

R865-19S-35. Residential or Commercial Use of Gas, Electricity, Heat, Coal, Fuel Oils or Other Fuels Pursuant to Utah Code Ann. Sections 59-12-103 and 59-12-104.

~~[A.](1)~~ "Residential use" is as defined in Section 59-12-102, and includes use in nursing homes or other similar establishments that serve as the permanent residence for a majority of the patients because they are unable to live independently.

~~[B.](2)~~ Explosives or material used as active ingredients in explosive devices are not fuels.

~~[C. If a firm has activities that are commercial and industrial and all fuels are furnished at given locations through single meters, the predominant use of the fuels shall determine taxable status of the fuels.]~~

~~[D.](3)~~ Fuel oil and other fuels must be used in a combustion process in order to qualify for the exemption from sales tax for industrial use of fuels pursuant to Section 59-12-104.

R865-19S-85. Sales and Use Tax Exemptions for Certain Purchases by a Manufacturing Facility Pursuant to Utah Code Ann. Section 59-12-104.

(1) Definitions:

(a) "Establishment" means an economic unit of operations, that is generally at a single physical location in Utah, where qualifying manufacturing processes are performed. If a business operates in more than one location (e.g., branch or satellite offices), each physical location is considered separately from any other locations operated by the same business.

(b) "Machinery, equipment, parts, and materials" means:

(i) electronic or mechanical devices or other items incorporated into a manufacturing process from the initial stage where actual processing begins, through the completion of the finished end product, and including final processing, finishing, or packaging of articles sold as tangible personal property. This definition includes automated material handling and storage devices when those devices are part of the integrated continuous production cycle; and

(ii) any accessory that is essential to a continuous manufacturing process. Accessories essential to a continuous manufacturing process include:

(A) bits, jigs, molds, or devices that control the operation of machinery and equipment; and

(B) gas, water, electricity, or other similar supply lines installed for the operation of the manufacturing equipment, but only if the primary use of the supply line is for the operation of the manufacturing equipment.

(c) "Manufacturer" means a person who functions within a manufacturing facility.

(2) The sales and use tax exemption for the purchase or lease of machinery, equipment, parts, and materials by a manufacturing facility applies only to purchases or leases of tangible personal property used in the actual manufacturing process.

(a) The exemption does not apply to purchases of items of tangible personal property that become part of the real property in which the manufacturing operation is conducted.

(b) Purchases of qualifying machinery, equipment, parts, and materials are treated as purchases of tangible personal property under R865-19S-58, even if the item is affixed to real property upon installation.

(3) Machinery, equipment, parts, and materials used for a nonmanufacturing activity qualify for the exemption if the machinery, equipment, parts, and materials are primarily used in manufacturing activities. Examples of nonmanufacturing activities include:

(a) research and development;

(b) refrigerated or other storage of raw materials, component parts, or finished product; or

(c) shipment of the finished product.

(4) Where manufacturing activities and nonmanufacturing activities are performed at a single physical location, machinery, equipment, parts, and materials purchased for use in the manufacturing operation are eligible for the sales and use tax exemption if the manufacturing operation constitutes a separate and distinct manufacturing establishment.

- 39 (a) Each activity is treated as a separate and distinct establishment if:
- 40 (i) no single SIC code includes those activities combined; or
- 41 (ii) each activity comprises a separate legal entity.
- 42 (b) Machinery, equipment, parts, and materials used in both manufacturing activities and
- 43 nonmanufacturing activities qualify for the exemption only if the machinery, equipment, parts, and
- 44 materials are primarily used in manufacturing activities.
- 45 (5) The manufacturer shall retain records to support the claim that the machinery,
- 46 equipment, parts, and materials are qualified for exemption from sales and use tax under the
- 47 provisions of this rule and Section 59-12-104.

Draft Amendment
April 20, 2020

DRAFT

~~[R865-19S-99. Sales and Use Taxes on Vehicles Purchased in Another State Pursuant to Utah Code Ann. Sections 59-12-103 and 59-12-104.~~

~~No sales or use tax is due on vehicles purchased in another state by a resident of that state and transferred into this state if all sales or use taxes required by the prior state for the purchase of the vehicle have been paid. A valid, nontemporary registration card shall serve as evidence of payment.]~~

R877-23V-23. Secure Areas Pursuant to Utah Code Ann. Sections 53-1-102, 53-5-710, 76-8-311.1, and 76-10-523.5.

The following are prohibited in an area designated as a secure area and operated by the Motor Vehicle Enforcement Division:

- (1) a firearm;
- (2) ammunition;
- (3) a dangerous weapon; or
- (4) an explosive.

DRAFT

1 **R877-23V-24. Advisory Board Procedures Pursuant to Utah Code Ann. Section 41-3-106.**

2 (1) "Board" means the Advisory Board established in Section 41-3-106.

3 (2) The board is subject to Title 52, Chapter 4, Open and Public Meetings Act.

4 (3) A board member may participate electronically in a meeting open to the public under
5 Section 52-4-207 if:

6 (a) the agenda posted for the meeting establishes one or more anchor locations for the
7 meeting where the public may attend;

8 (b) at least one board member is at an anchor location; and

9 (c) all of the board members may be heard by any person attending an anchor location.