ipson (Effective 5/11/10) Provides that a prior owner or lien holder of a vehicle has priority over a subsequent security interest in inventory; provides that constructive notice of a lien dates from the execution of the document creating the security interest if the application for title is filed within 30 days of delivery of the vehicle, and from the filing of the document creating the security interest if the application for title is filed after 30 days of the delivery of the vehicle; requires a dealer to pay off a lien on a vehicle traded in prior to selling the vehicle, unless the person trading in the vehicle acknowledges in writing that the person remains liable for the unpaid loan; provides that reasonable cause for denial, suspension, or revocation of a license issued under Title 41, Chapter 3 includes having had a license issued under that chapter revoked within five years from the date of application; specifies additional practices that are unlawful for a motor vehicle business licensee to engage in.

HB 438 TRANSPORTATION MODIFICATIONS – Rep. Rebecca Lockhart (Effective 7/1/10) For the fiscal year 2010-11 only, reduces the amount of sales and use tax revenue that is deposited into the Centennial Highway Fund Restricted Account from 8.3% to 1.93%.

HJR 2 JOINT RESOLUTION ON PROPERTY TAX EXEMPTION FOR WATER FACILITIES – Rep. Patrick Painter (Effective 1/1/11 if this resolution passes on the November 2010 ballot) Proposes to amend the Utah Constitution to enact a property tax exemption for: (1) water rights, reservoirs, pumping plants, ditches, canals, pipes, flumes, and other infrastructure owned by a nonprofit entity and used within the state to irrigate land and provide domestic water; (2) land occupied by an exempt reservoir, ditch, canal, or pipe if the land is owned by the nonprofit entity that owns the reservoir, ditch, canal, or pipe; and (3) land immediately adjacent to an exempt reservoir, ditch, canal, or pipe if the land is owned by the nonprofit entity that owns the reservoir, ditch, canal, or pipe and is reasonably necessary for the maintenance or for otherwise supporting the operation of the reservoir, ditch, canal, or pipe.

SENATE BILLS

SB 12 INDIVIDUAL INCOME TAX CONTRIBUTION FOR METHAMPHETAMINE HOUSING RECONSTRUCTION AND REHABILITATION FUND – **Sen. Karen Mayne** (Retrospective to 1/1/10) Creates a restricted account known as the Methamphetamine Housing Reconstruction and Rehabilitation Fund; enacts an individual income tax contribution for the fund for a taxable year beginning on or after 1/1/10, but beginning on or before 12/31/12.

SB 23 CORPORATE FRANCHISE AND INCOME TAX AMENDMENTS – **Sen. John Valentine** (Effective 1/1/11) Modifies the definition of “foreign operating company” to require the company have \$2 million of property located outside the United States and \$1 million of payroll located outside the United States; provides that the deduction for 50% of the adjusted income of a foreign operating company may not include investment income of the foreign operating company or intercompany transactions between members of a unitary group.

SB 28 AMENDMENTS TO INDIVIDUAL INCOME TAX RETURN FILING REQUIREMENTS – **Sen. J. Stuart Adams** (Retrospective to 1/1/10) Repeals the provision that allowed an income tax return preparer required to file returns electronically to satisfy that requirement by filing using scan technology.

SB 29 AMENDMENTS TO INDIVIDUAL INCOME TAX DEFINITION OF RESIDENT INDIVIDUAL – **Sen. Curtis Bramble** (Retrospective to 1/1/10) Modifies the definition of resident individual for a person who does not have domicile but who is in the state 183 or more days in the year so that that person must have an abode in the state, but not a permanent abode; grants rulemaking authority to the Tax Commission to determine when a person has spent a day in the state for purposes of determining whether a person has spent at least 183 days in the state.

SB 30 LOCAL OPTION SALES AND USE TAXES FOR TRANSPORTATION ACT – **Sen. Wayne Niederhauser** (Effective 7/1/10) Recodifies the following local option transportation sales taxes into a new Part 22 within Title 59, Chapter 12: 59-12-501; 59-12-502, Part 10, Part 15, Part 17, and Part 19.

