

Utah State Tax Commission Tax and Revenue



Utah State Tax Commission

- Monthly webinars of various tax topics.
- Ability to access the recording and presentation after the event.
- Free to all attendees.



Utah State Tax Commission Monthly Webinars

tax.utah.gov/training/webinars

Tax Webinars & Videos

Each month, the Tax Commission holds live public webinars on various tax topics, with access to the recording after the event. We'll also add other training items here as needed. The links will appear below as they're available.

All webinars are held on the third Thursday of each month and begin at **10:00 a.m.**

Category/Tax Type

Date	Title	Category/Tax Type	Links
Jan 19, 2023	What's new this filing season for income tax	Individual Income Tax	MP4 PDF
Feb 16, 2023	Sales Tax licensing requirements and application process	Sales Tax	MP4 PDF
Mar 16, 2023	Who needs to file a Utah Income Tax return?	Individual Income Tax	MP4 PDF
Apr 20, 2023	Sales Tax rates and how to remit taxes	Sales Tax	MP4 PDF
May 18, 2023	Income Tax residency, domicile and special instructions	Individual Income Tax	MP4 PDF
Jun 15, 2023	Basics of what is taxable and what is exempt from Sales Tax	Sales Tax	Live Stream
Jul 20, 2023	Income Tax Audit / Exam Process	Tax Audits	
Aug 17, 2023	Sales and Use Tax on Goods Consumed	Sales Tax	

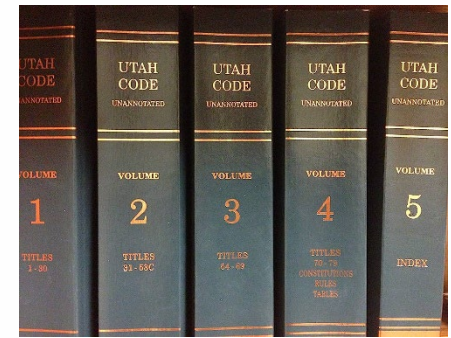


Basics of What is Taxable and What is Exempt From Sales tax



Utah Code and Administrative Rules

Sales and Use Tax



- [59-12-102](#) - Definitions
 - Defines terms used in section 59-12
- [59-12-103](#) - Sales and Use Tax Base
 - A statute imposing the tax, fee or charge strictly in favor of the taxpayer (59-1-1417(2)(a))
- [59-12-104](#) - Exemptions
 - A statute providing an exemption from or credit against the tax, fee, or charge strictly against the taxpayer (59-1-1417 (2)(b))
 - If something is not subject to the tax under 59-12-103 then it doesn't need an exemption in 59-12-104
- Utah Administrative Rules – R865-19S – Sales and Use Tax



What is Taxable?

Utah Code 59-12-103



What is Taxable?

Utah Code 59-12-103

Taxable transactions include:

- Retail sales or purchases of **tangible personal property**, products transferred electronically and certain services.
 - Includes parts to repair or renovate tangible personal property
 - Unless a specific exemption applies.
- Rentals and leases of **tangible personal property** and products transferred electronically, if:
 - The location of the product is in Utah
 - The lessee took possession of the product in Utah; or
 - The product is stored, used or otherwise consumed in Utah.



What is Taxable?

Utah Code 59-12-103

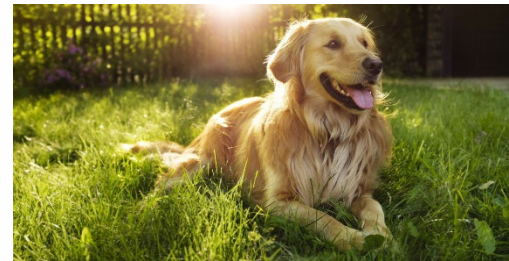


Tangible personal property is subject to sales tax.

Tangible Personal Property (as defined in 59-12-102(136)). Property that can be: seen, weighed, measured, felt, touched, or is in any manner perceptible to the senses.

Tangible Personal Property includes:

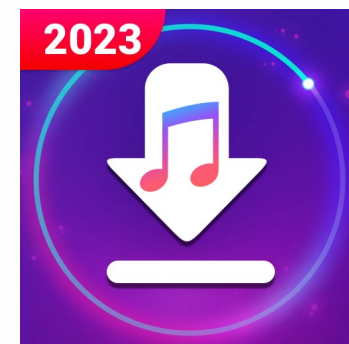
- Electricity
- Water
- Gas
- Steam
- Prewritten software





What is Taxable?

Utah Code 59-12-103



Products transferred electronically are subject to sales and use tax, including:

- Sales of products transferred electronically, if a physical copy of the product would be taxable. (CD, DVD, disk, tape, etc):
 - Music, Ring tones, Movies
 - Reading material
 - Software
 - (including access to software hosted on the cloud)

For example, the purchase of a music CD is taxable, so downloaded music is also taxable.





What is Taxable?

Utah Code 59-12-103



Admission or user fees for :

- theaters
- movies
- operas
- museums
- planetariums
- shows
- exhibitions
- concerts
- carnivals
- closed circuit television broadcasts
- amusement parks
- amusement rides
- circuses
- fairs
- races
- contests
- sporting events
- dances
- boxing matches
- wrestling matches
- billiard parlors
- pool parlors
- bowling lanes
- golf
- miniature golf
- golf driving ranges
- batting cages
- skating rinks
- ski lifts
- ski runs
- ski trails
- snowmobile trails
- tennis courts
- swimming pools
- water slides
- jeep tours
- **any other amusement, entertainment, recreation, exhibition, cultural or athletic activity.**



User fees include access charges for videos, video games, television programs and cable or satellite broadcasts, if that access occurs anywhere other than the buyer's home.

What is Taxable?

Utah Code 59-12-103

- Sales of memberships that entitle the buyer to discounted or free merchandise or services that are subject to sales tax.
 - For example:
 - Memberships that let card holders enter a warehouse and buy merchandise free of additional markup.
 - Video memberships that let members rent videos at a reduced price.

Note: All purchases made with these membership cards are subject to sales tax at the time of purchase unless an exemption applies.



What is Taxable?

Utah Code 59-12-103

- The storage, use or consumption in Utah of tangible personal property and products transferred electronically.
- Stays at tourist homes, hotels, motels, campgrounds, trailer courts and similar accommodations usually rented for less than 30 consecutive days.
- Meals (prepared food) at restaurants or other eating places.
- Sales of grocery food. Taxed statewide at the rate of 3 percent. (Sales of prepared food are taxed at the full combined rate.)



What is Taxable?

Utah Code 59-12-103

- Sales for **residential** use of gas, electricity, heat, coal, fuel-oil or other fuels. These products are taxed at the state rate of 2 percent plus any applicable local and/or public transit tax.
- Sales for **commercial** use of gas, electricity, heat, coal, fuel-oil or other fuels. (Sales of these items for industrial use may qualify for an entity-based exemption.)
- In-state telecom services
- Sales of prepaid telephone calling cards, including vending machine sales of prepaid telephone calling cards, if the card can be used for in-state calls.





Real Property



Real Property is ***NOT*** subject to sales tax

- Any right, title, estate, or interest in land, including all permanent buildings or structures on the land.

What qualifies as real property?

- *The land itself*
 - Exception: Dirt, rocks, and plants that are extracted from the land and sold separately are taxable.
- *Permanent structures on the land*
 - A structure is considered “permanent” if attached to the real property through a sub-surface foundation of concrete or steel.
- *Tangible personal property that has been converted to real property*
 - Tangible items that are integrated into the land or permanent structures on the land that cannot be removed without substantial effort or damage to the land or structure.

Note: the last owner of the tangible personal property prior to conversion must pay the sales or use tax.





Real Property

Tangible Personal Property Converted to Real Property



Items that are tangible personal property then converted to real property.

- Sales or use tax is due from the last owner of the tangible personal property prior to conversion into real property.

Example:

A contractor purchases nails in order to frame a house. The house is then sold.

- The contractor must either pay sales tax when he purchased the nails or pay use tax if he purchased the nails tax free.
- Sales tax is not due on purchase of the home.

Sales tax treatment of real property vs tangible personal property attached to real property will be covered in detail in our **October 2023** webinar. For more information on the tax implications of these items, please see Tax Commission publication 42.

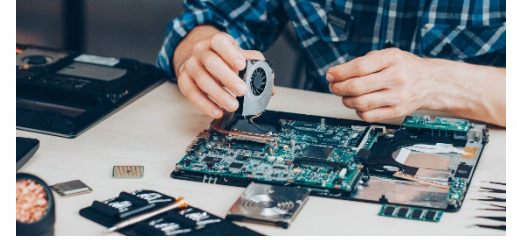


Taxable vs Non-Taxable Services



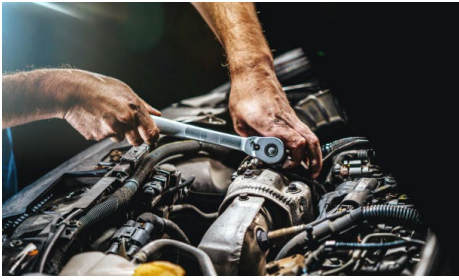


Taxable Services



- Labor to repair, renovate and clean tangible personal property or labor to repair, upgrade or maintain products transferred electronically *is* taxable.
 - This includes maintenance agreements.
 - Any charges or services required to complete the taxable service, are also taxable
- Assisted cleaning or washing of tangible personal property if the cleaning or washing labor is not performed by the buyer.