SB 61 SALES AND USE TAX EXEMPTION FOR A WEB SEARCH PORTAL – **Sen. Howard Stephenson** (Effective 7/1/10) For the period beginning on 7/1/10 and ending on 6/30/14, expands the manufacturing sales and use tax exemption to include purchases or leases of machinery, equipment, and normal operating repair or replacement parts (all with an economic life of at least three years and all used in a new or expanding establishment in the state) used in the operation of a web search portal as that term is described in 2002 NAICS Code 518112; for the period beginning 7/1/14, provides that the exemption is no longer limited to new or expanding establishments.

SB 73 SALES AND USE TAX EXEMPTION RELATING TO AIRCRAFT – Sen. Curtis Bramble (Effective 7/1/10)
Enacts a sales and use tax exemption for sale of tangible personal property to or by an aircraft maintenance, repair, and overhaul provider for the maintenance, repair, overhaul, or refurbishment in this state of a fixed-wing turbine powered aircraft that is not registered in this state.

SB 95 UTAH EDUCATIONAL SAVINGS PLAN AMENDMENTS – Sen. Wayne Niederhauser (Effective 2/26/10)
Beginning with the 2011 taxable year, eliminates a requirement to reduce the value of the Utah Educational Savings Plan tax credit or deduction when the Consumer Price Index decreases from one year to the next; exempts withdrawals from the addback provisions of the state income tax credit or deduction previously claimed if those withdrawals are not subject to the tax under the Internal Revenue Code.

SB 96 UINTAH BASIN REVITALIZATION FUND AMENDMENTS – Sen. Kevin Van Tassell (Effective 5/11/10)
Clarifies that the base calendar year in the CPI calculation formula that determines the maximum amount that may be deposited into the Uintah Basin Revitalization Fund is the 2008 calendar year.

SB 97 FARMLAND ASSESSMENT ACT AMENDMENTS – Rep. David Hinkins (Effective 5/11/10) Allows land subject to a forest stewardship plan to be assessed on the basis of the value that the land has for agricultural use if the land otherwise qualifies to be assessed on that basis.

SB 100 INCOME TAX CREDIT OR REFUND AMENDMENTS – Sen. Curtis Bramble (Effective 5/11/10) Codifies Tax Commission practice by repealing language that would limit the amount of a corporate or individual income tax refund to the amount of tax paid during the previous three years.

SB 124 MILITARY INSTALLATION DEVELOPMENT AUTHORITY MODIFICATIONS – Sen. Jerry Stevenson (Effective 3/2/10) Authorizes the Military Installation Development Authority to impose a resort communities tax (but not an additional resort communities sales tax); provides the conditions under which a project area may include up to 150 additional acres of public or private land that is not contiguous to military land.

SB 125 INTANGIBLE PROPERTY AMENDMENTS – Sen. Curtis Bramble (Effective 5/11/10) Expands the definition of intangible property for property tax purposes to include certain federal renewable energy tax credits and incentives.

SB 134 PARTNERSHIP TAX RETURN FILING DEADLINES – Sen. J. Stuart Adams (Retrospective to 1/1/10)
Modifies the extension filing deadline for a partnership from 6 months after the original due date to 5 months after the original due date.

SB 165 ALLOCATION AND APPORTIONMENT OF INCOME AND DEDUCTION OF A NET LOSS – Sen. Wayne Niederhauser (Retrospective to 1/1/10) Requires the phase in of single sales factor apportionment beginning

on 1/1/11 (fully phased in on 1/1/13); prohibits use of the single sales factor apportionment for taxpayers within the following NAICS sectors: (1) 21, Mining; (2) 31-33, Manufacturing; (3) 48-49, Transportation and Warehousing; (4) 51, Information, except NAICS 519, Other Information Services; and (5) 52, Finance and Insurance; taxpayers prohibited from using the single sales factor apportionment must use either the 3-factor or double-weighted sales factor apportionment methods; repeals the requirement that an election to use the double-weighted sales factor apportionment method is irrevocable for a period of 5 years; provides that a taxpayer shall annually determine whether the taxpayer is required to use or prohibited from using the single sales factor apportionment; a taxpayer with more than one economic activity or that is a unitary group shall determine the NAICS code of the taxpayer based on the activity that accounts for more than 50% of the taxpayer's total sales everywhere.