Taxable Services

Example #1



Auto Repair

A vehicle is involved in an accident and towed to a repair shop. The shop replaces parts, fixes dents and repaints the vehicle.

- The charge for the towing **is** taxable
 - **Exception:** Towing is not taxable if the tow company does not perform repairs and is unaffiliated with the repair shop.
- The charge for replacement parts, paint and any associated labor **is** taxable even if separated on invoice.
- The charge for labor to fix dents **is** taxable even if no tangible personal property was sold.





Taxable Services

Example #2



Pet Groomer:

- A groomer shampoos fur, trims fur, clips nails and generally beautifies the animal.
- The groomer also sells animal shampoo, nail clippers and other animal care products.
- Services performed on animals are taxable because animals are considered tangible personal property.
 - The groomer used materials during the service that were purchased tax free the groomer must report the use tax on the cost of those materials.
 - If the animal owner also purchases animal shampoo, nail clippers or other products separately from the service, these items are subject to sales tax.



NOTE : Veterinary medical services, boarding services or grooming services required in connection with a medical procedure is NOT taxable. (Utah Admin rule R865-19S-109)



Non-Taxable Services



Services performed on humans:

- Services performed on humans are **not** subject to sales and use tax because people are not tangible personal property.
- If it can't be sold then services on it are **not** subject to sales and use tax.





Non-Taxable Services

Example



A salon/spa does hair, nails and massages. The spa also sells shampoo, nail polish, and other beauty products.

- The service charge for hair, nails and massage are **not taxable** even if the materials consumed while performing the service would be taxable if sold separately.
 - The salon/spa purchases shampoo, nail polish, and massage oil tax free.
 - Used the product on the customer.
 - The salon/spa must report use tax on items consumed.

The customer also purchases shampoo, nail polish or massage oil separately from the service, these items *are* subject to sales tax.





Non-Taxable Services



Professional and consulting services

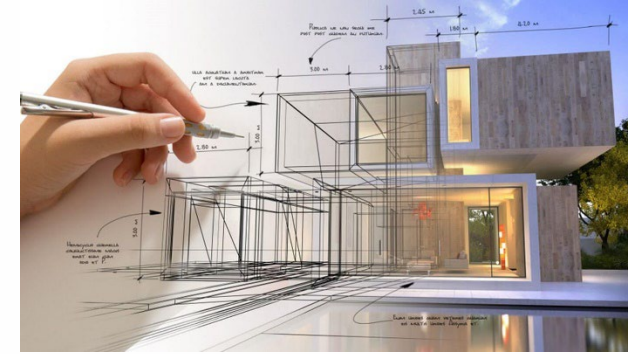
- Professional and consulting services where no service is performed on or to tangible personal property are **not** taxable.





Non -Taxable Services

Example



Architect

- An architect designs a building, prepares blueprints, and builds a scale model. The cost of the blueprints and model are included in the design fee.
- The design fee is **not** taxable even though it included items of tangible personal property because the essence of the transaction was the charge for the architects expertise not the physical representation of that expertise.
 - Any material purchased tax free and used to create the blueprint or model are subject to use tax.





Sales and Use Tax Exemptions

Utah Code 59-12-104



Types of Exemptions

59-12-104

There are three types of sales tax exemptions, based on:

- 1. **Entity** (exemption certificate required for sales to an exempt entity)
- 2. **Use** (exemption certificate required)
- 3. **Product** (exemption certificate not typically required)





Sales Tax Exemptions

59-12-104

Entity Based Exemptions



Entity Based Exemptions – An entity based exemption is determined by who buys or sells the product.

Some common exemptions are:

- Sales to United States government agencies.
- Sales to Utah state and local government agencies
- Sales of construction materials to most Utah government agencies — only if installed by the agencies' employees.
 - Construction materials bought by or for public elementary and secondary schools are exempt from sales tax.
 - The construction materials must be clearly identified and segregated, and they must be installed or converted to real property owned by the school.



Sales Tax Exemptions

59-12-104

Entity Based Exemptions (continued)

- Sales made to or by:
 - A local agency on aging;
 - A senior citizen center owned by a county, city or town; and
 - A senior citizen center that contracts with a local agency on aging.
- Purchases by certain enrolled members of Native American tribes (including the tribe itself), if:
 - The member has a tribal card showing a Federal Bureau Number
 - The purchased item is delivered to the enrolled tribal member's own reservation (in the case of the Ute Indian Tribe, the item must be purchased on or delivered to tribal trust lands within the Uintah and Ouray reservations); and
 - In the case of sales to the tribe itself, the buyer must present a purchase order, exemption certificate, or similar evidence of tribal identity.

Note: Sales made off the reservation to enrolled members of the tribe are taxable. They are exempt from tax only if the seller (or a licensed common carrier) delivers the purchased item(s) to the reservation.





Sales Tax Exemptions

59-12-104

Entity Based Exemptions (continued)



- Sales to religious or charitable institutions.
 - If the purchase is \$1,000 or more, the buyer takes the exemption at the point of sale.
 - If the purchase is less than \$1,000, the buyer **pays the sales tax to the seller then** claims the exemption by submitting form TC-62N, *Utah Sales Tax Refund Request*, to the Tax Commission.
 - If a public utility makes the sale to a religious or charitable institution, the exemption must be taken at the point of sale.
 - If a contract exists between the seller and the religious or charitable institution, the buyer may take the exemption at the point of sale regardless of the dollar amount of the sale. (TC-73 form)

Note: To be eligible for the exemption, the organization must be **exempt under IRC Section 501(c)(3)** and have a sales tax exemption number from the Tax Commission. Submit form TC-160 to get a tax exemption number.



- Sales of grocery food, prepared food or alcoholic beverages by a church or a charitable institution, if the items are not available to the general public.

Sales Tax Exemptions

59-12-104

Entity Based Exemptions (continued)

- Sales of tangible personal property and products transferred electronically for primary use in farming operations. Also, charges for labor, parts and supplies to repair and maintain off-road agricultural machinery.
- Sales of feed, seed, baling ties, etc. to commercial farms.
- Sales of electricity and fuel for industrial use as defined in Utah Code §59-12-102.


Please see Publication 25 for more information, or view Utah code [59-12-104](#) for a full listing of Sales and Use tax exemptions.



TC-721G – Exemption Certificate for Government and Schools

- Utah 2023 Senate Bill 82- a seller is required to obtain an updated exemption certificate from any purchaser if **more than 12 months** have elapsed since the last transaction between that seller and the purchaser.



	Utah State Tax Commission	TC-721G Rev. 5/18
	Exemption Certificate for Governments & Schools (Sales, Use, Tourism and Motor Vehicle Rental Tax)	

Name of institution claiming exemption (purchaser)		Telephone Number	
Street Address	City	State	ZIP Code
Authorized Signature	Name (please print)	Title	
Name of Seller or Supplier:		Date	

The person signing this certificate **MUST** check the applicable box showing the basis for which the exemption is being claimed.

Email questions to taxmaster@utah.gov. You may also write or visit the Tax Commission at 210 N 1950 W, Salt Lake City, UT 84134, or call 801-297-2200 or toll free 1-800-662-4335.

DO NOT SEND THIS CERTIFICATE TO THE TAX COMMISSION
Keep it with your records in case of an audit.

Print Form

Clear form

☐ **UNITED STATES GOVERNMENT OR NATIVE AMERICAN TRIBE**
I certify the tangible personal property or services purchased are to be paid directly with funds from the entity noted on this form and will be used in the exercise of essential governmental or tribal functions. **NOTE:** Includes sales of tangible personal property to federally chartered credit unions. "Directly" does not include per diem, entity advances, or government reimbursements for employee credit card purchases.

☐ **CONSTRUCTION MATERIALS PURCHASED FOR SCHOOLS OR PUBLIC TRANSIT DISTRICTS**
I certify the construction materials purchased are on behalf of a public elementary or secondary school, or public transit district. I further certify the purchased construction materials will be installed or converted into real property owned by the school or public transit district.
Name of school or public transit district: _____
Name of project: _____

☐ **FOREIGN DIPLOMAT**
I certify the purchases are authorized by a diplomatic tax exemption card issued by the United States.
Foreign diplomat number: _____

☐ **UTAH LOCAL GOVERNMENTS AND PUBLIC ELEMENTARY AND SECONDARY SCHOOLS**
Sales Tax License No. _____
I certify the tangible personal property or services purchased are to be paid directly with funds from the entity noted on this form and will be used in the exercise of that entity's essential functions. For construction materials, if the purchaser is a Utah local government, these construction materials will be installed or converted into real property by employees of this government entity.
CAUTION: This exemption does not apply to government or educational entities of other states and is not valid for lodging-related purchases.

☐ **UTAH STATE GOVERNMENT**
Sales Tax License No. _____
I certify the tangible personal property or services purchased are to be paid directly with funds from the entity noted on this form and will be used in the exercise of its essential functions. For construction materials, they will be installed or converted into real property by employees of this government entity.
CAUTION: This exemption does not apply to other states and is not valid for lodging-related purchases.

☐ **HEBER VALLEY HISTORIC RAILROAD**

Sales Tax Exemptions

59-12-104

Use Based Exemptions

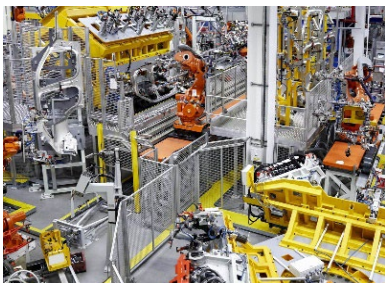


Use Based Exemptions -A use-based exemption is determined by the buyer's use of the product.