SB 172 LOCAL DISTRICT TAXING AUTHORITY AMENDMENTS – Sen. Curtis Bramble (Effective 5/11/10)

Effective 1/1/11 (1/1/15 for a metropolitan water district or a water conservancy district), prohibits a local district from levying a tax rate that exceeds the certified tax rate unless the revenue from the property tax was pledged on or before 1/1/11 to pay for bonds, board members are elected officials, or the tax increase has been approved by a majority of the voters of the district.

SB 175 SCHOOL DISTRICT CAPITAL OUTLAY EQUALIZATION AMENDMENTS – Sen. Benjamin McAdams

(Retrospective to 1/1/10) Requires a receiving school district in a county of the first class to report to the Education Interim Committee each year; sunsets certain capital outlay levy equalization programs at the end of 2016.

SB 191 GOVERNMENTAL ACCOUNTING AMENDMENTS – Sen. Lyle Hillyard (Effective 3/29/10)

Repeals provisions holding a county or municipality harmless from the loss of the imposition of the rural county health care facilities tax and the rural city hospital tax on food if a county repeals the rural county health care facilities tax or a city repeals the rural city hospital tax.

SB 198 ECONOMIC DEVELOPMENT INCENTIVE AMENDMENTS – Sen. John Valentine (Retrospective to 1/1/10)

Expands the refundable economic development corporate tax credit administered by GOED to include a local government entity or community development and renewal agency.

SB 209 HUMANITARIAN SERVICE AND EDUCATIONAL AND CULTURAL EXCHANGE SUPPORT SPECIAL GROUP

LICENSE PLATE – Sen. Peter Knudson (Effective 10/1/10) Creates a Humanitarian Service and Educational and Cultural Exchange support special group license plate for programs that create or support humanitarian service and educational and cultural exchange programs; requires applicants for the plate to make a \$25 annual donation to the Humanitarian Service and Educational and Cultural Exchange Restricted Account.

SB 242 ECONOMIC DEVELOPMENT INCENTIVES FOR ALTERNATIVE ENERGY PROJECTS – Sen. Kevin Van Tassell

(Effective 5/11/10) Changes the name of the Renewable Energy Development Act to the Alternative Energy

Development Act; requires the Governor's Office of Economic Development to consider economic modeling, including costs and benefits of the alternative energy project to state and local governments, in determining the tax credit amount.

SB 259 AMENDMENTS TO TOBACCO TAX – Sen. Allen Christensen (Effective 7/1/10) On 7/1/10 increases the tax on cigarettes (from 69.5 cents per pack to \$1.70 per pack), moist snuff (from 75 cents per ounce to \$1.83 per ounce), and other tobacco products (from 35% of manufacturer's sales price to 86% of manufacturer's sales price); imposes an inventory tax on all cigarettes and tobacco products in the amount of the tax rate in effect on 7/1/10 less the tax in effect on 6/30/10; requires the inventory tax to be paid on all inventory for which tax had been paid on or before 6/30/10, whether by the distributor, manufacturer, or retailer; provides that the inventory tax shall be submitted to the Tax Commission on or before 7/31/10; provides that a person that fails to comply with the requirements of the inventory tax is subject to penalties and interest under Sections 59-1-401 and 59-1-402 and prohibits the commission from waiving these penalties or interest; beginning 7/1/10, prohibits the affixation of a stamp to cigarettes that reflects payment of the tax at the rate applicable on or before 6/30/10 and provides penalties for violation of this prohibition; and directs a person who possesses unaffixed stamps purchased at the tax rate in effect on or before 6/30/10 to return those stamps to the commission for credit or refund.