Some common exemptions are:

- Products purchased for resale in the regular course of business, either in their original forms or as ingredients or components of a manufactured or compounded product.
- Sales of certain vehicles for exclusive use outside of Utah.
- Sales for resale or lease. The lease of tangible personal property and products transferred electronically is also exempt if it meets all of the following conditions:
 - the property is part of a sale-leaseback transaction,
 - sales or use tax was paid on the initial purchase of the property, and
 - the leased property will be capitalized and the lease payments will be accounted for as payments made under a financing arrangement.





Sales Tax Exemptions

59-12-104

Use Based Exemptions (continued)



- Purchases of fuel, gas and electricity predominantly used for industrial use.
- Purchases or leases of machinery, equipment, repair or replacement parts or materials (except office equipment and supplies) used or consumed:
 - by a qualified manufacturing facility or scrap recycler to produce an item sold as tangible personal property.
 - used in a Utah mining production process or research and development, by a business described in NAICS 212, Mining (except Oil and Gas) or NAICS 213113, Support Activities for Coal Mining.
 - by a qualified web search portal facility or medical laboratory for the operation of the establishment.
- Purchases or leases of machinery, equipment and normal operating repair or replacement parts, with an economic life of three or more years, used in Utah to perform qualified research.



Sales Tax Exemptions

59-12-104

Use Based Exemptions (continued)

- Purchases of tangible personal property and products transferred electronically when sales and use tax is paid to another state, unless the other state's tax rate is lower than Utah's rate. When the tax rate is lower than Utah's rate, the buyer must pay the difference.

Note: No adjustment or credit is allowed if the other state's tax rate is greater than Utah's rate.

- Sales of parts used in the repair or renovation of the following exempt tangible personal property:
 - Tools or equipment used exclusively under an aerospace or electronics industry contract with the United States government
 - Tangible personal property and products transferred electronically used or consumed primarily and directly in farming operations
 - Snow-making equipment, ski slope grooming equipment, and passenger ropeways





Sales Tax Exemptions

59-12-104

Use Based Exemptions (continued)



- Sales of non-returnable containers, labels, bags, shipping cases and casing to a manufacturer, processor, wholesaler or retailer for use in packaging tangible personal property for resale.
- Purchases of property from another state that is brought into Utah, only if the property is:
 - Used for business
 - First used outside Utah
 - Not a vehicle, and
 - Not rented or leased.
- Purchases of certain consumable items by short-term lodging providers, only if the items are:
 - Used by guests
 - Included in the full sales price of the lodging, and
 - Not listed separately on the invoice.

Note: See Publication 56 for more information on lodging providers.





Sales Tax Exemptions

59-12-104

Use Based Exemptions (continued)



- Purchases of items (except machinery, equipment, parts, office supplies, electricity, gas, heat, steam or fuel) that are essential for and entirely consumed to provide the taxable service of:
 - Telecommunications
 - Admissions
 - Cleaning, repair or renovation of tangible personal property (including laundry and dry cleaning services)
 - Short-term lodging

Please see Publication 25 for more information, or view Utah code [59-12-104](#) for a full listing of Sales and Use tax exemptions.



TC-721 – Exemption Certificate

- Buyer is responsible to provide to seller
- Buyer must meet all qualifications for exemption
- Seller can take at face value from buyer (does not need to verify buyer meets exemption requirements)
- If buyer does not provide exemption certificate, seller is required to collect tax. (seller can be held responsible for tax due if certificate is not on file)
- Utah 2023 Senate Bill 82- a seller is required to obtain an updated exemption certificate from any purchaser if **more than 12 months have elapsed since the last transaction** between that seller and the purchaser.



Utah State Tax Commission

Exemption Certificate (Sales, Use, Tourism and Motor Vehicle Rental Tax)

Print Form

Clear form

TC-721

Rev. 5/22

tax.utah.gov

Name of business or institution claiming exemption (purchaser)		Telephone number	
Street address	City	State	ZIP Code
Authorized signature	Name (please print)	Title	
Name of Seller or Supplier:		Date	
Sales Tax License Number:		Required for all exemptions marked with an asterisk (*)	

The signer of this certificate MUST check the box showing the basis for which the exemption is being claimed.

DO NOT SEND THIS CERTIFICATE TO THE TAX COMMISSION
Keep it with your records in case of an audit.

For purchases by government, Native American tribes and public schools, use form TC-721G.

☐ **Resale or Re-lease**

I certify I am a dealer in tangible personal property or services that are for resale or re-lease. If I use or consume any tangible personal property or services I purchase tax free for resale, or if my sales are of food, beverages, dairy products and similar confections dispensed from vending machines (see Rule R865-19S-74), I will report and pay sales tax directly to the Tax Commission on my next sales and use tax return.

☐ **Religious or Charitable Institution**

I certify the tangible personal property or services purchased will be used or consumed for essential religious or charitable purposes. **This exemption can only be used on purchases totaling \$1,000 or more, unless the sale is pursuant to a contract between the seller and purchaser.**

☐ **Construction Materials Purchased for Religious and Charitable Organizations**

I certify the construction materials are purchased on behalf of a religious or charitable organization and that they will be installed or converted into real property owned by the religious or charitable organization.

Name of religious or charitable organization:

Name of project:

☐ **Fuels, Gas, Electricity**

I certify all natural gas, electricity, coal, coke, and other fuel purchased will be predominantly used for industrial use.

☐ **Machinery and Equipment and Normal Operating**

☐ **Machinery and Equipment and Normal Operating Repair or Replacement Parts Used in an Electronic Payment Service**

I certify the machinery and equipment and normal operating repair or replacement parts have an economic life of three years or more and are for use in the operation of an electronic payment service described in NAICS Code 522320.

☐ **Machinery or Equipment Used by Payers of Admissions or User Fees**

I certify that: (1) the machinery or equipment has an economic life of three or more years and will be used by payers of admissions or user fees (Utah Code §59-12-103(1)(f)); (2) the buyer is in the amusement, gambling or recreation industry (NAICS Subsector 713); and (3) at least 51 percent of the buyer's sales revenue for the previous calendar quarter came from admissions or user fees.

☐ **Refinery Machinery, Equipment and Normal Repair or Replacement Parts**

I certify the machinery, equipment, normal operating repair parts, catalysts, chemicals, reagents, solutions or supplies are for the use of a refiner who owns, leases, controls or supervises a refinery (see Utah Code §63M-4-701) located in Utah, and beginning on July 1, 2021, annually obtains a valid refiner tax exemption certification from the Office of Energy Development.

☐ **Pollution Control Facility**

I certify our company has been granted a "Certification of Pollution Control Facilities" as provided for by Utah Code §§19-12-101 -

TC-721NR- Products Purchased in Utah and Taken Outside of the State for Resale

	Utah State Tax Commission Sales Tax Exemption Certificate for Non-Utah Retailers Accepting Merchandise Delivery in Utah	TC-721NR Rev. 10/19
---	--	-------------------------------

Name of non-Utah retailer (buyer)		Telephone number	
Street Address	City	State	ZIP Code
Buyer's retail sales license:	Issuing state	License number	
Authorized Signature	Name (please print)	Title	

► I certify that I am a seller of tangible personal property or services and that the tangible personal property or services, shown on the invoices listed below, are for resale. The property will NOT be used in real property contract work or for any personal or business use.

Seller's name:		Date
Invoice numbers:		


This certificate is only valid for the products or services shown on the invoices listed above. The non-Utah retailer must complete a new certificate each time merchandise delivery is accepted in Utah.

Email questions to taxmaster@utah.gov. You may also write or visit the Tax Commission at 210 N 1950 W, Salt Lake City, UT 84134, or call 801-297-2200 or toll free 1-800-662-4335.

DO NOT SEND THIS CERTIFICATE TO THE TAX COMMISSION
Keep it with your records in case of an audit.



TC-721A – Vehicles Used Exclusively Outside of Utah

	Utah State Tax Commission 210 N 1950 W • Salt Lake City, UT 84134 • www.tax.utah.gov	TC-721A Rev. 5/07
	Sales and Use Tax Exemption Affidavit for Exclusive Use Outside of Utah	

Clear form

This sales tax exemption may be allowed only if all names and addresses are complete and this form is signed.

Type	Year	Make
Model	Style	Identification number

Purchaser			Dealer		
Name			Name		
Address			Address		
City	State	ZIP Code	City	State	ZIP Code

USE THIS FORM to apply for an exemption of sales tax on a purchase of:

1. a vehicle required to be registered under the Motor Vehicle Act,
2. a boat required to be registered under the State Boating Act,
3. a boat trailer, or
4. an outboard motor.

This exemption is only valid if the vehicle, boat, boat trailer or outboard motor is not registered in Utah and is either:

1. not used in Utah, or
2. used in Utah, if the vehicle is used for
 - a. non-business purposes, for a period not to exceed 30 days in a calendar year; or
 - b. business purposes, for the time period needed to transport it to the borders.

I have read and understand this affidavit and I certify I take sole responsibility in determining I am eligible for this claim of exemption. In addition, I certify the vehicle described on this affidavit will be taken out of Utah permanently and will not be used or registered in Utah. This affidavit is true and correct to the best of my knowledge.



Sales Tax Exemptions

59-12-104

Product Based Exemptions



Product Based Exemptions -A product-based exemption is determined by the type of product. An exemption certificate is not required.

Some common exemptions are:

- Isolated or occasional sales, if the sale is made by a person who does not typically sell that type of product.
 - This exemption does not apply to sales of products for resale or to the sale of a vehicle or vessel that must be titled or registered in Utah.
- Purchases of prescription drugs.
 - A drug is defined as a compound, substance or preparation that is used to diagnose, cure, mitigate, treat or prevent disease, or to affect the structure or function of the human body.
 - Food, dietary supplements, alcoholic beverages and prosthetic devices are **not** considered drugs.

Note: Sales of drugs are exempt from sales and use tax only if the buyer presents a prescription.





Sales Tax Exemptions

59-12-104

Product Based Exemptions (continued)



- Sales or rentals of durable medical equipment, including replacement and repair parts.
 - Sales or rentals of durable medical equipment are exempt from sales and use tax only if the buyer presents a prescription for the equipment.
- Sales or rentals of mobility-enhancing equipment to help a person with limited mobility move from one place to another.
 - Sales or rentals of mobility-enhancing equipment are exempt from sales and use tax only if the buyer presents a prescription for the equipment.
- Sales of prosthetic devices, including repair and replacement parts.
 - Sales or rentals of prosthetic devices are exempt from sales and use tax only if a prescription is required for the device or it is purchased by a hospital or medical facility.



Sales Tax Exemptions

59-12-104

Product Based Exemptions (continued)



- Sales of motor fuels and special fuels subject to Utah fuel excise tax.
- Sales of hay.
- Exclusive sale of seedling plants, or garden, farm or other agricultural produce, if sold during the harvest season by the producer, an employee of the producer, or by a member of the producer's immediate family.
 - If the producer sells any other product, tax is due on all sales.
- Forty-five percent of the sales price of a new manufactured home, and 100 percent of the sales price of a used manufactured home.
- Fees for unassisted amusement devices, such as arcade games.
- Sales of unassisted carwashes, and unassisted dry cleaning and laundry services.





Sales Tax Exemptions

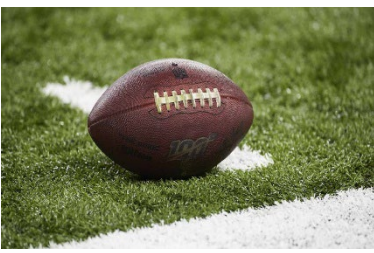
59-12-104

Product Based Exemptions (continued)



- Interstate sales delivered by common carrier or by the seller to a place outside Utah.
 - The licensed seller or retailer must keep a copy of the bill of lading, freight bill, form TC-757 or other proof of out-of-Utah delivery.
 - If the property is delivered within Utah to a buyer, the tax applies, even if the buyer takes the property out of Utah. See Rule R865-19S-44.
- Sales of telephone service charged to a prepaid telephone calling card.
- Sales of newspapers or newspaper subscriptions.
- Sales of water in a pipe, conduit, ditch or reservoir.
- Room and trailer space rentals for 30 consecutive days or more.

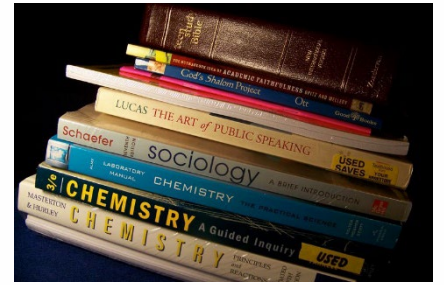




Sales Tax Exemptions

59-12-104

Product Based Exemptions (continued)



- Admissions to higher education athletic events.
- Sales of textbooks, if:
 - The textbook is required for a higher education course
 - The seller is not a bookstore owned by an institution of higher education
 - The buyer is enrolled in a course offered by an institution of higher education
 - At least 51 percent of the seller's sales for the previous calendar quarter are sales of textbooks for a higher education course

Note: Sellers must keep records to verify these conditions for each sale. Additionally, a seller's records must include exemption certificates (TC-721) showing the buyer is enrolled in courses offered by an institution of higher education.

☐ Textbooks for Higher Education

I certify that textbooks purchased are required for a higher education course, for which I am enrolled at an institution of higher education, and qualify for this exemption. An institution of higher education means: the University of Utah, Utah State University, Utah State University Eastern, Weber State University, Southern Utah University, Snow College, Dixie State University, Utah Valley University, Salt Lake Community College, or the Utah System of Technical Colleges.



Sales Tax Exemptions

59-12-104

Product Based Exemptions (continued)



- Sales of currency or coinage that is legal tender of the United States or of a foreign nation.
- Sales of an ingot, bar, medallion or decorative coin containing at least 50 percent gold, silver or platinum that is not legal tender of any nation.
- Sales of a note, leaf, foil or film that are used as a currency but are not legal tender and contain at least 50 percent gold, silver or platinum (not including any transparent polymer holder, coating or encasement).

Please see Publication 25 for more information, or view Utah code [59-12-104](#) for a full listing of Sales and Use tax exemptions.

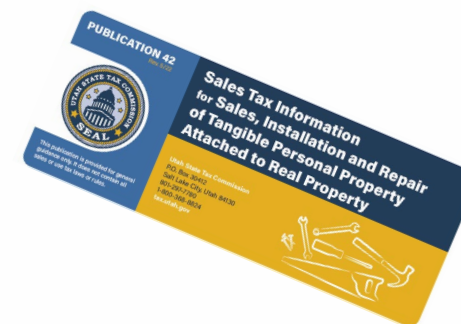


Tax Commission Resources





Sales Tax Publications



tax.utah.gov/forms-pubs

The Tax Commission provides many useful publications regarding sales and use tax based on the type of business you have:

Some sales related publications are:

- **Publication 5** - Vehicle and watercraft dealers – Body and repair shops
- **Publication 25** - Sales tax general information
- **Publication 42** - Sales, installation and repair of tangible personal property attached to real property
- **Publication 45** - Nurseries, florists, landscapers and related industries
- **Publication 53** - Health care providers
- **Publication 55** - Restaurants
- **Publication 56** - Lodging providers
- **Publication 64** - Computer services provider

For a listing of all related publications, please [visit our website](http://tax.utah.gov/forms-pubs).



Tax Commission Resources

Contact Us	
Practitioner Hotline	801-297-7790 or 1-800-662-4335 ext. 7790
Customer Service – payment processing & liens	801-297-2200 or 1-800-662-4335
Taxpayer Resources Unit – basic tax questions	801-297-7705 or 1-800-662-4335 ext. 7705
TAP Support	801-297-3996 or 1-800-662-4335 ext. 3996 Email: tapsupport@utah.gov
Taxpayer Advocate Service	801-297-7562 or 1-800-662-4335 ext. 7562
Email	taxmaster@utah.gov
Online Resources	
Tax Commission Website	tax.utah.gov
Forms and Publications	tax.utah.gov/forms
Online Services (TAP)	tap.utah.gov
Tax Practitioner Information	tax.utah.gov/taxpros
Sales and Use Tax Information	tax.utah.gov/sales
Tax Training	tax.utah.gov/training



Sales and Use Tax Workshops

tax.utah.gov/training/workshops/sales-use-tax

Sales & Use Tax Workshop

Tax Instruction & Training

Tax Workshops +

- Small Business Employer Tax Workshop
- Sales & Use Tax Workshop**
- Pay the IRS Less Without Going to Jail
- Tax Webinars & Videos

This free workshop helps new business owners understand the basics of Utah's sales and use tax, including:

- Licensing requirements
- Tax rates
- Filing returns
- Remitting tax
- The basics of what is taxable versus what is exempt

Registration is required—see below.

Scheduled Dates

Please note: All workshops are currently only held online.

All workshops are taught from **9:00 a.m. to 11:30 a.m.** GoTo Meetings are held online and you'll receive instructions when registering.

- Tuesday, January 17, 2023
- Wednesday, April 26, 2023
- Wednesday, July 19, 2023
- Wednesday, October 25, 2023

Location

- Currently all workshops are online
- You will receive the link when registering

To Register

Email: taxtraining@utah.gov

Registration requests are accepted until one week before each class

CPE Credits are not offered for workshops offered by the Tax Commission

We have four scheduled workshops throughout the year. Please use the email below to register and you will be sent information to access the workshop. Check the link above for future dates.

If you would like a recording of the workshop, please send an email to taxtraining@utah.gov and we can send it to you by email. We encourage you to attend on these dates so you will have opportunities to ask questions.



Sales Tax Check up

tax.utah.gov/training/sales-tax-checkup

Sales Tax Check Up



Register at salestaxcheckup@utah.gov

Let us help with your sales and use tax reporting by conducting a Sales Tax Check Up. A tax examiner will visit you to educate you on how to properly account for and report your sales and use taxes. You will receive instructions specific to your business and accounting software regarding:

- Which report(s) to use to file sales and use tax returns
- What documentation is needed for exempt sales
- Identify transactions subject to sales or use tax
- What tax rates and correct taxing jurisdiction to use
- How to correctly accrue and report use tax
- What appropriate adjustments to make

Sales Tax Check Ups are meant to be educational only, and no tax assessments are made. A tax examiner can answer your specific questions. To register for a Sales Tax Check Up, contact us at salestaxcheckup@utah.gov.



THANK YOU FOR VIEWING THIS WEBINAR

